

## Template 3

# Rural Council Proposal



# Getting Started

Before you commence this template, please check the following:



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



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



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



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



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

# Section 1: About your council's proposal

## Council details

Council name:

JERILDERIE SHIRE COUNCIL

Date of Council resolution  
endorsing this submission:

24 JUNE 2015 (resolution # 87/06/15)

## 1.1 Executive summary

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

Council resolved that our submission on Fit for the Future be in accordance with Template 3 – Rural Council:

**70/06/15      *Resolved on the motion of Councillors Hogan and Hudson that Council's submission to Fit for the Future be Template 3-Rural Council.***

This direction is supported by a significant majority of the community, having attended public meetings (21 May 2014, 25 September 2014 and 10 June 2015) and returned questionnaires.

ILGRP recommends merger with Berrigan as a preference, or Rural Council in a Mid Murray Joint Organisation. Accordingly, Council focussed on the following options:

- Merge with Berrigan (Berrigan's stand alone business case including merge with Jerilderie showed little benefit and significant risk)
- Merge with Corowa Berrigan and Urana (ILGRP, "Twenty Essential Steps" recommendation, no appetite by all Council's)
- Merge with Murrumbidgee (benefits easily accessed without the merger and subsequent risks)

Early discussions with all our neighbouring Councils, and beyond, revealed a lack of appetite for mergers with any of our immediate neighbours, and thereby focussed Council, by necessity, on the Rural Council option.

Council's preferred position is within an Upper Murray JO due to our community accessing services to the east, south east and Victoria, currently and into the future. This vision was supported at the public meeting held on 25 September 2014 and reinforced strongly at the recent public meeting held on 10 June 2015.

Council involved itself in discussions with the group of Councils around Deniliquin, and separately with the group of Councils around Griffith, and lastly with those Councils proposed for the Upper Murray JO.

Council's past performance against the Fit for the Future benchmarks shows that 3 of the criteria are met over the 3 years 2011-2014. It is anticipated we are able to meet 5 of the seven benchmarks in the next period 2015-18. Of the two remaining benchmarks, Jerilderie's static or declining population and growing costs will not allow decreasing Real Operating Expenditure per capita without significant service reduction. Council does however, show a long term improving trend for Operating Performance Ratio, a position which we expect will improve once our asset valuation and depreciation methodology matures.

We have a long track record of resource sharing, not only with neighbouring Councils ([pages 1-16 attachment # 1](#)), but with farming enterprises, local businesses and other State Government agencies, thereby enhancing capability and attracting experienced staff.

Recognising our vulnerability as a result of an ageing workforce we have embarked upon strategically supporting younger and talented local staff to undertake further tertiary education, in order to secure core professionally qualified staff for the future.

A recognised leader in the engineering contracting field, we have been seen as the lead council in any form of clustering of Councils for RMS contracts. This is an expertise we will offer through a JO once established.

Whilst RