

# **Council Improvement Proposal – June 2015**





### Council name:

### **Tumut Shire Council**

## Date of Council resolution endorsing 23 June 2015 this submission:

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# 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 your planned improvement strategies and outcomes.

Tumut Shire is a multi-purpose Council and is located in the western foothills of the Great Diving Range and borders on the Kosciuszko National Park. It's lower eastern area is part of the Murrumbidgee River flood plain and 62% of it is in National Parks and State Forests.

It has a population of 11,316, 145 EFT Staff and an operational expenditure budget of \$ 24.8m exclusive of water and sewer. Water and Sewer have an annual operational budget of \$6.4m. Council operates a very successful business unit Snowy Works and Services that provides local government services and undertakes works for government and the private sector.

The Local Government Reform process and the recommendations of the Independent Local Government Review Panel have been supported. Council has attempted to have facilitated structured discussion with it's neighbouring Councils about the opportunities for reform and this has not proved possible. Council has resolved to continue to seek ongoing expansion of productive and mutually beneficial working relationships with Gundagai and Tumbarumba Shires.

Based on the 2013/14 financial statements, Tumut has met all 7 Benchmarks and this is explained in section 2.3.

Our Improvement Plan to achieve the benchmarks includes:

- Increase income returns on property portfolio (commenced 15/16)
- Reduce Councils Employee Leave Entitlement liability (over 4 yrs commencing 2015/16)
- Continue a program of organisational service reviews including efficiency/productivity measures undertaken to date (commenced 14/15)
- Cap organizational salary growth (15/16)
- Application to the Independent Pricing and Regulatory Tribunal (IPART) for an increase in total rate revenue up to 15% (2019/2020) following public consultation

- Revalue infrastructure including useful life etc. in accordance with Office of Local Government Guidelines and industry best practice (commence 15/16)
- Undertake Organisational Review 2016/17 to reduce department structure

Council's Improvement Plan does not include potential rates from Crown Lands particularly softwood plantations managed by NSW Forest Corporation following the rating review. It does not also allow for increase in Own Source Income through growth of private works income of it's Business Unit Snowy Works and Services private works and utilization of Riverina JO.

Council has ensured the implementation of the Council Improvement Plan by including a quarterly review of progress by it becoming a standard report item for it's quarterly Policy Finance and Strategy Meetings, this will become "the way we do business" as set out in the Draft Council Improvement Plan.

# **Scale and Capacity**

Does your council have the scale and capacity broadly consistent with the recommendations of the Independent Local Government Review Panel?

(ie, the Panel did not recommend your council needed to merge or become a Rural Council).

## Yes

The final report of the Independent Local Government Review Panel (ILGRP) confirmed the following recommendations.

Tumut – Council in Riverina JO or **merge with Gundagai** and Tumbarumba

Gundagai - Merge with Tumut or Rural Council in Riverina CC

Tumbarumba - Rural Council in Riverina JO or merge with Tumut/Gundagai

Council has not been successful in seeking structured and facilitated reform discussions with the above Councils despite several attempts. (Anenxure 1 – Consultation with adjoining Councils). Each Council has resolved to prepare submissions to remain as a FFTF Council. Tumut Shire Council has no option but to prepare a FFTF submission based on Template 2.

Tumut Shire Council is a member and active participant for the activities of the Riverina Eastern Region of Councils (REROC) to achieve additional scale and capacity. This will continue through to the proposed Joint Organisation of Councils and is being refined through the pilot Riverina Joint Organisation. The General Manager is currently on the Executive over-seeing the Riverina Pilot JO.

Our participation in REROC and the benefits it's value adds to individual Local Government Areas in the Riverina has occurred in the past and there is nothing to suggest this will not continue in the future. This is detailed in REROC – Building Strategic Capacity – Annexure 2. (Annexure 2 – Scale and Capacity – REROC Building Strategic Capacity)

In 2012, TCorp assessed Tumut Shire Council's financial position as" moderate", with "neutral" outlook. The Department of Local Government Infrastructure Audit (2013) rated Tumut as "weak". Council, on receiving these reports commenced a review of it's assets and capital expenditure, with a view to address the issues identified in the reports.

Council is confident that with the implementation of the Council's Improvement Plan, Council will achieve long term sustainability and have the necessary scale and capacity to deliver ongoing sustainable high quality local government services for it's community.

This will not be without it's challenges, with the two major risks being:

- Lack of on-going fiscal responsibility and commitment by Councillors and management
- Natural disaster such as fire and flood

Council has a long history of strategic scale and capacity as demonstrated by it's leadership and innovation to provide services to it's community.

Councils approach to address the key elements of scale and capacity is detailed in Annexure 3. (Annexure 3 – Scale and Capacity – Addressing key elements), that demonstrate strong achievement over many years to meet Community expectations.

To ensure implementation of the Council Improvement Plan, a strategy has been developed.

# 2. Your council's current position

# 2.1 About your local government area

Explain the key characteristics of your local government area, your community's goals and priorities and the challenges you face in the future (up to 500 words).

You should reference your Community Strategic Plan and any relevant demographic data for this section.

Tumut Shire Council has an area of 4566 sq km (of which 21% is State Forest and 41% NSW National Park) and an estimated resident population as at 30 June 2015 of 11,316.

The 21% or 94,042 ha is softwood radiata pine plantation forest controlled by NSW Forestry Corporation. They do not contribute any rates, yet demand high levels of service for road impacts of haulage and bushfire protection. This causes significant impacts on Councils budget.

The major urban population centres are:

- Adelong
- Batlow
- Brungle
- Talbingo
- Tumut

The major land uses are estimated to generate regional income of:

Forestry/processing/paper - \$ 970m Horticulture (permanent plantings) - \$ 40m Agriculture (grazing) - \$ 40m Tourism - \$ 40m

**See Annexure 4** – Economic Snapshot

The Council is classified as a 'Grade 11 Council' by the Office of Local Government and as such can utilize FAG's as own source income for calculation of Benchmarks.

#### Council's assets include:

396 km	Sealed roads
242 km	Unsealed roads

8020 m<sup>2</sup> Bridges

Road culverts 1653 m

49 Community Halls/Buildings

Swimming Pools 3

Airport Libraries 2 11 Public toilets 5 Cemeteries Sports grounds 9 Saleyard

Waste facilities 4

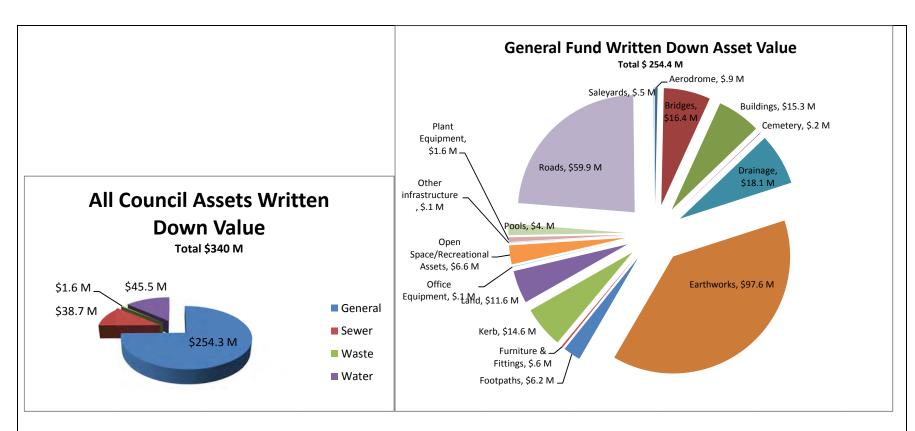
Water Supply Schemes 5

16 Reservoirs Trunk mains 59907 m

126126 m Reticulation mains Sewer Schemes 5 5 **Treatment Plants** 126448 m Gravity mains 7323 m Rising mains

7350 m Trunk

Total WDV \$ 340m



It is important to note that depreciation is fully funded for the Water, Sewer and Waste functions of Council.

### **Community Aspirations**

During consultation in the development of Councils Community Strategic Plan, the following community values and vision were identified.

#### Social

- Urban Living and Infrastructure a well planned community with supportive infrastructure
- A Creative Shire a place where arts, culture and heritage are celebrated
- An Active and Healthy Community

- Education and Training Supporting future generations
- Getting Around Transport infrastructure, services and public access
- Health, Aged Care and Community Services Providing services and caring for everyone in the community

#### **Environmental**

- Environmental Sustainability - A clean and green environment

#### Governance/Civic Leadership

- Governance and Civic Leadership Compliance and transparency
- An Inclusive Community An involved and engaged community

#### **Economic**

- A Smart Economy a preferred business and tourism location
- Council has an active community engagement strategy that includes:
  - Regular community meetings across the Shire
  - > Publications of Community Newsletter See Annexure 5 Community Newsletter June 2015
  - > Social Media presence
  - > A number of web pages
  - > Regular participation on the Local Community Radio Station
  - > A number of Council Committees that meet Community needs (14) Flood Plain Committee, Saleyards Committee, Youth Council Committee, Communications Committee etc
  - ➤ Participation on other Committees (7) S355 Working Groups (exercising delegated authority) and (16) External Committees (convened by other groups)

Council, given its location faces the challenges of topography and climate. This includes building roads to suit sub-alpine conditions and steep elevated topography that causes high velocity run-off particularly in flood events.

Bordering the Kosciuszko National Park and being the principal western access to the snowfields and water ways of the Snowy Mountains Scheme, Tumut Shire must also service the large number of tourists that utilise these areas.

# 2.2 Key challenges and opportunities

Strengths	Weaknesses
TAFE – delivering Forest Industry Training Best Practice Water & Sewer Affordable housing – Infrastructure capacity to cater for growth SnowyWS (Business Unit) – Own source income generator Achieving (+) population growth World Class industry (Timber/Hydro Electricity/Horticulture Diverse economy – Manufacturing/Visy Clean air and water Well respected government relations Strong partnerships with government/and local members Health Services Emergency Management Closeness to Canberra/ACT and regional service centre of Wagga Wagga NBN roll out Location near Kosciuzcko National Park High value natural resource assets Indigenous Community Attract highly skilled staff Member REROC High volunteer participation	Ageing workforce Low Rating base 62% non-ratable (Forest/National Park/State Water) Slow rate of population growth Current connectivity to population centres/NBN poor Revenue generating capacity Limited public transport options Value of Australian \$ (impact on global industry) Communication (mobile blackspots)
Opportunities	Threats
Fit for the Future – LG Reform Economic development potential Centre of Softwood Plantation Industry in Southern NSW Environmental/Sustainable industries Tourism (natural assets) Joint Organisation – Resource sharing Growth of SWS (own source income)	Aging demographic profile Natural Disaster (fire to plantation resource)/Floods Climate Change Federal/State Government policy settings "Sponge" effect of Wagga Wagga a regional centre Commitment by Councillors/Management to Councils Improvement Plan

Geographic location to Canberra/ACT	Community Expectations verses Councils ability to meet them
Service Review	
Use of debt for infrastructure works	
Rates Review	
Local Government Act amendment	
Youth Activities	
Better communication with community	
Airport	
Secure Water Supply	

# 2.3 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break- even average over 3 years)	8.2	Yes	8.1%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	69.8	Yes	87.67%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	185%	Yes	73%	No

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

For example, historical constraints/context, one-off adjustments/factors, council policies and trade-offs between criteria.

### **SUSTAINABILITY**

1. Building and Infrastructure Asset Renewal

#### **Building and Asset Renewal**

#### Analysis of results:

At first glance the results demonstrate an upward trend in Council funding renewals in excess of the depreciation expense. The years of 2012 – 2014 were years of considerable rebuilding following major flooding events in late 2010, and early 2012. Repair works accelerated renewal timeframes of the assets affected significantly, hence causing expenditure in excess of the annual depreciation expense in the 2014 year.

Following the Treasury Corporations audit findings in 2012 with regards to Council's Asset Renewal Ratio, a review of asset financial assumptions was initiated to ensure reported assumptions were realistic rather than aspirational. Council Officers found several major assumptions as being flawed and initiated changes to be made in asset management processes in accordance with the Australian Infrastructure Financial Management Guidelines. The effect of flood damage works and the high application of annual depreciation expense results in skewed results over the past three years. Reconstruction of flood damage roads assets, has contributed to a reduction in planned renewals over the next ten years, as renewal/replacement has been accelerated.

#### Ten year Asset Renewal Ratio forecasting:

Forecasting of future asset renewal needs has been undertaken in conjunction with Tumut Council's Long Term Financial Plan and identified asset renewal needs for the next ten year period. Council is working with Jeff Roorda and Associates in formalising depreciation assumptions.

On the basis of completed asset management plans being at 76% (of the current replacement cost) completion, the forecast can be considered reliable. The issue with applying an asset renewal ratio in this fashion is the assumption that all asset renewals align with annual depreciation expense. Infrastructure asset stock which is low in age, and hence, excellent to good condition does not reflect in any current or even ten year forecast for renewal need, however, depreciation expense is still calculated with a straight line methodology. A council with a relatively young asset stock, to meet the 100% benchmark for this indicator, must therefore consider bringing forward planned renewals. This early intervention of renewals leads to reduced economy of infrastructure as it does not reach its potential useful life.

# 2.3 Performance against the Fit for the Future benchmarks

Infrastructure and service management					
Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?	
Infrastructure Backlog Ratio (Less than 2%)	1%	Yes	0.3%	Yes	
Asset Maintenance Ratio (Greater than 100% average over 3 years)	99%	Yes	100%	Yes	
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	4.4%	Yes	4.7%	Yes	

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

## **INFRASTRUCTURE AND SERVICE MANAGEMENT**

1. Infrastructure Backlog Ratio

Analysis of results:

Information used to calculate the Infrastructure Backlog Ratio is taken from data contained with Tumut Council's Special Schedule 7 report for the EOFY 2014.

The value of assets at condition 4 &5 reflects some assets that are scheduled for renewal in the following year of the report (EOFY2015). This strictly speaking is correct, however scheduling of renewals is undertaken prior to the condition of an asset reaching 4 (as set intervention level). Therefore, in actual fact Council has "rounded up" some assets say from a condition 3.8 to a condition 4 and reported them as unsatisfactory. This will be amended in future Special Schedule 7 reports.

In addition, the value to bring the assets to satisfactory has assumed a full cost of renewal (Current Replacement Cost) which has been the assumption previously made. However, future drafting of the Special Schedule 7 will utilise a methodology to consider maintenance or partial renewal works to bring the asset to a satisfactory condition, thus providing a more accurate cost basis for the report.

#### **Future forecasting:**

All works pertained within the Special Schedule 7 have been forecast into the long term financial plan and forward works program. All new Asset Management Plans and rewrites contain the principal of fully funding maintenance and renewal requirements of the infrastructure class. Improvement of this ratio will result.

The Long Term Financial Plan contains sufficient funding to address these "Backlog" works contained with this ratio, in addition to those works due for renewal. It is expected, on the current data and assuming continual funding of all asset renewals for all asset classes, the current backlog will be fully addressed by EOFY2018.

#### Further commentary on indicator:

The premise of what this indicator seeks to measure is slightly flawed for two reasons:

- Level of Community Satisfaction is not considered in this indicator. Whilst Tumut Council has elected a condition intervention of condition 4, and hence the measure of "Poor" by Council meets the intention of the indicator, there is no consideration in the methodology of calculating the ratio for communities which are willing to accept a lower level of service, hence think of condition 4 assets as being satisfactory. For the indicator to truly represent sustainability of a Local Government organisation, the measurement of satisfactory should be tied to Integrated Planning and Reporting principles and associated documents.
- As pointed out previously, current forecasted funding in the long term financial plan of Council has the current backlog list being brought to zero cost by EOFY2018. A more effective measure of an organisations sustainability would be to assess the organisations ability to fund its renewals over the long term period on a cumulative basis, divided by the current replacement cost of the total infrastructure stock.

#### 2. Asset Maintenance Ratio

### Analysis of results:

Required maintenance expenditure has been derived from relevant asset management plans, including those in draft. Council's asset management plans generally elect an average of the last five years expenditure, with refinements coming through scrutiny of recurring/specific maintenance works. The maintenance ratio is marginally lower than the benchmark, however the difference could be considered negligible given the perceived good and satisfactory condition of Council's infrastructure leading to lower and less frequent maintenance services.

### Ten year Asset Maintenance Ratio forecasting:

Forecasting of future asset renewal needs has been undertaken in conjunction with Tumut Council's Long Term Financial Plan and asset maintenance requirements indicated in asset management plans.

#### 3. Debt Service Ratio

Tumut currently has a low debt service ratio as borrowings are kept at a minimum. There are two (2) loans detailed in the LTFP 2015-2025 for the upgrade of the Tumut Olympic War Memorial Swimming Pool and redevelopment of the airpark.

# 2.3 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	2.3	Yes	1.2	Yes

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

N/A

# 2.4 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.

### **See Attached Reports**

**Tumut Shire Council Water Supply Performance 2013-14 – Annexure 6** 

**Tumut Shire Council Sewerage Performance 2013-14 – Annexure 7** 

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

\$700k for Sewer Fund mains renewal (backed by Asset Management Plan and Depreciation fully funded).

Nil for Water Fund (backed by Asset Management Plan and fully funded).

# 2.4 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 > \$1m for both Water and Sewer fund	Nil in next 5 years with a developed, approved and funded renewal and capital works program over next 30 years.	Total program over 30 years - Water \$ 26.04m and Sewer \$38.8m.	Council funds		

# 2.4 Water utility performance

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

Yes - in accordance with Best Practice Guidelines meets all indicators.

If No, please explain the factors that influence your performance.

N/A

# 2.4 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 period.

# Improvement strategies

Strategy	Timeframe	Anticipated outcome
Implement recommendations from the Risk Based Water Quality     Management Plan.	2016 - ongoing	Improved security and management of water quality.
2. Improve efficiency of Water and Sewer operations across all systems.	2016 – ongoing	Reliable remote monitoring and control of infrastructure. Minimise staff attendance - cost
3. Reduce infiltration and exfiltration to sewers	2016 – ongoing	Reduced hydraulic loading on sewer infrastructure, reduced operational costs. Deferment of capacity upgrading.
Upgrade remote monitoring and control systems to Water/Sewer infrastructure	2016 - 2018	Improved efficiency and reliability and cost reduction (operational)
5. Reduce Carbon footprint and energy costs	2016 - 2018	Reduced electricity consumption reduced carbon footprint.

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

# 3.1 Sustainability

Summarise your council's key strategies to improve performance against the Sustainability benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

Council will commence implementation of it's key improvement strategies commencing in the 15/16 Budget year being:

- Capping Salary and Wages growth beyond 15/16.
- Continuing organisational wide programmed service and efficiency reviews to achieve additional savings
- Commence staged completion of asset management plans and fully integrate into the Long Term Financial Plan.
- Review management of Councils property portfolio across the organisation to ensure return on investment.
- Manage both annual and long service leave to reduce annual accruals going to reserve.
- Grow Own Source Revenue

The major strategies for the new Council include:

- 1. In 16/17 it is proposed that the newly elected Council undertake an Organisational Restructure accounting for improvements gained from the introduction of the new software and reduce the number of Council Divisions.
- 2. SRV Council seek to continue it's 10% Special Rate Variation beyond 2019/20 and apply to IPART for a possible variation up to 15% from 2019/20. This has been flagged in Councils Strategic Planning and is to be worked through with it's community.

Council will continue to lobby Government as part of the Rates and Regulatory Review for the introduction of rates on crown land used for commercial purposes. Subject to the increase, revenue is on top of the existing notional income calculation.

3. Provide for Council oversight of the Implementation Plan by inclusion as a standard reporting requirement in "Sustainability Impacts" for all reports and list as a separate item for each quarterly Policy, Finance and Strategy Meeting. The plan will also be integrated into Council's I P & R Documentation and be a performance criteria in the General Manager's annual Performance Plan.

## Explain the key assumptions that underpin your strategies and expected outcomes.

For example the key assumptions that drive financial performance including the use of SRVs, growth in rates, wage increases, Financial Assistance or other operating grants, depreciation, and other essential or major expense or revenue items.

The 2015-2025 Long Term Financial Plan (LTFP) forms the basis for Councils 'Fit for the Future' submission and has been used as the reference point for councils financial models showing its plans to meet the scale and capacity financial sustainability indicators.

The financial models that have been prepared are based on a number of assumptions that have capacity to increase revenue or reduce expenditure which are the key drivers being the numerators or denominators within the definitions provided above. In most cases the assumption are of an operational measure.

The need to consider extending the current Special Rate Variation beyond its expiry date in 2019/2020 will require extensive community consultation and as such has only been factored in from the 2020/2021 onwards. Possible increases in rates income as a result of changes to the Local Government Act in regards to State agencies paying rates has been treated as a hypothetical assumption given the short term uncertainty of the changes occurring.

The financial modelling assumptions are as follows;

- 1. Reduce excessive Long Service Leave and Annual Leave balances: This is an operational action that will enable reductions in salaries and wages expenditure whilst staff are on LSL or AL which is funded from Councils Employee Leave Entitlement Reserves. It also provides opportunities for succession planning and helps to cap the growing LSL and AL liabilities caused by salary creep.
- 2. Review the standard useful lives of all assets: This exercise has the potential to reduce depreciation by up to 10% per annum which will improve council performance across the three (3) Infrastructure and Service management criteria. Council is reviewing all of its Asset Management Plans to incorporate these changes and there will be extensive community engagement regarding proposed changes to service levels and the condition of assets if the community are affected by such proposed changes.

- 3. Improved Property Portfolio management: Council has considerable land and building assets that are utilised by its Water, Sewer, Domestic Waste and Community groups. These assets have the potential to produce income that will improve council overall revenue raising ability which can then be utilised to increase expenditure on the key criteria.
- 4. Cap Salary and Wages expenditure using productivity and service level reviews: The implementation of the fully integrated Technology One software will provide opportunities to review existing work practices. All future staff vacancies will undergo a comprehensive position description and task responsibility review to identify productivity savings. If these reviews trigger changes to service levels that impact on the community, community awareness will be implemented to minimise adverse outcomes.
- 5. Organisational Review: Building on the outcomes of the assumption above this strategy is designed to consolidate staff productivity and service level improvements into councils organisational structure and identify further long term recurrent expenditure reductions.
- 6. Extend the existing Special Rate Variation (SRV) beyond 2020/2021: The current SRV was designed to enable a transfer of cost per ratepayer from the Water and Sewer Services to the General Fund. It has enabled council to do in excess of \$500k additional work per year and at its expiry date will have provided over \$7.7 mil. towards asset renewals. The integration of IP&R and FF&F plans will support council's application to extend the current SRV. It will require extensive community consultation. Special Rate Variation have now become the most prevalent remedy for nearly every council in NSW to address asset maintenance problems caused by 40 years of rate pegging.

The application of the six (6) strategies above will enable council to plan to meet the seven (7) FFF&F criteria and have been incorporated into the Long Term Financial Plan 2015-2015.

# 3.1 Sustainability

Outline your strategies and outcomes in the table below.

# 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Improve Councils     Operating Performance	<ul><li>a) Refine Councils Asset Management Plans</li><li>b) Complete outstanding Asset Management Plans</li></ul>	Dates verification 2016-2017 Complete plans by July 2016 and Budget by July 2017	Meet industry best practice to disclose Councils operating position.	Impact on Building and Infrastructure Asset Renewal Ratio.
<ol> <li>Special Rate Variation to General fund 2020/21 for asset renewal by 15% on-going.</li> </ol>	a) Engage public to ensure agreement with SRV Strategy – Commence 2016-17	Public Consultation 2017- 18 Submission to IPART	Community agreement  Additional income estimated \$133k per annum	Increase Own Source Revenue
3. Improve Council Own Source Revenue	<ul><li>a) Grow SWS private works</li><li>b) Property Management</li></ul>	Gocup Rd Project contracts 15/16 and beyond over next 5 years Rents increase \$100k per annum	Additional own source income  Additional own source income	Increase own source revenue

4. Lobby for Act Amendments to rate crown (commercial) lands	<ul><li>a) Participate in Review by way of submission</li><li>b) Lobby LGNSW</li></ul>	Submissions lodged	Subject to Government	Additional own sources income
5. Undertake Organisational Service Review	a) Develop and report on a program of service level reviews	Annual Service Review program adopted by Council September 2015  Service Reviews commenced – 2 per annum	Savings identified.  To inform Organisational Review	Additional income  Organisational productivity and efficiency enhanced
6. Organisational Restructure	To be undertaken by new Council 16/17	Review completed with 6 months of election for implementation	Organisation capable of meeting improvement plans and community needs	Impact on Operating Performance

# 3.2 Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the Infrastructure and service management benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

### **Key Strategies**

#### Strategy 1 – Data accuracy and reliability

Council has asset management plans in place for approximately 74% of its total value of infrastructure. Being of such significant proportion of the total asset stock, the accuracy and hence confidence in this data is essential prior to moving forward with the completion of the 26% of remaining assets not subject to an asset management plan.

Total rewrites of existing asset management plans are underway to improve the accuracy and reliability of outputs of the plans. The rewrites pertain to the following modifications:

- 1. Moving from age based assumption on useful life remaining to condition based assessment on useful life remaining. The provides an accurate assessment of the actual on-ground condition of assets for reporting and forecasting of asset renewal need
- 2. Confirmation of useful life assumptions by sourcing best practice guidance and interpreting to the local environmental conditions
- 3. Stocktake of all assets to move to 98% confidence level in completeness

The expected outcome of this strategy is to improve the quality of outputs from the asset management plans, hence improving the confidence level and reliability in the infrastructure inputs into the long term financial plan. By concentrating on the bulk of the assets in the first instance, a strong foundation and direction can be asserted for future asset management plan creation. Council's goal is to have confidence in the data and outputs of Reliable to Highly Reliable.

### Strategy 2 - Maintenance cost assumptions

Current maintenance costs included in asset management plans are on the basis of historical expenditure, rather than programmed and forecast maintenance/operational need. To move from a level of service of "current standard", maintenance and operational forecasts need to be determined on levels of service and specifications of the infrastructure. By undertaking this exercise, tangible guidance can be made on any proposed modification to levels of service, hence inputs into the long term financial plan.

### Strategy 3 - Community buy-in

Previous attempts of community consultation on asset management plans has been disappointing, with very little tangible input from the community as a whole. Strategies need to be put in place to gain much needed input from the community on its expectations relating to levels of service (not excluding non-infrastructure services). Proposed strategies within the next five years include:

• Improvements to presentation of asset management plans to be readable to the general public

- High quality survey services to identify effects of increasing/decreasing service levels
- Focus group(s) consultation of varied demographics

Community input into levels of service will either confirm existing levels of service are adequate, or require revision. Accuracy in community expectations will be reflected in the asset management plans and hence the long term financial plan.

### Strategy 4 - Completion of outstanding asset management plans

Council aims to have completed asset management plans for 100% of its assets within the next five years, with full integration into the long term financial plan. Quality of the asset management plans will be on the basis of the three strategies previously mentioned, equating to a high reliability of data, outputs and community expectation.

Explain the key assumptions that underpin your strategies and expected outcomes.

### **Key Assumptions**

**Strategy 1** – Improving the Fit for Future indicators will come about through consideration of the outputs from Highly Reliable data against the long term financial plan for affordability and refinement of levels of service (if required)

**Strategy 2** – Again, the assumption in confirming maintenance costs is one of confirming the current assumptions are correct, or need modification. Council currently funds its maintenance and operations of infrastructure fully, but needs to undertake an exercise of confirming the maintenance/operations forecast expenditure is correct.

**Strategy 3** – The primary assumption with community consultation is that sufficient input will be generated through the extended consultation methods to build a level of service stretching across the community and its varying demographics. Without quality input from the community, levels of service will either represent the interests of a small number of people in the community or be assumed from the number of complaints received by Council.

**Strategy 4** – Outstanding asset management plans are required to provide the full picture of Council's infrastructure management.

# 3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

# 3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
<ul> <li>Building and Asset Renewal</li> <li>Infrastructure Backlog</li> <li>Asset Maintenance</li> </ul>	Data accuracy and reliability	Completion of all AMP rewrites by July 2016 with the exception of Bridges, to be completed by July 2017.	<ol> <li>Highly Reliable data and outputs of asset management plans</li> <li>Utilise assumptions that reflect actual on- ground infrastructure</li> <li>Quality and confidence on inputs into the long term financial plan Highly Reliable</li> </ol>	Potential impact on Operating Performance ratio if additional funds required.
	Maintenance cost assumptions	Completion by July 2016	<ol> <li>Highly reliable data and outputs of asset management plans</li> <li>Utilise assumptions that reflect actual onground infrastructure</li> <li>Quality and confidence on inputs into the long term financial plan Highly Reliable.</li> <li>Provide basis for high</li> </ol>	

		quality community consultation on levels of service	
Completion of outstanding Asset Management Plans	To be completed between July 2015 to July 2018	<ol> <li>Highly reliable data and outputs of asset management plans</li> <li>Utilise assumptions that reflect actual on-ground infrastructure</li> <li>Quality and confidence on inputs into the long term financial plan Highly Reliable</li> <li>Provide basis for high quality community consultation on levels of service</li> </ol>	Will assist in determining service levels. All measures will be impacted if service levels change.
Community buy-in	Undertake process no later than 2019 Community Satisfaction Survey	<ol> <li>Highly reliable data and outputs of asset management plans</li> <li>Quality and confidence on inputs into the long term financial plan Highly Reliable</li> <li>Community determined criteria on performance rather than generic indicators of success</li> </ol>	All measures of service levels change.

Asset Management Plans align with LTFP

All AMP to be reviewed and confirm alignment with LTFP July 2016

1. Highly reliable AMPs integrated with LTFP

Building & Asset Renewal and Asset Maintenance rates may be impacted

# 3.3 Efficiency

Summarise your council's key strategies to improve performance against the Efficiency measures in the 2016-20 period, including the outcomes you expect to achieve.

### Efficiency

- Continue service level reviews across organisation
- Fully integrate "Tech One" across the organisation
- Determine customer satisfaction levels
- Review Councils Community Strategic Plan

Explain the key assumptions that underpin your strategies and expected outcomes.

### **Assumptions**

- Service Level Review will deliver savings
- Slight positive population growth
- Reduction in software license fees reduced costs as TechOne software is implemented
- Staff productivity gains application technology
- Undertake customer satisfaction survey to assist in SRV and Community Strategic Plan development

- Adjust 10 year SP & Delivery Program
- Riverina JO continues to deliver "efficiency" gains through scale and capacity
- SWS private income grows

# 3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency				
Objective	Strategies	Key milestones	Outcome	Impact on other measures
Reduce Councils Real     Operating Expenditure     per capita	Undertake planned service reviews and efficiency reviews	Finalise SWS and Engineering Division Reviews by December 2015 Review Development and Environment Division by 30/6/ 2016	Increase efficiencies and reduced costs	Improves Councils operating performance ratio

2.Reduction in Employee AL & LSL liability	a) Monthly leave balance report to MANEX	Individual staff leave plans in place to achieve a reduction in ELE liability	Reduction in leave accruals going to reserve	Operating Performance Ratio should be enhanced Succession planning
3. Active member of Riverina JO	a) Engage at all levels of JO to deliver benefits to TSC and Region	Ongoing	Increased efficiencies from scale and capacity	Operating Performance ratio should be enhanced

# 3.4 Improvement Action Plan

Summarise the key improvement actions that will be achieved in the first year of your plan.

Action plan	
Actions	Milestones
1. Manage Councils Property Portfolio to increase income	Income projections achieved
2. Implement Management of annual leave and long service leave	Employee leave reduction plans in place to achieve targeted savings

3. Continue Service Level Reviews	Review Plan adopted - SWS/Engineers tentative Development and Environment commenced
4. Commence Review of Asset Management Plan and integrate to LTFP	Completed by July 2016
* Please attach detailed Improvement plan and supporting financial modelling	See Annexure 8

### See - Tumut Shire Council Draft Council Improvement Plan - June 2015 - ANNEXURE 8

Outline the process that underpinned the development of your Action Plan.

For example, who was involved, any external assistance, consultation or collaboration, and how the council has reviewed and approved the plan.

Plan was developed by:

- 4. Review Council I P & R Documentation including results of Community Engagement
- 5. Review of SWS Strategic Directions/Workshop with relevant specialist staff
- 6. Review of Council Strategic Directions Forum
- 7. Briefing Council staff on FFTF process
- 8. Asset Management Plans reviewed and incorporated into LTFP
- 9. Workshops with Councillors during FFTF process
- 10. Workshop Council Improvement Proposal 22 June 2015
- 11. Review by Senior Management Team June 2015

## 3.5 Other actions considered

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

For example, neighbouring council did not want to pursue a merger, unable to increase rates or increase borrowing, changes in policy or service standards.

### Other Strategies

### 1. Mergers

Whilst the ILGRP recommended a merger with Gundagai Shire Council, this has not been achievable given Gundagai's preference to remain a Fit for the Future Council.

Council also approached Tumbarumba Shire regarding possible merge talks given the ILGRP recommendation, however these were rejected.

Unfortunately, without the benefit of cooperation a business case could not be developed and the option explored.

Tumut Shire Council in it's submissions to the ILGRP argued that "if mergers were to occur" it proposed a new Council generally east of the Hume Highway corridor, which would encompass the majority of the major industry sector, the Softwood plantations and processing covering the LGA's of Tumut, Gundagai and Tumbarumba.

A merged entity for regional local government of the three LGA's would create an entity of the following characteristics:

### Consolidated Entity

- Area 11,417 square kilometres (49% rateable 36% National Parks, 15% Forests)
- Population 18,000
- Consolidated Income \$69.8m
- Consolidated Expenditure \$61.50m
- Total Asset Value \$650m

#### Justification was listed as:

- Strong Community of Interest
- Education
- Health
- REROC
- Softwood Plantation/Timber processing
- Riverina Highlands RFS Zone
- Kosciuszko National Park
- Horticulture (Batlow/Tumbarumba)
- Emergency Management (Zone EOC)
- Snowy Hydro (Operations/Infrastructure)
- Softwoods Working Group
- Organisational productivity/efficiency savings
- Agriculture
- Shared Services
  - Waste
  - Regional Library
  - Tourism Snowy Mountains
  - Strong LGA with increased scale and capacity

### 2. Local Government Act Review

The review of the Local Government Act could provide opportunities to improve performance and ensure sustainability. Council notes that the Government has commissioned two (2) very important reviews that could underpin the sustainability of Tumut Shire being:

- 12. Regulatory Review
- 13. Rating Review

Council has long argued that rates should be paid for the "softwoods plantations" managed by NSW Forest Corporation of some 94,000 hectares in the Tumut Shire. Council receives no rates yet must provide services to support this major industry sector.

Our very conservative estimate is that would generate an additional \$300k rate income/annum. The rationale of this argument is that we have

private forest located adjacent to crown forests that pay rates.

In Tumut's case, this also extends to 4460 hectares of land under Blowering Dam, managed by State Water whilst Snowy Hydro pays rates on the adjoining Jounama Pondage which is 12.07 hectares.

Income for just these two (2) areas would improve the Building and Asset Renewal Indicators and own source increases.

### **Riverina JO Service Delivery**

Council believes there is a strong case for Local Government to actively pursue regional service delivery and achieve significant own source income including achieving scale and capacity through the proposed JO's.

Tumut Shire sees a strong role for Business Units such as Snowy Works and Services to pursue and hold Road Maintenance Council Contracts for NSW RMS on a regional or sub-regional basis and provide cost effective Local Government services. Council has ensured Snowy WS hold National Pre-qualifications to take advantage of such opportunities once reform is in place. Snowy WS holds F15R3 qualification.

Council has engaged in the debate and submitted to the Riverina Pilot JO and Office of Local Government a discussion paper outlining legislative arrangements to achieve this outcome.

Tumut Shire Council has a long history of working with other Local Government Councils to achieve scale and capacity by working with REROC to deliver strategic outcomes.

Benefits of regional cooperation has not been included in our 0Fit for the Future proposal as final outcomes of JO's are not known, but are likely to be significant given the history of achievements by REROC.

# 4. How will your plan improve performance?

#### 4.1 Expected improvement in performance Measure/ **Achieves FFTF** 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 benchmark benchmark? **Operating Performance Ratio** (Greater than or equal to break-even 5.9% 7.7% 8.1% 8.4% 9.3% 9.1% Yes average over 3 years) **Own Source Revenue** Ratio (Greater than 60% average over 73.8% 77.5% 87.4% 87.7% 88.8% 88.1% Yes 3 years) **Building and Infrastructure** No **Asset Renewal** 142.4% 107.6% 73.1% 68.4% 64.4% 62.8% Ratio (Greater than 100% average over 3 years) Infrastructure Backlog Ratio 2.1% 0.1% 0 0 0 0 Yes (Greater than 2%) **Asset Maintenance Ratio** 99% 100% 100% 100% 100% 100% (Greater than 100% average over 3 Yes years) **Debt Service Ratio** (Greater than 0% and less than or 4.1% 3.5% 4.5% 4.8% 4.6% 4.7% equal to 20% average over 3 years)

							Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.31	1.22	1.20	1.17	1.17	1.17	Yes

## **4.1 Expected improvement in performance**

If, after implementing your plan, your council may still not achieve all of the Fit for the Future benchmarks, please explain the likely reasons why.

For example, historical constraints, trade-offs between criteria, longer time required.

#### **Building and Asset Renewal**

Council will continue to implement its improvement plan to improve the accuracy of the data used to forecast future renewal needs and build a very reliable level of confidence. However, even with these improvements put in place it is still unlikely that Council will meet the 100% ratio benchmark. The ratio considers that all asset renewals align with annual depreciation expense. This is not the case for long lived assets that are relatively "young" or are in a considerably good condition. Infrastructure asset stock which is low in age, and hence, excellent to good condition does not reflect in any current or even ten year forecast for renewal need, however, depreciation expense is still calculated with a straight line methodology. A council with a relatively young asset stock, to meet the 100% benchmark for this indicator, must therefore consider bringing forward planned renewals. This early intervention of renewals leads to reduced economy of infrastructure as it does not reach its potential useful life.

# 5. Putting your plan into action

How will your council implement your Improvement Action Plan?

For example, who is responsible, how the council will monitor and report progress against achieving the key strategies listed under Section 3.

See Tumut Shire Council Improvement Plan which sets out in detail implementation strategy – particularly – Annexure 8.

- Council actions for implementing and monitoring plan
- Responsibility to General Manager to report/monitor implementation plan as a performance indicator
- Receiving and considering Quarterly Reports on plan implementation
- · Report as part of IP&R

# **ANNEXURE 1**

TEMPLATE 2 - SCALE AND CAPACITY

**CONSULTING WITH ADJOINING COUNCILS** 

# Consultation with Gundagai Shire Council

#### Ivill, Susan

From: Stewart, Bob

Sent: Wednesday, 26 November 2014 9:45 AM

To: Phil McMurray Thomson, Trina Clr; Stevenson,

Scott

Cc: Tonkin, Allan; Martin, Tracy; Crain, Doris

Subject: Local Government Reform

Hi Phil,

As discussed.

Tumut Shire considered at it Ordinary Meeting last night the Fit for the Future Package and noted the recent release of the Templates, Pilot JO announcements and impending release of the definition of a Rural Council.

A Councillor and Senior staff workshop will be conducted shortly to work through the various options.

Council also resolved to seek an initial meeting between our two Councils represented by the Mayors, Deputy's and the General Managers to discuss the issues of reform. It is envisaged from this meeting an agenda and structure could be discussed for a future meeting.

I will formalise in a letter and will contact you about a suitable date and time if acceptable. Bob



Bob Stewart | General Manager Tumut Shire Council | 76 Capper Street, Tumut NSW 2720

| W: www.tumut.nsw.gov.au

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Please consider the environment before printing this email.

RKS:DVC

G/A/Destination 2036

26 November 2014

The Acting General Manager Gundagai Shire Council PO Box 34 GUNDAGAI NSW 2722



Dear Sir,

#### Re: Fit for the Future

Council at its Ordinary meeting on the 25 November, 2014 considered a report on the Government Reform Package.

To enable both our Council to begin to consider the implications of the Package, Council would like to propose a meeting between the Mayors, Deputies and General Managers of both organisations.

Tumut Shire will shortly conduct a Councillor workshop to consider the latest information released by the office of Local Government. It is appreciated that not all information is available, such as what is a Rural Council? and the formal functions of the proposed JO.

Please do not hesitate to contact me.

Yours faithfully

R K Stewart

GENERAL MANAGER

# CUMPONGAL COUNCE

gundagai.nsw.gov.au

## GUNDAGAI SHIRE COUNCIL

255 Sheridan Street PO Box 34 GUNDAGAI NSW 2722

Tel: 02 6944 0200 Fax: 02 6944 1475 Email: mail@gundagai.nsw.gov.au ABN: 91 330 041 700

Office hours 8:30am to 5:00pm Monday to Friday



visitgundagai.com.au

Council Ref: L.16 PML:cm Your Ref:

12 March 2015

Mr R. Stewart General Manager Tumut Shire Council 76 Capper Street TUMUT NSW 2720

Dear Mr Stewart,

Re: Fit for the Future

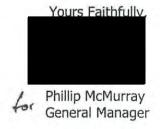
I refer to your letter of 26 November 2014 regarding the NSW local government reform package, known as "Fit For The Future" and apologise for the delay in responding.

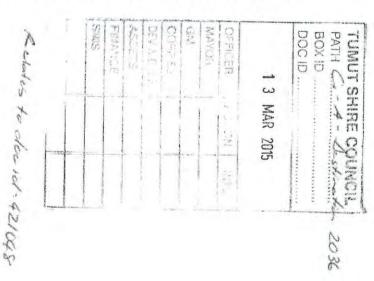
As you would be aware the very first step of a Council in providing a response to the government about its current and future position is for it to access its scale and capacity. In this regard and in simple terms, the government has decreed that if a Council adopts the recommendation of its future direction put forward by the Independent Review Panel then it is not required to demonstrate scale and capacity. In Gundagai's case the panel provided two options, one being to merge with Tumut Shire Council and the other to become a "Rural Council"

You will appreciate Council has on previous occasions expressed its reluctance to go down the merger path and to date it believes nothing has been presented to it which would see a turn-around in its thinking on this matter.

Nevertheless, Council believes it would be remiss of it to not, at least, avail Tumut Shire Council of the opportunity to articulate what it perceives to be the benefits which will accrue to it and particularly Gundagai by the two Councils merging.

Please feel free to contact me should you wish to discuss the subject in question.





RKS:ah

InfoXpert path ID: SF/G/A/D2036

Our XRef ID: 428784 Your Ref: L.16, PML:cm



25 March 2015

Mr Phillip McMurray General Manager Gundagai Shire Council PO Box 34 GUNDAGAI NSW 2722

Dear Phil

#### RE: FIT FOR THE FUTURE

I refer to your letter dated 12 March 2015, which was copied to all Councillors and tabled at Council's Ordinary Meeting on 24 March 2015.

A report was provided and it set out details on Council's merging.

The following comments are provided.

- The number of councils across NSW has declined steadily over the past century from 324 in 1910 to 152 in 2014.
- Ongoing sector change is inevitable and councils need to be proactive in implementing change for their areas and leveraging it. The speed and rate of change is increasingly impacting on organisations.
- Community expectations of its Local Council are increasing along with a very restricted revenue base, budget cuts by State and Federal Government, increasing regulatory responsibility and rapid technological change.
- There appears to be no definitive research that supports the case for or against mergers/amalgamations.
- Mergers/amalgamations have to date been poorly planned and implemented and research indicates this is an important factor.
- There is no one simple answer or solution and what counts at the end of the day is what the community achieves.
- The issues are complex and will be driven by local politics.

To assist Tumut Shire to answer the question the following points are made:-

- 1. It is not Tumut Shire Councils role to articulate possible benefits. This should be determined following discussions between the merging LGAs.
- 2. Any merger would create a new local government entity that would service the community (fresh start)
- 3. There is no research that provides a strong case for or against mergers of LGAs, it really depends on the specific circumstances and individual perception.
- 4. There is sufficient research to suggest mergers can work but benefits not automatic, it depends on leadership and implementation.

That said, if benefits are to be gained there are lessons to be learnt from previous mergers to ensure a successful outcome by a structured approach being:-

- · Sound planning and implementation
- Fresh start approach
- · Service level guarantees
- Planned rate harmonisation
- Good communication
- · Utilisation for government incentives to assist
- Monitoring and evaluation
- Ensuring preservation of local representation and identity
- · Sound Political and staff leadership
- Recognition of local representation and community identity

Provided the above items are addressed, proceeding with the merger option as suggested by the panel could deliver over time benefits being:-

- Enhanced strategic capacity for the new entity and community (increased political lobbying capacity)
- Improved sustainability
- · Service and infrastructure improvements
- Investment in infrastructure
- Greater capacity to stimulate and promote local economy
- Consolidation of conflicting policy and regulatory approaches between existing councils.
- · Increased opportunities for staff career development
- Opportunity to introduce and achieve outcomes through introduction of new agendas both internally and external
- Access to the Merger Implementation Fund
  - o \$5m for 2 Councils
  - o \$11m for 3 Councils
    - (only available up until June 2015)
- Preservation of local democracy and identity
- Retention of local jobs.

The above are possible benefits and have not been tested by a detailed business case examination or discussions between the organisations. No doubt the 'No Case' can equally be put at this time, without the business case.

Unfortunately, the time for this body of work is slipping away. The Governments reform process is being driven to a set timeframe without all the information available.

Important components for consideration of sustainability including legislative review (New Act), OLG requirements, and review of rating have not been released. These all will have significant impacts on a Council being Fit for the Future.

Council resolved that I write to Gundagai and Tumbarumba Shire Councils and advise you that:

- a) Council will be completing Template 2 given current advice that both Councils will stand alone as a Fit for the Future Councils and that Tumut Shire is always open to discuss the Government's Fit for the Future proposals in a facilitated and structured process.
  - b) Council detail to Gundagai Shire Council and Tumbarumba Shire Council considerations that would support mutual benefit through a merge of local Government areas, noting that no detailed discussions between organisations have been held.
  - c) Council whilst preparing a Template 2 submission, states that it would continue to seek co-operative collaboration and joint alliances to deliver mutually beneficial outcomes for all parties.
- The General Manager finalise a draft Template 2 submission for a Council Improvement Proposal (existing structure) for consideration by Council, prior to submission.

Please do not hesitate to contact me on matter.

if you would like to discuss this

Yours faithfully,

R K Stewart

GENERAL MANAGER

# Consultation with Tumbarumba Shire Council

PO Box 61 Tumbarumba NSW 2653 Phone: 02 6948 9100 Fax: 02 6948 2865 Email: mail@tumbashire.nsw.gov.au

Web: www.tumbashire.nsw.gov.au ABN 95 644 350 020



Experience the Magic

File No.

C2-8

TRIM Ref:

Contact:

Kay Whitehead

Tuesday, 11 November 2014

The General Manager
Bob Stewart
Tumut Shire Council
76 Capper Street
TUMBARUMBA NSW 2653

#### Dear Bob

At its meeting held on 25 September 2014, Council considered the 'Fit for the Future' program announced by the NSW Government, and in particular the recommendations regarding structural change. Council resolved as follows:

- 1. That at this point in time it is Council's preference to remain an independent Council.
- 2. That Council offer the Minister an opportunity to establish an innovative pilot local government authority within a Joint Organisation which will address the circumstances of a small rural/ remote community with the benefit of a grant from the \$4 million innovation fund; and
- 3. That Council enter into exploratory discussions with neighbouring Councils.

As discussed with you at the time, Council first wished to explore the 'Rural Council' model being proposed by the Government before talking to its neighbours.

Last week the Mayor and I attended a workshop in Dubbo to discuss the proposed 'Rural Council' model and came away with the feeling that no-one has a clear picture as to what it may look like! Hence it may be some time before the details are released by the Office of Local Government.

Council now thinks that if we wait until the Rural Council model is developed, there may be insufficient time to give proper consideration to all alternatives given the response timeframes that have been imposed.

Council would like to invite Tumut Shire Council representatives to meet informally with your counterparts from Tumbarumba Shire Council in the Tumbarumba RSL Hall on Wednesday 26<sup>th</sup> November at 10 am, followed by a chance for chat over lunch at 12 noon.

As you have previously submitted that a merged Gundagai/ Tumbarumba/ Tumut Council would deliver benefits to the respective communities, Council would like to hear how you see a merged council operating, and what you think the benefits would be. There would then be a chance for questions and answers and informal discussion. Given the significance of the issue to our communities, Council feels that the presence of all councillors and directors would be helpful to flesh out the discussion.

I can assure you that Council is genuinely interested to hear Tumut Shire Council's view of the options.

Please give me a call if you have any questions, or RSVP to either Leanne Elliott or myself.

Yours faithfully

Kay Whitehead General Manager RKS:DVC

G/A/Destination 2036 Our Xref: ID419816

26 November 2014

The General Manager Tumbarumba Shire Council PO Box 61 TUMBARUMBA NSW 2653



Dear Kay

Thank you for your letter dated 11 November 2014.

As discussed, Mayor Chaffey and Thomson discussed the request for a meeting and it was declined, due to existing commitments of Tumut Shire Council.

Tumut Shire considered a report on Fit for the Future at its November Ordinary Meeting, and will shortly hold a Councillor Workshop to review all the recently released material.

Given the outstanding issue of what is a Rural Council? and the details around JO's, there is still a gap in the material to enable decisions to be made.

Council resolved that I write to you to request a meeting with the Mayors, Deputy's and General Managers of our Council at a suitable time and location.

Please do not hesitate to contact me.

Yours faithfully

R K Stewart

GENERAL MANAGER





Experience the Magic

Our ref: 14/6066

Contact: Kay Whitehead

5 December 2014

Mr R K Stewart General Manager Tumut Shire Council 76 Capper Street Tumut NSW 2720

#### Dear Bob

You appear to have misunderstood the purpose of Council's invitation. Council is not seeking any general discussion about the 'issues of reform', but merely a presentation from Tumut Shire Council about its proposed 'Eastern Riverina Highland Council' and then an opportunity for questions and answers.

The Independent Local Government Review Panel concluded that it is debatable whether merger with any other Council is a realistic option for Tumbarumba Shire, and hence its recommendation in relation to Tumbarumba Shire Council is that it remain a stand-alone 'rural council'. However, it also stated that the possibility of a merger should not be ruled out until it has been properly assessed. It is Tumbarumba Shire Council's clear view at present that any potential advantages to the Tumbarumba Shire communities would be outweighed by disadvantages, but as Tumut Shire Council saw this as an attractive proposition, your reasoning is sought.

The agenda is clarified below:

- Presentation by Tumut Shire Council about the proposed Eastern Riverina Highland Council
- · Question and answer forum
- Opportunity for informal discussion over lunch

If Mayor Thomson has any concerns about the proposed format, Mayor Chaffey would be happy to address them.

At its meeting last Thursday, Councillors reiterated their view that all Tumbarumba Shire Councillors should have the opportunity to attend.

Yours faithfully



Kay Whitehead General Manager RKS:DVC

G/A/Destination 2036 Xref: ID421050

12 December 2014

The General Manager Tumbarumba Shire Council Po Box 61 TUMBARUMBA NSW 2653

#### Dear Kay

Thankyou for your letter dated 5 December 2014.

I refer to Tumbarumba Shire Councils resolutions as per your letter dated 11 November 2014 for a preference to remain as an independent Council.

I believe your Council have incorrectly interpreted Tumut Shire Councils submission to the Report – 'A Case for Sustainable Change'.

Council's submission (dated 22 February 2013) was in respect to LGA boundaries in the context of the report at the time was that, 'no change is not an option' and there was 'no guidance on reform', and a general sector view large regional LGA's were being considered...

Councils submission stated;

"If consolidation of Local Government Area is undertaken, Tumut supports the creation of a new Council entity, east of the Hume Highway corridor, comprising the Councils of Gundagai, Tumbarumba and Tumut".

#### In that Tumut;

"Does not support the creation of large Regional LGAs about major regional population centres, as it would lead to loss of local community identity and interests".

Attached to the submission was Workshop Outcomes conducted by Tumut Shire which included an overview of a consolidated Eastern Riverina Highland Council. (So called to put in a geographical context).

#### The Consolidated Entity would:

- o Area 11,417 square kms
- o 49% Rateable, 36% National Parks, 15% Forests
- o Population 18,000
- o Consolidated Income Order of \$60mil.
- o Total Asset Value \$650 mil.
- Retain community identity and interests

As can be seen from the above, no detailed work has been undertaken on a consolidated entity, and at the time of submission it would have been inappropriate and a global view taken.

Councils submission to the Independent Panels Final Report dated 20 March 2014 stated;

- Tumut Shire Council
  - 1. "Believes that the Reform needs to create strong and financially sustainable Local Government Councils that work through Joint Organisation of Councils to reflect regional governance and strategic direction".

Currently all councils in the state are considering the Government response to the Panels recommendations Fit for the Future, particularly scale and capacity by June 2015.

We acknowledge there are currently many unknowns at the moment being;

- Rural Councils
- JO's Roles/Function Service Delivery Functions
- Completion of Self Assessment Template

We note that all REROC Councils will be briefed on the 15 December 2014 about the pilot JO. No decision has yet been made on how a JO could deliver scale and capacity to Councils.

Tumut has also noted the Panels Recommendation on Tumbarumba Shire -

"Establish a Rural Council or potentially merge with Gundagai and Tumut"

Tumut respects the right of all Councils to work through the reform process, particularly scale and capacity and indicators to determine their future approach.

We concur that all options should be assessed by the Councils and would welcome the opportunity to do so at an appropriate time and format.

Tumut Shires letter was to invite a meeting of Mayors/Deputy's and General Managers between the two Councils to consider and agree on the agenda, format, and conduct of the meeting.

Council believes the initial meeting would facilitate the meeting you are proposing and ensure the outcomes we are both seeking.

Yours faithfully

R K Stewart

GENERAL MANAGER



Experience the Magic

File No. TRIM Ref: C2-8

Contact:

Kay Whitehead

Monday, 23 March 2015

The General Manager
Tumut Shire Council
76 Capper Street
TUMBARUMBA NSW 2653

#### Dear Bob

Tumbarumba Shire councillors were taken aback to read Tumut Shire Council's submission to the Office of Local Government regarding rural councils and in particular the statement that 'There is no doubt that existing small local government councils do and would face unique pressures in service delivery and long term financial sustainability. This would also place ongoing pressure on the state to provide long term support.' This statement was made in the context of reiterating Tumut Shire Council's previous statement supporting a merger of Gundagai, Tumut and Tumbarumba councils, should the state government proceed with amalgamations.

Council was surprised once again that Tumut Shire Council would make unilateral statements concerning the future of its neighbours without having discussed or even advised its neighbours of its intention to do so, or the basis on which it makes such statements, and particularly when the proposal is contrary to the Independent Expert Review Panel's conclusion about Tumbarumba Shire that 'it is debatable whether a merger is a realistic option'.

Statements by the Tumut Shire Council that 'existing small local government councils face pressures in service delivery and long term financial sustainability' and 'Council has serious doubts an appropriate model could be developed that would provide 'Fit for the Future' for rural councils' are interesting in view of Tumbarumba Shire Council's excellent TCorp and Asset Management results (strong sustainability, very strong asset management) compared with larger council results, and indeed Tumut's results (moderate sustainability, weak asset management).

Council has previously written to Tumut Shire Council on two occasions (letters dated 11 November 2014 and 5 December 2014) inviting Tumut Shire Councillors and senior staff to talk to your counterparts at Tumbarumba Shire Council to provide an explanation of the benefits the proposed merger would provide to the Tumbarumba Shire community. Copies of these letters are attached.



Council's last verbal invitation to meet was declined with the admission that Tumut Shire Council had in fact done no analysis of the benefits of a merger, and that the proposal was only endorsed by Council as a defence for the Tumut community against a possible regional merger of Tumut with Wagga Wagga City Council – i.e. Tumut Shire Council had taken a public position affecting neighbouring communities, not only without consultation with its neighbours, but also without any reasoned basis for such a position, purely in the interests of perceived self preservation.

Notwithstanding this admission, Tumut Shire Council has once again in a submission to the Office of Local Government reiterated the statement. Perhaps this time Tumut has considered its reasons? Tumbarumba Shire Council therefore again, for a third time, extends a written invitation to Tumut Shire Councillors and senior staff to meet and explain to their counterparts in Tumbarumba Shire Council how a potential merger of Tumut, Gundagai and Tumbarumba Shires would benefit residents of the Tumbarumba Shire.

Yours faithfully

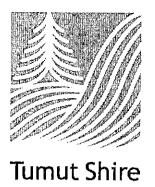
Kay Whitehead General Manager

сору

Mayor Councillor Trina Thomson
Deputy Mayor Councillor Scott Stevenson
Councillor Sue Bulger
Councillor Peter Cross
Councillor James Hayes
Councillor Margaret Isselmann
Councillor Geoff Pritchard

RKS:ah

InfoXpert path ID: SF/G/A/D2036



COUNCIL

25 March 2015

Mrs Kay Whitehead General Manager Tumbarumba Shire Council PO Box 61 TUMBARUMBA NSW 2653

Dear Kay

#### **RE: FIT FOR THE FUTURE**

Thank you for your letter dated 23 March 2015. The letter was copied to all Councillors and tabled at Council's Ordinary Meeting on 24 March 2015.

Again, with the greatest respect, I believe your Council has misunderstood our stance and submissions at various times through the review process.

That said, the Government has clearly laid out a methodology that every Council must follow in preparing its submissions for Fit for the Future. That is the task we must now all focus on, not the submissions or the review process.

Tumut has always been willing to meet to discuss the reform process but in a structured and facilitated format. To achieve this we offered to meet initially with the Mayors/Deputies and General Managers. This has been rejected by your Council.

To respond to your query about benefits of possible mergers, the following is an extract from my report to Council.

The following comments are provided.

- The number of councils across NSW has declined steadily over the past century from 324 in 1910 to 152 in 2014.
- Ongoing sector change is inevitable and councils need to be proactive in implementing change for their areas and leveraging it. The speed and rate of change is increasingly impacting on organisations.
- Community expectations of its Local Council are increasing along with a very restricted revenue base, budget cuts by State and Federal Government, increasing regulatory responsibility and rapid technological change.
- There appears to be no definitive research that supports the case for or against mergers/amalgamations.
- Mergers/amalgamations have to date been poorly planned and implemented and research indicates this is an important factor.
- There is no one simple answer or solution and what counts at the end of the day is what the community achieves.
- The issues are complex and will be driven by local politics.

To assist Tumut Shire to answer the question the following points are made:-

- It is not Tumut Shire Councils role to articulate possible benefits. This should be determined following discussions between the merging LGAs.
- 2. Any merger would create a new local government entity that would service the community (fresh start)
- 3. There is no research that provides a strong case for or against mergers of LGAs, it really depends on the specific circumstances and individual perception.
- 4. There is sufficient research to suggest mergers can work but benefits not automatic, it depends on leadership and implementation.

That said, if benefits are to be gained there are lessons to be learnt from previous mergers to ensure a successful outcome by a structured approach being:-

- Sound planning and implementation.
- Fresh start approach
- · Service level guarantees
- Planned rate harmonisation
- Good communication
- Utilisation for government incentives to assist
- Monitoring and evaluation
- · Ensuring preservation of local representation and identity
- Sound Political and staff leadership
- Recognition of local representation and community identity

Provided the above items are addressed, proceeding with the merger option as suggested by the panel could deliver over time benefits being:-

- Enhanced strategic capacity for the new entity and community (increased political lobbying capacity)
- Improved sustainability
- Service and infrastructure improvements
- Investment in infrastructure
- Greater capacity to stimulate and promote local economy
- Consolidation of conflicting policy and regulatory approaches between existing councils.
- Increased opportunities for staff career development
- Opportunity to introduce and achieve outcomes through introduction of new agendas both internally and external
- Access to the Merger Implementation Fund
  - o \$5m for 2 Councils
  - o \$11m for 3 Councils
    - (only available up until June 2015)
- Preservation of local democracy and identity
- Retention of local jobs.

The above are possible benefits and have not been tested by a detailed business case examination or discussions between the organisations. No doubt the 'No Case' can equally be put at this time, without the business case.

Unfortunately, the time for this body of work is slipping away. The Governments reform process is being driven to a set timeframe without all the information available.

Important components for consideration of sustainability including legislative review (New Act), OLG requirements, and review of rating have not been released. These all will have significant impacts on a Council being Fit for the Future.

Council resolved that I write to Gundagai and Tumbarumba Shire Councils and advise you that:

- 1. a) Council will be completing Template 2 given current advice that both Councils will stand alone as a Fit for the Future Councils and that Tumut Shire is always open to discuss the Government's Fit for the Future proposals in a facilitated and structured process.
  - b) Council detail to Gundagai Shire Council and Tumbarumba Shire Council considerations that would support mutual benefit through a merge of local Government areas, noting that no detailed discussions between organisations have been held.
  - c) Council whilst preparing a Template 2 submission, states that it would continue to seek co-operative collaboration and joint alliances to deliver mutually beneficial outcomes for all parties.
- 2. The General Manager finalise a draft Template 2 submission for a Council Improvement Proposal (existing structure) for consideration by Council, prior to submission.

Yours faithfully,

R K Stewart

GENERAL MANAGER

# **ANNEXURE 2**

TEMPLATE 2 - REROC

**BUILDING STRATEGIC CAPACITY** 



councils working together

# Achieving Strategic Capacity THROUGH REGIONAL COLLABORATION



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### **Executive Summary**

This document has been prepared in response to the NSW Government's Fit for the Future program and to IPART's Assessment Methodology for Fit for the Future. In particular it responds to IPART's advice that where a council elects to operate as a council within a JO that the council must provide robust evidence that regional collaboration will deliver strategic capacity.

This document reviews the over 15 years of REROC's operations to showcase the work it has undertaken in order to provide evidence about the ways in which the REROC member councils have achieved strategic capacity through regional collaboration.

REROC is part of the fabric of the way in which councils in the eastern Riverina do business. The REROC member councils established the organisation in order to create the strategic capacities that could be achieved through regional collaboration. REROC has for 20 years, worked with member councils to create the economies of scale and scope that assists councils to operate more efficiently and effectively.



Premier of NSW, Hon Mike Baird meets REROC members in Wagga Wagga, April 2014

This document showcases just some of the activities and projects REROC has undertaken in each of the key elements of strategic capacity as identified by the Independent Panel. It summarises the many ways that the REROC member councils have worked collaboratively to achieve outcomes that have resulted in the organisation being recognised as a leader in its field and which lead to REROC being chosen by the Office of Local Government as one of five Joint Organisation Pilot regions.

It is anticipated that REROC will make the conversion to a Joint Organisation in September 2016 and it is expected that the ROC's history of achievement will continue and expand under the new JO structure. Therefore the REROC members contend that there is ample evidence to demonstrate that by choosing to become a council in a JO, councils will achieve strategic capacity.

#### 1. More robust revenue base and increased discretionary spending

REROC's primary purpose on establishment was to create financial savings for councils. The decision to invest in the ROC via the provision of membership fees required a return on investment. Councils recognised that their revenues and spending could be improved if they were able to generate savings through working together.

The activities undertaken have been varied and all have used the combined demands of the member councils to create economies of scale and scope that generate savings for councils, thus improving financial outcomes and facilitating increased discretionary spending. Projects as diverse as the purchase of retail electricity to the purchase of shared GPS equipment have delivered savings for member councils which has released additional funds for discretionary spending.

REROC has also accessed significant grant funding which has permitted councils to undertake discretionary works. In the last 5 years REROC has attracted almost \$4 million which member councils have supplemented with their own funds in order to undertake infrastructure projects in their LGAs.

#### 2. Scope to undertake new functions and major projects

REROC member councils look to regional collaboration to underpin their capacity to undertake new functions and major projects. New functions can be driven by the implementation of new legislation which demands that councils take on new roles, or by a recognition that by working together major projects that would be outside the scope of a single council can be achieved as a region.

Economies of scale and scope are achieved when member councils work in collaboration with REROC to deliver new functions and major projects. The diversity of the projects undertaken is pronounced and ranges from activities that cost just a few thousand dollars to those that generated funding in the millions. Examples of the types of projects that have been delivered through collaboration include the GST Implementation Project, the WaterSmart Urban Water Sustainability Project and the establishment of Community Recycling Centres and e-waste collections in every REROC LGA.

#### 3. Ability to employ a wider range of skilled staff

For many councils the issue is not being able to employ a wider range of skilled staff but to be able to support their current staff to broaden and enhance their skill base and to be in a position to access the skills that are required when they are required.

REROC assists councils to do this by providing opportunities for skilled staff to improve and enhance their skills, by promoting careers in local government and by assisting councils to address the skills shortages that impact on the operations of virtually every business and organisation operating in a rural area.

The *No Time to Waste* and *Mapped Out* Conferences provide member council staff working in waste management and spatial data the opportunity to meet with their peers from across southern NSW

while hearing from expert speakers. Special interest groups provide staff with the ability to network with staff from other councils and share information.

REROC's Build a Bridge project demonstrates the innovative approaches member councils have adopted to address skills shortages, while the recently introduced Work Inspirations Days aim to increase interest in careers in local government.

#### 4. Knowledge, creativity and innovation

REROC and its member councils have embraced innovation and creativity. The organisation is constantly seeking ways in which services to residents and member councils can be enhanced through innovation, in many cases REROC has turned to the Internet for solutions that will work in the largest inland city in NSW, Wagga Wagga and for the smallest shire in the State, Urana.

More recently, Smart Phone technologies such a mobile web and app interfaces have been utilised to extend service reach, while social media such as Facebook and Twitter have been engaged to promote ROC and member council activities.

REROC's <u>Safe Sharps</u> project has been adopted by the ACT Government, Melbourne, Geelong and Sydney councils as well as councils throughout NSW, Queensland and Western Australia. <u>Yours2Take</u> has over 7,000 registered users and has actively diverted substantial amounts of waste from municipal landfills. While the <u>Take Charge and Volunteer</u> project is changing the way young people and volunteer organisations in the region connect with each other.

REROC's achievements have been recognised by numerous awards as well as the Organisation's projects being written up as case studies.

#### 5. Advanced skills in strategic planning and policy development

REROC members recognise the advantages that regional planning can provide. Time and again members have embraced the opportunity to work collaboratively in order to prepare generic policy documents which can be customised for use by individual members.

Sharing IP makes good economic sense but also enhances professional development for staff as they are forced to consider how policies can be effectively implemented in council areas other than their own. The success of the approach is evidenced not just in the plans and policies member councils have adopted but also by the fact that other councils across NSW have also elected to adopt the same policies for their own use.

The <u>REROC Regional Freight Transport Plan</u> is the most recent example of the way in which member councils collaborate to achieve advanced outcomes in strategic planning. The Plan is supported by an <u>interactive mapping tool</u> created by Coolamon Shire Council. The World with Less Water: Climate Change Impact on Councils in the South Eastern Riverina project focused on the impacts of climate change on member councils. Funded by a Strengthening Basin Communities grant the project developed extensive resources to assist councils with future land use and asset management planning.

#### 6. Effective regional collaboration

Regional collaboration is at the heart of what REROC does. Since its establishment in 1994 the member councils have embraced regional collaboration and the benefits it provides in assisting them to operate more efficiently and effectively, to expand their services and to work more closely with each other.

The finalisation of Rail Interface Agreements with both the ARTC and James Holland Rail demonstrated the strength of regional collaboration when councils were able to work together with both organisations to agree on the terms of the Interface Agreements, the first councils in the State to do so.

A commitment to work collaboratively also resulted in the establishment of a Regional Code of Conduct Panel where members obtain information on Panel members by accessing the Members' Section of the REROC website.

#### 7. Credibility for more effective advocacy

Advocacy is a core activity undertaken by REROC. Member councils recognise that the combined voice of the entire membership carries far more weight than the voice of a single council. REROC submissions are informed by the opinions of the entire membership and consequently we are able to provide robust commentary in relation to most issues.

REROC has spoken on behalf of the members at State and Federal Parliamentary Hearings, responded to numerous inquiries, review and legislative changes. REROC has actively lobbied for change where it is to the benefit of the majority of member councils.

REROC has represented its members on a diverse range of topics from health services to skills shortages in regional areas, from regional slots at Sydney Airport to National Competition Policy.

#### 8. Capable partner for State and Federal agencies

REROC has consistently sought opportunities to partner with State and Federal agencies in the delivery of services to the communities our members represent. We were approached and contracted by the Federal Government to deliver the Digital Switchover Liaison Officer Project and as a Voluntary Regional Waste Group we have over a decade of successful projects delivered through a close working relationship with the EPA and its predecessor organisations.

REROC has contracted with the Office of Local Government (OLG) to pilot the Riverina Joint Organisation. Work on the JO pilot commenced in November 2014 and will end in December 2015. The work will inform the content of the enabling legislation for the creation Joint Organisations which is scheduled to be introduced to the NSW Parliament in early 2016.

The Riverina JO pilot is currently undertaking projects in the OLG's three core areas of regional planning, intergovernmental collaboration and advocacy and lobbying. The JO pilot has produced a Pilot Charter, an Action Plan which dictates the time line for activities and a Statement of Regional Priorities which details the projects and activities that will be undertaken over the Pilot period and beyond.

#### 9. Resources to cope with complex and unexpected change

REROC and its member councils have always walked towards change rather than shy away from it. This is amply evidenced in the decision made by the member councils in 1994 to establish a ROC and again by the decision in 1997 that the councils would fund full time staff for the ROC – a first in country NSW.

REROC is known for its willingness to seek out challenges and to embrace change and this is shown by the members' willingness to see the work of the Independent Local Government Review Panel as an opportunity for growth and development. REROC's response to the *Twenty Essential Steps* Report was to develop its own regional collaboration model and then to lobby the Panel to consider the REROC Models merits against the County Council model that the Panel originally proposed. REROC and its members note that the final Joint Organisation Model proposed by the Panel is very similar to the Strategic Regional Council Model proposed by REROC in August 2013.

REROC is currently a Joint Organisation Pilot, and again our members believe this demonstrates that working collaboratively provides the resources to cope with complex and unexpected change.

#### 10. High Quality Political and Managerial Leadership

REROC aims to assist its member councils to deliver high quality political and managerial leadership by undertaking activities that support councillors and governance generally.

In early 2014 we were the first ROC to arrange for the delivery of the Executive Certificate for Elected members to be delivered locally. The course was booked out by REROC member councils who provided very positive feedback about the experience.

As can be seen by the above, REROC's operations over an extended period of time clearly demonstrate the willingness of the member councils to work collaboratively to achieve strategic capacity. A willingness that will carried forward into the formation of the Riverina Joint Organisation ensuring that the strategic capacity built through REROC regional collaboration will continue into the future.

#### Introduction

The Independent Local Government Review Panel (ILGRP) in its Final Report identified the central challenge of structural reforms to be balancing seemingly opposed agendas:

- The need for increased scale and capacity that will enable councils to remain sustainable, provide adequate services and be valued partners in the system of government
- 'Keeping the local' in local government so that community identity and local democracy are maintained."<sup>1</sup>

This report which reviews over 15 years of work by the Riverina Eastern Regional Organisation of Councils (REROC) demonstrates how councils have met and continue to meet the above challenge by achieving strategic capacity through regional collaboration. It responds to the NSW Government's Fit for the Future program and to IPART's Assessment Methodology for Fit for the Future. In particular it responds to IPART's advice that where a council elects to operate as a council within a JO that the council must provide robust evidence that regional collaboration will deliver strategic capacity.

REROC's achievements clearly demonstrate that regional collaboration does provide a platform upon which councils can meet the key elements of strategic capacity:

- More robust revenue base and increased discretionary spending
- Scope to undertake new functions and major projects
- Ability to employ a wider range of skilled staff
- Knowledge, creativity and innovation
- Advanced skills in strategic planning and policy development
- Effective regional collaboration
- Credibility for more effective advocacy
- Capable partner for State and Federal agencies
- Resources to cope with complex and unexpected change
- High quality political and managerial leadership

However in judging the achievements of REROC it is important to remember that REROC is the sum of its parts and those parts are its member councils. The ROC is the servant of its member councils; it does not



Tony Donoghue, REROC Treasurer, Daryl Maguire, Member for Wagga Wagga, Hon Paul Toole, Minister for Local Government. Cr Paul Braybrooks OAM, REROC Chair and Cr Lola Cummins, REROC Deputy Chair. The Minister met with REROC members at their AGM in November 2014.

operate as a lone entity imposing collaborations upon councils but rather responds to the member councils' common vision that a co-operative approach will yield benefits for all those involved.

Therefore in a Fit for the Future context, assessors must embrace a new paradigm that recognises that councils sometimes operate as individuals but more often operate within a complex web of

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<sup>&</sup>lt;sup>1</sup> Independent Local Government Review Panel, *Final Report*, 2014, pgs 71 and 92

formal and informal partnerships, alliances and collaborations with other councils, state agencies and the communities they service. The ILGRP recognised the ability of regional organisations to achieve strategic capacity through effective council collaborations by introducing the concept of Joint Organisations in their Final Report.

Councils operating in rural and regional NSW have embraced this new paradigm as they seek more effective and efficient ways to deliver services and facilities in sparsely populated Local Government Areas (LGAs) that are located hundreds of kilometres away from Sydney.

Covering an area of some 40,000 sq kms, the REROC region is about the same size as Switzerland, with a population base of 140,000 people. The operation of local government in the REROC region is characterised by the following key factors:

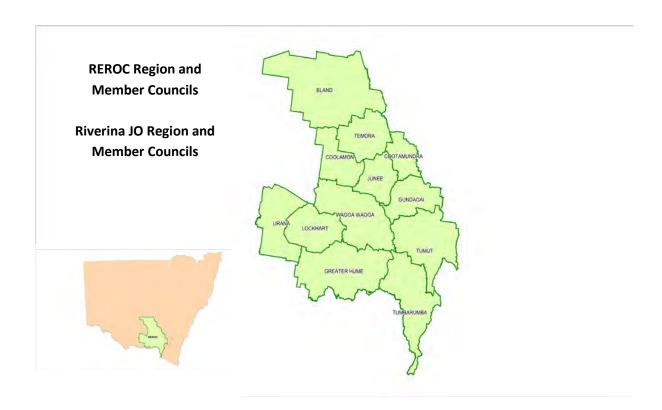
- Population density of 3.5 people per sq km
- Multiple population centres in each LGA from towns to small villages
- Virtually no public transport meaning that councils cannot consolidate public infrastructure
  e.g. swimming pools, public halls, recreation and sporting facilities, in one population centre
  and often need multiple delivery points for services and infrastructure to ensure reasonable
  access for the majority of residents
- 14,612kms of local roads<sup>2</sup> maintained directly by councils
- 1,500kms of regional roads owned and maintained by councils
- Rate bases that are for the most part stagnant because of low growth in population and land values
- Aging populations

REROC member councils recognised that these characteristics required a new way of doing business; the result was the establishment of REROC in 1994. In the 21 years since it was formed the ROC has had an extremely stable membership with all the foundation member councils still members of the organisation.

Foundation Members as 1994	Current Members
1. Bland	1. Bland
2. Coolamon	2. Coolamon
3. Cootamundra	3. Cootamundra
4. Holbrook	4. Greater Hume (the result of an
	amalgamation of Holbrook, Culcairn and
	parts of Hume Shires)
5. Gundagai	5. Gundagai
6. Junee	6. Junee
7. Lockhart	7. Lockhart
8. Temora	8. Temora
9. Tumbarumba	9. Tumbarumba
10. Tumut	10. Tumut
11. Urana	11. Urana
12. Wagga Wagga	12. Wagga Wagga
	13. Goldenfields Water
	14. Riverina Water

<sup>&</sup>lt;sup>2</sup> NSW Local Government Grants Commission, Data as at June 2013 for 2014-15 FAGs

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Initially established with a focus on resource sharing activities which would save money for member councils, REROC's activities have grown to encompass regional planning, intergovernmental collaborations and advocacy and lobbying. Virtually every operational area of local government has been touched by the activities of the ROC with the purpose of delivering more efficient and effective outcomes by utilising both the number of members and their combined demands and resources to create scale and capacity.

This publication showcases the depth and breadth of the regional collaboration that has occurred over the last 15 years through councils' membership of REROC. The REROC member councils believe that REROC's activities demonstrate that councils in rural and regional areas can achieve strategic capacity through effective regional collaboration.

It is anticipated that REROC will make the conversion to a Joint Organisation in September 2016 and it is expected that the ROC's history of achievement will continue and expand under the new JO structure. Therefore the REROC members contend that there is ample evidence to demonstrate that by choosing to become a council in a JO, councils will achieve strategic capacity.

# 1. More robust revenue base and increased discretionary spending

REROC's primary purpose on establishment was to create financial savings for councils. The decision to invest in the ROC via the provision of membership fees required a return on investment. Councils recognised that their revenues and spending could be improved if they were able to generate savings through working together.

The activities undertaken have been varied and all have used the combined demands of the member councils to create economies of scale and scope that generate savings for councils, thus improving financial outcomes and facilitating increased discretionary spending. Appendix One aggregates the estimated savings for councils generated by collaborative activities, below is a sample of the types of activities undertaken.

#### **Group Purchasing Activities**

REROC has regularly aggregated the purchasing needs of the member councils in order to generate economies of scale and therefore deliver direct financial benefits to the member councils. An example of some of the activities that have been undertaken are listed below:

**Electricity** – the purchase of retail electricity for member councils was the first group purchasing activity undertaken by REROC. The opening up of the market to contestability allowed REROC to aggregate the electricity needs for those councils that had contestable sites which created significant savings.

REROC continued to tender out retail electricity every 2 -3 years until 2014 when changes in the retail energy market meant that we no longer believed that we could achieve the best possible price for the member councils.

Estimated Savings: \$4,800,000

**Bitumen Emulsion** – this tender which aggregates the purchasing needs of member councils has been running is 1998. REROC goes to tender to purchase this product every 2-3 years, it has also encouraged suppliers to value-add to their service provision by including tank maintenance and tank cleaning. The tender is for between 500,000 - 1,000,000 litres of product annually and through group purchasing the cost of the product was significantly reduced.

Estimated Savings: \$1,820,000

**Bulk Supply of Liquid Alum** – this water chemical is used by the two member County Councils and three other councils that also supply potable water to their residents. Since 2001 the tender has been let every 2-3 years. It is estimated that over the life of the arrangement the average saving generated is \$90.00 per tonne.

Estimated Savings: \$ 1,512,000

**Group Purchase of GIS Software** – REROC facilitated the bulk purchase of spatial mapping software as well as training on the use of the product. The bulk purchase and training enabled councils to

introduce mapping to their council processes in early 2000, well before many other local governments had incorporated it into their operations.

Estimated Savings: \$24,000

**Metal Waste Collection** – the first collection organised by REROC was undertaken in 2000. Prior to REROC's involvement in the process a number of the member councils were paying providers to collect the waste material. However, by aggregating the materials across REROC was able to attract a number of providers willing to pay to take the waste away.

REROC continues to aggregate the metal waste contract and since 2000 over \$1 million in revenue has been generated for the participating councils, of which 10% has been rebated to REROC to be expended on regional waste projects and infrastructure. In addition to creating revenue for the participating councils, the activity diverted 13,815 tonnes of waste from landfill at an average cost of \$70 per tonne.

Estimated Revenue: \$1,436,760 Estimated Savings: \$967,050

**Electronic Document Management Software** – REROC negotiated a group purchase of this software for the five participating councils Cost savings to these Councils from committing to one supplier in a "group" arrangement resulted in a combined saving over an individual purchase of between \$5-\$8,000 per Council.

Estimated Savings: \$30,000

**Valuation of Buildings and Plant** – REROC facilitated tenders for the provision of asset valuation services in compliance with the Department of Local Government's financial reporting requirements on behalf of ten member councils.

Estimated Savings: \$45,000

**Microsoft Licensing** - REROC became aware that the NSW Agreement for Microsoft Software (NAMS) were due to expire in June/July 2008 and that Local Government Procurement had negotiated an arrangement with Microsoft and associated resellers on behalf of NSW Councils.

Cootamundra, Greater Hume, Junee and Tumut Councils expressed an interest in participating. As a result, a quotation based on 292 "seats" was obtained. It should be noted that quotations for in excess of 250 "seats" results in typical savings of between 35-40% over Councils with under 250 "seats" who purchase Microsoft software independently under the Government Open Value option and upwards of 65% under the Open Government Pricing option.

The quotation for participating Councils is \$97,975. Without the group arrangement it would be anticipated that the gross cost to Councils obtaining individual quotations would have been in the vicinity of \$132-\$140,000. Therefore, this project resulted in overall cost savings of around \$35-40,000 per council.

Estimated Savings: \$1,200,000

**Green Waste Processing** – REROC has regularly tendered out the processing of green waste which requires specialised equipment. The tender is let on the basis of a milk run to all participating councils which generates significant savings for councils.

Estimated Savings: \$15,000

Water and Sewer Valuations – In 2011 REROC invited quotations from suitably qualified firms to undertake CCTV-based condition assessments of sewer assets in Bland, Cootamundra, Greater Hume and Tumbarumba Councils. The work was undertaken in April 2012 enabling the councils to comply with the "fair value principles for valuations.

Estimated Savings: \$15,000-\$20,000

#### Energy Efficiency Program – SEDA

REROC commenced implementation of an Energy Efficiency Program through the State's SEDA initiative in 2000. The project was a long term one which aimed to reduce expenditure on energy through the introduction of new technologies and the smarter use of existing technologies. The Program funded an energy expert to work with REROC and the member councils to identify and implement energy saving projects.

Projects that were implemented included simple things like councils enabling the energy saving devices on PCs which shut down monitors when not in use, generating estimated savings of \$30 per year for every council PC. A lighting project that installed tri-phosphor, energy savings lights in council offices was undertaken; the lights were bulk purchased through REROC which further increased the savings achieved. A number of councils introduced voltage reduction metres to further reduce energy consumption.

The final project undertaken was looking at council Sewage Treatment Works and ways in which energy consumption could be reduced by changing practices, reducing pump sizes and matching pump sizes to the task.

Estimated Savings: \$36,000

#### **Street Lighting Pricing**

REROC initiated a Street Lighting Improvement Project in 2007 which aimed to progress the installation of energy efficient street lighting across the REROC region with the goal of reducing the cost of street lighting for member councils. The project was modelled on a similar project undertaken by South Sydney ROC.

As part of the project a consultant was engaged to undertake an audit of street lighting in the region which highlighted a number of issues in relation to service provision and cost. The work identified that some councils were being charged the wrong tariff for their lighting and this resulted in significant savings being generated for those members.

In mid-2007 REROC responded to IPART who had sought feedback on a proposed increase by Country Energy to street lighting. With assistance from our consultant, REROC prepared a response which amongst other things demonstrated that Country Energy's prices were higher than those of comparable operations in other states. While IPART approved the increase, a condition was imposed

that no further increases would be considered unless Country Energy provided independently validated costings.

Following the regulation of street lighting moving from IPART to the Australian Energy Regulator, REROC again provided a comprehensive response to the price increase proposals for the 2009-2014 AER Determination. REROC also met with the AER and Country Energy to express strong concerns about the proposed increases.

As a direct result of our work in this area the price increases proposed for street lighting were reduced by 60% and again conditions were put into place, one of which required Country Energy/Essential Energy to place energy efficient luminaires on their standard list of luminaires. Another condition recognised that member councils had purchased the original lighting asset and then gifted it to Country Energy as a consequence tariffs were adjusted to reflect this.

In 2013, in preparation for the new AER Determination, REROC again lodged responses to proposed energy increases for street lighting proposed by Essential Energy. Submissions continued throughout 2014 and into 2015 until the AER released the Final Determination in late April 2015. Essential Energy's proposed increases for the REROC region were between 89% and 118%, the Final Determination has introduced a stepped approach to the rise in rates which will slow the introduction of the rises, generating savings for councils.

Estimated Savings over the 2009-2014 Determination Period: 60% drop in pricing.

#### **Audits of Non-Contestable Energy Sites**

REROC embarked on this project in mid-2012. Working with Country Energy the project aimed to identify opportunities to improve energy use for council sites that were non-contestable – sites that had not been included in REROC's previous electricity tendering activities because they were too small.

The project included a free tariff audit of all sites, identification of sites with zero consumption to determine if metering should remain and identification of sites that would benefit from a change of metering technology.

The project was very productive with a significant number of sites identified as eligible for a tariff reduction and a number of sites that had zero consumption identified and removed from the distribution network making substantial savings for the participating councils.

Estimated Savings: \$75,000

#### **Energy Management Workshops**

These workshops were organised in conjunction with the Office of Environment and Heritage in 2013. The aim of the workshops which ran over a six month period was to increase councils' understanding of their energy bills in order to develop strategies that would reduce usage and increase efficiency.

# 2. Scope to undertake new functions and major projects

REROC member councils look to regional collaboration to underpin their capacity to undertake new functions and major projects. New functions can be driven by the implementation of new legislation which demands that councils take on new roles, or by a recognition that by working together major projects that would be outside the scope of a single council can be achieved as a region.

Economies of scale and scope are achieved when member councils work in collaboration with REROC to deliver new functions and major projects. The diversity of the projects undertaken is pronounced and ranges from activities that cost just a few thousand dollars to those that generated funding in the millions.

#### Implementation of GST Legislation

This was one of the first intellectual property projects undertaken by REROC. Member councils recognised that the introduction of the Federal legislation would impact on all of them and therefore the opportunity existed to minimise individual workload and improve outputs through collaboration.

Staff from all the member councils formed a Working Group led by the REROC Executive Officer. Meeting over many months the Group produced an implementation schedule, GST Reference Manual, training materials and training for different sectors and levels of staff. In addition 40,000 generic information brochures *GST* and *Local Government* were prepared and printed for distribution to ratepayers by the member councils.

The project also provided a high quality professional development opportunity for staff working in the finance sectors of councils as the project required that they build their capacity and knowledge about GST. The total cost for the entire project, including all the printed materials and training (excluding staff time) was \$481 per council.

Estimated Savings: \$450,000

#### On-site Sewage Management Kit

The introduction by the NSW State Government of legislation that required councils to introduce an inspection regime for septic systems that were not part of council's sewage system presented challenges for member councils. Again the members recognised that the challenges they faced were common across the sector and that they could be best met through collaboration.

A Working Group of council staff was formed which resulted in the development On-site Sewage Management Kit. The Kit included generic policy documents, letters to ratepayers, an inspection regime and standards and a supporting database that councils could utilise to hold information on their site inspections.

Not only did the project assist member councils. REROC sold 60 kits to non-member organisations generating \$10,750 in revenue. The Kit won a State Award for Innovation from the NSW Environmental Health Institute.

Estimated Savings: \$70,000

# Resources to assist with the Implementation of NSW Privacy Protection Legislation

Introduced over a decade ago this legislation required councils to undertake new functions in relation to the way in which personal information could be handled.

A small Working Party was formed which developed and printed a generic brochure for distribution to ratepayers by councils, a quick guide for counter staff (an FAQs), a set of guidelines for councils and training materials for councils staff.

Training on the new legislation was provided to all councils as part of the process. All materials prepared through the projects were reviewed and approved by the NSW Privacy Commissioner prior to implementation.

Estimated Savings: \$65,000

#### Purchase of Shared GPS Equipment

The purchase of this equipment in 1999 enabled member councils to embark on a major program of asset mapping. After extensive trials two mobile GPS units were purchased which had sub-metre accuracy. Member councils were able to borrow the equipment to capture asset information which they could then download into their systems using software that had been bought through a group purchasing arrangement organised by REROC.

The sub-metre accuracy was supported through an arrangement REROC entered into to purchase satellite data to enable post-processing to occur. Training was also arranged for council staff on how to use of the equipment. The arrangement allowed councils to introduce and enhance their mapping and spatial data capabilities, introducing new and more efficient methods for asset management and information tracking. The equipment was consistently used for approximately 6 years.

Funding Received: \$50,000

Estimated Savings Generated: \$280,000

#### **Urban Stormwater Planning**

In 1999 REROC became the first group of councils to undertake a joint approach to the preparation of Urban Stormwater Plans. While all the plans were required to reflect individual circumstances for each member council the regional approach enabled REROC to write the basic catchment description for each LGA, provide general information and develop a standard template *Estimated Savings: \$80,000* 

#### Stormwater Extension Officer

The Urban Stormwater Project was followed with funding from the EPA in 2002 which enabled REROC to employ a Stormwater Extension Officer to further assist councils to prepare and implement their Urban Stormwater Plans. The Project Officer worked across all the Riverina-Murray councils preparing generic education materials, running training sessions on issues such as sediment control and finalising stormwater plans. The project ran until 2004 providing the Riverina-Murray region councils with access to much needed resources in the area.

Funding received for the project: \$321,300

#### Road Safety Officer Project

In 2001 REROC became the first regional grouping of councils to engage Road Safety Officers (RSOs) through the RTA's Road Safety program. REROC member councils were placed in four clusters of three councils each and each cluster shared an RSO. All four RSOs came together on every second month at the REROC office in order to identify ways in which they could work together to achieve better outcomes.

One council in each cluster employed the RSO for their cluster with councils contributing 50%



RSO project aimed at reducing speed around roadworks

of the cost of the program and the RTA contributing the balance. In addition to meeting 50% of the cost of the RSO, the RTA also provided funding for the RSOs to deliver projects in their clusters. In the five years that REROC was involved in the project almost \$1.2 million in funding was received from the RTA to support the employment of the RSOs and the delivery of road safety projects across the region.

Funding Received: RTA: \$1,272,214 IPWEA: \$15,300

Estimated Saving to Councils of Shared staff Member: \$2,880,000

#### YouthROC Camp

The Camp was established in response to REROC's Regional Youth Council Strategic Plan under the "Active Youth" banner and the need recognised by councils for more engagement with young people in their LGAs.

The Camp provided the opportunity for young people from all member LGAs to come together, have fun and develop leadership skills. Originally run as a Summer Camp it was moved to April in 2006. The Camp ran for 4 years before being replaced with a new Active Youth initiative – the Regional Skate, BMX and Scooter competition.

#### The Riverina It's A Living Thing Project

This project allowed councils to promote sustainable living options to their residents through the sale of Kits that contained samples of environmentally friendly products and technologies that could be easily introduced into households. Promotional launches were held by each council in their own LGAs. 1,500 Kits were purchased by residents. The post-project evaluation showed that 85% of participants believed they were more likely to purchase products like those in the Kit and 94% thought the project was worthwhile or extremely worthwhile.



Cr Braybrooks OAM, REROC Chair, Launches the Riverina It's a Living Thing Project

Funding Received: \$60,000

Estimated Savings by Regional Delivery: \$104,000

#### WaterSmart – Urban Water Sustainability Project

This project was undertaken with a grant of almost \$2 million from the NSW Environmental Trust. Councils participating in the project committed to \$1 for \$1 funding which resulted in almost \$4 million being spent in the region on water enhancement and education projects.

The project ran for three years and aggregated 22 smaller project delivered across all of the 13 REROC LGAs addressing five main areas of activity:

- Water Harvesting
- Water Conservation
- Water Quality
- Salinity
- Environmental Flows

Councils identified projects within their LGA that would contribute positive outcomes to the management of urban water. A series of on-ground work were undertaken by member councils including:

- Construction of Concrete "V" Drains at Junee
- Recycled Waste Water Storage at Coolamon
- Installation of Gross Pollutant Traps on Muttama Creek at Cootamundra
- Effluent RE-Use Containment Upgrade at Gundagai
- Water Reuse at the Tumut Water Plant
- Stormwater Management Plan for Urana and Oaklands
- Stormwater Capture and Harvesting at Bland
- Installation of Gross Pollutant Traps and Revegetation at Lake Albert in Wagga Wagga
- Murrumbidgee Riverbank Restoration in Wagga Wagga
- Willow Removal Program from Tumbarumba Creek

Funding Received: \$1,960,000

Estimated Savings by Regional Delivery: \$390,000

# Creating and Enhancing Meeting Places: the Regional and Local Community Infrastructure Project

In late 2009 REROC was successful in its application to the Federal Government for funding under the Regional and Local Community Infrastructure Program (RLCIP) to fund a regional project titled *Creating and Enhancing Meeting Places*.

The project was unique because it aggregated 12 different projects in six REROC member councils under a single regional funding application. REROC managed the grant, while the individual councils were responsible for the on-ground works. It is our understanding that we were the only multiple facility grant awarded.

The funding of \$2.6 million was received and the participating councils also contributed substantial funds to their projects. The projects undertaken were as follows:

- Construction of a Village Green at Jindera
- Construction of an Outdoor Auditorium at Coolamon
- Re-roofing the Urana Hall
- Construction of a new Community Hall at Yerong Creek
- Upgrade of the Community Hall at The Rock
- Upgrade of the Town Hall at Lockhart
- Construction of a new community hall at Brookdale



The completed Temora Rural Museum which underwent a major refurbishment and expansion

- Construction of the Ashmont Community Hub in Wagga Wagga
- Upgrade of the rural hall at Mangoplah
- Upgrade of the rural hall at Tarcutta
- Upgrade of the rural hall at Galore
- Construction of a new Visitor Reception, Customer Service and Exhibition Space at Temora Rural Museum

The project demonstrated the value of a collaborative approach to funding applications. RLCIP had a minimum funding benchmark of \$2million for a single application however by aggregating member council projects REROC was able to reach the funding benchmark and qualify for funds.

Funding Received: \$2,600,000

Savings by Regional Delivery: \$180,000

#### Waste Oil Collection Facilities

This project introduced a new service for residents of member councils, waste oil collection. REROC applied for an Environment Australia grant in 2003 and then a second grant in 2006 which resulted in the establishment of waste oil collection facilities in 20 locations across the region. This enabled the capture of waste oil which led to a tender for the collection of the all from the sites.

Funding Received: \$244,266

Additional Savings through group purchase and training: \$85,000

#### **Community Recycling Centres**

REROC made application to the Environment Trust to establish Community Recycling Centres (CRCs) in 11 of the member LGAs. CRCs collect low toxic hazardous household waste such as batteries, fluorescent tubes, paint, gas cylinders, lead acid batteries and e-waste.

The funding had an upper ceiling of \$300,000 per application and therefore REROC developed a cluster approach to the project which meant that four applications were submitted as follows:

- 1. Northern Cluster: Bland, Temora, Cootamundra
- 2. Central Cluster: Coolamon, Junee and the Regional Mobile Service
- 3. Eastern Cluster: Gundagai, Tumut, Tumbarumba

#### 4. Western Cluster: Lockhart, Urana, Greater Hume

Originally the proposal was that each cluster would run on a "hub and spoke" basis with waste being transported from the spokes into the hubs for collection by a specialist hazardous waste collector engaged and paid for by the EPA, therefore our submissions included provision for transport. However the Environment Trust advised that it would not fund the transport and as a result the EPA contractor will now pick up from all eleven sites.

A CRC is basically a large, four sided shed with a verandah where bins for the waste will be placed. Residents will drive under cover to dispose of the waste free of charge. As the bins fill they will be placed in storage in the shed awaiting pick up by the EPA's contractor. In addition to the shed, a forklift will also be purchased to allow councils to move the waste bins around easily and to load the EPA contractor's truck.

The REROC project which received funding of \$705,720, is the largest, single roll out of CRCs in the State. It is expected that all the sites will be completed by the end of December. Councils are currently finalising their site plans for the CRCs while REROC is finalising specifications to put out a quotation to supply for the design and construction of the sheds.

*Grant Funding: \$705,720* 

Estimated Savings by Regional Delivery: \$110,000

#### Household Hazardous Waste Collections

As a result of the work of the REROC Waste Forum, member councils have been able to offer their residents free household hazardous waste collections. The collections which commenced in 2003 and run on average every two years provide an opportunity for residents to appropriately dispose of up to 20 litres of toxic waste free of charge.

Almost all councils in the REROC region participate in the Collections and since its inception approximately 34,000 kilograms of toxic waste has been diverted from municipal landfills in the region.

Funding Received: \$556,149

Estimated Savings by Regional Delivery: \$210,000

#### Regional E-waste Collections

In response to the Federal Governments introduction of National Television and Computer Recycling Scheme REROC and its member councils decided to negotiate with providers for the establishment of free e-waste collections in each of the REROC LGAs.

REROC was the first group of councils to achieve an outcome that meant there was a free e-waste collection in every LGA in our region regardless of size. Since July 2013 the regional service has collected 198 tonnes of e-waste. Savings are based on an estimated cost of .70cents a kilo for disposal and the transport costs.

Estimated Savings: \$139,107.50 Transport & logistics savings: \$55,217



## 3. Ability to employ a wider range of skilled staff

For many councils the issue is not being able to employ a wider range of skilled staff but to be able to support their staff to broaden and enhance their skill base and to be in a position to access the skills that are required when they are required.

REROC assists councils to do this by providing opportunities for skilled staff to improve and enhance their skills, by promoting careers in local government and by assisting councils to address the skills shortages that impact on the operations of virtually every business and organisation operating in a rural area.

#### **Shared Staff**

#### **Regional Waste Officer**

REROC's Regional Waste Officer position has been in place since 2001, funded through the REROC member councils and grants from the EPA and its predecessor organisations. The role supports, coordinates and delivers waste management and resource recovery projects that are delivered at a regional level.

Examples of activities that are undertaken include the preparation of regional waste management and resource recovery strategies, organisation of the *No Time to Waste* Conference, lodging funding applications to deliver joint projects and implementation of those projects and preparation of the merchandise, intellectual property and promotional materials that are used in regional projects. The Waste Officer also informs member councils about changes in policy and legislation that impacts on their operations, undertakes lobbying and advocacy on waste management and resource recovery, liaises with the EPA and provides regional reporting to the EPA and participates in RENEW NSW.

#### **Road Safety Officers**

In 2004 REROC established a cluster approach to the delivery of the RTA's Road Safety Officer program. The cluster approach resulted in the 12 member councils being divided into four groups, with each cluster sharing one Road Safety Officer (RSO).

The RSO's work was co-ordinated by REROC which ensured that where economies of scale and scope could be achieved by delivering some RSO projects regionally, but with locally customised content. Radio and television advertising was booked regionally, printing was undertaken regionally, safety messages were created for regional application and then used at a local level.

RSOs worked on diverse projects including speeding child safety restraints, safe driving in the snow, driving in road works, driving in roundabout, older drivers, scooter use and projects for young children about crossing roads safely.

#### **Stormwater Extension Officer**

Between 2003 and 2005 REROC received funding from the Office of Environment and Heritage to employ a Stormwater Extension Officer (SEO).

The SEO was shared across the entire Riverina-Murray region; their role was to work with councils to on the issue of the management of stormwater including issues such as sediment control, practices on building sites, the completion and the implementation of stormwater management plans.

#### **Contaminated Land Management Project Officer**

In late 2014 REROC and RAMROC were successful in obtaining 3 year of funding to employ a Project Officer to work with councils across the Riverina-Murray to address a wide variety of issues in relation to the policies and procedures that councils have in place to deal with contaminated land.

#### **Regional Youth Projects and Social Media Co-ordinator**

REROC has engaged a person to support the work of the Youth and Communities Network and to conduct the ROC's social media campaigns. A major part of the work undertaken is the organisation of the annual *Take Charge* Youth Leadership Forum and the operation of the *Take Charge and Volunteer* project, including training volunteer organisation in the use of the website and in how to work with young volunteers.

### Improving and Enhancing Staff Skills through Special Interest Groups

#### **REROC Waste Forum**

The Waste Forum was the first special interest group formed by REROC and it has been in continuous operation since 1997. Membership is drawn from the REROC member councils and it is part of the EPA's Voluntary Regional Waste Group (VRWG) network.

The Forum deals with waste management and resource recovery issues and is responsible for the development of REROC's Regional Waste Management and Resource Recovery Strategies. The Group meets on a quarterly basis; many of its projects are highlighted in this report.

Grant Funding Received: \$1,969,163

#### **Workforce Development Group**

The Workforce Development Sub-committee meets on a quarterly basis to address issues relating to the member councils' workforce.

The Committee has considered and implemented projects in staff recruitment, staff training, induction and work health and safety. Given the continuing difficulties councils encounter in recruiting staff the Committee's work is extremely important in building member councils' capacity at both strategic and operational levels.

#### **Development of GIS Group - RivSIG**

In 1999 REROC received a \$100,000 grant from the Federal Government to undertake a project aimed at introducing and expanding the use of GIS and GPS technologies in member councils. The project responded to a need that the REROC Planners had expressed regarding the implementation of the technologies in their councils and the major cost of obtaining source data from what was then Land Information.

Today the Group continues under the banner of RivSIG (Riverina Spatial Information Group), providing a professional development platform for not only local government staff but staff in state agencies, Charles Sturt University and private enterprise working in spatial data to learn from each other and support each other's work.

Professionals working in the spatial data field often find they are working alone or part of a very small team. RivSIG offers those professionals the opportunity to interact regularly with others working in the field. The Group meets quarterly and together with REROC organises the annual *Mapped Out* Conference.

#### **Engineers Group/REROC Infrastructure Group**

This Group meets on a quarterly basis to discuss issues that relate to engineering, asset management, transport and infrastructure. The meetings are a platform for identifying common problems and opportunities to undertake regional projects.

The Group has transformed to take a larger role in infrastructure development as the REROC Infrastructure Group. The Group is responsible for the development of the REROC Freight Transport Plan and is currently working on an update to the Transport Plan and a Mobile Phone blackspot project.

#### **Youth and Community Network**

The REROC Youth & Community Development Network brings together all the council staff working with youth and community development in the REROC region. The Network meets bi-monthly and aims to assist member councils by working together to enhance youth and community development services in the region.

The Network invites service providers as guest speakers to the meetings as this allows both the providers and the member councils to work together to provide improved and more efficient servicing.

#### Professional Development Opportunities

#### **Mapped Out Conference**

Mapped out is organised by RivSIG and REROC and has been held annually since 2005. The Conference showcases the use of spatial data to enhance the operation and delivery of government services. Mapped Out is supported as a professional development activity by the SSSI.

Speakers have been drawn from across Australia to demonstrate the diversity of applications for spatial data. Trade Stands are also a feature of the event where the latest in technology and services is demonstrated for attendees. Recent speakers and topics have included:

SES – NSW Flood Database



Gail Fuller from CSU and Narelle Hobson from Junee Shire at 2014 Mapped Out

- ABS Mapping Census Data
- Bureau of Meteorology Mapping Weather Information
- Junee Shire Council Using Spatial Data for Executive Decision Making
- National Parks and Wildlife Using GIS in Wild Dog Management

The Conference attracts about 90 people from across southern NSW and northern Victoria and while the Conference is focused on government applications for spatial data, attendees come from state agencies and private enterprise as well as councils.

Mapped Out is an important professional development activity for REROC member council staff working in the spatial data area.

#### No Time to Waste Conference

The challenges facing the rural and regional waste management and resource recovery sector are

the focus of the *No Time to Waste* Conference. The conference has been held annually since 2009.

Attendees at the Conference come from across NSW and Victoria and include waste managers, landfill operators, council staff and councillors, contractors and recycling operators. Conference speakers come from across NSW and interstate and showcase the innovative responses that have been implemented to create sustainable solutions to waste management and resource recovery that particularly apply to operations of regional areas. Recent speakers and topics have included:

- Office of Environment and Heritage A vision for Resource Recovery in NSW
- Albury City Council the Halve Waste Campaign
- Veolia the Woodlawn Bioreactor
- EPA Infrastructure used to Address Illegal Dumping
- Bob Bailey Consulting Managing Risk in Landfill Operations
- Clean Energy Regulator Carbon pricing



Alice Kent from Wagga Wagga City Council visits a trade stand at the No Time to Waste Conference

Regularly drawing over 100 people the Conference offers a targeted professional development activity for REROC member councils and a unique opportunity to focus on the practical issues that are faced by rural and regional communities in the management of waste. The Conference is also supported by an array of Trade Stands that highlight the latest in services and facilities available in waste management and resource recovery.

#### **Workforce Development Forums**

Initiated by the Workforce Development Committee, the Forum is held annually and focuses on a specific issue within human resource management. Guest speakers from within the REROC membership as well as external councils are invited to address attendees about specific projects that have been implemented to address the issues being considered. Two Forums have been held to

date, in 2013 the Forum focused on recruitment and development of trainees, apprentices and cadets while the 2014 Forum addressed the issue of staff inductions.

The Forums are attended by council staff working in the HR area and feedback on the intensive format of the Forums has been very positive. The 2015 Forum will be held in late October.

#### Off the Grid Conference

The Conference, an initiative of REROC's Economic Development sub-committee, aimed to clarify some of the confusion around the energy market and energy alternatives.

In 2013 a survey of businesses undertaken by the committee found that the greatest concern for most was rising energy costs. In addition many of REROCs member councils were expressing frustration at rising prices and looking for ways in which the problem could be addressed. Off the Grid aimed to clear away some of the confusion by addressing a number of the basic concerns that consumers held about energy management, what tariff they were on, choosing an energy provider, improving energy management and alternative energy sources.



Greg Ewings, Cootamundra Shire speaks about the Shire's photovoltaic project for small halls

The Conference held at Charles Sturt University was open to business and government and was attended by almost 80 people. It received sponsorship from RDA Riverina.

#### **Women in Local Government Forum**

Held as part of the Year of Women in Local Government the Forum attracted 90 participants. The Forum included addresses from women who were leaders in their fields, professional development workshops for councillors and staff and a Panel Discussion on the Future Directions of Local Government.

#### **Training**

REROC organises training activities for council staff on an as required basis. The benefit of joint training provision is that it reduces costs for participating councils and increases the opportunities of providing training locally. Some of the training that has been facilitated by REROC includes:

- ABS TableBuilder Training
- Executive Certificate for Elected Members
- Work Health and Safety Understanding Council Obligations under the new legislation
- Contaminated Land Management
- Pavement Construction
- GIS Software Training
- GPS Training

#### Addressing Skills Shortages

#### Build a Bridge...and Get Over it!

Build a Bridge...and get over it! is a 3 day Camp that aims to address skills shortage in civil engineering by encouraging high school students in Years 9 -12 to consider a career in this field.

REROC partners with the Compact, a careers education link organisation which services a similar region to REROC's. The Compact provides the interface with schools while REROC interfaces with industry. Since 2010 the program has been sponsored by the IPWEA (NSW) and NSW RMS and prior to this it was supported with funding from the Federal Government's Business Partnerships program.



Students construct their Bridge at the 2012 Build a Bridge

Admission to the Camp is competitive with

a maximum of 24 students admitted each year. Students are divided into four teams and tasked with designing a bridge to span a creek at the Camp's venue. Models of the designs are constructed on the second day of the Camp and then on the third day the winning design is constructed over the creek and the students walk across the bridge to receive their participation certificates. Engineers from REROC member councils, the RMS, IPWEA and Engineers Australia mentor the students.

Commenced in 2005, the Camp has run every year since then with the 10<sup>th</sup> anniversary to be celebrated in August 2015. Over 200 students have participated in the Camp with approximately a third choosing a career in engineering.

#### **The Work Inspirations Project**

This new project initiated by the Workforce Development Sub-committee is delivered in partnership with the Compact.

The Work Inspirations' project aims to engage and inspire young people to work in local government. The program is a four phase approach; the first stage being a day-long, group activity introducing students to the work of councils, the second stage is work experience, the third stage is work placements and then finally school-based apprenticeships or traineeships. It is based on successful Work Inspirations projects carried out in other parts of Australia. View the Greater Hume Shire Work Inspirations Day on YouTube and view the Junee Shire Council Day here.

#### **Professional Placement Program**

This program was introduced in partnership with Charles Sturt University; its goal was to address skill shortages in local government by encouraging local University students to undertake short work placements in member councils. Introduced in 2003 the program ran for 6 years until the

introduction of the new Fair Work Act required that all student placements be part of an accredited course requirement.

Over 60 students undertook placements that ranged from 3 to 22 weeks in areas that included accounting, human resources, administration, social planning, information technology, GIS and events management. In 2005 eight social welfare students worked on the development of a Regional Aged Care Profile. The work was undertaken as part of the students' requirements to undertake a 22 week work placement. As a result of the project profiles were

developed for each LGA in REROC and a booklet on Aged Care for You and Your Loved One was also produced, printed and distributed through member councils.



Students receive their certificates for participating in the PPP

#### **UTS Student Engineer Program**



Promoting engineering placements with REROC councils at UTS

This program ran for four years and aimed to attract students from UTS' School of Engineering to undertake work placements in REROC member councils. The ultimate goal was to demonstrate to students the diversity of work available in country councils and to have them experience a country lifestyle. The placements were for 6 months.

Over the four years approximately 20 students participated in the Program, one of the first students to participate is now the

Manager of Engineering and Planning at Junee Shire Council.

#### **Careers Expos and Flyers**

REROC has developed a series of flyers on careers in local government to assist councils to promote the industry as a whole and engage with potential employees at events like careers expos. The flyers can also be downloaded from the REROC website.

# 4. Knowledge, creativity and innovation

REROC and its member councils have embraced innovation and creativity. The organisation is constantly seeking ways in which services to residents and member councils can be enhanced through innovation, in many cases REROC has turned to the Internet for solutions that will work in the largest inland city in NSW, Wagga Wagga and for the smallest shire in the State, Urana. More recently, Smart Phone technologies such a mobile web and app interfaces have been utilised to extend service reach, while social media such as Facebook and Twitter have been engaged to promote ROC and member council activities.

#### **REROC Websites**

REROC has embraced the web as a platform for disseminating information, including intellectual property, to its members and raising awareness about its activities to the general public.

REROC's first website was published in 1999, it was considered so innovative at the time that REROC won a 1999 National Innovation in Local Government Award for its development. Numerous iterations have followed, the website today <a href="www.reroc.com.au">www.reroc.com.au</a> contains information about all REROC's operations, projects and activities. It also includes a "members section" that contains minutes, board papers, information on the current JO Pilot as well as resources such as a generic policy documents and the Regional Code of Conduct Panel.

REROC also maintains a website dedicated to its work in waste management and resource recovery <a href="www.waste.reroc.com.au">www.waste.reroc.com.au</a>. Here information on all the projects and activities undertaken by the REROC Waste Forum is provided.

#### Safe Sharps

The aim of the Safe Sharps' project is to assist sharps' users to easily find approved sharps' disposal locations so that used sharps can be properly and safely disposed of. It was developed in response to member councils concerns that used sharps were being found in parks, gardens and municipal recycling collections. Funding for the project came from the NSW Community Sharps grants.



Hon Jillian Skinner, Minister for Health, launches the Safe Sharps project at Parliament House

The website, <a href="www.safesharps.org.au">www.safesharps.org.au</a> which was launched in July 2011, was developed in consultation with Diabetes NSW who continue to support the program. Currently there are almost 2,000 locations listed on Safe Sharps, ranging from hospitals and community health centres to pharmacies and public toilets. The majority of the sites are in NSW however sites from Victoria, WA, Queensland and ACT are also included. Melbourne City Council, the ACT Government, Sydney City

Council and Geelong City Council all have their own log-ins to help them maintain their own information.

The primary interface for users of Safe Sharps information is via Smart Phones and Tablets, the apps are free to download from iTunes and the GooglePlay store. The roll out of the program has been supported by the distribution of flyers and brochures and a television advertising campaign. Safe Sharps has taken out two NSW Excellence in the Environment Awards for Community Sharps. *Funding Received:* \$98,500

#### Yours 2 Take Project

www.yours2take.com.au was launched in March 2008 and now has over 7,500 registered users. The website is an on-line resource exchange program which aims to reduce the amount of waste entering council landfill sites. The site allows users to give items away that they no longer want to someone who has a use for them. Yours2Take makes it easier for people to link with others who can put those unwanted items to good use.

As a result of the development of the latest regional waste management strategy it was agreed that if REROC wished the site to be more relevant for Business2Business applications then we should permit the sale of items, should be permitted in addition to giving them away. Changes were made to the site and a relaunch is to take place.



#### Start Your Business Here Project

Start Your Business Here <a href="www.startyourbusinesshere.com.au">www.startyourbusinesshere.com.au</a> was funded by AusIndustry and is an on-line, self-guided computer program that allows start-up business to determine what regulations and planning controls they must comply with in each of the LGAs that comprise REROC. It includes information on local planning rules as well as State planning and licensing requirements.

The project aims to make it easier for home-based and small business operators to establish a business in the REROC region by allowing them to identify the local and State rules and regulations that would impact on their business operations.

Funding Received: \$200,000 Estimated Savings: \$360,000

## Small Communities Closed Loop Organics Recycling Pilot Project

The Small Communities Closed Loop Organics Recycling Pilot Project trialled low tech, low cost organics recycling and was undertaken in partnership with Charles Sturt University (CSU)

The project was co-ordinated by the outdoor staff at CSU's Wagga Wagga Campus. The REROC Waste Forum goal was to develop and test an organics recycling system that could be operated in small communities. REROC

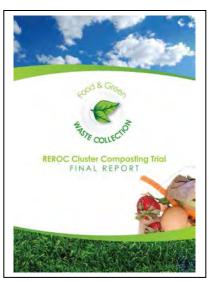


A visit to the Closed Loop Organics Recycling Pilot

engaged an agricultural economist to prepare a report on the success of the project which ran for over 2 years.

The lessons learned from this project enabled the Waste Forum to undertake the Cluster Composting Trial in 2013 which resulted in Coolamon and Cootamundra Shires implementing full organic waste collections and processing in each of their shires.

#### **Cluster Composting Trial**



Following the success of the Small Communities Close Loop Organics Pilot, four councils agreed to trial kerbside organics collections in each of their LGAs. Coolamon, Cootamundra, Gundagai and Junee Shire councils commenced the six month trial in August 2011.

The aim of the Trial was to test the feasibility of a cluster approach to composting, where the organic material collected would be taken to a single, central location for processing. The Trial introduced an organics and green waste kerbside collection for 200 households in each of the four participating shires. The timing of the project was to ensure that it ran during Spring and Summer when there were concerns about odour.

Each of the 800 households that participated in the Trial were provided with a benchtop organics collection bin and bin liners, a 240 litre organics/greenwaste bin that was collected on a fortnightly basis and education materials including a Frequently Asked Questions flyer and calendar showing collection dates for each LGA. The bins and education materials were delivered to all householders by council's staff in the weeks leading up to the Trial. REROC prepared and printed all the education materials, the bench top bins and 240 litre bins were bulk purchased by REROC and paid for by the councils.

During the Trial a total of 139 tonnes of organic waste was received and processed. Following completion Trial, Coolamon surveyed their residents to determine their levels of satisfaction with the service and to determine if it should continue. The new service was so well received in Coolamon that residents agreed to pay an additional waste service fee to allow the kerbside organics/greenwaste collections to continue. Cootamundra has also introduced a full organics and greenwaste collection for their residents.

The project received some funding support from the EPA but the majority of the cost was met by the participating councils.

Funding Received: \$30,000

#### *Take Charge and Volunteer* Project

Take Charge and Volunteer <a href="www.takecharge.org.au">www.takecharge.org.au</a> aims to support young people to take on volunteering roles in their communities. It was an outcome of REROC's <a href="Take Charge Youth Forum">Take Charge Youth Forum</a>

where young people sent a clear message that they were keen to take on volunteering roles but were unsure about how to make connections with organisation that wanted young volunteers.

Take Charge and Volunteer <a href="www.takecharge.org.au">www.takecharge.org.au</a> is a website which encourages young people to volunteer by providing a portal to the organisations that want to work with young volunteers. The website launched at the 2014 Take Charge Dinner, links community organisations that have



volunteer opportunities with young people who are looking to volunteer.

The website lists volunteering opportunities categorised by industry and career rather than by organisation. This approach accords with research that shows young people prefer to volunteer in areas that reflect their career choices. REROC worked with volunteer organisations to train

them in the use of the website but to also provide them with specialised training to assist them to identify their opportunity in terms of career types and to design experiences that young people would find rewarding.

A number of the volunteer opportunities that have been listed come from member councils' section 355 committees as well as from council activities themselves, such as libraries. REROC and the member councils believe that this is a practical way of encouraging young people to take on leadership roles in their communities.

#### Paw Pals Education Materials

In 2004, after being approached by one of the member council's rangers, REROC applied for and received funding from the Department of Local Government to address the need for resources to assist rangers to deliver the message of responsible pet ownership to primary school children.

A small working party comprising rangers, a local school primary school teacher and the REROC Executive Officer was formed to produce teaching materials and resources for children from K-6.

The resources developed included a pet passport, where children could record details about their pet including vaccination and registration, bookmarks, stamps, stickers and an A2 poster as well as comprehensive teaching materials and lesson plans for both school teachers and rangers. The Lesson Plans and Materials were designed for specific age groups:

Unit One, Kindergarten - Year 2: My Pet, My Friend

Unit Two, Years 3 and 4: My Pet, My Friend, My Responsibility

Unit Three, Years 5 and 6: Responsible Pets, Responsible Owners

Funding Received: \$20,000

Savings for Councils by Regional Delivery: \$65,000

#### Awards

REROC has been recognised for its creative and innovative approaches to delivery of local government services both nationally and at a State level:

- Winner of the Technology Division of the National Awards in Innovation for Local Government for the Riverina Eastern Regional Organisation of Council's Integrated Database website – 1999
- Winner Australian Institute of Environmental Health (NSW) Innovative Environmental Awards, Delegate's Choice for REROC's Onsite Sewage Management Project – 1999
- Highly Commended in the IPWEA's Engineering Excellence Awards for REROC's Rural School Bus Stops Project – 2004



Federal Minister for Local Government, Hon Ian McDonald with REROC CEO, Julie Briggs and REROC Chair, Cr Peter Dale receiving the 1999 National Award for Innovation

- Winner Local Government category of the Keep Australia Beautiful (NSW) Plastic Bag Reduction Initiatives Awards for REROC Waste Forum – 2004
- Winner Overall State of the Keep Australia Beautiful (NSW) Plastic Bag Reduction Initiatives Awards for REROC Waste Forum – 2004
- Highly Commended NSW Local Government Environmental Awards Riverina it's a Living Thing – 2005
- 2006 National Best Practice for the Federal Government's Local Community Partnership initiative for *Build a Bridge...& get over it!*
- One of three finalists in the 2007 National Awards for Economic Development Excellence for Start Your Business Here
- Highly commended NSW IPWEA Engineering Excellence Awards for Build a Bridge...& get over it! – 2008
- Highly commended NSW Local Government Excellence in the Environment Awards 2010 for Yours2Take.com.au
- Third Place, Local Government Innovation in Waste Awards, 2010, for Yours2Take.com.au
- Winner NSW Local Government Excellence in the Environment Awards 2011,
   Community Sharps Management for Safesharps.org.au
- Runner-up, Local Government Innovation in Waste Awards, 2011, for Safesharps.org.au

- Winner Division B Waste Avoidance Award, NSW Local Government Excellence in the Environment Awards 2012, Cluster Composting Trial
- Winner NSW Local Government Excellence in the Environment Awards 2013, Community Sharps Management for Safesharps.org.au, Version 2.
- Highly Commended, NSW Local Government Excellence in the Environment Awards 2014, Resource Recovery, REROC Regional E-waste Collection Project



REROC CEO, Julie Briggs receives State

Award for Excellence in the

Environment

#### Papers and Reports

In addition REROC's knowledge, creativity and innovation has been recognised in a number of publications that have showcased REROC projects:

- The Cluster Composting Trial was a Case study in the Federal Department of Environment's Report <u>Food and Garden Organics – Best Practice Collection Manual</u> which was developed for the Commonwealth Department of Sustainability, Environment, Water, Population and Communities, released 2012.
- REROC was a Case Study in the ACLEG Report, <u>Consolidation in Local Government: A Fresh</u> <u>Look</u>, released May 2011.
- Build a Bridge and Get Over It! was included as a Case Study in the NSW Legislative
   Assembly's Economic Development Committee's Report into Skills Shortages in NSW, March
   2014.
- Build a Bridge and Get Over It! was included as a Case Study in the Federal Department of Education, Science and Training's publication Adopt a School Information Kit, 2007
- REROC Waste Forum's Yours2Take and Safe Sharps projects were written up in the National Environment Protection Council's Regional and Remote Australia Working Group's publication <u>Solutions for Waste Management in Regional and Remote Australia: A</u> <u>Compilation of Case Studies</u> released in 2013.

# 5. Advanced skills in strategic planning and policy development

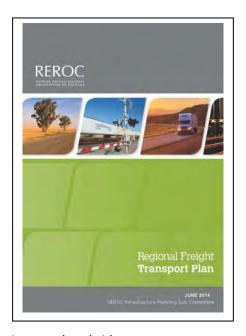
REROC members recognise the advantages that regional planning can provide. Time and again members have embraced the opportunity to work collaboratively in order to prepare generic policy documents which can be customised for use by individual members.

Sharing IP makes good economic sense but also enhances professional development for staff as they are forced to consider how policies can be effectively implemented in council areas other than their own. The success of the approach is evidenced not just in the plans and policies member councils have adopted but also by the fact that other councils across NSW have also elected to adopt the same policies for their own use.

#### REROC Regional Freight Transport Plan

An initiative of the Infrastructure Sub-committee the Plan demonstrates how effectively councils can collaborate to undertake regional planning. The Plan identifies all the major road and rail corridors in the region, the major modal points for grain, livestock and timber and identifies the obstacles to efficient and effective transport. The Plan is supported by an <a href="interactive mapping tool">interactive mapping tool</a>, developed by at Coolamon Shire Council, which enables users to turn layers on and off to observe specific transport corridors and their respective uses and issues.

The Plan identifies the works that need to be undertaken to address impediments and utilises a matrix tool to prioritise road corridors. REROC believes that the Plan lays a strong foundation upon which all transport planning for the region can build. The



Plan has also identified a number of collaborative procurement projects such as bridge assessments that could be implemented in the future, subject to the availability of funding.

The Plan has been well received by industry and State agencies. As part of REROC's JO Trial the Plan will be enhanced with the addition of more detailed information for grain, livestock, timber and general freight transport corridors that address issues such as source points and volume and value issues.

#### **REROC Regional Action Plan**

In February 2012, over 50 councillors and senior staff came together at Charles Sturt University to consider regional projects that members wanted to address over the next three years.

The aim of the day was to produce an Action Plan that identified projects of regional significant that REROC would pursue over 3 years. The overall theme of the Action Plan is Local Government with Borders, the goal being to identify those services that could be delivered by the ROC in a borderless environment – that is the services and activities best suited to regional delivery.

The resulting Action Plan identified projects under seven broad themes:

- Infrastructure
- Resource Sharing
- Workforce Development
- Community Planning and Culture
- Economic Development
- Environment: and
- Advocacy and Lobbying.

The Action Plan was adopted by the REROC Board in April 2012 and work has continued on it since then. Significant achievements to date as a result of the Action Plan are the REROC Regional Freight Transport Plan, Gravel Resources Mapping, Mentoring and Staff Information Exchange and the Review of Workforce Plans and a Skill Shortage Survey.

#### Regional Waste Management and Resource Recovery Strategies

The first REROC Waste Forum Waste Management Strategy was developed in 1999. The Strategy has been updated every 3 years with the most recent Strategy released in July 2014.

The Strategy sets the directions for waste management and resource recovery activities for the REROC region and is the basis for the funding that the Waste Forum receives as a Voluntary Regional Waste Group from the EPA.

Funding Received for Strategy Development and Implementation since 1999: \$2,114,163

#### Rural and Regional Landfill Strategy

The members of the REROC Waste Forum developed this Strategy with the aim of delivering cost effective, environmentally sound, sustainable waste management to rural areas. The key areas of operation covered in the strategy include: Finance, Service Delivery, Regulatory Requirements, Environment, Risk Management, Resource Recovery, Legacy, Education and Skills.

The Strategy has been adopted by the Waste Forum and the REROC Board.

#### Regional Asset Management Plan

This project aimed to build a profile of assets in the region. REROC engaged a consultant to facilitate the project who worked with councils to bring their individual asset management records up to date. It was imperative that individual council records were up to date for REROC to build a regional picture.

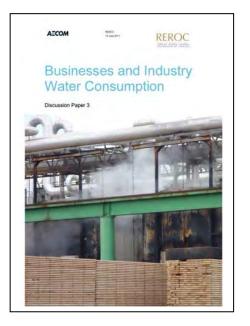
Considerable time was spent achieving this due to the level of complexity and the number of councils involved. As a result of the project all the participating councils developed a spreadsheet for their road network with common values for terms such as condition, remaining life, economic life, renewal cost and replacement cost. Councils also worked on an Asset Management Planning Policy template. The final outcome of the project was a regional Asset Management Strategy for REROC. *Estimated Savings: S390,000* 

# A World with Less Water: Climate Change Impact on Councils in South Eastern Riverina Project

Funded through the Federal Governments Strengthening Basin Communities program this project was delivered in three stages:

- 1. Identifying and mapping the water security impacts of climate change;
- 2. Identifying and mapping water dependent industries to build a regional resource; and
- 3. Preparation of plans and policies that were specific to each REROC LGA in the following operational areas:
  - Infrastructure and asset management planning;
     and
- b. Development strategies and land use planning. The project delivered a number of reports and discussion papers on climate change, weather, water resources and consumption, industry water use and vulnerability, the potential impacts of reduced water availability, water saving initiatives discussion paper as well as individual plans for each council.

Funding received: \$1.6million



#### Regional Organics Management Plan

Prepared in 2005, the Regional Organics Management Plan (ROMP) responded to an identified need to better understand the supply and demand for organic waste in the region in order to determine whether efficiencies could be achieved in the management of the waste stream.

The ROMP looked at the organic waste stream on an industry by industry basis and also on an LGA by LGA basis estimating the total volume of waste generated and identifying how and where the waste was disposed. It also considered the organic waste processors already operating in the region and their capacity to increase processing.

Ultimately the Plan found that the cost of transport undermined the viability of processing the waste in a central location and it concluded that REROC and its member councils needed to identify ways in which the waste stream could be processed locally. This lead directly to REROC's involvement in the Closed Loop Composting project and ultimately the Cluster Composting Trial.

#### Regional Youth Strategy

The Strategy, developed following the Regional Youth Summit held in 2002, aimed to provide direction for activities involving and engaging young people in the REROC region. It also resulted in the formation of a Regional Youth Council.

#### Rural School Bus Stop Guidelines

One of the outcomes of the RSO project was the development of these Guidelines. It responded to safety concerns on Gocup Road in Tumut Shire where there was a continuing interface between

logging trucks and school buses. However, members recognised that the issue went much further than Tumut Shire.

A Working Party that included REROC Engineers, the Tumut Shire RSO, REROC Executive Officer and the RTA was formed to develop the Guidelines. Once completed, they were reviewed by all REROC councils and then following some amendments adopted by all member councils. Subsequently, the Guidelines were "publicised" by the RTA and as a consequence adopted by other councils in the State. Although they were developed in 2003, REROC continues to receive calls from councils in NSW for a copy of the Guidelines.

#### **Telecommunications**

REROC was a long term member of the Riverina Telecommunications Working Party which developed *linked- A telecommunications*Strategy for Riverina Communities. The Study identified the current telecommunications infrastructure and the telecommunications needs of the Riverina community and proposed future strategies for developing telecommunications' infrastructure and services. The Strategy was the catalyst for the establishment of Riverina FIRST in 2005.



Local Federal Member, Kay Hull, launches the linked telecommunications strategy in 2003

#### Generic Policies and Plans

REROC members have long recognised the value in working collaboratively to develop policies and plans that they are all required to have in place to meet legislative obligations. Over the years the staff of member councils have come together on numerous occasions to develop generic policies and plans which are then provided to members to customise for their own use. Examples of some of this work are:

**Protective Clothing Policy** – member councils recognised the benefits of a consistent approach to the issue of protective clothing. A small working group develop a generic policy document which incorporated the key elements; the policy could then be customised to accommodate individual member council workplaces. The policy formed the basis of a group purchasing activity for protective clothing.

Estimated Savings: \$108,000

Occupational Health, Safety and Rehabilitation Plan – REROC prepared this generic document for use by members that were seeking accreditation by the RTA for Single Invitation Contracting. The three parts of the accreditation process, OHS & R Corporate Planning, QA and Environmental planning posed real resourcing issues for members. REROC was able to assist by producing generic, baseline documentation which members councils were able to customise for their own use. REROC was also able to sell copies of the generic materials to non-member councils for \$500 each, generating an income \$10,000 for the organisation.

Estimated Savings: \$70,000

**Depreciation Strategies for Roads** – the Finance Officers Group worked over a number of meetings to identify more constructive ways of dealing with depreciation on roads. A number of strategies were implemented (after consultation with council auditors) that provided a more satisfactory result.

# 6. Effective regional collaboration

Regional collaboration is at the heart of what REROC does. Since its establishment in 1994 the member councils have embraced regional collaboration and the benefits it provides in assisting them to operate more efficiently and effectively, to expand their services and to work more closely with each other.

#### Review of Workforce Plan and Skills Shortage Survey

This project was initiated by the Workforce Development Group. The aim was to find commonalities in the member councils' workforce plans with a view to identifying strategies that could be implemented on a regional basis.

The skills shortage surveys showed an aging workforce and identified a number of gaps and potential skills' gaps that need to be addressed. One of the ways that was identified to address this issue was the development of the Mentoring and Staff Information Exchange. The results of the Review and Survey are available in the Members' section of the REROC website.

#### Mentoring and Staff information Exchange

This project was the result of the Skills Shortage survey that the Workforce Development Group undertook. The aim of the exchange is to provide mentoring and support, staff placements and exchange for member councils staff from within the REROC group of councils.

The Information exchange details can be found in the Members section of the REROC website. It contains the contact details for staff across the region that have a particular expertise which they are prepared to share with staff from other councils. The project is designed to provide REROC member councils' staff with easy access to professional support and advice at no cost.

#### Take Charge Youth Leadership Forum and Leadership Dinner

Member councils recognise the importance of engaging with young people in their LGAs. The Take Charge Youth Leadership Forum is an initiative of REROC's Youth and Community Network who worked together to bring this highly successful activity to fruition.

REROC received funding through the NSW Office of Communities to run a project that was designed to encourage young people to take



Take Charge Youth Leadership Forum, 2014

leadership roles in their community. The purpose of the Forum was to inspire attendees to "take charge" by showcasing the ways in which young people had successfully taken the lead, to build

participants' capacity and willingness to take on leadership roles in their own communities and to show them that they are part of a region not just their LGA.



Take Charge Youth Leadership Dinner, 2014

Two Forums have been held in 2013 and 2014 with a third Forum planned for August 2015. In the first year 120 students attended and in the second 152 attended. Students have come from virtually every LGA in the REROC region and range in age from Year 6 to Year 12. A video of the first event was uploaded to the Home Page of the Office of Communities and REROC's YouTube.

The Leadership Dinner targeted young people aged 18-30 who had already taken on leadership roles in their community. The aim

of the dinner was to recognise and reward attendees for their efforts and also to inspire them to continue to take charge in their communities.

The participating councils pay for their young leaders, council staff and elected members to attend the dinner. By mixing young people with civic leaders it is intended to demonstrate how young people can have influence in their communities. Two dinners have been held with over 100 people at each.

The Take Charge Forum and Dinner demonstrates how councils can deliver high quality regional projects for young people through collaboration.

Funding Received: \$137,000

#### Finalisation of Rail Interface Agreements with John Holland Rail and the ARTC

Councils are required by legislation to enter into Rail Interface Agreement with the Rail Infrastructure Managers operating in their LGAs. This required that a number of the REROC member councils enter into agreements with both John Holland Rail (who operate country rail lines) and the ARTC (who operate the Main South Rail Line).

In late 2012 after extensive negotiations with John Holland Rail, REROC acting on behalf of its members was able to finalise an Agreement that met the needs of the councils and John Holland Rail. As a result the REROC member councils were the first in the State to sign Rail Interface Agreements with a Rail Infrastructure Manager.

Following the success of the John Holland Rail negotiations, REROC entered into similar negotiations with the ARTC. An extended period of discussion followed and REROC was again able to settle on an Agreement that both the councils and the ARTC were happy with at the end of 2014. Again we were the first group of councils in the State to finalise agreements with the ARTC.

Working collaboratively resulted in the councils saving considerable time and energy on reaching agreement and allowed for the development of common contracts that met the needs of all the parties.

Estimated Savings by a Regional Approach: \$32,000

#### Regional Code of Conduct Panel Established

A new Model Code of Conduct for Local Government came into effect in early 2013. In response to the new requirements REROC prepared a tender to establish a regional panel from which members could draw. REROC advertised nationally and locally and also contacted people who had previously served on a member council's panel. Over 20 responses were received and a small working party brought this down to 10 people who had the requisite experience and skill base to undertake the required tasks. Information on the Regional Panel can be accessed by members through the Members Portal on the REROC website.

A collaborative approach proved to be a very efficient and effective way of dealing with the establishment of the Code of Conduct Panel saving both time and money for the member councils. *Estimated Savings by Regional Approach: \$35,100* 

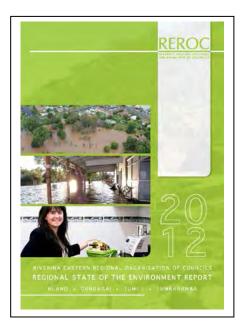
#### Regional State of the Environment Report

In late 2012 REROC prepared a regional State of the Environment Report for the Level 3 IP&R councils: Bland, Gundagai, Tumut and Tumbarumba.

All four councils worked collaboratively to pull the base line information together that was required for the LGA. In addition REROC obtained State and Federal information that was pertinent for the project and contracted a writer to help bring the information together in a single SOE Report that covered all four LGAs.

The project was very successful and reduced the workload on councils significantly, while producing a high quality document.

Estimated Savings: \$20,000



#### Financial Software Project

In late 2010 a number of the REROC councils that utilised the Practical Software system were advised that the company had been taken over by Civica (a competitor) and that there was a question over whether or not the councils would be able to continue to use Practical.

Shortly thereafter, the affected councils contacted REROC and requested that the Organisation put into place a solution that could be implemented across the region. A working party comprising representatives from each affected council was formed to prepare an EOI for a software solution. The councils involved were Bland, Coolamon, Cootamundra, Corowa, Greater Hume, Lockhart,

Tumut and Urana as well as Goldenfields Water. Wentworth Shire and Deniliquin Shire Council were also affected by the change, heard what REROC was doing and asked to join the Group.

Following an EoI process for the supply of a whole of local government software solution, the Group engaged a third party consultant, iPlatinum to assist with evaluation of offers. This resulted in a shortlisting of four vendors and the Group then undertook demonstrations with each. Individual Councils then assessed their positions to determine which vendor was the best fit for their operations.

The project resulted in both an improved understanding by each council of their software needs and a significant reduction in the cost of software to each of the participating councils. Estimated Savings: \$100,000 per council - \$800,000

#### Calico Bag Exchange Program "...our future is in the bag"

REROC and member councils invited residents to collect twenty plastic bags and to take them to their local council office to receive a free calico shopping bag in return. The project was supported by a regional television advertising campaign as well as stories in local papers and council newsletters. The result of the project was that 21,000 calico bags were given away and approximately 400,000 plastic bags were collected. The bags were taken to a local recycler for processing. The project ran again in 2005 with a further 9,000 calico bags distributed by member councils with 180,000 plastic bags collected for recycling.

The project won the Local Government category of the Keep Australia Beautiful (NSW) Plastic Bag Reduction Initiatives Awards for REROC Waste Forum in 2004 and REROC was also named the Overall State Winner of the Keep Australia Beautiful (NSW) Plastic Bag Reduction Initiatives Awards.



REROC Chairman, Cr Paul Braybrooks and Waste Officer Belinda Maclure with some of the 400,000 bags collected



Part of the Regional WRAP exhibition

#### Waste as Recycled Art Program (WRAP)

Commenced in 2004 in collaboration with Eastern Riverina Arts this project reached out to primary school students in the member LGAS to encourage them to consider ways in which they could improve their environment through reusing waste products.

Councils contacted each of the primary schools in their LGAs to invite them to participate in WRAP; the program provided the students with clean waste which was turned into works of art. Individual councils

held local exhibitions of the work and the best works from the local exhibitions were transported to Wagga Wagga for a regional exhibition and competition. Judging of the winning works was undertaken by REROC and Eastern Riverina Arts.

WRAP ran until 2013 and each year that it operated between 25-30 primary schools participated from almost every LGA in the region. We estimate that each year over 1,000 students participated in the initiative.

#### **Kindy Kits**

Every year the REROC Waste Forum and council Road Safety Officers work together to deliver over 2,300 Kindy Kits to new kindergarten students in the REROC region. The Kits contain RMS Road Safety information for young children and "No Waste in My Lunchbox" information for students and parents. The information and activity sheets are provided to students in a library bag.

The program allows councils to connect with young students and their families while promoting services in road safety, waste management and resource recovery.

#### Riverina First Project



Riverina Regional Development Board EO, Peter Dale and Telstra Countrywide Regional Manager, Andrew Cottrill launch Riverina First in 2004

This project was a joint initiative that involved the Riverina Regional Development Board (RRDB), Riverina Area Consultative Committee, NSW State and Regional Development, REROC, RivROC and Telstra Countrywide.

The outcome of a number of years of work on the issue of regional telecommunications which REROC and RivROC worked on closely with the Riverina Regional Development Board (RRDB). Riverina First was the result of a tendering process undertaken by the RRDB for regional telecommunications

needs. The initiative resulted in Telstra agreeing to contribute 1.5cents from every fixed line phone call towards a fund that was used to improve telecommunications infrastructure in the Riverina. A philanthropic fund, known as the Riverina FIRST Community Fund, was also established with a percentage of the funds directed to grants for small community and not for profit organisations.

The infrastructure fund which operated from 2004-2010 was used to fund ADSL services in Junee and West Wyalong as well as improve mobile phone services across the region, including at Walla Walla, Holbrook and Marrar. Riverina First ceased receiving funds from Telstra in 2010 and the infrastructure improvements also ceased at that time however the Community Fund continues with REROC continuing to serve on the Riverina First committee. Since the inception of the Community Fund has distributed \$325,000 in small grants to not-for-profit organisation operating in the Riverina for a wide variety of projects including art groups, charities, schools, Indigenous and sporting groups.

#### Organisations REROC works with:

#### **Eastern Riverina Arts**



REROC has a permanent position on the board of Eastern Riverina Arts. REROC Executive Officer, Julie Briggs, filled the position of Chairperson between 2008 and 2015. REROC is now represented on the Board by the

General Manager of Temora Shire Council, Gary Lavelle. Eastern Riverina Arts and REROC share a common geographic footprint so it makes good sense for the two organisations to work collaboratively to delivery services into the region. Scott Howie, the Eastern Riverina Arts RADO, attends the REROC Youth & Community Development Network meetings where he has worked closely with the member councils to identify arts and cultural activities that a can be implemented across the region.

#### **RENEW NSW**



RENEW NSW is the banner organisation for the voluntary waste groups that are funded by the NSW Environment Protection Authority.

RENEW members, of which the REROC Waste Forum is one; meet on a quarterly basis in different NSW locations and in Sydney. The Group is convened by the NSW EPA, Tracey Cornell is REROC's representative. RENEW is a very influential group and is often first in line to receive information and advice from the EPA about issues that will impact on waste management and resource recovery on both a state and federal level. REROC's involvement in the Group is invaluable in ensuring we are at the forefront of developments in these important areas.

#### Other NSW ROCs

REROC has continued to attend regular meetings with other ROCs in NSW. These meetings have proved to be a valuable way to exchange information and ideas about what is happening in local government. They have also been a forum for State agencies to disseminate information on a variety of initiatives.

The fact that it brings metropolitan and regional ROCs together has also meant that we have been able to gain an appreciation of each other's stance on a variety of issues.

#### **Compact**



Compact and REROC have formed a very strong alliance through the delivery of programs like Build a Bridge and Work Inspirations. In addressing skills shortages in councils, one of the strategies that REROC has deployed is trying to engage young people at school to consider a career in local government.

Compact's role in engaging with schools to deliver outcomes for business and industry is crucial. Compact has been working with schools in our region, in the careers development area, for over 20 years and our partnership provides us with a strong pathway into schools to promote our programs.

#### **Regional Development Australia**



REROC maintains a strong and on-going relationship with RDA-Riverina. The RDA-Riverina's role is an evolving one; we continue to work with them on the development of plans relating to infrastructure in the region and particularly road and rail transport issues.

We believe that it is important that the region puts forward a cohesive voice on these issues in order to have a chance to attract much needed funding. Dianne Gibson, RDA Chairman and Lani Houston, the RDA Executive Officer are invited to attend all the REROC Board meetings.

#### **Department of Premier and Cabinet**

REROC continues to enjoy a strong working relationship with DPC in this region. We have been attending meetings of the Regional Leadership Network to provide input into the development of a new Regional Strategic Plan. Jason Collins, Regional Manager of DPC is also invited to attend REROC Board meetings.

#### **Charles Sturt University – Community Consultative Committee**

REROC is represented on this committee by Julie Briggs. The Committee meets 2-3 times a year to discuss issues in the Riverina and South-east region of NSW and ways in which CSU can respond to the challenges faced by communities and industry. This is the forum where, REROC has over many years, consistently raised the need for a civil engineering course to address labour shortages in local government.

#### **Riverina TAFE**

Julie Briggs is a member of this Board which meets on a quarterly basis. The Board discusses vocational education and training issues across the Riverina TAFE footprint, which includes all the REROC council areas.

# 7. Credibility for more effective advocacy

Advocacy is a core activity undertaken by REROC. Member councils recognise that the combined voice of the entire membership carries far more weight than the voice of a single council. REROC submissions are informed by the opinions of the entire membership and consequently we are able to provide robust commentary in relation to most issues.

REROC has spoken on behalf of the members at State and Federal Parliamentary Hearings, responded to numerous inquiries, review and legislative changes. REROC has actively lobbied for change where it is to the benefit of the majority of member councils.

REROC has represented its members on a diverse range of topics from health services to skills shortages in regional areas, from regional slots at Sydney Airport to National Competition Policy. An overview of the advocacy activities undertaken is list below:

### Meetings with the Independent Local Government Review Panel

REROC met on a number of occasions with the ILGRP to discuss REROC's <u>Strategic Regional</u> <u>Council Model</u> and to advocate for the benefits that could be achieved through regional collaboration.

# Promotional Campaign – Local Government Elections

In an effort to encourage more people to consider the value of taking on an elected representative

Graham Samson addresses REROC on the Independent Panel's work

role in Local Government REROC prepared promotional materials and an television advertising campaign in the lead up to the 2012 elections.

#### WorkCover Code of Practice

This was REROC's first high level advocacy activity which resulted in the State Government shelving plans to introduce a new Code that would have resulted in millions of dollars of additional costs to councils of undertaking roadworks.

A detailed submission was prepared for consideration by the relevant minister and the Premier and letters were written to all local members, In addition all other ROCs in the State were contacted to raise awareness of the problem. REROC nominated two engineers to attend meetings with WorkCover in Sydney to discuss the issue and it is in part that this strong advocacy that the Code was finally shelved.

#### Global Foundation's Round Table

REROC participated in Round Table discussions on regional economic development. The Round Table was a small group discussion on issues that impact on regional development and was attended by

the then Minister for Trade Hone Mark Vaile MP, the European Union Ambassador, the Ambassador for Ireland and the French Trade Commissioner.

#### **Lobbying Activities**

REROC lobbies on behalf of its member councils and their communities in a number of areas. This

usually requires REROC working with councils to identify the problem, researching the issue, analysing the relevant legislation and meeting with appropriate stakeholders, government agencies and politicians. Issues that REROC has taken action on include

- National Television and Computer Recycling Scheme
- Grain Harvest Management Scheme
- Pre-school Education Funding
- NSW Department of Planning Population Projections
- Expansion of the NSW Waste Levy
- Street lighting Services and Pricing
- Hunting in National Parks
- The value of Voluntary Regional Waste Groups
- Consultation with Transport for NSW on the Long Term Transport Master Plan for NSW
- Changes to the NSW Electricity Act



REROC Chair, Cr Paul Braybrooks OAM, provides evidence at a Upper House Parliamentary Inquiry

#### Submissions Prepared and Lodged on Behalf of Members

REROC responds to a wide range of issues that impact on the operation of its members and the communities they represent. Below is a list of some of the responses, submissions and reports prepared by REROC in consultation with its members:

- Submission to IPART on Methodology for Assessment of Council Fit for the Future Proposals
- Response to the Federal Government's Review of the National Television and Computer Product Stewardship Scheme
- Response to the Australian Energy Regulator on the 2014-2019 Street Lighting Determination
- Submissions to the Independent Local Government Review Panel
- Submission to the Independent Local Government Review Panel on the REROC Regional Strategic Council Model
- Submission to Strengthening Councils and Communities: Building a Framework for Measuring Performance in Local Government
- Submissions to the Expert Panel on the Recognition of Local Government in the Constitution
- Response to the Inquiry into the Adequacy of Water Storages in NSW
- Responses to the White and Green Papers on Planning in NSW
- Response to the Local Government Act Review
- Response to the MDBA's Guide to the Murray Darling Basins Plan
- Senate Inquiry into the Management of the Murray-Darling Basin
- House Standing Committee into the Impact of the Murray Darling Basin Plan on Regional Australia
- NSW Governments Review into the Draft Public Lighting Code

- Response to the Federal Government's National Television and Computer Product Stewardship Scheme
- Productivity Inquiry into Australia's Urban Water Sector
- Response to the DLG Position Paper A New Direction for Local Government
- Submission to the DLG on Business Clusters
- Response to the Draft NSW State Plan
- Response to the Independent Inquiry into Financial Sustainability in Local Government
- Response to the Upper House Inquiry into Municipal Waste Management in NSW
- Response to the Inquiry into the Integration of Regional Rail and Road Freight Transport and their Interface with Ports
- Response to the Inquiry into Skills Shortages in Rural and Regional NSW
- Response to the Natural Gas Access Regime Review
- Response to the inquiry into Extended Producer Responsibility for Waste
- Regional Aviation Inquiry Response
- Submission to Mobile Phone Coverage Program
- Response to the Disability Inclusion Bill 2014
- Response to the NSW Waste Levy Review
- Response Inquiry into Public Transport
- Response to the NSW Local Government Draft Model Code of Conduct
- Submission to the IPART Review of State Taxation
- Response Infrastructure Australia Call for Submissions
- Response Revenue Framework for Local Government
- Response Senate Employment, Education and Training References Committee Inquiry into Regional Employment and Unemployment
- Response House of Representatives Inquiry into a New Regional Development Funding
- Response to the Accreditation of Council Certifiers Discussion Paper
- Submission to the Productivity Commission on the Review of the Gas Regime
- Response to the GIAC Report: Rail/Road Options for Grain Logistics
- Response to Life Long Learning: The Future of Public Education
- Submission to the House of Representatives Standing Committee on Economic, Financial and Public Administration on Cost Shifting onto Local Government
- Response to the Inquiry into the Effects on Government Agencies of the Abolition of the Common Law Immunity of Non-Feasance
- Response to the Productivity Commission Inquiry into the Impact of Competition Policy Reforms on Rural and Regional Australia
- Response to At the Crossroads Inquiry into Cost Shifting in Local Government
- Response to the Inquiry into Commercial Regional Aviation Services
- Response to Slot Management System for Regional Airlines using Kingsford Smith Airport
- Response to WorkCover's Proposed Working Near Roads Guidelines REROC successfully lobbied against the introduction of these Guidelines.
- REROC Inquiry into a New Regional Development Funding Program
- REROC Response to The House of Representatives Inquiry into a New Regional Development Funding Program
- Response to the NSW Local Water Utilities Review

- REROC Submission to Issues & Options Paper on Road Maintenance Council Contracts
- REROC Response Public Lighting Review
- Response to the Skills Shortage Inquiry
- Response to the Integrated Transport Inquiry
- Response to the Productivity Commission Inquiry into the Impact of Competition Policy Reforms on Rural and Regional Australia
- Response to Senate Inquiry into Socio-Economic Consequences of National Competition Policy
- Submission to Improving Local Development Assessment in NSW
- Inquiry into Local Government Amalgamations in NSW
- Finance and Cost Shifting
- Response to the Auslink Green Paper 2

#### **Speaking Engagements**

REROC is regularly asked to speak at conferences and forums about its activities, some of the conferences and forums that REROC representatives have addressed are:

- 2015 National Digital Disruption Conference, Sydney: Using Mobile Technology for Service Delivery
- 2014 Government Mobility and App Solutions Conference, Melbourne: Safe Sharps Mobile App
- 2013 National Waste Conference, Coffs Harbour: Cluster Composting Trial
- 2013 No Time to Waste Conference, Wagga Wagga: *Using on-line solutions for effective Waste Management*
- 2012 LGMA National Conference, Perth: Local Government Without Borders: Successful Regional Collaborations, the REROC Experience
- 2012 National Waste Conference, Coffs Harbour: Safe Sharps
- 2012 NSW Local Government Excellence in the Environment Awards, Sydney: *Cluster Composting Trial*
- 2012 Waste Q Conference, Mackay, Queensland: Using on-line platforms to deliver waste solutions
- 2011 No Time to Waste Conference, Wagga Wagga: Safe Sharps
- 2011 NSW Local Government Excellence in the Environment Awards, Sydney: Safe Sharps
- 2010 No Time to Waste Conference, Wagga Wagga: Yours2Take Resource Exchange
- 2009 Strategic Asset Management 2009 Conference, Sydney: *Developing and Co-ordinating a Strategic Regional Asset Management Strategy*
- 2007 Strategic Alliance Network Conference, Sydney: What makes REROC work
- 2007 NSW Local Government and Shires Association Procurement Conference, Sydney: *Group Purchasing* the Good, the Bad and the Ugly
- 2005 National Connecting Government Forum, Sydney: REROC, Keys to Success

## 8. Capable partner for State and Federal agencies

#### Riverina JO Pilot

REROC has contracted with the Office of Local Government (OLG) to pilot the Riverina Joint Organisation. Work on the JO pilot commenced in November 2014 and will end in December 2015. The work will inform the content of the enabling legislation for the creation Joint Organisations which is scheduled to be introduced to the NSW Parliament in early 2016.

The JO pilot is undertaking projects in the OLG's three core areas of regional planning, intergovernmental collaboration and advocacy and lobbying. The JO pilot has produced a Pilot Charter, an Action Plan which dictates the time line for activities and a Statement of Regional Priorities (see Appendix Two) which details the projects and activities that will be undertaken over the Pilot period and beyond. These include:

- Regional Growth Strategy through the Pilot REROC/Riverina JO is collaborating with the
  Department of Planning and Environment on the preparation and finalisation of the
  Murrumbidgee Regional Growth Strategy. The project is facilitated by the Department of
  Premier and Cabinet (DPC).
- Regional Planning Initiatives we are exploring opportunities to undertake and deliver more regional landuse planning initially the project is focusing on mapping all current and planned industrial land in the region. This information will be provided spatially, on-line as an additional layer to REROC's existing Regional Transport Plan
   http://reroc.com.au/projects/regional-freight-transport-plan
   The project has been identified by NSW Trade and Investment, Department of Planning and Environment and Regional Development Australia-Riverina as being needed to assist in progressing economic development in the region. The project is facilitated by the DPC
- Regional Freight Transport Planning this project undertaken with the support of the DPC, RMS, NSW Trade and Investment, Transport for NSW and Regional Development Australia-Riverina. It builds on REROC's existing Regional Freight Transport Plan to focus on industry specific transport routes to provide a coherent picture of freight movements, the volume and value of those movements, obstacles to efficient movement and to identify where future investment in road and rail infrastructure should be focussed.
- Collaboration with the RMS in relation to the road contracting as part of the JO Pilot discussions are being held with the RMS about ways in which efficiencies can be achieved with regard to road work contracting across all areas of contracting.
- Advocacy and Lobbying as part of the JO Pilot, REROC will continue its role in advocacy
  and lobbying, on issues that are identified by the membership.

In addition to the above, REROC is providing regular feedback to the OLG and DPC on the progress of the JO Pilot and the lessons learned as we move forward.

# Voluntary Regional Waste Group

The REROC Waste Forum is one of 8 Voluntary Regional Waste Groups (VRWG) operating in non-metropolitan NSW. The Environment Protection Authority (EPA) supports Renew NSW which represents eight VRWGs covering 96 councils and 1.8 million people in rural and regional NSW.

Working together over the past 12

years, these groups have improved collaboration across their regions,



Members of Renew NSW meeting in Wagga Wagga

improved waste service delivery in regional and rural areas, developed consistent research methods, shared skills and resources, and negotiated cost-effective contracts.

The EPA provided \$2.5 million in funding to voluntary regional waste groups in 2013–14, and will provide a further \$8.19 million progressively over the three-year period from 2014–15 to 2016–17.

The Waste Forum effectively partners with the EPA to deliver on the NSW's Waste Avoidance and Resource Recovery (WARR) Strategy through the delivery of its Regional Waste Management and Resource Recovery Strategy. The funding provided by the EPA allows the Waste Forum to deliver projects that implement the Strategy.

#### Digital Switchover Project



Kylie Dunstan and Chrissie Brunskill, REROC
DSLOs promoting the Switchover

In late 2011 REROC partnered with the Federal Government on the Digital Switchover Project. REROC appointed two Digital Switchover Liaison Officers (DSLO) to assist communities in the South West Slopes area of NSW with the switch from analogue to digital television.

During the course of the project the DSLO's met with over 100 groups and disseminated information to assist and raise awareness of the switchover to digital television which occurred in June 2012.

Funding Received: \$90,000

#### Premier's Regional Co-ordination Management Group (RCMG)

In 2001 REROC entered into an MoU with the RCMG the goal for which was to increase the level of engagement between the two organisations. As a result of the MoU REROC became a regular attendee at RCMG meetings, providing a local government perspective on agency activities and identifying opportunities for collaboration between REROC, member councils and the State agencies.

In addition REROC provided input to regional planning activities by providing presentations to the RCMG members on regional priorities.

#### Western NSW Regional Leaders' Group

REROC now participates in the Western NSW Regional Leaders' Group. Involvement in the RLG has allowed us to map current and future opportunities for the JOs and State agencies work together.

#### RTA – Road Safety Officer program

As <u>mentioned above</u>, REROC partnered with the RTA and its member councils to deliver the Road Safety Officer project for a period of 6 years. The project allowed the RTA to introduce Road Safety Officers in all 12 of the REROC member council LGAs using a cluster-approach designed and delivered by REROC.

## 9. Resources to cope with complex and unexpected change

REROC and its member councils have always walked towards change rather than shy away from it. This is amply evidenced in the decision made by the member councils in 1994 to establish a ROC and again by the decision in 1997 that the councils would fund full time staff for the ROC – a first in country NSW.

REROC is known for its willingness to seek out challenges and to embrace change and this is shown by the members' willingness to see the work of the Independent Local Government Review Panel as an opportunity for growth and development. REROC's response to the *Twenty Essential Steps* Report was to develop its own regional collaboration model and then to lobby the Panel to consider the REROC Models merits against the County Council model that the Panel originally proposed. REROC and its members note that the final Joint Organisation Model proposed by the Panel is very similar to the Strategic Regional Council Model proposed by REROC in August 2013.

REROC is currently a Joint Organisation Pilot, and again our members believe this demonstrates that working collaboratively provides the resources to cope with complex and unexpected change.

#### Development of the REROC Model for a Strategic Regional Council

The REROC Model was developed in response to the Independent Local Government Review Panel's *Twenty Essential Steps* Report. REROC members resolved to take a pro-active approach to regional structural change by developing a regional model which could take the ROC's activities to the next level.

The REROC Model built on what REROC had already committed to undertaking through the development of its Regional Action Plan and the use of Theme Groups to deliver strategic regional outcomes. The REROC Model proposed the creation of a Strategic Regional Council (SRC) which would be recognised under the Local Government Act. The SRC's activities were to have fallen into three broad areas of operation:

- · Regional Strategic Planning;
- Advocacy and Lobbying Activities; and
- Regional Shared Services.



Members attending the Independent Review Panel's Consultation in February 2013

A final proposal for the SRC, which was informed by the outcomes of the Report REROC commissioned from Percy Allan, was submitted to the ILGRP in August 2013. Further discussions were held with the ILGRP following the submission to further explore operational aspects of the Model.

REROC members note with some satisfaction that the final JO Model was strongly reflective of the SRC Model proposed by REROC.

#### Percy Allan Report - Evaluation of REROC's Regional Model Proposal to the ILGRP

In 2013 REROC engaged Percy Allan to assist in the preparation of a response to the Independent Local Government Review Panel's (ILGRP) *Twenty Essential Steps* Report. Mr Allan was engaged to prepare a report on the potential operation of a new regional organisation – an organisation that reflected Panel Chairman, Graham Samson's vision of a "ROC on speed".

Mr Allan's work assisted REROC members to consolidate their positions and perspectives on how a new model of operation for REROC might work. As a result the REROC Model for a Strategic Regional Council was developed and put forward or consideration by the Panel.

The Terms of Reference for the Report were to consider the REROC model, compared to the proposed County Council model, in terms of its ability to assist member councils to achieve strategic capacity in the following areas:

- to cope with complex challenges and unpredictable change;
- create a more robust revenue base;
- provide the scope to undertake new infrastructure or major projects;
- create the ability to employ a wider range of skilled staff;
- develop knowledge creativity and innovation; and
- allow local government to become a credible and "real" partner for State and Federal agencies.

In relation to the operation of the REROC model consider:

- the governance/decision making structure that would provide robust basis for operating the organisation and minimise potential conflicts; and
- whether the model fits with current legislation.

#### **Engagement of ACELG to Consider Structural Change**

In June 2014 REROC engaged ACELG to work with the Board and the Executive on the development of the REROC SRC Model. The Board resolved to take pro-active steps to move forward with the SRC Model in the light of the ILGRP's Final Report.

A number of meetings were held to progress the operational aspects of the SRC and an initial report prepared by ACELG. However, following the release of "Fit for the Future" including the proposal for the establishment of Joint Organisations (JOs) this work was shelved while REROC lodged a submission to trial the new JO structure.

#### Participation in the JO Trial

As <u>mentioned above</u>, in November 2014 REROC was selected as one of the five organisations to pilot the new Joint Organisation model for the Office of Local Government.

Member councils have embraced the opportunity to participate in the Trial. Two general meetings of members have been held attended by 90 and 85 councillors and senior staff respectively, demonstrating the capacity of the organisation to take on new challenges.

A Statement of Regional Priorities has been prepared and adopted by the member councils. A copy of the Statement is included at Appendix Two

#### Pooling of staff expertise to respond to complex change

This is perhaps one of the most important activities that REROC undertakes

For the last 15 years whenever REROC member councils have been presented with complex and unexpected change we have pooled member council staff to create joint intellectual property that will assist councils to rise to the challenge that the change presents.

Working parties of skilled staff form the foundation for the response, the design of generic IP that can be shared and customised by member councils is more often than not the outcome of the project as was the case with the GST project and the On-site Sewage Management Kit. However sometimes what is required is a concerted lobbying activity that highlights the concerns members have about the proposed change or in order to present a different approach as was the case with the development of the REROC Strategic Regional Council Model.

By pooling the expertise REROC is able to develop more rounded responses, that reflect and respond to the different challenges that each LGA faces. In addition the practice provides member councils' staff with valuable professional development opportunities for example staff from the western plains need to consider what challenges councils located in the eastern alpine area have to meet.



Steve Pinnuck, GM Greater Hume Shire, attending the 2013 Workforce Development Forum

### 10. High quality political and managerial leadership

REROC aims to assist its member councils to deliver high quality political and managerial leadership by undertaking activities that support councillors and governance generally.

#### **REROC Board Meetings**

The REROC Board meets ever second month. The Board is comprised of an elected member from each council, usually the mayor and the General Manager. Where one of the delegates is unable to attend an alternate is provided by the council. In addition ex-officio members of the Board are drawn from Regional Development Australia-Riverina and the Department of Premier and Cabinet.

Board meetings provide a platform for elected members and GMs to network with each other, discuss questions and issues and identify opportunities to approach issues from a regional perspective. Board meetings provide members with an opportunity to enhance their professional development through interaction with their peers.

#### **Executive Certificate for Elected Members**

Following approaches by a number of member councils about the Executive Certificate for Elected Members, it was decided that REROC should investigate to determine whether the course could be run within the REROC region.

REROC negotiated with ACELG and LGNSW for the delivery of the course in Wagga which resulted in twenty councillors from Tumut, Junee, Greater Hume, Bland and Urana Shires and Wagga Wagga City attended the program which was held over 5 days in May and June 2014.

All attendees received a TAFE Certificate on completion and provided they completed all the assessment tasks they were also award an Executive Certificate.



Councillors attending the Executive Certificate Course in 2014

Significant savings were achieved by offering the course locally it also enabled the participating councillors to come together from the same region which strengthened the professional development experience.

Estimated Savings as a result of Regional Delivery: \$40,000

#### Regional Code of Conduct Panel

As mentioned above in 2013 REROC initiated a <u>Regional Code of Conduct Panel</u>. The development of a regional Panel we believe resulted in a broader range of qualified people applying to join the Panel, providing councils with more choice in who they selected to undertake their work.

#### Advertising Campaign for Local Government Elections

In 2012 REROC mounted a television advertising campaign supported by a range of materials to raise awareness of the Local Government elections and to increase interest in people standing for election. The television advertisement can be viewed <a href="here">here</a>.

#### **Building Regional Leadership Capacity**

Through the work of the Take Charge Youth Leadership program REROC and its member councils are building the capacity of young people in the region to take on leadership roles. The program is an important step towards harnessing the capacity of young people to contribute to the leadership of their communities and the region a whole.

#### UNE Review of the Operations of REROC

In 2004 REROC engaged the University of New England's Centre for Local Government to study the operation of REROC and to independently assess the benefits generated by the organisation for its member councils.

The final report *Regional Capacity Building: How Effective is REROC?* showed that members achieved a 396% return on the investment they had made in the organisation. It provided an independent analysis of all REROC's operations and demonstrated the benefits that working tougher cooperatively can bring to local government.

# **Appendix One**

# Estimated Financial Benefit to Councils generated by Collaborative Activities

Activity	Description	Financial Benefit for Councils
Group Tenders:		Estimated Savings: \$4,800,000
	Savings estimated on \$300,000 per	_
Supply of Retail Electricity	year from 1998 - 2014	
Audits of Non-contestable	Audit of sites to identify sites with	Estimated Savings: \$75,000
Energy Sites	zero consumption and ensure they	
	were on correct tariffs est. savings	
	\$25,000 per annum since 2012	
Bulk supply of Bitumen	Savings estimated at \$130,000 per	Estimated Savings: \$1,820,000
Emulsion	annum 1998-2014 plus cost of	
	annual tank cleanout which is	
	provided by the contractor free of	
	charge.	
Bulk Supply of Liquid Alum	A contract which only applies to the	Estimated Savings: \$1,512,000
	member councils that are water	
	suppliers tendered out since 2001	
Collection of Scrap Metal	Generates an income for councils	Income Generated \$1,436,760
	and extends life of existing landfills.	
	Councils have sold 13,815 tonnes of	
	scrap metal @ average \$104 per	
	tonne	
	Extending the life of landfills by	Estimated Savings: \$967,050
	diverting 13,815 tonnes of scrap	
	from landfill @ \$70 per tonne	
Purchase of Waste Oil	Twenty Facilities delivered and	Grant Funds \$244,266
Collection Facilities	installed plus training for operators.	
	Savings by working together -	Additional Savings through
	\$3,000 per facility plus Joint Federal	group purchase and training
	Funding for Purchase.	\$85,000
Green Waste Processing	Price fell by \$3.00 per cubic metres	Estimated Savings: \$15,000
	to process 5000 cubic metres	
Supply of Protective	8 councils participated in the	Estimated Savings: \$108,000
Clothing	tender. WWCC estimates savings of	
	\$8,000 per annum for each three	
	years. Other councils \$4,000	
Supply of Photocopy Paper	Undertaken only once	Estimated Savings: \$6,000
Purchase of GIS Computer	Saving of \$2,000 per participating	\$24,000
Software	councils	444.000
Supply of GIS Software	Savings of \$2,000 per council per	\$144,000
Support	year over 6 years.	0 15 1 450 000
Purchase of GPS	Joint funding submission to the	Grant Funds: \$50,000
Equipment (2)	Federal Government and then joint	Savings: \$280,000
	purchase saving \$5,000 per unit.	
	The project saved individual councils	
	from the need to purchase their	
	own equipment @ \$25,000 a unit.	
	The equipment was used	
	continuously for 6 years.	

Purchase of Energy Efficient Light Bulbs	SEDA Energy Smart Business Programme	\$16,000.00
Purchase and Installation of Energy Efficient Technologies	SEDA Energy Smart Business Programme	\$20,000.00
Purchase of Traffic Management Planning Software	Group purchase of software	\$3,600.00
Supply of BillPay Services	Group arrangement facilitated by REROC	\$10,000
Purchase of Census Data	Group purchase of 2001 data which could be manipulated for use by the ROC for councils.	\$40,000
Purchase of Re-useable Calico Bags and Tote Bags for Councils	Group purchase for use in environmental projects. Dropped the price by 25 cents a bag – 41,555 bags have been purchased.	\$10,388.75
Purchase of Tap Timers and Hose Nozzles	1,500 of each purchased saving of \$1 on each	\$3,000
Purchase of Energy Efficient Light Bulbs	1,500 light bulbs purchased with a saving of \$3.50 per bulb	\$5,250
Training	REROC secures training on-demand for members	\$20,000
Electronic Data  Management Software	Group purchase of software savings estimated \$5-8000 per council	\$30,000
Valuation of Buildings and Plant	Group purchase of asset valuation services	\$45,000
Microsoft Licensing Purchase	Group Purchase of Licences. Estimated saving of \$35-\$40,000 per participating council	\$1,200,000
Water and Sewer Valuations	CCTV-based condition assessments for sewer assets in 4 councils	\$15-\$20,000
Financial Software Project	Arrangement of group purchase of financial software Savings: \$100,000 per council participating council	\$800,000
Special Projects:  On-Site sewage  Management Plan and Database	Policy document, support letters, kit, database, training information. REROC sold 55 Plan to non-member councils generating revenue of \$10,000. Estimated saving for each	\$70,000
Proposed WorkCover	council member - \$5,000 per council  REROC lobbied successfully against	\$2,925,000
Working Near Roads Guidelines	the introduction of these Guidelines; preparing a comprehensive submission on the problems the proposal had and sending two engineers to participate on a State committee. Members estimated that they would have been faced with putting on an additional staff member on every	7-,525,555

	read notables arow if the Colidations	
	road patching crew if the Guidelines	
	had been adopted. Estimated saving	
	to each council \$25,000 per	
CCT Image and a traction	member per year.	Fatimental Cavings (450,000
GST Implementation	REROC chose to run its own GST	Estimated Savings: \$450,000
	implementation and did not engage	
	external consultants. As a result the	
	total cost of GST implementation to	
	member councils (including training	
	for all financial staff, general	
	managers and senior staff as well as	
	the production of a GST Resource	
	Kit) was \$481.00 excluding staff	
	time. Savings are estimated on	
	councils not engaging an external	
	consultant which at the time would	
	have cost \$30,000 according to	
	estimates obtained by members.	
NSW Privacy Policy	REROC developed generic materials	Estimated Savings: \$65,000
Implementation Resources	including printed materials for	
	ratepayers. Savings to council based	
	on the cost of preparation being	
	\$5,000 per council. The Resource	
	materials were sold to non-REROC	
	councils generating \$5,000 in	
	revenue.	
Road Safety Officer Project	Four officers are shared across 3	Funding Received: \$1,287,514
Road Safety Officer Project	councils. Wagga Wagga City Council	Funding Received: \$1,287,514 Estimated Savings: \$2,880,000
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an	_
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum	_
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing	_
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Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the co-	_
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for	_
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff	_
Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff free to do other tasks. The RSO	l -
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Road Safety Officer Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff free to do other tasks. The RSO project ran for 6 years under REROC. Most councils only joined the	_
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Road Safety Officer Project  Digital Switchover Project	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff free to do other tasks. The RSO project ran for 6 years under REROC. Most councils only joined the project because the cost has been shared.	l -
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Digital Switchover Project  RTA Single Invitation	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff free to do other tasks. The RSO project ran for 6 years under REROC. Most councils only joined the project because the cost has been shared.  Engagement of two officers to work on educating the community about the digital switchover  Generic Corporate OHS&R Plan was	Estimated Savings: \$2,880,000
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Digital Switchover Project  RTA Single Invitation Accreditation	councils. Wagga Wagga City Council estimated that the sharing of an RSO would save \$40,000 per annum (one-third of the cost of employing an RSO exclusively). In addition REROC provided all the coordination and administration for the project leaving the council staff free to do other tasks. The RSO project ran for 6 years under REROC. Most councils only joined the project because the cost has been shared.  Engagement of two officers to work on educating the community about the digital switchover  Generic Corporate OHS&R Plan was prepared to meet RTA specifications. The Plan was then customised by members thus cutting down on the time required for prequalification. The Plan was	Estimated Savings: \$2,880,000  Grant Funding: \$90,000

Preparation of a Protective Clothing Policy for Councils	A generic policy document was prepared as a pre-cursor to a bulk purchase of clothing. Savings based on each council developing their own policy - \$3,000 per council	Estimated Savings: \$39,000	
Sharing Works Method Statements	Members who have prepared Works Method Statement shave placed them on the REROC website to share with others. Savings based on each council preparing their own statements - \$7,500 each.	Estimated Savings: \$67,500	
Preparation of Regional Guidelines for the Establishment of Rural School Bus Stops	There were no Guidelines available in NSW. These were written by a small working party and have been used by councils across the State with the support of the RTA and the Ministry of Transport. Savings based on each council preparing their own - \$7,500 per council	Estimated Savings: \$97,500	
Urban Stormwater Planning	Joint approach to the preparation of the Plans 10 councils savings approximately \$8,000 per council (based on average cost of consultant to prepare the plan)	Estimated Savings: \$80,000	
Stormwater Extension Officer	Funded by the EPA to work with REROC Councils	Grant Funding: \$321,300	
Corruption Resistance	Comprehensive materials were written to support council rangers that wished to undertake a responsible pet ownership training programme in primary schools.  Materials included teaching aids, giveaways, teachers notes, ranger notes and support materials.  Savings based on each council preparing their own resource materials - \$10,000. The materials have been utilised by other councils across the State.  A suite of materials addressing all	Grant Funding: \$20,000 Estimated Savings: \$65,000  Estimated Savings: \$112,500	
Materials	areas is being prepared by REROC. Estimated savings based on each council preparing their own at a cost of \$7,500 each.	Estimated Savings. \$112,500	
REROC Waste Forum	Funding received from the EPA for Voluntary Regional Waste Groups since 1999. Estimated savings are based on savings to councils by addressing waste management and resource recovery on a regional basis. Each council \$10,000 per year for 15	Grant Funding: VRWG: \$1,969,163 Strategies: \$145,000 Conference: \$15,000 Cluster Composting: \$30,000 Safe Sharps: \$98,500 Estimated Savings:\$1,800,000	

	years.	
Regional Waste and Environmental Education Projects	Numerous waste and environmental education projects have been organised by REROC and run in each LGA. These are the major source of activity in the area for most councils and are very popular. Each year approximately five education projects are run with an estimated benefit to each council of \$10,000 per year for 15 years.	Grant Funding: Wood Smoke Education Project: \$180,000 Bin Trim: \$162,100 Home Composting: \$42,010  Estimated Savings: \$1,800,000
Riverina It's a Living Thing Project	Regionally delivered project to promote sustainable living options to residents. Savings estimated by group delivery at \$8,000 per council, 13 member councils participated.	Funding Received: \$60,000 Estimated Savings: \$104,000
WaterSmart Urban Water Sustainability Project	Project ran for three years and provided funding for infrastructure improvements. Regional projects were also delivered. Funding was applied for in a single application prepared by REROC. The project was managed regionally by REROC and all reporting undertaken regionally. Estimated savings: \$10,000 per council per year	Funding Received: \$1,960,000 Estimated Savings: \$390,000
Household Hazardous Waste Collections	REROC has run these collections every 2 years since 2003 with approximately 34 tonnes of toxic waste being collected and disposed of.	Funding Received: \$556,149 Estimated Savings: \$210,000
Regional E-waste Collections	The free collections facilitated and organised by REROC have saved councils approximately 70cents a kilo disposal and the logistic and transport costs. 198,725 kilos of e-waste have been collected from participating councils.	Estimated Savings: \$139,107.50 Transport & logistics savings: \$55,217

Aged Care Audit and Education Materials	An audit of the services and facilities in the region and the production of a booklet for people looking at Aged Care alternatives. Savings based on \$3,500 per council.	Estimated Savings: \$45,500
Start Your Business Here	A web-based project where new small business operators will be able to determine what rules and regulations apply in their LGA. Estimated savings to each council – based on the cost of producing the software and support materials for each council - \$30,000	Funding Received: \$200,000 Estimated Savings: \$360,000
Asset Management Planning	Preparation of Asset Registers and Asset Management Plan. Estimated saving to council \$30,000.	Estimated Savings: \$390,000
Creating and Enhancing Meeting Places	Project ran for three years and provided funding to improve and enhance public meeting place infrastructure. Funding was applied for in a single application prepared by REROC. The project was managed regionally by REROC and all reporting undertaken regionally. Estimated savings: \$10,000 per council per year for each of the 6 councils.	Funding Received: \$2,600,000 Estimated Savings: \$180,000
Community Recycling Centres	Eleven CRCs to be built based on funding applications prepared and lodged by REROC. REROC will manage the tendering for the construction of the sheds and all liaison with the Environmental Trust and the EPA. Estimated savings per council a result of the regional approach to the management of the project \$10,000 per council	Funding Received: \$705,720 Estimated Savings: \$110,000
Regional Code of Conduct Panel	Establishment of the Panel Estimated Savings: 13 councils x SMH Ad (500) x local ad (200) x time (2000)	Estimated Savings: \$35,100
Regional State of the	Prepared collaboratively for 4	Estimated Savings: \$20,000
Environment Report Councillor Training	councils. Saving: \$5,000 per council Certificate for Elected Members training run locally. Estimated saving of \$2,000 per attendee.	Estimated Savings: \$40,000

A World with Less Water: Climate Change Impact on Councils in South Eastern Riverina	REROC received funding through the NSW Office of Communities to run a project that was designed to encourage young people to take leadership roles in their community. The project includes the Take Charge Leadership Forums and the Take Charge & Volunteer website.  Funded through the Federal Governments Strengthening Basin Communities program the project was delivered in three stages. The project delivered a number of reports and discussion papers on climate change, weather water	Funding Received: \$137,000  Funding Received: \$1,600,000
	climate change, weather, water resources and consumption, industry water use and vulnerability, the potential impacts of reduced water availability, water saving initiatives discussion paper as well as individual plans for each council.	
Lobbying, Submissions, Representations	REROC has prepared over 100 submissions for member councils with an estimated saving to each council of \$2,750 In addition letters, representations, evidence at hearings etc a further benefit allow 15 per year saving to each council of average \$1250 per instance	Submissions: Estimated Savings: \$3,300,000  Other Lobbying: Estimated Savings: \$3,375,000
Rail Interface Agreements	Development of agreements with John Holland and ARTC for use across the region.	Estimated Savings: \$32,000
Total Estimated Financial Benefit to Member Councils		\$45,277,195

# **Appendix Two Statement of Regional Priorities**

# STATEMENT OF REGIONAL PRIORITIES

Riverina Pilot Joint Organisation

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#### STATEMENT OF REGIONAL PRIORITIES

#### **Our Vision**

Strong Regions, Strong Local Government, Vibrant Communities

#### **Our Members**

The Riverina JO covers an area of approximately 40,000 sq kms and serves a population base of over 120,000 people. The members of the Riverina JO are:

- Bland Shire Council
- Coolamon Shire Council
- Cootamundra Shire Council
- Greater Hume Shire Council
- Gundagai Shire Council
- Junee Shire Council
- Lockhart Shire Council
- Temora Shire Council
- Tumbarumba Shire Council
- Tumut Shire Council
- Urana Shire Council
- Wagga Wagga City Council
- Goldenfields Water County Council
- Riverina Water County Council

#### What our Members have identified are Regional Priorities

Our members have reviewed their Community Strategic Plans and other local based plans to identify issues that are region in context. The Department of Premier and Cabinet have also reviewed CSPs to find commonalities across the region that would assist in the planning process.

In addition a meeting of all the councillors and senior staff was held on 15 December to identify the issues in Regional Planning, Intergovernmental Collaboration and Advocacy and Lobbying that should inform the planning process for the JO. The outcomes of that meeting were utilised in the determination of regional priorities.

We have also utilised other Supporting Documentation listed on page 6 of this Statement to determine regional priorities. In summary the major issues that were identified fell into the following categories:

#### Regional Planning

- Transport, including freight transport
- Planning landuse planning, regional growth planning
- Workforce Development
- Water and Wastewater
- Economic Development including Tourism
- Environment

#### Intergovernmental Collaboration

Here members identified agencies that were a priority for collaboration the most important being:

- RMS
- Department of Planning
- NSW Office of Water
- Trade and Investment

Our members recognised that the role of the JO is to address issues that span the region and not those that relate to individual communities. It is not the role of the JO to represent the needs of individual communities, that role belongs to their local council.

The information gained from these sources have informed the decisions made in relation to the regional priorities.

#### The Difference the JO will Make

The Riverina JO builds on an extremely strong foundation of collaboration established through the operation of the Riverina Eastern Regional Organisation of Councils (REROC). It is the members' expectation that this history of successful collaboration will be replicated by the JO.

However, over many years our members have identified the need for greater buy-in, consultation and engagement by State agencies in the planning and delivery of services to the communities our members represent.

The JO will make a difference if it is able to successfully improve the interaction between State agencies and local government by delivering tangible, measurable outcomes in the planning and delivery of facilities, infrastructure and services to the member councils and the communities they represent.

#### **Regional Priorities**

Members have agreed that the following Regional Priority Areas would be adopted:

- Water and Wastewater
- Freight Transport
- Regional Planning

Each priority has a number of activities that could be undertaken by the JO Pilot. The activities that are actually undertaken will be dependent on the availability of State agencies to participate in the projects and the feasibility of completion by the Pilot end date.

#### Water and Wastewater

JO Function Areas: Regional Planning and Intergovernmental Collaboration

Activities in this area identified for action are:

- Implementing Best Practice in Water and Sewerage Management
- Consistent definitions for water restrictions across the region

- Integrated Water Cycle Management
- Country Towns Water & Sewerage Fund/Infrastructure Investment

State agencies that will be part of the collaboration – DPC, Office of Water, OEH, Cross Border Commissioner and DoP

#### Regional Transport Planning

JO Function Areas: Regional Planning and Intergovernmental Collaboration

Regional Transport planning will build on the existing eastern Riverina Freight Transport Plan expanding it to develop Industry Freight Corridors for:

- Grain Freight
- Livestock Freight
- Timber Freight, this part of the project will be conducted in close collaboration with the SE Softwoods Working Group; and
- General Freight

State agencies that will be part of the collaboration – DPC, Transport for NSW, RMS, Trade and Investment, Cross Border Commissioner, DoP and RDA-Riverina.

#### Development of a Regional Approach to Planning

JO Function Areas: Regional Planning and Intergovernmental Collaboration

This regional priority would deal with:

- o Developing a relationship with DoP in order to implement a Regional Approach to Planning
- o Developing a Regional Growth Plan
- o Developing sub-regional Land Management plans
- Regional Landuse Planning developing an approach that would minimise council requirements for DoP sign off on individual council plans if a regional plan was in place.

State agencies that will be part of the collaboration - DPC, Department of Planning, Cross Border Commission and OEH.

#### Other Intergovernmental Collaboration Projects

JO Function Areas: Intergovernmental Collaboration

#### Roads and Maritime Services (RMS)

The members agree that ongoing discussions with the RMS about the operation of the RMS arrangements in particular and service delivery in general are very important. The project will focus on ways in which arrangements can be made more effective and efficient for all stakeholders.

#### Family and Community Services (FACS)

FACs are currently mapping service provision in the region, this project reflects concerns members have about efficient service delivery into rural LGAs in particular. The JO will liaise with FACs to identify ways that mapping can be ground-truthed. Ground-truthing would address concerns a

number of members have expressed about large community services organisations claiming that they are delivering services into rural LGAs when they are providing minimal outreach.

#### **Key Performance Indicators**

Every project will be measured by the level of effective and genuine buy-in from the State agencies which has resulted in measureable improvements to services, facilities and infrastructure in the JO Pilot region.

Specifically the KPIs will be as follows:

#### Regional Planning:

#### Regional Transport Planning

- 1. Completion of industry corridors freight transport plans for grain, timber, livestock and general freight.
- 2. Level of effective and genuine buy-in from State agency stakeholders in the planning process.

#### Water and Wastewater

- 1. Identification of infrastructure needs for water and wastewater that could be funded by the Country Towns Water and Sewer Fund.
- 2. Uniform water restrictions across the Riverina JO Pilot region.
- 3. Audit undertaken to identify capacity of member councils to meet Best Practice Guidelines.
- 4. Level of effective and genuine buy-in from State agency stakeholders in the planning process.

#### Regional Approach to Planning

- 1. Member councils agree that the Regional Growth Plan reflects the needs of the Riverina JO Region.
- 2. Work commenced on a sub-regional landuse management plan.
- 3. Level of effective and genuine buy-in from State agency stakeholders in the planning process.

#### Intergovernmental Collaboration:

#### Regional Transport Planning

- 1. Riverina Pilot JO and State Agencies work collaboratively to develop a vision for effective and efficient freight transport in the region.
- 2. Level of effective and genuine buy-in from State agency stakeholders in the planning process

#### Water and Wastewater

- 1. Riverina Pilot JO and NoW work collaboratively to implement IWCM principles in the JO Pilot region.
- 2. Level of effective and genuine buy-in from State agency stakeholders in the planning process.

#### Regional Approach to Planning

1. Riverina Pilot JO, member councils provide genuine input to the development of the Regional Growth Strategy.

2. Level of effective and genuine buy-in from State agency stakeholders in the planning process.

#### Other Intergovernmental Collaboration Projects

- 1. Riverina Pilot JO and RMS work collaboratively to reach an agreed service delivery methodology for RMCC contracting.
- 2. Riverina JO Pilot has the opportunity to ground truth FACs service delivery in the region.
- 3. State agencies that the Pilot JO has not approached, approach the JO seeking opportunities to collaborate.
- 4. Opportunities are offered by State agencies for genuine collaboration on the delivery of services or the development of infrastructure

#### **Supporting Documentation**

The development of the Statement of Strategic Priorities was supported by the following documentation:

- 1. The outcomes of a consultation with all councillors and senior staff in the Pilot JO member councils held on 15 December.
- 2. The outcomes of a consultation organised by the Office of Local Government with the REROC Board and State agencies held on 9 December
- 3. The consolidation of information obtained from member councils' Community Strategic Plans, collated by the Office of the Department of Premier and Cabinet.
- 4. The REROC Action Plan 2012-2015
- 5. REROC Regional Freight Transport Plan, June 2014
- 6. REROC Regional Waste Management Strategy, June 2014

# **Appendix Two**

Statement of Regional Priorities

# TEMPLATE 2 – SCALE AND CAPACITY

#### **ADDRESSING KEY ELEMENTS OF STRATEGIC CAPACITY**

# **Key Elements of Strategic Capacity**

#### MORE ROBUST REVENUE BASE AND INCREASED DISCRETIONARY SPENDING

Tumut Shire has a history of seeking to improve it's revenue base by:

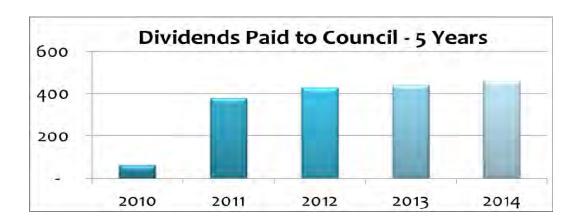
#### **Snowy Works and Services (SWS)**

SWS is the business unit of Tumut Shire Council, it is 100% owned by Council and managed by a Board. The Board holds delegations from Tumut Shire Council under s355 of the Local Government Act 1993. The Board of Management comprises 2 skilled based community members, 2 Tumut Shire Council Councillors, the General Manager and the Director Corporate Services.

The principal objective of SWS is to:

- "Operate a profitable, sustainable and innovative business and in doing so maintain a strong market presence in selected areas of infrastructure services".

SWS is permitted to make 'profits' on it's private works and these dividends are paid to Council. Dividend growth has grown since establishment.



SWS is an important part of Council's business strategy to grow it's own source income. SWS dividends are invested in Council projects such as roads and community infrastructure. **See Attachment #1 – SWS Annual Report** 

#### Improved Management of Councils Property Portfolio as part of FFTF

Council has a number of properties within it's portfolio. In recent years Council has pursued a program for review of purchased land with development opportunities and sold those that are not required. Opportunities to enhance this asset include:

(1) Land Development

Council hold land suitable for future development

- o Industrial land Tumut 44.6 ha
- Aerodrome land Tumut 14 ha

Currently both are subject to initial planning investigating development opportunities. Once an agreed concept plan is approved, project costing will be prepared for consideration in Council's Delivery Program.

This land was part of Council's strategic planning to ensure income and to meet community needs.

#### (2) Review of Property

An initial review of Council land commenced in 14/15 and has revealed that within Council, several of it's Business Units occupy land and do not pay equivalent rent to General Fund.

The following has been undertaken:

- I. From 15/16, rent has been applied to land occupied by Water, Sewer and Waste. (Estimated \$100k per annum)
- II. In 15/16 it is proposed to:
  - Review rents from other Council properties
  - Review SWS (Business Unit) equivalent rent by commercial valuations

#### **Current Special Rate Variation (SRV)**

In 2005 and 2006 The Division of Local Government (DLG) approved combined Special Variation applications of 10% which expire on the 30<sup>th</sup> June 2020. The SRV is unique in NSW in that they are 'cost neutral' to rate payers as the increase in general rates was offset by decreases in water and sewer charges. The SRV will provide in excess of \$500k per year for a total exceeding \$7.7 mil over the 15 year period. The SRV has enabled the following work to be planned and funded at no real cost to ratepayers.

1.	Stormwater and Drainage	- 15 years	\$ 695,000
2.	Kerb and Guttering	- 15 years	\$ 1,045,000
3.	Parks Improvements	- 10 years	\$ 613,728
4.	Timber Bridges – local roads	- 15 years	\$ 2,200,000
5.	Roads resealing	- 15 years	\$ 1,644,544
6.	Regional Bridges – regional Roads	- 7 years	\$ <u>1,500,000</u>

TOTAL \$ 7,718,272

An additional benefit from the SRV was that Council used the \$2.2 mil timber bridges allocation to obtain "\$ for \$" NSW State Government grants under the Timber Bridge replacement program. This enabled Council to bring it's bridge assets up to standard.

#### SCOPE TO UNDERTAKE NEW FUNCTIONS AND MAJOR PROJECTS

Tumut Shire has a long history of undertaking new functions and delivering major projects.

#### **Major Projects:**

#### **Water and Sewer System**

In the mid 90's Council decided to prepare Strategic Business Plans, 30 year Financial Plans and pricing paths which supported a long term capital works program that would provide high quality water and sewer services to it's communities of Tumut, Adelong, Batlow, Talbingo and Brungle. Central to this was the consolidation into Water and Sewerage Funds for the Shire.

This Capital Works Program commenced in 1994, with planned expenditure for each fund being:

- Water completed 2012 \$17m
- Sewer completed 2015 \$23m

The Shire has through grants, loans and user charges/rates funded modern treatment plants and major infrastructure improvements, to provide best practice facilities.

Council has now adopted the 2016/2046 Capital Works and Renewal Program for the ongoing maintenance and renewal of it's systems with a projected cost of:

- Water Supply \$26.05m
- Sewer \$38.76m

The projects will be funded by loans and charges. Pricing paths have been modelled for each service.

#### 2010/12 Flood Recovery

3 Major floods in 2010 and 2012 caused severe infrastructure damage both to the private and public assets across the Shire with total public damages estimated at \$30m. Both events were subject to Natural Disaster Declarations, which provided access to recovery funds. Council's General Manager was designated Recovery Coordinator under the Emergency Management Arrangements.

#### Natural Disaster Recovery

- Use of "Recover" software to document damages which enabled approval from Roads and Maritime Services within 2 weeks of submission for 2012. Event estimated at \$ 21m.
- Employment of a Senior Engineer at Director level reporting to the General Manager to coordinate and manage delivery of Flood Recovery over 2 years.

Program delivered under budget of \$4.44m which was returned to Roads and Maritime Service.

Construction of a new pool for Adelong in a flood free location. Staff
prepared a submission under "Betterment" and gained State and Federal
Government Funding. The first and only application ever to be approved in
Australia. Total project cost \$2.6m. The funding model included funding from
Local, State and Federal Government, the Community, grants and private
sector.

#### Riverina Highlands Building Energy Efficiency Upgrade (RHBEEP)

- Tumut Shire owns the Riverina Highlands Building which is it's corporate headquarters. Tenants include NSW Rural Fire Service, Probation and Parole and NSW Forests Corporation.
- \$2.2m project to replace the existing air conditioning and heating system with an
  energy efficient low maintenance geo thermal system funded by a combination of
  grants and loans. (\$1.3m in low interest loan and \$900k CEEP Grant)
- Annual electricity and maintenance savings exceed \$300k per annum.
- Simple payback 7.6 years with full return on investment under 10 years.
- New insulation ceilings and low energy lighting throughout the building and 30Kw solar units provide power needs.
- The RHBEEP has won numerous Energy and Environmental awards. (See knowledge, Creativity and Innovation section – Template 2)

#### **Gocup Road Redevelopment**

Gocup Road is the 32km link from Tumut and surrounding towns to the Hume Highway corridor to the major markets and ports of NSW and Victoria.

Tumut Shire Council has worked with industry, other levels of government and government agencies such as RMS and Transport NSW to identify the importance of this road corridor for the movement of freight and people to develop a funding proposal, to support the important Softwood Timber Industry.

On February 23, 2015 the NSW State Government announced a historic \$70m upgrade to permit the next generation of modern freight trucks that would reduce the number of truck movements and ensure world competitiveness of the timber industry and improve safety. This was the culmination of 16 years of lobbying for this project, led by Tumut Shire Council. Tumut Shire Council through it's Business Unit SWS will be a major contractor for the \$70m upgrade.

#### **Emergency Management**

Tumut Shire is subject to ongoing risk due to Floods and Fire and has a highly developed and effective Local Emergency Management Committee.

Tumut Shire Council, following the 2010/12 floods and various s44 Bushfire Declarations were the first Council in NSW to implement a software package (Crisis Works) in it's Emergency Operations Centre (EOC) to record and manage emergencies.

Council, through the NSW Emergency Management arrangements lobbied for the introduction of a statewide electronic system. This has been accepted by Government and they are currently trialing a system.

During the 2013 Bushfire Season, the Tumut EOC was the zone Emergency Operations Centre for the Shires of Tumut, Gundagai and Tumbarumba, to assist in management and support of declared s44 Bushfire. This was a first in the State.

In early 2015 the three Councils signed an MOU for future management of Bushfires under this arrangement. This was a "first" for the State.

#### **Integrated Business Software**

- Replace Practical Finance software and six (6) other software applications with Technology One "One Council" software.
- \$1.2 m project over 5 years.
- Reduce annual software maintenance expenditure by \$50k per annum.
- Achieve productivity savings from efficient software integration across Council operations.
- Software workflow ability provides ongoing staff productivity potential.
- Ability to expand 'One Council' to serve other local government areas.
- 'One Council' becomes councils corporate knowledge repository and assists ongoing succession planning.
- 'One Councils' advanced integrated functionality will manage councils 'Fit for the Future' Improvement Plan and IP&R planning components.
- Implementation means that the two largest Councils in the Riverina JO will operate on the same system.

#### **Snowy Works and Services (SWS)**

SWS is the civil business unit of Tumut Shire Council providing local government and civil construction services to government and the private sector.

The unit was established in 2002 and is unique for NSW local government in that it has achieved and holds qualification R3 F15 under the National Prequalification System. It has also achieved Mutual Recognition – Civil Road and Bridge for the Australian Capital Territory issued 24 September 2014.

#### SWS has recently undertaken:

- Road construction projects on Gocup Road Redevelopment
- Road works on the Hume Highway and Snowy Mountains Highway

SWS hold RMS – Road Maintenance Council Contracts for Tumut and Gundagai Shires valued at \$400k/per annum and has typically undertaken other RMS ordered works annually of \$4m.

#### ABILITY TO EMPLOY A WIDE RANGE OF STAFF

Council has recruited and retained high quality professional and managerial staff due to it's size, location and employment policies. Council has not experienced issues with staff recruitment except during the mining boom for civil engineers. Councils work force totals 145 persons.

#### Specialist Staff

Management
GIS
Environmental
Library
Degree
Degree
Degree

HR 2Project Management 2IT 2

- Town Planning 2 - Degree

- Building Inspection Services 3 – 3 Accredited, Certifiers

- Health/Waste 1

- CFO 1 (CPA)
- Accountants 2 (2 CPA)

Accountants

Civil Engineering

2 (2 OFA)
3 – 2 Masters – 1 Degree

Following the release of the Independent Local Government Review Panels (ILGRP) Final Report Council moved to appoint a Chief Financial Officer (CFO). This position is now in place, to lead Council's financial management.

Given Tumut Shire Council's size and budget, we have the ability to engage by contract specialized services as required for projects such as:

- Economic analysis
- Land valuation
- Surveying
- Civil/Structural Engineering
- IT
- Energy efficiency advice
- Town Planning
- Heritage Advice
- Civil construction
- Geotechnical
- Hydrological

Council has adopted a Workforce Plan that supports staff recruitment training and resourcing for operational requirements.

Council supports staff in attendance at training and professional development to ensure skills are developed and maintained.

#### KNOWLEDGE, CREATIVITY AND INNOVATION

Tumut Shire is renowned for it's knowledge, creativity and innovation in local government.

#### **Major Awards**

Achievement of these factors are demonstrated by Council's winning several major awards over the past five (5) years:

- Local Government Management Association (LGMA) Excellence Awards: Local Government Special Project Initiative Award - Flood Fitness - 2013
- Catchment Management Authority (Murrumbidgee) Flood Debris Removal.
- Natural Environment Protection & Enhancement: On Ground Works Award –
   Division A NSW Local Government Environmental Excellence Awards Flood
   Debris Removal 2013
- Green Globe Awards Office of Environment and Heritage.

Local Government Management Association (LGMA) Excellence Awards: Excellence in Environmental Leadership and Sustainability <u>finalist</u> - **RHBEEP – 2013/2014** 

- National Trust Heritage Award Conservation Landscape Natural and Cultural Government/Corporate category – 2014 Adelong Gold Mill Ruins
- Crown Lands Reserve Trust Corporation Managers' Award NSW Regional Achievement and Community Awards - Adelong Falls Gold Mill Ruins – 2014
- NSW Inland Tourism Award for "New Tourist Development' Gold Trails Adelong Falls – 2013
- 'State Your Case' at the LGNSW Tourism Conference.
- Library Award

Kath Knowles Young Leaders Award to Tumut Shire Council Librarian Kristen Twomey

Bluett Award – Rural Council – Highly Commended 2014

#### Management of Waste

Management of Waste is an important function and Council has implemented a modern and environmentally sustainable system that is cost effective for it's community. This is an important and costly exercise for most rural councils given population density and distance. Council has used staff knowledge, community creativity and innovation to tackle this issue.

Council, through membership with the South Western Regional Waste Management Group (SWRWMG) has been able to achieve innovated solutions such as:

- Shire Integrated Waste and Recycling facility

In 2010, Council sought grant funding through a federal government scheme to develop local disability employment opportunities through infrastructure development. Council won a DWEER grant of \$406,500, and together with a commercial loan and financial support from Valmar Support Services (VSS) of over \$180,000, constructed the Tumut Integrated Waste Transfer and Materials Recycling Facility. The savings to the annual waste budget were more than anticipated and Council increased the loan repayments, with the loan being paid out by May 2016, some two years ahead of scheduled with a significant saving of loan interest payable. With the loan paid out in early 2016, Council will be able to offer the community a higher level of waste and recycling services than exists today without an associated increase in Domestic Waste Management charges.

The long term nature of the Memorandum of Understanding with the disability support organisation (10 years with an option for an additional ten years) has worked to provide the organisation with long term economic stability. The local impacts of the economic employment and the multiplier factor have also worked to strengthen the community.

#### Business Partnership with Valmar Support Services (VSS):

In 2011, Council entered into an extended term profit sharing partnership arrangement with a Tumut based yet regionally significant disability support organisation, VSS. VSS manages the integrated waste & recycling centre at Killarney Road Gilmore NSW for Tumut Shire Council. The site includes a waste transfer operation, sort materials recycling line, a reuse shop and into the foreseeable future, a community recycling facility for more problematic wastes.

The relationship provides Council with a cost effective waste management solution, managed by the Valmar Support Services of Tumut and meets an important social obligation to support the more disadvantaged members of our community. The relationship is proving the capability of the Shires residents to successfully undertake a wide range of employment opportunities, while delivering a cost effective option for the community.

#### - Waste vs Recycling..... What is Tumut Shire Council Achieving?

In 2006, Council transferred 3410 tons of municipal solid waste to the regional landfill and in 2014, Council transferred 1935 tons to the landfill, a 40% waste reduction.

This is a major reduction in waste destined for landfill. The reasons behind this reduction system hinge on the fact that in 2008, Council introduced user pays for waste and recycling operations. Tumut Council has probably the highest price waste to landfill charges in the SWRWMG, and that has "incentivated" residents to explore the options of reducing the cost of waste disposal through maximising diversion through recycling.

The strategic direction of the pricing decisions taken by Council have not only worked to reduce its waste to landfill, but it has helped develop the materials

recycling facility as a component of the Integrated Waste and Recycling centre in Tumut.

#### - Re Use Shop:

In 2014, Council funded and constructed a \$90k re-use shop at the Integrated Waste and Recycling Centre at Gilmore. The shop provides another option for residents with products or materials that are "too good to waste" yet unwanted. The shop is another recycling option, where products or materials are displayed and offered for sale at discounted prices. The shop is generating at least \$300 per week in income, and diverting considerable quantities of materials that would otherwise be fed into the waste stream for disposal.

#### - Community Recycling Project (CRC Project):

Through the Riverina Eastern Regional Organisation of Councils (REROC), Tumut recently gained a grant to develop a Community Recycling Centre (CRC) at our integrated facility at Gilmore for problematic waste. The project is worth around \$75k to \$80k. The materials that will be accepted at no cost will include, automotive batteries, single use batteries, cooking oil, paints, smoke detectors, fire extinguishers, fluorescent globes and tubes. These materials will be periodically collected by a specialised collection contractor on a regional run as required.

#### ADVANCED SKILLS IN STRATEGIC PLANNING AND POLICY DEVELOPMENT

- The delivery of the \$30m 2010/12 Flood Recovery Program 2010/2014 demonstrates the organizational skills and capacity to undertake strategic planning to deliver outcomes for the shire and government for major projects.
- Member Softwoods Working Group

Tumut was a founding member of the Softwood Working Group in 1987 and continues to be an active member.

The south west forest resource with an estimated output of over \$970m per annum is bounded by the Hume Highway to the west, the Murrumbidgee River to the north, the Kosciusko National Park to the east and the Murray River to the south. The majority of the plantation resource is located in the shires of Tumbarumba, Tumut and Gundagai.

The group is unique in Australia as it is the only local group combining representatives from Local Government, Regional Development Groups, Forests NSW and all the major private forests and processing industries.

The group has focused on a cooperative and coordinated approach to road funding to plan for the future needs of the road network for log and finished products.

This group has facilitated road funding to the value of \$120m for the LGA's of the region.

## **EFFECTIVE REGIONAL COLLABORATION**

Tumut Shire is a member of the Eastern Riverina Noxious Weeds Advisory
Group, which ensures a Regional approach by Councils, government agencies
and the community for the control of noxious weeds across the Riverina.

The Memorandum of Understanding (MOU) exists between 23 Councils and 2 Local Land Services. The MOU was signed on the 15<sup>th</sup> April 2015 for five (5) years.

- Active and committed member of Riverina Eastern Regional Organisation of Councils (REROC) to deliver capacity by Councils' working together. See Annexure 3 of Template 2 – REROC – Building Strategic Capacity
- Member of Riverina Regional Library
   The Riverina Regional Library Service (RRL) is the biggest library service in
   NSW. It provides library services to approximately 137,700 constituents over 13
   Local Government Areas. Established in 1978 it has grown to it's current size.

RRL is considered a leader amongst regional libraries. Membership by Tumut Shire Council to the RRL is through a Deed of Agreement which is reviewed every 5 years. The Agreement was last reviewed in 2012. Membership provides:

- Representation on various State Library of NSW Committees
- Service and technology innovations
- Collaborative training initiatives
- Mentoring of staff
- Participation in state wide projects
- Lead Council in advancing the MOU to cover off on Blackberry Control in the region, that identifying specific cross tenure projects where cooperative control could contain and reduce the spread of Blackberry. The MOU was signed with the following signatories:

Tumut Shire Council National Parks and Wildlife Service Forestry Corporation Murray Local Land Services Greater Hume Shire

- Lead Council in formulating the Riverina Highland Zone Emergency Operations
   Centre arrangements for Bushfires with Tumbarumba/Gundagai/Tumut Councils.
   In early 2015 this was the only such arrangement in NSW.
- Member of Tourism Snowy Mountains and lead council in restructure of the tourism body to meet NSW Government Strategy. The General Manager is currently a board member representing the Councils of Cooma Monaro, Snowy River and Tumbarumba. The board includes membership of the major snow resorts of Perisher, Thredbo and industry such as Snowy Hydro.

- Member of the Softwoods Working Group that comprises plantation owners, processors and government. The group is unique in NSW and represents the sector on issues of roads, plantations and environmental matters. The group comprises NSW Forests Corporation, Visy, Carter Holt Harvey, Hyne Timber, Hume Forests, Norske Scog and Olsens.
- Active members of South Western Regional Waste Manage Group that operates a Regional landfill at Jugiong and waste delivery services. SWRWMG established in 2000 consists of the Councils of:

Cootamundra Gundagai Tumbarumba Yass Young Tumut Harden Boorowa

The Group was established to identify and operate a regional landfill that provided security for disposal. The Councils have a long term contractual arrangement with a private landfill operator to accept 20,000 tonnes of Municipal waste and 2000 tonnes or so from the private sector. The landfill has a lifespan of some 20 plus years and is under EPA license and regulative control. The arrangement delivers low environmental risk and a cost efficient results.

- Lead Council in employment of Road Safety officers with Roads and Maritime Services, Tumbarumba and Gundagai Councils for the last 14 years.
- Active members of Murray Darling Association Region 9 representing Local Government interest in the Basin.
- Provide waste pick up services to Tumbarumba Shire by Snowy Works and Services, including recycling which is returned to the Gilmore Recycling Centre for recovery prior to disposal.
- Member of Tumut Region Chamber of Commerce.
- Joint Venture Partner with NSW National Parks since 1997 to establish and operate the Tumut Region Visitors Centre. The Centre promotes the Shire as a tourist destination in partnership with key stakeholders and adjoining regional tourism parties.

## CREDIBILITY FOR MORE EFFECTIVE ADVOCACY

Tumut Shire's effectiveness and credibility for advocacy of local, regional, state and national issues is well known and valued.

#### Examples include:

- Facilitation between the State Government and the private sector for the investment of \$1.2 billion dollars for the establishment of the Visy Pulp and Kraft Paper mill in Tumut in 1998. This mill and investment consolidated the sustainability of the softwoods plantation forest industry.
- Negotiation and advocacy to access Betterment Funding for the relocation of the Adelong Swimming Pool after the 2010 Floods. This was the first and only successful application ever lodged since the provision was implemented

- in the 70's. This was only achieved through staff understanding Grant Guidelines, high level agency and political advocacy by Council staff and Councillors.
- Tumut Shire Council led a successful lobbying campaign to have the Gocup Road upgraded to service the Timber Industry for access to the Hume Highway corridor over 16 years. This required development of a business case to have the road declared a state road (achieved) and then attract funding. A \$70m upgrade was announced in February 2015.
- Regular meetings with local Federal and State members of Parliament.
- Councils Director Engineering Services has served on the NSW Water Directorate from 2006 – 2011 including several subcommittees. The Directorate is responsible for:
  - Providing independent advice to Councils on water/sewer operations
  - Promoting more efficient operation of LG water/sewer infrastructure
  - Development of Guidelines and implementation of legislation and regulations
  - Providing direction on technical issues including provision of technical publications
- Council is an effective member of the Tumut River Advisory Committee formed in 1997 to provide a forum for communication between State Government and key stakeholders having an interest in the Tumut River. Major achievements include:
  - Development of Tumut River Works Plan adopted by the State Government – 2011 which identifies a ten year program of River maintenance.
  - Advocacy for River issues such as Regulated Flows, cold water pollution and Flood curtail.

## CAPABLE PARTNER FOR STATE AND FEDERAL AGENCIES

Council, through it's Business Arm Snowy Works and Services (SWS) holds Road Maintenance Council contracts valued at \$1m over the 3 year contract period for Tumut and Gundagai Councils. SWS holds R3 F15 Prequalification, which means the unit has the financial technical and operational capacity to undertake projects offered by NSW RMS valued up to \$15m on class of road works to R3. Tumut Shire Council is the only Council in NSW to hold this level of qualification.

Council has undertaken civil construction works for:

- NSW State Forest Corporation
- NSW RFS
- State Water
- RMS
- NPWS
- Lands Department
- Tumut Council is recognized for it's ability to manage and respond to it's responsibilities under the State Emergency and Rescue Management Act

1989. The Tumut Emergency Management Committee and Emergency Operations Centre (EOC) are highly respected and regarded, having managed the major bush fires in 2002/2003 and Floods in 2010 and 2012.

The operation of the EOC has been used as Best Practice example to other Local Government Areas.

- Council has close relationships with Police, NSW RFS, SES, Fire and Rescue NSW and Health Services.
- In 2015, Council partly funded and delivered an upgraded SES Headquarters to the Tumut unit to further enhance capacity in conjunction with the State and SES membership.
- Crown Lands and TSC have a long history of working together to manage the Heritage listed Adelong Falls where early gold mining occurred.
- Council's Office Building houses NSW Forest Corporation and NSW RFS
  Riverina Highland Zone Headquarters. Council has recently provided
  emergency back-up power to the building to support emergency operations
  and provides support during times of emergencies.
- Council delivers it's Roads to Recovery Program with funds provided by the Federal Government, valued at \$400k annually over the period of 5 years (2015 – 2019). \$ 2,209,656 in grant funds.
- Council is represented by it's General Manager and Director of Engineering Services on the Gocup Road RMS Project Committee to deliver a \$70m upgrade over 5 years commencing September 2015. Councils business unit SWS will be a lead contractor to the RMS for the project. Tumut Shire Council has recently signed an Alliance Agreement with Gundagai Shire Council allowing them to work as sub-contractors under SWS systems on this project.
- National Timber Councils Association. The National Timber Councils Association was formed to provide local government with a peak national body advocating from a local perspective on issues affecting local communities, industry, the environment and government. Councillors and staff have, at various times been on the Executive Board and the General Manager currently represents Council. In 2013 the Economic Development Officer and General Manager presented a paper at the National Conference in Melbourne on the Timber Industry on the South West Slopes.
- Tumut Shire Council auspices Tumut District Community Transport as part of the Home and Community Care Program founded by the NSW and Federal Government.

The service provides transport services to clients who are frail aged, disabled and their carers in conjunction with other HACC passengers.

This is an important public social service given that there is no public transport service available in the Shire.

The focus it to:

• Prevent premature or inappropriate institutionalization

- Assist in health transport
- Transport disadvantaged people and the Aboriginal community of Brungle

## RESOURCES TO COPE WITH COMPLEX AND UNEXPECTED CHANGE

- Tumut Shire Council has the capacity, knowledge and expertise to assist and respond to the emergency management of events including undertaking complex recovery operations.
   e.g.,
  - Floods of 2010 and 2012 \$30m approved damages
  - Batlow hail storm in 2011 that damaged the apple crop (estimated damage \$20m) assisted in obtaining Agricultural Natural Disaster Declaration.
  - Purchase and implementation of "RECOVER" (to document damage) and "CRISIS WORKS" (to manage and record actions)
- Council has in place resilient Financial Management systems that ensured the integrity of Councils investment portfolio during and after the Global Financial Crisis. Council's in house financial staff managed the impacts of the CDO value write-downs by the addition of external financial and legal advice. Council's losses were limited.
- Ability to fund projects when responding to unexpected change. e.g., the drought of the early 2000's caused a severe deterioration Adelong's town water supply to the point where the town was going to run out of water. Council staff conceived, designed and constructed a 17 kms, 200 mm pipeline with 2 booster pumps and a balance tank from Tumut to service the town, estimated cost \$4.4m. Council borrowed the funds and built the project.
- Council has a highly skilled and experience staff across it's functional areas.
   It has the ability to engage with the private sector through it's networks to bring external expertise when required.

## HIGH QUALITY POLITICAL AND MANAGERIAL LEADERSHIP.

Tumut Shire has high quality political and managerial leadership as evidenced by:

- Councillor induction program on election
- Strategic Forum Cabramurra, November 2012
- Regular Workshops on Strategic Issues
- Introduction of quarterly Policy, Finance and Strategy Meetings to ensure time is devoted to these important strategic/operational issues
- Understanding of Office of Local Government, Self Assessment for Best Practice and implementation of required changes.
- Compliance with Best Practice Water/Sewer Services
- Undertook major review of Snowy Works & Services operations
- Council has as elected representatives, a mixture of long serving and experienced Councillors, six (6) of the seven (7) elected Councillors have undertaken the Executive Certificate in Local Government.

- The Senior Management Team has many years Local Government experience in various sized councils across the state, government sector and private enterprise.
- Political and Managerial team that engages in sector debates e.g., Tumut's ongoing support for the Local Government Reform process.
- Tumut Shire Council has prepared a Discussion Paper that advocates through Riverina Pilot JO and OLG on a model for Council Owned Organisations to deliver services.
- Participation at Executive level on REROC by Mayor and General Manager
- Various submissions on Local Government Reform
- Councils political and management team have a record of community engagement and delivery as evidenced by the number of actions completed each year from it's Operational Plan.

## TEMPLATE 2 - SCALE AND CAPACITY

## **ECONOMIC SNAPSHOT**

## **ECONOMY**

The economy is driven mainly by agriculture and forestry, with both sectors creating the resources for large-scale processing and value-adding.

TIMBER

As the focal point of the softwood plantation and processing industry of the SW Slopes of NSW, it makes an important contribution to employment and overall economic activity of the Shire. It is estimated (Softwoods Working

> Group, 2015) that the forest-based sector centred on Tumut contributes around \$970 million in gross value of output. Several billion dollars' worth of investment has been made in the region, not only in the development of

plantations, but also in sawmills and pulpmills, and various manufactured board products. Major timber industry companies such as Visy and Carter Holt Harvey have large processing operations in Tumut.

#### HORTICULTURE/AGRICULTURE

U

Horticulture based around Batlow, is a source of high quality fruit especially apples. processing activities include cider production. developed in response to strong market demand,

and adding to established juice production. The Batlow area is also developing hop production, which has traditionally been supplied only from Tasmania. The high altitude of the Batlow area is

well-suited to intensive horticulture. excessive heat summer, and also being able to reduce the risk of fruit fly damaging production and precluding market access.

main agricultural The product of the region is beef, although sheep and fish farming also contribute to this sector.

#### **TOURISM**

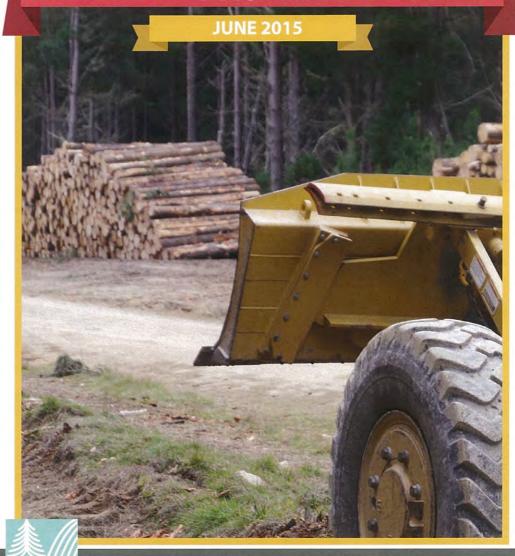
The operations associated with Snowy Hydro are an important part of the Tumut Shire economy. The water storages, especially Blowering Dam, provide an important tourism resource for the shire. Tumut Shire is located on the northern edge of Kosciuszko National Park; an area of enormous natural diversity offering numerous recreational opportunities. Bushwalking, horse riding, 4WD, fishing, water sports and camping, either in tent or RV, are all popular pursuits in this region of spectacular natural beauty.



Tumut Shire is characterised as having a resource-based economy, with activity focused on having raw materials available (land, water, forests), and also having established world-scale processing facilities. In addition, Tumut's location provides a strong base for tourism related activities.

> With a growing labour force and declining unemployment levels, continued growth and expansion in Tumut's economy can be expected. This growth is likely to result in an expanding population, and a range of future investment opportunities. Tumut has developed by having a culture of innovation and being responsive to market trends and opportunities, which will ensure the continuing prosperity of this region.

# **TUMUT SHIRE ECONOMIC PROFILE**



Tumut Shire Council 76 Capper St, Tumut NSW 2720

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Tumut Shire COUNCIL

Tumut Shire is centred on the township of Tumut, nestled in a valley at the western foot of the Great Dividing Range, around 100km directly west of Canberra and 100km east of Wagga. The shire includes

**TUMUT SHIRE ECONOMIC PROFILE** 

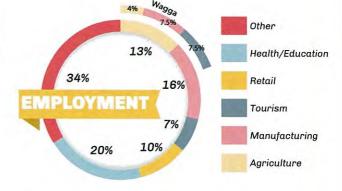
The timber and horticultural industries are examples of the world class industries that have become a central strength of the Tumut region.

the communities of Adelong, Batlow, Talbingo, Brungle and Cabramurra.

Tumut Shire includes the northern end of Kosciuszko National Park. The total land area of the shire is 456,000ha with 41% occupied by the National PArks and Wildlife Service. A further 94,054ha of the total is occupied by the Forestry Corporation of NSW.

Tumut is midway between Sydney and Melbourne, with excellent highway links to both.

# Sydney Wagga Wagga Tumut Shire Canberra



The sources of employment provide a good snapshot of the Tumut economy. The strong contribution of the primary sector (agriculture, including forestry) and manufacturing (largely involving timber processing) is clear, especially when compared with the regional centre of Wagga Wagga. In addition to the "traditional" strength of the primary sector, Tumut can also offer major strengths as a manufacturing centre. This provides opportunities for services based on supply to processing activities, as well as ensuring a labour force with established manufacturing-based skills.

## **POPULATION**



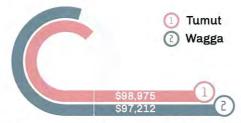
Stable over recent years and likely to stay so. (NSW Department of Planning, 2014 revisions)



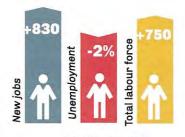
19% aged 65 and over (State average of just under 15%) (ABS, 2011)



This has implications for likely future demand for social services (health and welfare), and associated business opportunities e.g. aged care facilities.



An indicator of workforce capacity is provided by estimates of labour productivity (ID, 2014), calculated in terms of gross regional product (GRP) per employed person. This similar level with a major regional centre again demonstrates the world class level of industrial development in Tumut.



Mar '11-Dec '14

This decline in unemployment rates is particularly significant in that it has occurred at the same time as a steady increase in the total size of the labour force.

**TEMPLATE 2** 

**COMMUNITY NEWSLETTER – JUNE 2015** 







## WHAT IS FIT FOR THE FUTURE?

The Fit for the Future package details a series of benchmarks against which Councils are measured. The benchmarks indicate whether councils have the scale and capacity to become and remain financially sustainable.

The Local Government Review Panel recommended the following for Tumut Shire Council and its neighbours:

Gundagai - **Merge with Tumut** or Rural Council in Riverina CC Tumbarumba - Rural Council in Riverina JO or merge with Tumut/ Gundagai

Tumut - Council in Riverina JO or **merge with Gundagai** and Tumbarumba.

The process recognises that small rural councils face unique challenges and allows them to show how they will improve performance within their current structure.

Where councils do not agree with the recommendations they can make a submission supporting their claim.

Every Council is required to prepare and deliver a Fit for the Future submission by 30 June.

Each council's submission must show that they have the scale and capacity, consistent with the recommendations of the Independent Local Government Review Panel, to effectively and efficiently deliver services and infrastructure. It must also detail how they will become financially sustainable.

Submissions fall into three categories:

- 1. Merger Proposals where all Local Government Areas agree
- **2. Stand Alone -** for Councils with scale and capacity (scale means at least 10,000 residents) addressing the performance criteria and including a performance plan
- 3. Rural Council for small councils but addressing the performance criteria and including a performance plan.

The Fit for the Future package and frequently asked questions can be viewed in more detail on the "Fit for the Future" website – www.fitforthefuture.nsw.gov.au

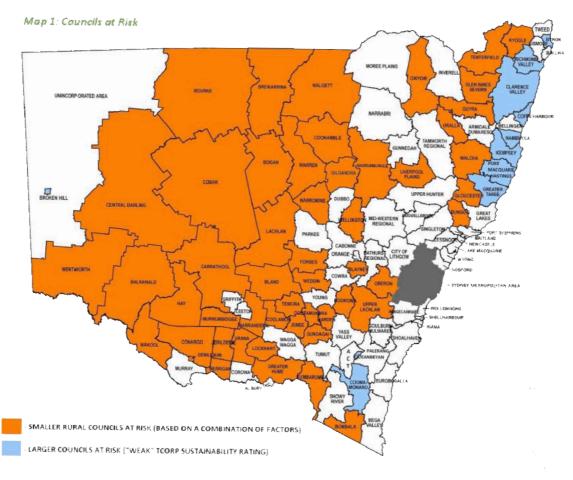
The NSW Government has a vision to rebuild our State and deliver a strong future for the people of NSW.

To have a strong future, NSW needs strong councils providing the services and infrastructure that communities need.

The NSW Government's "Fit for the Future" reform package for local government has been released, and involves a number of reforms for all 152 of the state's councils.

The package is the Government's response to the findings of a 3 year process by the Independent Local Government Review Panel.

The panel found that more than one third of Councils in NSW are facing financial problems. The panel concluded that the current system of local government in NSW needs to change and some of that change should involve structural reform of Councils.



## IS TUMUT SHIRE FIT FOR THE FUTURE?

In organisations such as Council there is always room for improvement to efficiency and productivity.

Given the expressed wishes of Tumbarumba and Gundagai Shires, Tumut Shire is preparing a Stand Alone Council submission.

The submission will focus on ways to improve. This will involve reviewing how we do things, our service levels, our revenue raising capacity and the cost of doing business.

The submission will set out scenarios on how compliance with the financial benchmarks will be achieved.

Tumut Shire Council has resolved that it will seek partnerships and collaboration with its neighbouring LGAs as part of its Fit for the Future Program. Discussions have commenced with Gundagai Shire Council.

Local Government Reform under Fit for the Future is programmed to be completed by September 2016.

## **JOINT ORGANISATIONS (JO)**

From September 2016, the NSW Government will be introducing new Joint Organisations of councils in regional NSW.

These new organisations will have statutory recognition and provide a forum for councils and the State Government to work together to deliver regional priorities, such as jobs, education, housing, roads and transport.

Five groups of regional councils are currently piloting the Joint Organisation concept.

Tumut Shire and its neighbours are already part of the Riverina Regional Organisation of Councils (REROC) which is one of the pilot groups.

The 12 member councils of REROC work together to gain economies of scale, to undertake joint projects, for advocacy to the State and Federal Governments and to access expertise and resources that might not be available to individual councils.

It is possible that increasing regional cooperation may deliver the scale and capacity sought by State Government without the need for mergers of isolated rural councils.

Regional communities play a major role in supporting the State's economy.

They sustain our main food production and export industries, as well as education, retail, resources, manufacturing and defence facilities.

For NSW to have a strong future, our regional communities must also be strong.



## **TEMPLATE 2**

**TUMUT SHIRE COUNCIL WATER SUPPLY PERFORMANCE 2013-14** 

WATER SUPPLY SYSTEM - Tumut Council serves a population of 8,600 (4,450 connected properties). Water is drawn from the Tumut River to supply Tumut, Little Gilmore Creek to supply Batlow, Nimbo Creek to supply Brungle, Jounama Creek to supply Talbingo and Adelong Creek and 3 emergency bores to supply Adelong. Council has 1 storage dam (total capacity 120 ML). The water supply network comprises 1 conventional water treatment works (Tumut 16 ML/d), 1 direct filtration works (Talbingo 2.1 ML/d), 1 microfiltration plant (Brungle 0.25ML/d), 1 ultra-filtration plant (Batlow 2.5ML/d) and 1 lagoon sedimentation works (Adelong 2.7 ML/d), 16 service reservoirs (24 ML), 12 pumping stations, 20.9 ML/d delivery capacity into the distribution system, 61 km of transfer and trunk mains and 140 km of reticulation. 94% of the supply is fully treated and 6% is an untreated non-potable supply for outdoor uses as part of dual supply.

PERFORMANCE - Tumut Council achieved 90% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was \$499 which was less than the statewide median of \$582 (Indicator 14). The economic real rate of return was similar to the statewide median (indicator 43). The operating cost (OMA) per property was \$411 which was close to the statewide median of \$400 (Indicator 49). Water quality complaints were similar to the statewide median of 3 (Indicator 25). Compliance was achieved for microbiological water quality (100% of the population, 4 of 4 zones compliant), chemical water quality and physical water quality. There were no failures of the chlorination system. The treatment system failed to operate on 1 day. Tumut Council reported no water supply public health incidents. Current replacement cost of system assets was \$61M (\$34,000 per assessment including \$20,900 per assessment for bulk supply). Cash and investments were \$2M, debt was \$4.8M and revenue was \$3.5M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF NSW BEST-PRACTICE MANAGEMENT (BPM) FRAMEWORK

<ul> <li>(1) Complete Current Strategic Business Plan &amp; Financial Plan</li> <li>(2) (2a) Pricing - Full Cost Recovery, without significant cross subsidies</li> <li>(2b,2c) Pricing - Appropriate Residential Charges</li> <li>(2d) Pricing - Appropriate Non-residential Charges</li> <li>(2e) Pricing - DSP with Commercial Developer Charges</li> </ul>			YES <sup>12</sup> Yes 13 Yes Yes	Yes (4) Sound drought management implemented (5) Complete performance reporting (by 15 September) (6) Integrated water cycle management strategy					YES YES YES YESE 12 90%	
TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS				LWU RESULT	<b>RAN</b> 3.001 to	I <b>KING</b> All LWUs	MEDI			
	<b>NWI</b> No.						10,000		Statewide	
	C1 1	Population served: 8	600				Note 1	Note 2	Note 3	Note 4
	C4 2	Number of connected properties: 4	450	Number of	assessments: 4690	Col 1	Col 2	Col 3	Col 4	Col 5
(0	3	Residential connected properties (% of tot	tal)			% 88			91	

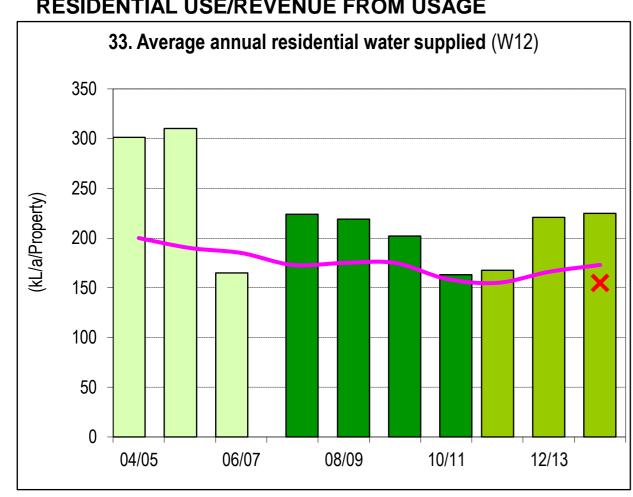
		NWI 1	No.	RESULT	3,001 to 10,000	All LWUs	Statewide Nat	tional
		C1	1 Population served: 8600		Note 1	Note 2	Note 3	ote 4
			2 Number of connected properties: 4450 Number of assessments: 4690	Col 1	Col 2	Col 3	Col 4	col 5
	တ္		3 Residential connected properties (% of total)	88			91	
	CHARACTERISTICS		4 New residences connected to water supply (%)	6 0.7	3	3	0.9	
UTILITY	ËRIS	A3	5 Properties served per kilometre of water main Prop/ki	n 24			32	<b>35</b>
Ę	ACT		6 Rainfall (% of median annual rainfall)	6 94	2	2	77	
_	HAR	W11	7 Total urban water supplied at master meters (ML)	<i>L</i> 1,550			6,800 <b>10</b>	,280
	S		8 Peak week to average consumption (%)	<sup>6</sup> 188	3	3	152	
			9 Renewals expenditure (% of current replacement cost of system assets)	6 0.1	5	5	0.5	
			10 Employees per 1000 properties per 1,000 pro	p 1.5	2	2	1.5	
		P1	Residential tariff structure for 2014-15: inclining block; independent of land value; access charge \$227					
	ω	P1.3 1	2a Residential water usage charge for 2013-14 for usage <300 kL (c/kL) c/kL (2013-14)	9 123	4	4	208 1	85
	BILLS		12 Residential water usage charge for 2014-15 for usage <300 kL (c/kL) c/kL (2014-15)	126	4	4	213	
	യ ഗ	P3 1	4a Typical residential bill for 2013-14 (\$/assessment) \$ (2013-14)	487	1	1	<b>550 5</b>	67
	CHARGES &		14 Typical residential bill for 2014-15 (\$/assessment) \$ (2014-13)		1	1	582	
	CH <sub>A</sub>		15 <b>Typical developer charge for 2014-15</b> (\$/equivalent tenement) \$ (2014-15)	,	3	2	5,500	
			16 Residential revenue from usage charges (% of residential bills)	58	4	4		68
		F5	17 Revenue per property - water (\$/property) \$/pro	p 790	4	4	795 8	349
		1	18 Water Supply Coverage (% of Urban Population with reticulated WS) % of population	n 97.5	3	3	99.6	
		H6 1	8a Risk based drinking water quality plan?	Yes				
I I	<b>王</b>		19 Physical compliance achieved? Note 10	Yes	1	1		
SOCIAL	HEALTH	1	9a Chemical compliance achieved? Note10	Yes	1	1		
	工		9b % population with chemical compliance	100	1	1	100	
			20 Microbiological (E. coli) compliance achieved? Note 10	Yes	1	1		
		H3 2	20a <b>% population with microbiological compliance</b> % of population	n 100	1	1	100 1	00
		C9	25 Water quality complaints per 1000 properties per 1,000 pro	ρ 3	4	3	3	2
	S	C10	26 Water service complaints per 1000 properties per 1,000 pro	ρ 4	2	2	6	1
	LEVELS	C17	27 Incidence of unplanned interruptions per 1000 properties per 1,000 pro	p			50	96
		C15	28 Average duration of interruption (min)	n 120	3	2	150 <b>1</b>	13
	SERVICE	A8 :	Number of water main breaks per 100 km of water main per 100km	n 13	3	3	10 1	13
	SE	;	31 Drought water restrictions (% of time) % of time		4	4	0	
		;	32 Total days lost (%)	6 2.0	2	3	2.9	
ب		W12	33 Average annual residential water supplied - STATEWIDE (kL/property) kL/pro	p 225	2	3	173 <b>1</b>	85
A T	OURCE		3a Average annual residential water supplied - COASTAL LWUs (kL/property)  kL/pro				157	
ME J	SOU		3b Average annual residential water supplied - INLAND LWUs (kL/property) kL/pro		2	2	263	
ENVIRONMENTAL	AL RE VAGE	A10	Real losses (leakage) (L/service connection/day)  L/connection/day	y <u>70</u>	2	3	70	<b>79</b>
/R	ATUR. MAÎ	;	35 Energy consumption per Megalitre (kiloWatt hours)	h 592	4	4	620	
N N	Ž		of Nellewable ellergy consumption (76 or total ellergy consumption)	6			0	
			Net greenhouse gas emissions - WS & Sge (net tonnes CO2 - equivalents per 1000 properties)  **CO2**  *		4	4		390
			42 Current replacement cost per assessment (\$)	\$ 13,100	4	4	16,500	
			(**)	6 1.2	3	2		1.9
	щ			-0.4	5	5	1.1	4.4
	FINANCE		10 1101 = 1101 to 1 4 111 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	6 1	2	4		11 2
	⊏		46 Interest cover - WS&Sge 47 Loan payment per property - Water (\$)	\$ 248	1	1	4 64	2
()			47 Loan payment per property - water (\$) 47b <b>Net profit after tax</b> - WS & Sge (\$'000) \$'00		5	5		345
<b>₩</b>					9	9		<b>3 7 3</b>
ECONOMIC			48 Operating cost (OMA) per 100km of main (\$'000)  40 Operating cost (OMA) per property (\$'prop) Note 8		2	2	1,290	20
S			49 Operating cost (OMA) per property (\$/prop) Note 8 50 Operating cost (OMA) per kilolitre (cents)		3	3	400 <b>4</b> 126	139
	≿				1	1	140	
	EFFICIENCY		51 <b>Management cost (</b> \$/prop) 52 <b>Treatment cost (</b> \$/prop) \$/pro		4	1	58	
	FFIC		52 Treatment cost (φ/ριορ) 53 Pumping cost (\$/prop) \$/pro		4	3	43	
	Ш		53 Fullipling Cost (\$/prop) 54 Energy cost (\$/prop) \$/pro		3	3	25	
			55 Water main cost (\$/prop) \$/pro		1	1	74	
			56 Capital Expenditure (\$/prop) \$/pro		5	4		75
		<u> </u>						

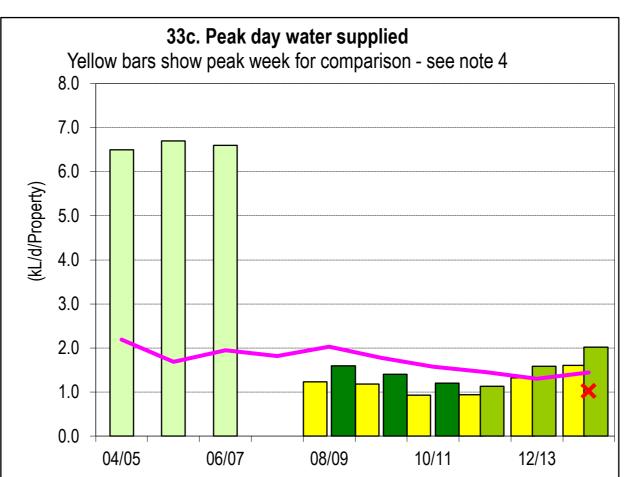
# **NOTES:**

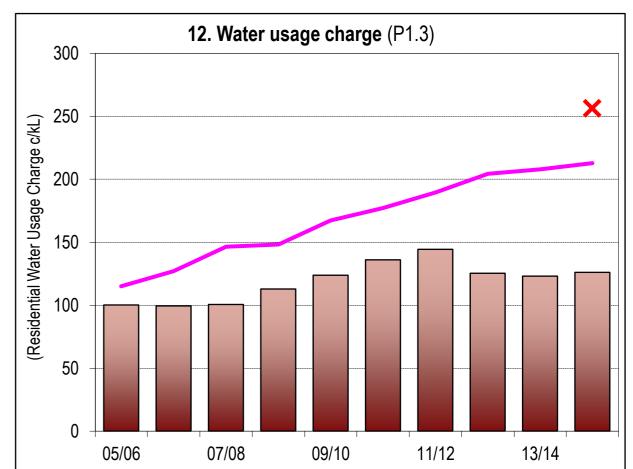
- Col 2 rankings are on a % of LWUs basis best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 3,001 to 10,000).
- 2 Col 3 rankings are on a % of LWUs basis best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs).
- 3 Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
- 4 Col 5 (National Median) is the median value for the 67 utilities reporting water supply performance in the National Performance Report 2013-14 (www.bom.gov.au).
- 5 LWUs are required to annually review key projections & actions in the later of their IWCM Strategy and financial plan and their Strategic Business Plan and to annually 'roll forward', review and update their 30-year total asset management plan (TAMP) and 30-year financial plan.
- 6 2014-15 Non-residential Tariff: Access Charge based on Meter Size\* (eg. 40mm \$905), Inclining Block; Usage up to 300 kL, Usage Charge is 126 c/kL; Usage >300 kL = 252 c/kL.
- 7 Non-residential water supplied was 34% of potable water supplied excluding non-revenue water.
- Non-residential revenue was 34% of annual rates and charges, indicating fair pricing of services between the residential and non-residential sectors.
- 8 The operating cost (OMA) per property was \$411. Components were: management (\$101), operation (\$23), maintenance (\$214), energy (\$48) & chemical (\$24). 9 Rehabilitations included 0.5% of water mains, 0.02% of service connections and 8.9% of water meters. Renewals expenditure was \$20,000/100km of main.
- 10 Compliance with ADWG 2011 for drinking water quality is shown as "Yes" if compliance has been achieved (indicators 19, 19a & 20).
- 11 Tumut Council has 4 fully qualified water treatment operators who meet the requirements of the National Certification Framework.
- 12 As Tumut Council's strategic business plan and financial plan are over 4 years old, it needs to prepare a 30-year IWCM Strategy and financial plan in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au).
- 13 BPM Framework Council needs to implement Appropriate Residential Charges (75% from usage charges) (2c).

(Results shown for 10 years together with 2013-14 Statewide Median and Top 20%)

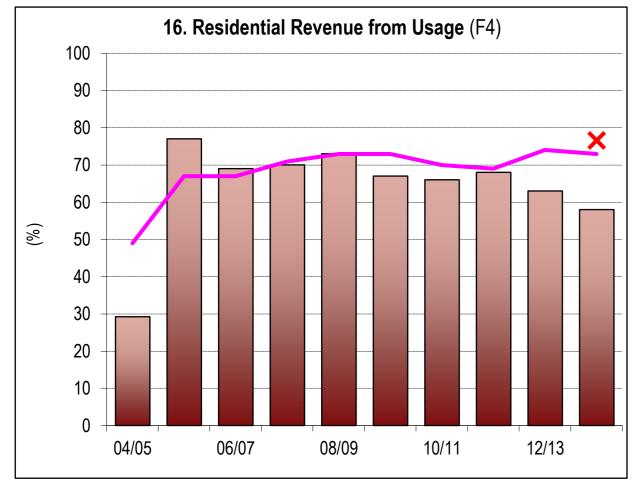
# RESIDENTIAL USE/REVENUE FROM USAGE

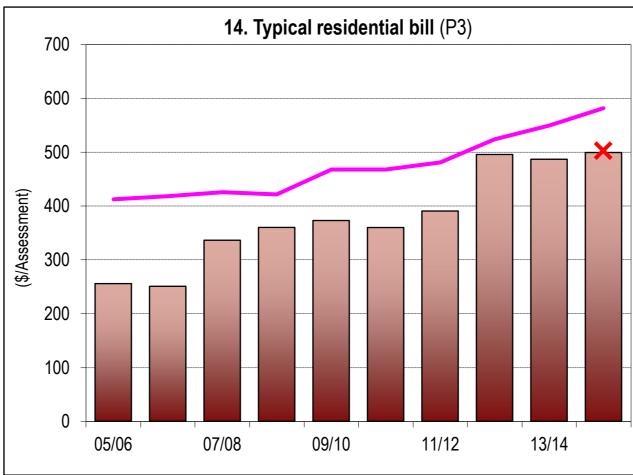


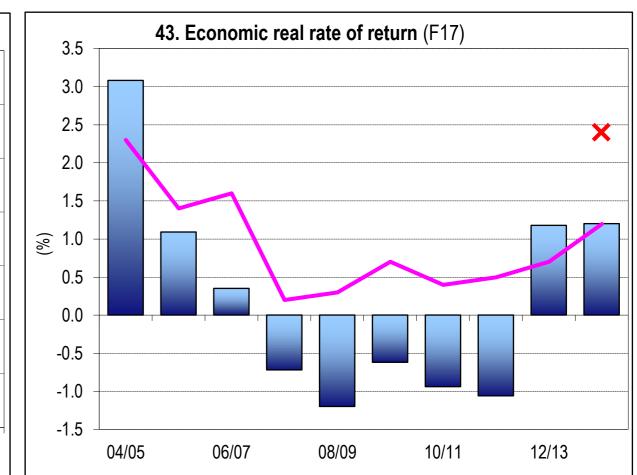




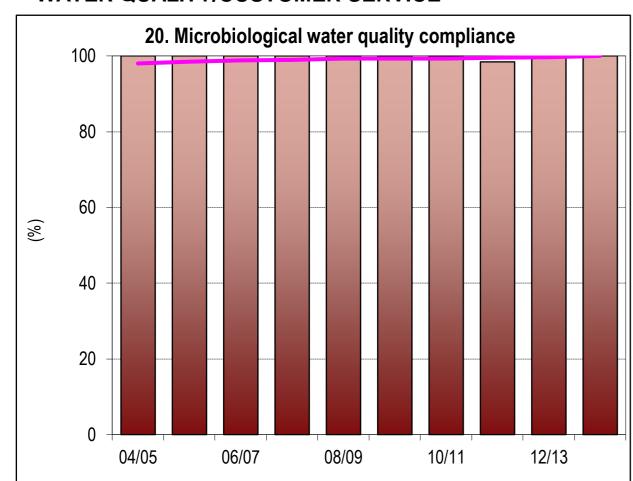
## **COST RECOVERY**

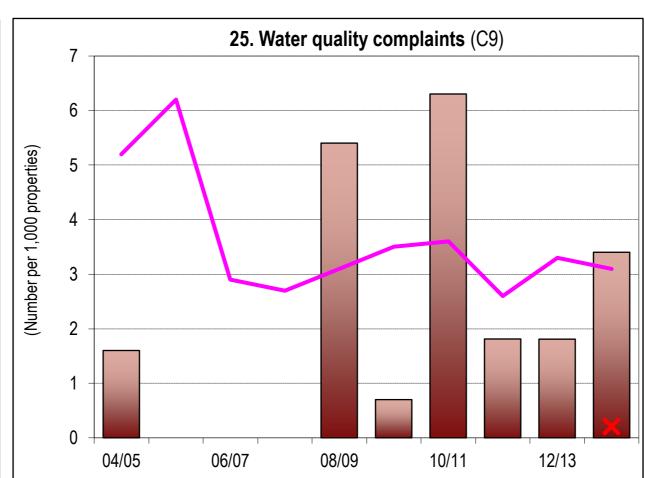


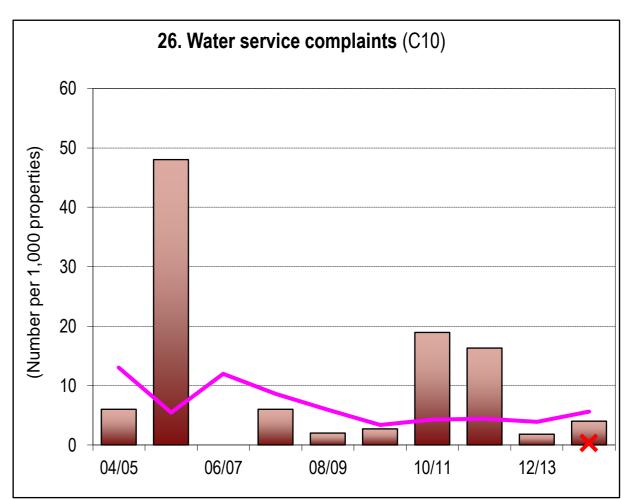




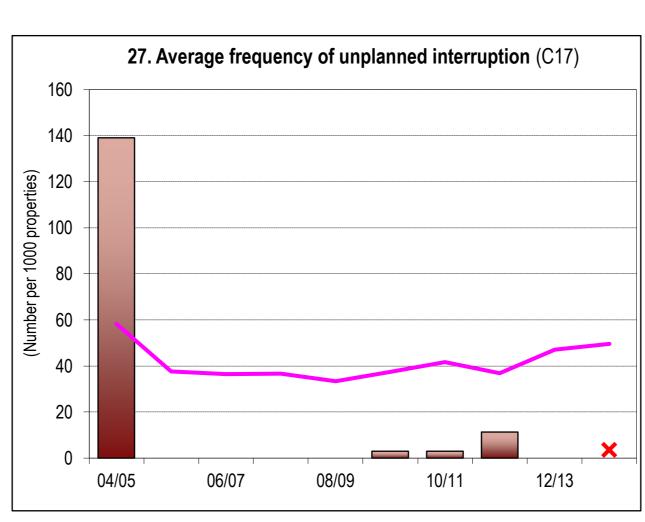
## WATER QUALITY/CUSTOMER SERVICE

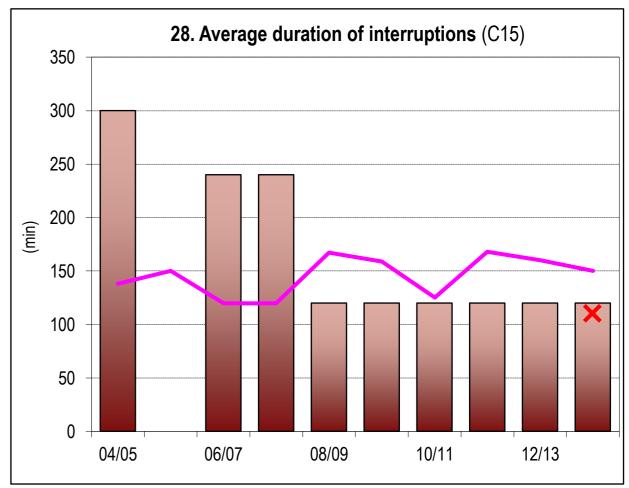




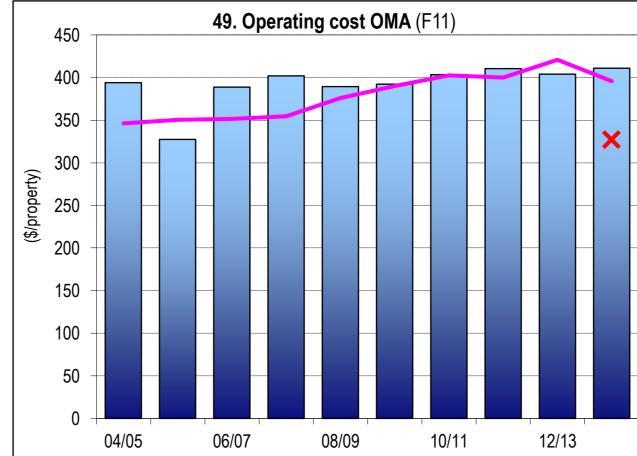


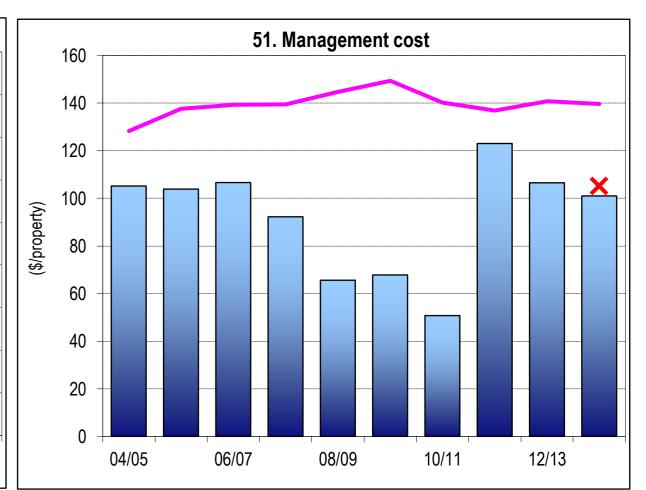
# **RELIABILITY** 30. Main breaks (A8) 30 25 (Number per 100km of Main) 20 15 5 04/05 06/07 12/13 08/09 10/11





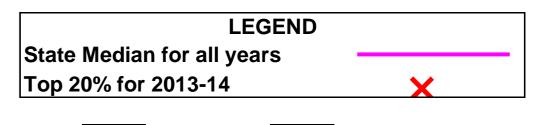
# **EFFICIENCY** 10. Employees 2.5 2.0 (Number per 1000 properties) 0.5 08/09 10/11 06/07 12/13 04/05





# NOTES:

- Costs are in Jan 2014\$ except for graphs 12 and 14, which are in Jan 2015\$. 1.
- Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian 2. Drinking Water Guidelines for E. coli; from 2004-05 to 2010-11 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines (ADWG) and for 2011-12 to 2013-14 compliance was on the basis of the 2011 ADWG.
- Indicators 33 and 33c Green shading of bars shows % of time Drought Water Restrictions applied in each year: 3.
- Indicator 33c Yellow bars show Peak Week Water Supplied for comparison with Peak Day Water Supplied shown in green. 4.



>50% of time 30-50% 0 - 30%

## **TEMPLATE 2**

**TUMUT SHIRE COUNCIL SEWERAGE PERFORMANCE 2013-14** 

SEWERAGE SYSTEM - Tumut Council serves a population of 8,600 (4,220 connected properties) and has 5 sewage treatment works providing advanced secondary and advanced tertiary treatment. The system comprises 15,950 EP treatment capacity (Intermittent and Continuous Extended Aeration (Activated Sludge) and Biological Nutrient Removal), 20 pumping stations (6 ML/d), 14 km of rising mains and 134 km of gravity trunk mains and reticulation. 12% of effluent was recycled (Indicator 27) and the treated effluent is discharged to land and river.

PERFORMANCE - Residential growth for 2013-14 was 0.7% which is lower than the statewide median. Tumut Council achieved 100% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was \$635 which was close to the statewide median of \$669 (Indicator 12). The economic real rate of return was similar to the statewide median (indicator 46). The operating cost per property (OMA) was \$451 which was similar to the statewide median of \$430 (Indicator 50). Sewage odour complaints were less than the statewide median of 1 (Indicator 21). Tumut Council reported no public health incidents. Council complied with the requirements of the environmental regulator for effluent discharge. The current replacement cost of system assets was \$49M (\$11,100) per assessment), cash and investments were \$3M, debt was \$0M and revenue was \$3.3M (excluding capital works grants).

## IMPLEMENTATION OF REQUIREMENTS OF NSW BEST-PRACTICE MANAGEMENT (BPM) FRAMEWORK

(1) Complete current strategic business plan & financial plan	YES <sup>11</sup>	(2e) Pricing - DSP with commercial developer charges	Yes						
(2) (2a) Pricing - Full Cost Recovery without significant cross su	bsidies Yes	(2f) Pricing - Liquid trade waste approvals & policy	Yes						
(2b) Pricing - Appropriate Residential Charges	Yes	(3) Complete performance reporting (by 15 September)	YES						
(2c) Pricing - Appropriate Non-Residential Charges	Yes	(4) Integrated water cycle management strategy	YESE 11						
(2d) Pricing - Appropriate Trade Waste Fees and Charges	Yes	IMPLEMENTATION OF ALL REQUIREMENTS	100%						

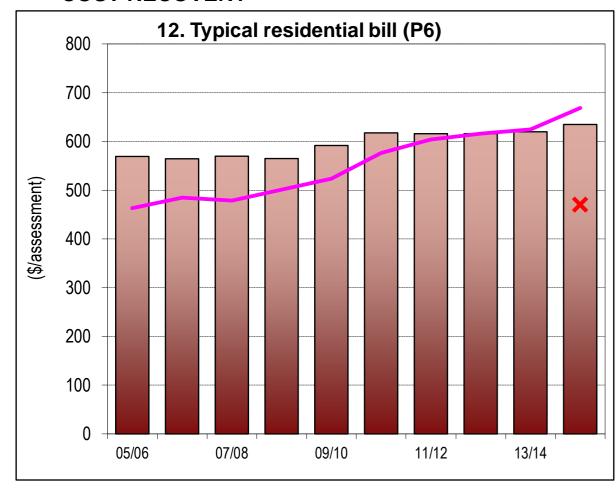
TRIPL	E BOT		LIN	E (TBL) PERFORMANCE INDICATORS						
		NWI	No.			LWU RESULT	<b>RAN</b> 3,001 to	KING	MEDI Statewide	
		C5	1	Population served: 8,600		REGOLI	10,000	All LWUs	Otatewide	National
	<u>S</u>	C8	2	Number of connected properties: 4,220 Number of assessments: 4,440			Note 1	Note 2	Note 3	Note 4
≥	CHARACTERISTICS	C6	3	Number of residential connected properties: 3,750		Col 1	Col 2	Col 3	Col 4	Col 5
UTILITY	芦		4	New residences connected to sewerage (%)	%	•	2	3	1.0	
5	RAC	A6	5	Properties served per kilometre of main	Prop/km				38	41
	CHA	W18	6	Volume of sewage collected (ML)	ML	924	4		4,600	5,723
			7	Renewals expenditure (% of current replacement cost of system assets)	% 000 mm	0.4	4	3	0.5	
			8	Employees per 1000 properties per 1,	.000 prop	1.5	2	2	1.6	
		P4		Description of residential tariff structure: access charge/prop; independent of land value						
	LS	P4.1			2013-14	0_0	3	4	625	573
	BILLS	D0			2014-15		3	4	669	000
	⊗ S⊟	P6		,,	2013-14	620	3	4	625	683
	CHARGES				2014-15		3	4	669	
	CH/				2014-15	-,	2 2	2	5,100	
ب		EG		Non-residential sewer usage charge (c/kL)	c/kL	185	_	2	136	020
CIA		F6		Revenue per property - Sge (\$)	Φ	780	3	2	846	938
SOCIAL	王	F^		Sewerage Coverage (% of Urban Population with Reticulated Sge Service)	%	0010	1	1	97.9	0.4
		E3	17	Percent of sewage treated to a tertiary level (%)	%	100	2	2	98	91
	HEAL	E4		Percent of sewage volume treated that was compliant (%)	%	100	1	1	100	100
		E5	19	Number of sewage treatment works compliant at all times		5 of 5				
	Ш		21	Odour complaints per 1000 properties per 1,	.000 prop	0.0	1	1	1.0	
	SERVICE LEVELS	C11	22	Service complaints - sewerage per 1000 properties per 1,	.000 prop	23	4	4	8	1
	SER LE/	C16	23a	Average sewerage interruption (minutes)	min	90	3	3	109	105
			25	Total days lost (%)	%	2.5	3	4	2.9	
		W19		Volume of sewage collected per property (kL)	kL	219	4	4	221	204
	NATURAL RESOURCE MANAGEMENT	W26	26a	Total recycled water supplied (ML)	ML	110	4	3	630	1,638
	ESO(	W27	27	Recycled water (% of effluent recycled)	%	12	3	3	12	17
	AL RI NAGE	E8	28		%		_		100	100
<b>₹</b>	TUR MAN		30	Energy consumption - sewerage (kWh/ML)	kWh	768	3	3	770	
돎	Ν	E40	31	Renewable energy consumption (% of total energy consumption)	%	0	1	1	0	200
ENVIRONMENTAL		E12		Net greenhouse gas emissions - WS & Sge (net tonnes CO2 equivalents per 1000 properties)		380	4	4	370	390
80				90 <sup>th</sup> Percentile licence limits for effluent discharge: BOD 10 mg/L; SS 15 mg/L; To	otal N 1		al P 0.3 m	ıg/L		
$\equiv$	TAL ICE			Compliance with BOD in licence (%)	%	100	1	1	100	
ũ	MEN MAN			Compliance with SS in licence (%)	%	100	1	1	100	
	SON FOR	A14		,	Okm main	44	4	3	37	20
	ENVIRONMENTAL PERFORMANCE	E40		,	Okm main	22	4	5	13	0.4
	шч	E13		Sewer overflows reported to environmental regulator (per 100km of main)	07				0.8	0.4
			39	Non res & trade waste % of total sge volume	%				21	
			43	Revenue from non-residential plus trade waste charges (% of total revenue)	%	26	2	1	18	
	щ		44	Revenue from trade waste charges (% of total revenue)	%	0.9	3	3	2.0	
	FINANCE	F18	46	Economic real rate of return - Sge (%)	%	1.5	3	3	1.5	2.6
	A N			Return on assets - Sge (%)	%	2.1	2	2	1.3	
		E0.4		Loan payment per property - Sge (\$)	\$	126	2	2	90	<b>5</b> 0 4 <b>5</b>
<u>U</u>		F24		Net profit after tax - WS & Sge (\$'000)	\$'000		5	5	1180	5,345
ECONOMIC				Operating cost (OMA) per 100 km of main (\$'000)	\$'000	- ,—	2	3	1,730	
NO		F12		Operating cost (OMA) per property (\$) (Note 9)	\$	451	4	4	430	405
О Ш	<u>}-</u>			Operating cost (OMA) per kL (cents)	c/kL	206	2	3	206	
	EFFICIENCY			Management cost per property (\$)	\$	143	3	3	161	
	FICI		53 54	Treatment cost per property (\$)	\$	237	5	5	155	
	出			Pumping cost per property (\$)  Energy cost per property (\$)	<b>\$</b>	27 40	1	2	68 42	
			55 56		<b>Φ</b>	49 31	4	2	42 47	
		F29		Sewer main cost per property (\$) Capital Expenditure per property - Sewerage (\$)	φ	90	1	3	193	227
		1 43	J1	- apital Expeliated per property σονισιαθο (ψ)	Ψ	30		9	100	<b>L</b> L I

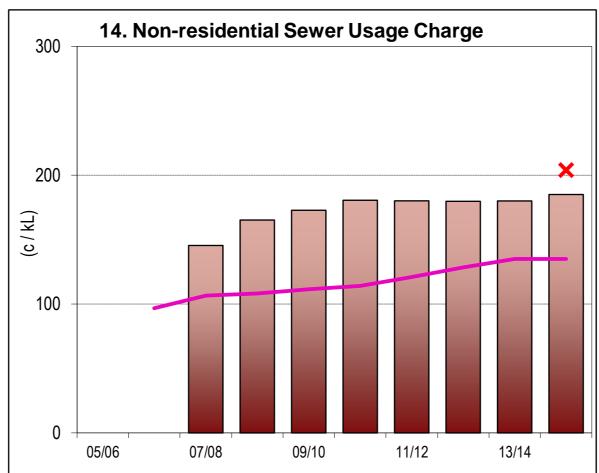
# NOTES:

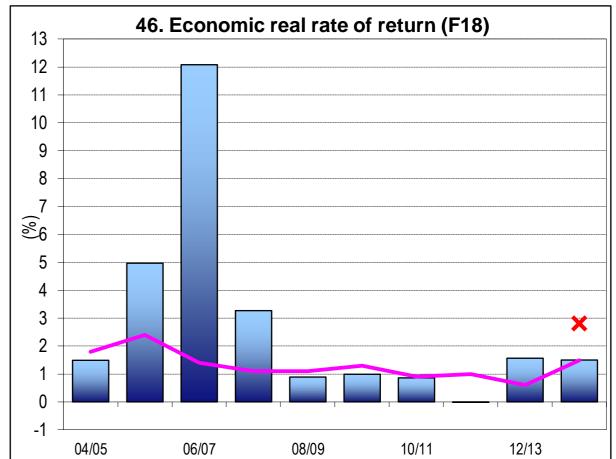
- Col 2 rankings are on a % of LWUs basis best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 3,001 to 10,000).
- 2 Col 3 rankings are on a % of LWUs basis best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs). see attachment.
- Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
- Col 5 (National Median) is the median value for the 66 utilities reporting sewerage performance in the National Performance Report 2013-14 (www.bom.gov.au).
- LWUs are required to annually review key projections & actions in the later of their IWCM Strategy and financial plan and their Strategic Business Plan and to annually 'roll forward', review and update their 30-year total asset management plan (TAMP) and 30-year financial plan.
- Non-residential access charge \$600, proportional to square of meter size. Sewer usage charge 185 c/kL.
- Non-residential revenue was 26% of revenue from access, usage & trade waste charges. The sewage collected (residential, non-residential & trade waste) was not reported.
- Compliance with Total N in Licence was 100%. Compliance with Total P in Licence was 100%.
- Operating cost (OMA)/property was \$451. Components were: management (\$143), operation (\$10), maintenance (\$208), energy (\$49), chemical (\$39) & effluent/biosolids (\$3).
- 10 Tumut Council rehabilitations included 0.7% of its sewerage mains and 0.1% of its service connections. Renewals expenditure was \$142,000/100km of main.
- 11 As Tumut Council's strategic business plan and financial plan are over 4 years old, it needs to prepare a 30-year IWCM Strategy and financial plan in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au).

(Results shown for 10 years together with 2013-14 Statewide Median and Top 20%)

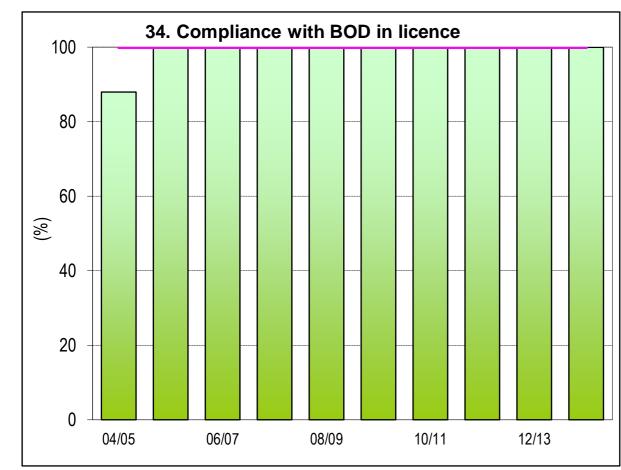
## **COST RECOVERY**

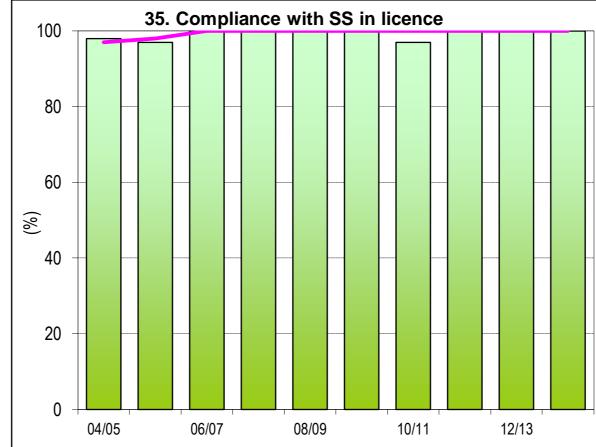


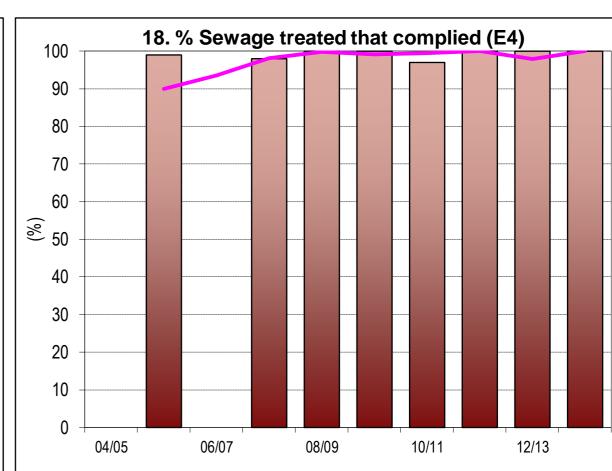




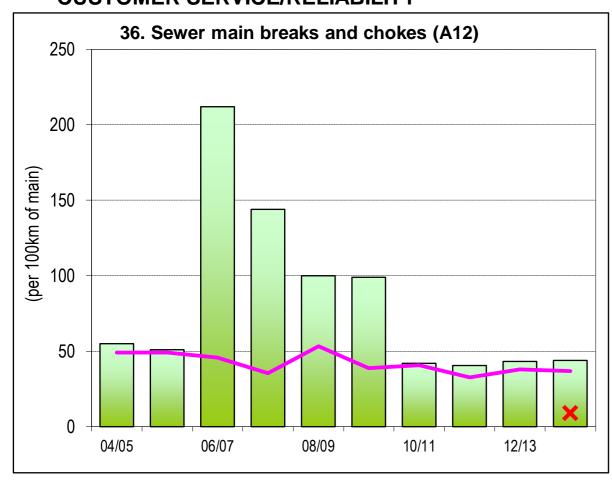
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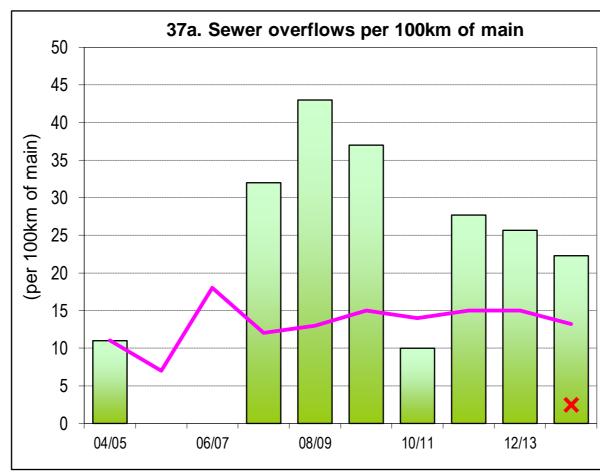


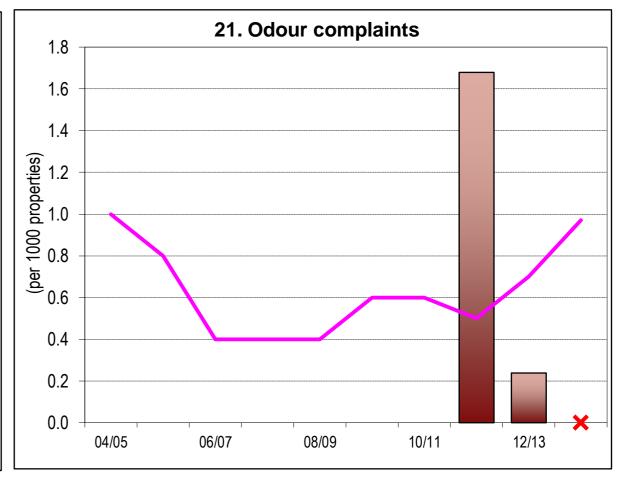




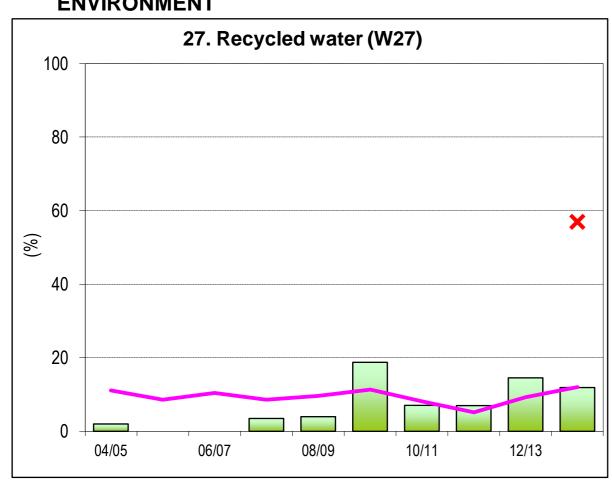
## **CUSTOMER SERVICE/RELIABILITY**

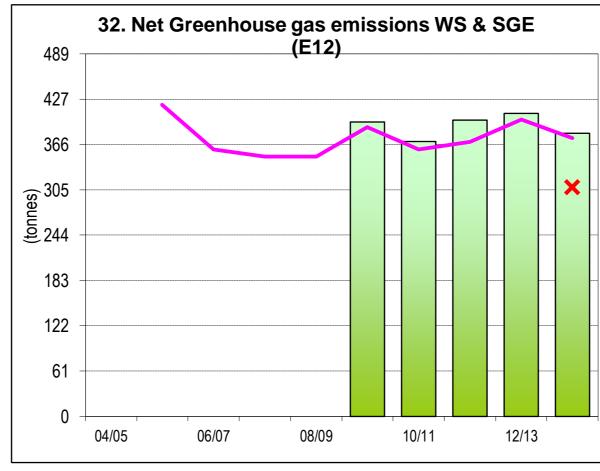


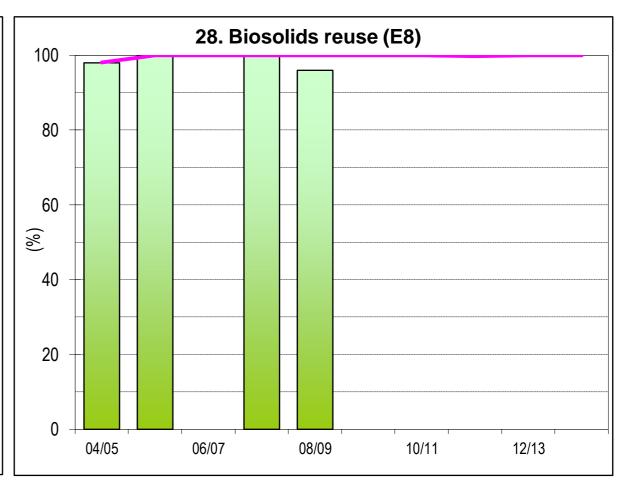




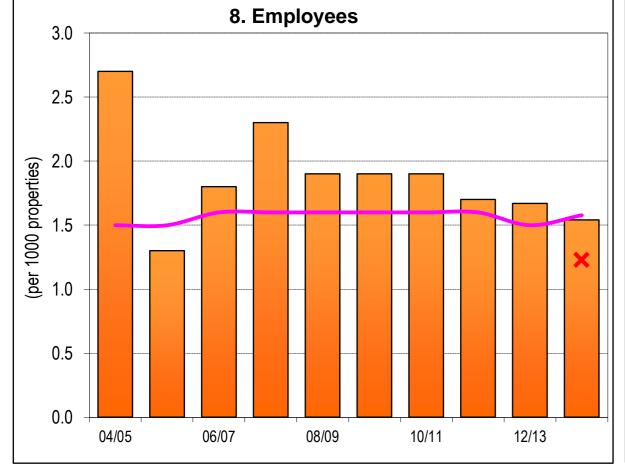
# ENVIRONMENT

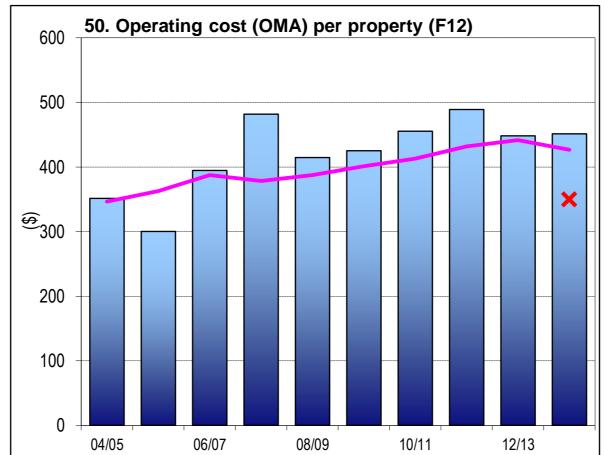






# **EFFICIENCY**

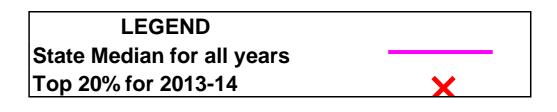






# NOTES:

1. Costs are in Jan 2014\$ except for graphs 12 and 14, which are in Jan 2015\$.



## **TEMPLATE 2**

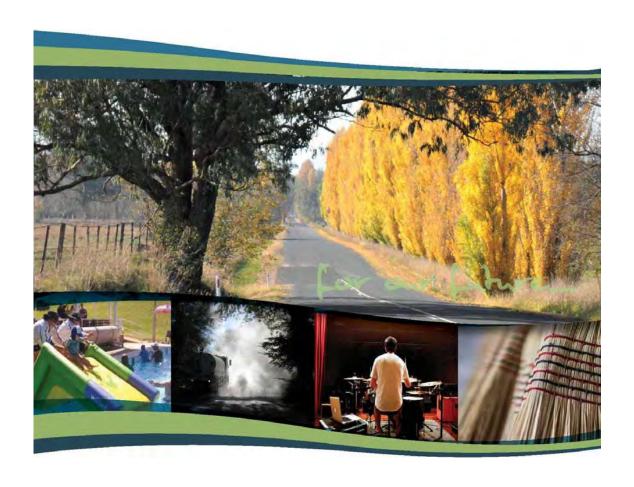
**TUMUT SHIRE COUNCIL IMPROVEMENT PLAN - JUNE 2015** 



# DRAFT COUNCIL IMPROVEMENT PLAN

to become

# FIT FOR THE FUTURE





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#### 1.0 Introduction

The NSW Governments' Fit for the Future reforms aims to improve the strength and effectiveness of local government in providing services and infrastructure that local communities need.

The reform process is being guided by the review of the sector undertaken by the Independent Local Government Review Panel (ILG CP) between 2012-13.

In September 2014, the Government established its Fit for the Future (FFTF) criteria and released its program of reform.

#### The criteria are:

- Scale and capacity to engage effectively across community, industry and governments
- Sustainability
- Effectively managing infrastructure and delivering services to communities, and Efficiency

The Government also announced that Councils assessed as FFTF will have access to a range of benefits including;

- Entitlement to a streamlined rate variation process
- State Government borrowing facility
- Priority for other government funding and grants, and
- Eligibility for additional devolved planning powers

The Government has asked IPART to perform the role of the independent Expert Panel to assess how a Council proposal meets the FFTF criteria.

Figure 1.1 Provides a summary of IPART role in assessing these criteria.



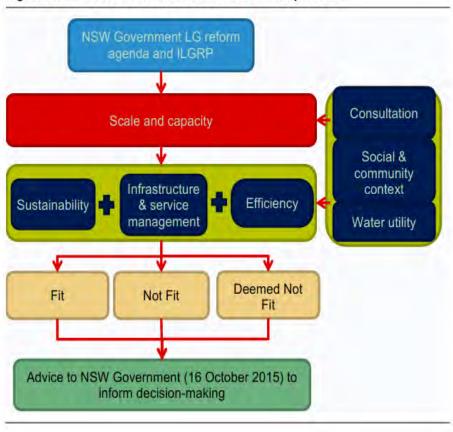


Figure 1.1 IPART's role in the FFTF assessment process

Tumut Shire Council has prepared a FFTF Council Improvement Plan – Template 2 and is required to submit an Improvement Action Plan.

## 1.1 Background

Tumut Shire Council is a multipurpose rural council and is classified as an OLG Group 11 – Large Rural Council.

It sits in the western foothills of the Great Dividing Range and runs to the Murrumbidgee floodplain. It has an area of 4566sq km of which 62% is National park (dominated by Kosciuszko National Park) and State Forest which is plantation softwood.

The Shire has a population of 11,316 and 145 EFT staff and an operational budget (all funds) of \$348.02m.

WDV - Assets total: - General \$254.03m

Water \$45.5mSewer \$38.7mWaste \$1.5m

TOTAL \$340m



Council operates a very successful Business Unit Snowy Works and Services that provides local government services and undertakes works for the private and public sector.

Council on receiving the T-Corp Financial Sustainability Rating of "moderate" with "neutral outlook" and the OLG Infrastructure Audit result as "weak" under took a planned program of action to address the issues underpinning both results.

The ILGRP recommended for Tumut Shire Council:-

Tumut – Council in Riverina JO or merge with Gundagai and Tumbarumba

Gundagai - Merge with Tumut or Rural Council in Riverina CC

Tumbarumba – Rural Council in Riverina JO or merge with Tumut/Gundagai

Council has not been successful in seeking structured and facilitated reform discussions with its neighbours. Each Council has resolved to prepare FFTF proposals.

Tumut Council had no option but proceed to complete Template 2.

TSC financial results indicate that for the previous three years it did not meet many of the targets outlined in the OLG self-assessment tool.

This Improvement Plan further develops and builds on the actions taken to date to detail a change plan for the future sustainability of the Shire.

The plan acknowledges that "business cannot be conducted as usual" and "no change is not an option".

Change will require leadership from Councillors and it's management. The organisation and community must be engaged in the process if it is to be successful.

This plan seeks to detail the process of improvement.



## 2.0 Integration with the Community Strategic Plan

Integrated Planning and Reporting is the platform on which delivery of this plan will be built.

Figure 2 – Integrated Planning and Reporting.



All the key deliverables will be built into the TSC's Community Strategic Plan, TSC Long Term Financial Plan (LTFP), 4 year Delivery Program and Annual Operational Plan.



#### 3.0 How will Tumut Shire Council become FFTF?

This plan details a series of strategies and actions to become and remain FFTF to meet the requirements of:-

- 1. Sustainability
- 2. Infrastructure and Service Management
- 3. Efficiency

The plan is designed to be implemented commencing 2015-16 and continued on by new councils four (4) year delivery timeframe from 2016-17 to 2019-20.

## 3.1 Sustainability

Sustainability means that;

"A Council will generate sufficient funds over the long term to provide agreed level of scope of services and infrastructure for communities as identified through IP&R."

There are three (3) benchmarks to be achieved:-

- Operating Performance Ratio
- Own Source Revenue
- Building and Asset Renewal

The key assumptions that will deliver there are:-

- Rating base and population will grow with small positive increase.
- Rate pegging to remain constant at 2.4%.
- Domestic Waste Charges 2.75% increase
- Other user charges reimbursements and other revenue etc have been increased by 3.0% for 15/16 then 2.75% increase thereafter.
- The existing SRV will remain in force until 2020 then Council will seek approval for a 15% increase.
- The FAG will remain at constant until 30 June 2019 than index rate and is considered as own source revenue as TSC is classified as an OLG Group 11 Council.
- Interest on investments has been set at 2.5% in 15/16, 2.75% in 16/17 and back above 4% thereafter.
- Insurance by 3.0%.
- Workers Compensation by 3.0%.
- Material and other Expenses increased by 3.0%.
- Statutory Charges increased by 3.0%.
- Salaries and Wages Growth (overall) held at 0% 4 years through productivity savings.
- Return on Property Portfolio set at \$100k/annum increase for 15/16.
- Manage Annual Leave and Long Service Leave over 4 years from 2015-16 to achieve annual savings of \$200k/annum.
- Reduce depreciation expense down by \$350k.
- Organisation Review 2016-17 to achieve \$250k saving.
- No allowance for Natural disasters eg. Flood recovery to be funded from works program.
- SWS Dividends remain constant.



## **SUSTAINABILITY**

No	OBJECTIVE	STRATEGY/ACTION	MILESTONE	OUTCOME	IMPACT ON OTHER MEASURES	RESPONSIBILITY
1-15/16	Manage employee leave accrual balances	Reduce leave balances	September 2015	Yearly savings \$200k	Own Source Revenue and Operating Performance Ratio improved. Spending capacity improved to fund Building and Asset Renewal Ratio, Infrastructure Backlog ratio and Asset Maintenance Ratio	General Manager
2-15/16	Increase returns on Council property investments	Implement rents to Water/Sewer/Waste lands	1 July 2015	Increased income \$100k	As Above	Chief Financial Officer
3-15/16	Improve efficiency/productivity to Councils operations	Commence Service Reviews across the Organisation – Adopt Review Plan	Commence July 2015	Efficiency Gains	As Above	General Manager
		Finalise SWS Review	Report to Council September 2015	Efficiency productivity gains	As Above	General Manager
4-15/16	Cap Salary & Wages growth	Implementation Plan adopted	1 July 2015	Reduce Cost Meet industry Best Practice	As Above	Chief Financial Officer



5-15/16	Review AMP's	Refine AMP's and integrate into LTFP	Finalise April 2016	Financial Model verified	As Above	Director Engineering Services/Chief Financial Officer
6-15/16	Grow SWS Private Works	Develop work opportunities with RMS	Work orders September 2015	Increase \$ income and Dividend to Council	As Above	CEO SnowyWS
7-15/16	Rates on Crown Land where commercial activities	Lobby for rates payable on Crown Land by NSW Forest Corp/State Water and NPWS	Submission to Rate Review /Submission to legislation review	Ability to raise rates	As Above	General Manager/Council
8-15/16	Special Rate Variation for Asset Renewal to increase revenue base	Commence public engagement for rate variation assume 15% Application in 18/19 to IPART	Raise as part of IP&R Community Strategic Plan in 16/17 Application lodged	Community awareness/ additional income	As Above	General Manager Chief Financial Officer Director Corporate Services Council



## 3.2 Infrastructure and Service Management

FFTF Councils that meet Infrastructure and Service management criteria seek to maximise returns on resources and minimise unnecessary burden on community and business while working strategically to deliver economies of scale and meet the needs of communities as identified in the IP&R Process.

The three benchmarks to achieve the above are:

- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Debt Service Ratio

The various TSC Asset management Plans are to be reviewed to improve confidence levels and accuracy of information and shift from an aged based to condition based that will improve asset managers and LTFP decision making.

The plans and LTFP are to be aligned over the next 5 years, to achieve high reliability of data, outputs and community expectations.

The above will inform the annual capital works program, thus ensuring a more robust financial model that provides the appropriate investment in assets and services to meet community expectations.

Service level reviews will identify the impact of reduced/increased budget allocations and can also be expected to identify potential operational savings.

#### Key assumptions include:

- Maintain expenditure focus on "renewal" before new
- Finalise outstanding Asset Management Plans
- Review all Asset Management Plans including data and assumptions to increase confidence reliability of output.
- Confirm that funding assumption of fully funding maintenance and operations of infrastructure is correct.
- Levels of service will represent the broader community needs by extensive community consultation.
- 1 loan for the Tumut Swimming Pool is proposed and it is assumed Council will have access to T-Corp borrowing facility due to it being FFTF.



## **INFRASTRUCTURE AND SERVICE MANAGEMENT**

No	OBJECTIVE	STRATEGY/ACTION	MILESTONE	OUTCOME	IMPACT ON OTHER MEASURES	RESPONSIBILITY
2-15/16	Improve Building - Asset Renewal - Infrastructure - Asset Maintenance	Confirm Data accuracy for all AMPs	Complete by July 2016 Bridges July 2017	Confirmation of date and output Utilisation of assumptions that reflect on grant	Potential impact on Operating Performance if additional funds required	Director Engineering Services
		Review Maintenance Cost Assumptions	Complete July 2016	Reliable LTFP	Will assist in determining service levels that will impact on all measures	Director Engineering Services
		Complete Outstanding AMP's	All completed by July 2018	As above		Director Engineering Services
		Community Buy-in on AMP's	Commence 18/19 Community Satisfaction Survey	Engage external consultants to undertake 18/19	Service level agreed	Director Engineering Services General Manager
	Reduction in Infrastructure	Ensure intergenerational equity for new or upgraded long life assets by utilising loan funds	2016/17 Tumut Pool Master Plan adopted Construction Program agreed	Strategy for Pool upgrade finalised	Asset and Infrastructure Backlog Ratios improved	Director Engineering Services Chief Financial Officer
	Asset Management Plans that align with LTFP	All plans reviewed and confirm alignment	July 2016	Highly reliable AMP's integrated with LTFP	Building & Asset Renewal and Asset Maintenance ratios may be impacted	Director Engineering Services CFO



## 3.3 Efficiency

A FFTF Council that meets the efficiency criteria would seek to provide services and delivery infrastructure in a manner that achieves value for money for current and future ratepayers.

The benchmark to achieve is:-

"A decrease in Real Operating Expenditure per capita over time".

Key Assumptions include:-

- Static population but with small positive growth
- Staff levels will reduce due to service level reviews and new technologies
- Tumut Shire Council remains an active and participating member of the Riverina Joint Organisation to continue to achieve scale/capacity/efficiency.
- Accrued Annual Leave and Long Service Leave reduced over next 4 years, delivering a saving on operational costs.
- Salaries and Wages growth is flat lined for next four (4) years overall.
- Organisation Review to reduce number of Divisions by 1.
- Implement continuous improvement culture through a defined program.
- SWS Councils business unit negotiates an Enterprise Agreement.
- Savings form Service Reviews not accounted for in future budgets.
- Other Actions to implemented



## **EFFICIENCY**

No	OBJECTIVE	STRATEGY/ACTION	MILESTONE	OUTCOME	IMPACT ON OTHER MEASURES	RESPONSIBILITY
1-15/16	Reduce Councils Real Operating Expenditure for capita	Undertake and finalise Service Reviews	Finalise SWS/ Review D&ED by 1 July 2016	Increase efficiency and reduced cost	Improves Operating Performance ratio	General Manager
2-15/16	Reduction in Employee Annual Leave and Long Service Leave balances	Employee Action Plan and Organisational Strategy in place	By August 2015	Reduction in costs	Improved Performance Ratio Succession planning Delayed works program	Chief Financial Officer Director Engineering Services
3-15/16	Active member of Riverina JO	Engage at all opportunities	Ongoing	Improve efficiencies from JO Scale	Operating Performance Ratios should be improved Potential grants for asset and Infrastructure backlog	General Manager



## 3.4 Improvement Action Plan

Service level reviews will identify the impact of reduced/increased budget allocations and can also be expected to identify potential operational savings.

#### Key assumptions include:

- Maintain expenditure focus on "renewal" before new
- Finalise outstanding Asset Management Plans
- Review all Asset Management Plans including data and assumptions to increase confidence reliability of output.
- Confirm that funding assumption of fully funding maintenance and operations of infrastructure is correct.
- Levels of service will represent the broader community needs by extensive community consultation.
- 1 loan for the Tumut Swimming Pool is proposed and it is assumed Council will have access to T-Corp borrowing facility due to it being FFTF.

#### Key Process underpinning the Action Plan Development:-

- Community consultation undertaken in 2013 as part of Council IP&R process.
- Workshop with Directors/Managers on FFTF and Review of Council Plans.
- Strategic Planning Sessions with Council
- Cabramurra Future Directions Forum November 2012.
- Councillors Workshops on FFTF latest being consideration of Template 2 response 18 July 2015.
- Staff briefings at Consultative Committee, and staff newsletters.
- Review of Asset Management Plans, Infrastructure Backlog and Required Maintenance by Engineering Division.
- Review of T-Corp and OLG Infrastructure Audit Reports and various reports to council.
- Attendance at ILGRP sessions, OLG Workshops, LG NSW Workshops to gather information by Councillors and staff.
- Part of Riverina Pilot JO Pilot, attendance at 2 workshops by Councillors and Staff.
- Review of LTFP by Directors and CFO for 2015-16 budget.
- Briefing of Tumut Region Chamber of Commerce and Tumut Rotary Club on FFTF.
- Briefing electronic and printed media on FFTF.



## **IMPROVEMENT ACTION PLAN**

No	ACTIONS	MILESTONES	LINKS TO PLANS
3.1	Establish leave plans for staff with excessive AL and LSL	August 2015	In 15/16 Delivery Program
3.2	Cap Salary and Wages growth	Commence 2015	In 15/16 Delivery Program
3.5	Finalise Review of SWS	30 June 2016	In 15/16 Delivery Program
3.4	Continue to build and refine AMP's	Commence July 2015	
3.7	Develop Service Review Program for Organisation	October 2015	In 15/16 Delivery Program
3.11	Utilise loans to fund Tumut Pool Upgrade	16/17	In LTFP
	Introduce continuous improvement to refine work practice (no savings identified at		
3.10	this time)	January 2016	To be included in CSP
3.8	Participate in Riverina JO – (savings to be identified)	September 2016	Included in CSP
3.6	Grow SWS private works	July 2015	Included in CSP 15/16
3.3	Manage Property Portfolio reforms	July 2015	In 15/16 Delivery Program
3.12	Commence planning SRV to come into effect 20/21	2018/19	Income shown in LTFP from 2020/21
3.9	Undertake Community Survey	February 2016	To be included in CSP
3.13			Included in CSP (legislative
	Finalise end of term Council Report	2016	requirement)



## 3.5 Other Strategies Considered

#### 1. Rating

The review of the Local Government Act and Rating provides a unique opportunity for Tumut Shire given the large amount of crown land managed by state corporations on used for commercial purposes.

Council has long lobbied for the rating of crown land where used for commercial purposes, for Tumut Shire this land mass is significant:-

- NSW Forest Corporation - Softwood plantations

- State Water - Blowering Dam

National Parks
 Commercial Enterprises in NP – Snow event/accommodation

Council will lobby for such land to be rated and that the rate value be added to the notional income.

#### 2. Growth of SWS Private Works

There is potential for expansion of SWS across Local Government Boundaries to undertake service delivery for Local Government or agencies such as RMS.

Council has lobbied the Riverina Pilot JO and OLG for consideration under the Act Review for the inclusion in the New Local Government Act provision similar to New Zealand for Council Owned Organisations, a corporate entity owned by Local Government. Provided the Act contained a provision to permit work to be allocated without tendering this could bring significant opportunities for works.

Such an entity could facilitate and undertake service delivery across LG or JO boundaries and be owned by LG. Any profits to be returned to the owners that is Councils.

This has not been factored into Council Improvement Plan.

SWS does have the opportunity over the next 5 years to deliver works for the RMS on the \$70m upgrade for Gocup Road to commence September 2015. A conservative figure of \$5mil. has been included in Council forward estimates.

#### 3. Reallocation of FAGs

The plan assumes continuance of the current indexation freeze on FAGs, by the Commonwealth until 2019.

At a presentation to LGNSW Rural and Regional Workshop, it was advised that they have doubled the standard cost for unsealed roads in the General Purpose Component, removed and reassessed many disability factors for metropolitan council, relaxed the upper cap limit to facilitate the move of grant funds to smaller rural communities and move two (2) metropolitan council to the minimum grants.



This indicates a possibility that small rural council could receive FAG increases despite the indexation freeze.

Council has adopted a conservative approach in its modelling and has not built into its plan any "windfall revenue" from the rating review or changes to FAGs distribution or other productivity savings. Any such increase in revenue should be directed to Building and Asset Renewal.

Given the above TSC still achieves:-

1.	Operating Performance Ratio	- Yes
2.	Own Source Revenue	- Yes
3.	Building and Asset Renewal Ratio	- No
4.	Infrastructure Backlog Ratio	- Yes
5.	Asset Maintenance	- Yes
6.	Debt Service	- Yes
7.	Real Operating Expenditure	- Yes



## 4.0 How will the Plan improve performance?

The Draft Improvement Plan is designed to improve the organisations capability to meet the process of change in the reform process.

The assumptions are "conservative" but achievable however it will require hard decisions and commitment by Councillors and management.

Integral to achievement will be Councils ability to engage and communicate the new way of doing business to its community.

The plan sets out clearly the various objectives, strategies/actions, milestones and expected outcomes. It also nominates responsibility.

The inclusion of a monitoring and reporting process of the Benchmarks to Council via its Quarterly Finance, Policy and Strategy Meetings and reports to Council ensures elected representative accountability and responsibility.

On-going monitoring and implementation of the Improvement Plan is to be included in the General Manager's annual performance targets.

Integration in to Councils Community Strategic Plan through the IP&R process ensures the opportunity for community engagement.

This Plan will enable Council to finalise and update its Asset Management Plans whilst undertaking Service Reviews across the organisation to deliver savings that can be directed to address spending on its Building and Asset Renewal program.



## 5.0 How will we implement the Plan

Council will be responsible for adoption of the plan and ensuring its implementation through:

- Ensuring decisions are made giving due consideration and compliance with the Council Improvement Plan.
- Considering the impacts of decisions on the benchmark set up under FFTF by requiring reporting on these matters.
- Making the implementation and reporting on the Council Improvement Plan a performance requirement of the General Manager's annual performance review.
- Receiving and considering a quarterly report at its Finance, Policy and Strategy Meeting on progress of the plan.
- Report process as part of IP&R Reporting.

The plan details a number of actions to be commenced in the 2015-16 Budget year such as:

- Service level reviews
- Property Portfolio management
- Management of AL and LSL
- Reduction in Depreciation
- Capping Wages and Salary Growth
- Review Asset Plans.

There will be incorporated in the 2015-16 Operational Plan and Delivery Program. Results of Service Level reviews where unknown have not been included in the LTFP.

Several actions like the Special Rate Variation and service level reviews will require extensive community engagement and consultation, before final decisions and implementation.

These actions may result in additional income and whilst all benchmarks are planned to be achieved, it will provide flexibility for Council to meet any identified backlogs or Asset Renewal as a first priority over new projects.

An ongoing priority will be to build reserves to cater for contingencies such as Natural Disasters given the risk that Federal and State Government may reduce future recovery funding.

This Plan is like any business plan in that the operating environment needs to be monitored and the plan adjusted to suit circumstances.

Review Date – Annually as part of setting the Annual Operating Plan.

Full Review – within 12 months of election of a new Council.

Tumut Shire Council							•					
10 Year Financial Plan for the Years ending 30 June 2025	Actuals	Current Year	224544	201011=	Improvemen		2212/22	2000/01		Projected Years	2000/01	2221/25
INCOME STATEMENT - GENERAL FUND	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/2
Income from Continuing Operations	*	*	*	<del>_</del>	<u> </u>	*	Ť	<del>_</del>		<del>_</del>	*	
Revenue:												
Rates & Annual Charges	5,503,000	6,018,120	6,199,151	6,369,628	6,544,792	6,921,757	7,112,105	7,441,271	7,645,907	7,856,169	8,072,214	8,294,199
User Charges & Fees	6,939,000	9,237,624	11,648,875	11,882,865	12,150,693	12,235,037	12,690,883	12,863,162	13,313,061	13,820,227	12,985,961	13,332,144
Interest & Investment Revenue	842,000	391,964	378,534	450,370	487,841	535,225	546,799	560,569	585,539	565,718	587,296	703,141
Other Revenues	865,000	966,635	1,481,829	1,393,829	1,422,129	1,421,736	1,414,658	1,434,904	1,495,481	1,535,397	1,541,661	1,563,281
Grants & Contributions provided for Operating Purposes	6,719,000	5,429,112	5,820,635	5,409,940	5,462,792	5,599,361	5,739,345	5,882,829	6,029,900	6,180,647	6,335,163	6,493,543
Grants & Contributions provided for Capital Purposes	7,393,000	1,500	15,545	8,583	8,623	8,663	8,705	8,747	8,791	8,836	8,882	8,929
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	28,261,000	22,044,954	25,544,569	25,515,214	26,076,869	26,721,780	27,512,496	28,191,482	29,078,678	29,966,993	29,531,177	30,395,237
Expenses from Continuing Operations												
Employee Benefits & On-Costs	9,615,000	9,964,222	10,183,597	10,158,375	10,334,286	10,810,018	11,211,740	11,525,843	11,912,634	12,327,368	12,360,406	12,731,218
Borrowing Costs	241,000	144,005	122,258	152,408	146,536	117,525	92,347	61,517	41,937	32,963	76,857	81,355
Materials & Contracts	4,128,000	5,580,118	7,509,630	7,819,147	7,742,938	7,638,493	8,327,320	8,608,744	8,779,217	8,896,678	8,408,759	8,610,968
Depreciation & Amortisation	4,500,000	4,685,128	4,479,338	4,584,821	4,692,817	4,803,387	4,916,597	5,032,512	5,146,200	5,262,730	5,367,173	5,510,102
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,993,000	2,632,393	2,722,871	2,872,476	2,878,546	2,960,740	2,941,812	3,102,308	3,103,718	3,187,065	3,274,424	3,364,185
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	518,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	21,995,000	23,005,867	25,017,694	25,587,228	25,795,122	26,330,163	27,489,814	28,330,924	28,983,705	29,706,804	29,487,619	30,297,828
Operating Result from Continuing Operations	6,266,000	(960,913)	526,875	(72,014)	281,747	391,616	22,682	(139,441)	94,973	260,189	43,558	97,409
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	6,266,000	(960,913)	526,875	(72,014)	281,747	391,616	22,682	(139,441)	94,973	260,189	43,558	97,409
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,127,000)	(962,413)	511,330	(80,597)	273,124	382,953	13,977	(148,189)	86,182	251,353	34,676	88,480
Improvement Strategies for FFF Submission - Included in LTFP 2019	5-2025											
1. New SRV at 2020/2021 to be 15% of rates								133,583	137,257	141,031	144,910	148,894
New Operating Result		-	(430,503)	(1,294,736)	(1,038,974)	(1,049,278)	(1,041,791)	(1,119,786)	(889,707)	(914,303)	(1,217,510)	(1,204,971)
SRV to fund asset renewals - 13% from 20/21 already in LTFP												
2. LSL and AL reduced - excess reduced in next three years		_	200,000	- 200,000 -	200,000 -	200,000						
New Operating Result			(230,503)	(1,094,736)	(838,974)	(849,278)	(1,041,791)	(1,119,786)	(889,707)	(914,303)	(1,217,510)	(1,204,971
3 Depreciation - reduction due to using JRA standard useful lives			(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000
New Operating Result			119,497	(744,736)	(488,974)	(499,278)	(691,791)	(769,786)	(539,707)	(564,303)	(867,510)	(854,971
New useful life determined using Jeff Rouda & Associates standardised useful life which brought depreciation expense down by 330K pa												
4 Premarky Portfolio Management			400.000	400 500	405.000	407.000	440.004	440.444	445.000	440.000	404.040	404.000
4. Property Portfolio Management New Operating Result			100,000	102,500	105,063	107,689	110,381	113,141	115,969	118,869	121,840	124,886
CPI added for market increases			219,497	(642,236)	(383,912)	(391,589)	(581,410)	(656,645)	(423,737)	(445,434)	(745,670)	(730,085
5 O				// ==:	(450 - 50)	(45= 50.0)	(404 =0.0)	(40= ===	(400 = 44)	(4=====================================	(4=0.000)	// 22
5. Capping S&W Exp - no net increase - productivity savings made			040 407	(150,000)	(153,750)	(157,594)	(161,534)	(165,572)	(169,711)	(173,954)	(178,303)	(182,760
New Operating Result CPI added pa - S&W expense to flat line over ten years			219,497	(492,236)	(230,162)	(233,995)	(419,876)	(491,073)	(254,026)	(271,480)	(567,367)	(547,324
or radada par darr expense to nat into over ten years												
6. Org Review - 2016				(250,000)	(256,250)	(262,656)	(269,223)	(275,953)	(282,852)	(289,923)	(297,171)	(304,601
New Operating Result			219,497	(242,236)	26,088	28,661	(150,653)	(215,120)	28,826	18,443	(270,195)	(242,723
Total Savings made - all funding asset renewals			650,000	1,052,500	1,065,063	1,077,939	891,138	1,038,249	1,055,790	1,073,777	1,092,225	1,111,141

Fit For the Future ledicators		_	ļ.									
Fit For the Future Indicators	Actuals 2013/14	Current Year 2014/15	2015/16	2016/17	Improvemer 2017/18	2018/19	2019/20	2020/21	2021/22	Projected Years 2022/23	2023/24	2024/25
-	2013/14	2014/15	2015/16	2010/17	2017/16	2010/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Operating Performance												
Including FAG's as Revenue (approx \$2.5M p.a.)	5.9%	6.3%	10.7%	8.6%	9.7%	9.9%	8.4%	7.7%	8.2%	8.5%	7.9%	7.9%
Avg over three years	8.4%	6.2%	7.6%	8.5%	8.8%	9.7%	9.5%	8.9%	8.8%	8.5%	8.1%	8.0%
2. Own Source Revenue												
Including FAG's as Revenue	58.9%	86.7%	86.9%	88.6%	88.6%	88.4%	88.2%	88.0%	87.8%	87.7%	87.0%	86.8%
Avg over three years	69.8%	73.8%	77.5%	87.4%	87.7%	88.1%	88.1%	88.3%	88.2%	88.0%	87.7%	87.5%
												_
3. Building and Asset Renewal	5 000 000	0.540.075	0.004.000	0 000 500	4 004 004	4 700 447	4 704 470	4 700 007	0.007.005	4 774 704	4 057 570	0.005.000
Renewals in LTFP - 2015/16 includes grants received Depreciation for buildings and infrastructure only	5,832,000 3,400,000	2,542,975 3,400,000	2,601,630 3,400,000	2,069,582 3,050,000	1,664,084 3,050,000	1,790,447 3,050,000	1,721,179 3,050,000	1,790,227 3,050,000	2,067,265 3,050,000	1,774,734 3,050,000	1,657,573 3,050,000	2,085,000 3,050,000
Depreciation for buildings and infrastructure only	3,400,000 171.5%	3,400,000 74.8%	3,400,000 <b>76.5%</b>	67.9%	54.6%	5,050,000 <b>58.7%</b>	56.4%	58.7%	5,050,000 <b>67.8%</b>	5,050,000 <b>58.2%</b>	54.3%	68.4%
3 year avg	184.84%	142.42%	107.61%	73.06%	68.43%	64.41%	62.81%	59.25%	59.23%	59.96%	59.09%	61.47%
-												
4. Infra Backlog												
Renewals required	1,469,000	1,289,000	741,000	458,000	-	-	-	-	-	-	-	-
Depreciation - assumes depn at 5%	144,320,000	144,320,000	144,320,000	144,357,050	147,857,050	151,357,050	154,857,050	158,357,050	161,857,050	165,357,050	168,857,050	172,357,050
	1.0%	0.9%	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
							<u> </u>					
5. Asset Maintenance												
Actual Asset Maintenance - Asset Calc to 2020 and CPI after			1,585,352	1,588,536	1,672,527	1,614,499	1,869,528	1,504,112	1,549,235	1,595,712	1,643,584	1,692,891
Required Asset Maintenance			1,585,352	1,588,536	1,672,527	1,614,499	1,869,528	1,504,112	1,549,235	1,595,712	1,643,584	1,692,891
Policy to carry out all actual maintenance required	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6. Debt service												
Interest Exp & Principle Repayments (no W&S)	415,000	397,000	371,390	485,381	529,889	537,010	550,435	463,998	206,731	139,888	244,805	279,777
Operating Rev less grants	14,149,000	16,614,342	19,708,389	20,096,691	20,605,455	21,113,755	21,764,446	22,299,906	23,039,987	23,777,510	23,187,132	23,892,765
Interest and Principle Repayments straight lined over 10years based on 15/16	2.9%	2.4%	1.9%	2.4%	2.6%	2.5%	2.5%	2.1%	0.9%	0.6%	1.1%	1.2%
3 year avg	3.2%	2.4%	2.4%	2.4%	2.8%	2.5% <b>2.4%</b>	2.5% <b>2.4%</b>	2.1% <b>2.4%</b>	2.1%	1.7%	1.1% 1.4%	1.2%
7. Real Operating Expenditure												
Assumed no increase in population (11,500) as immaterial/possibility negative	2.11			2.00	2.25		2.25					
- 3 year avg	2.41	2.24	2.01	2.08	2.07	2.08	2.07	2.06	2.03	2.02	1.60	1.18
Scenario 1000!												
Increase in Rating of Forestry, State Water and Commercial NP				300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
New Operating Result incl. adjt's				227,986	581,747	691,616	322,682	160,559	394,973	560,189	343,558	397,409
Building & Asset Renewal recalc				78%	64%	69%	66%	69%	78%	68%	64%	78%

## LTFP Assumptions

## **Operating Income**

Rates Domestic Waste Charge

User Charges and Fees

Interest on Investments

Other Revenue Operational Grants & Contributions

**Operating Expenditure** 

Employee Costs

**Borrowing Costs** 

Materials & Contracts Other Operating Expenses

**Developer Contributions** Property, Plant & Equipment Sales

Capital Income / Expenditure

Allowable increases are approved by the Independent Pricing and Regulatory Tribunal and is 2.4% p.a.

Charges will be increased by 3% in line with Fees & Charges planned increase for 2014/2015 year, future years have been forecast at 2.75%.

The User Charges and Fees are detailed in the 2015/2016 Fees and Charges Schedule. A 3% increase has been applied where possible in 2014/2015 and future years

have been increased by an estimated annual CPI increase of 2.75%.

The access and usage charges in the Water and Sewer funds will increase by 2.5% in line with the Strategic Plan.

An interest rate of 2.5% is assumed for interest earned on Investments in 2015/2016, 2.75% in 2016/2017 and back above 4% for the remainder of the life.

Other revenue is expected to grow by an estimated 2.5% p.a.

Annual operational grant and contributions are expected to increased 2.5% p.a except for the Federal Assistance Grants which will hold constant for the next three years.

In 2015/2016 S&W's have been increased in line with Award and Step increase estimations on Councils current structure. In future years 3% applied.

Superannuation has also increased in line with compulsory increases occurring over the next 7 years. Compulsory Super of 9.25% will increase to 12%. No increase to employee numbers is forecast.

New borrowing costs are forecast at 7% per annum fixed interest.

Existing borrowing costs are a mixture of fixed and variable interest rates and entered using current repayment schedules per loan, not a general rate.

A 3% p.a CPI increase has been forecast.

A 3% p.a CPI increase has been forecast.

Developer contributions are set as per Sec 94. No increase has been forecast.

No planned property sales are forecast.

Plant and Equipment will be sold in accordance with Council's Plant replacement strategy and any excess funds are directed back into Councils Plant Reserves.

Council has existing fixed and variable loans that have been entered into the planned scenario as per the repayment schedules. The Tumut Pool Capital Works is the only loan forecast.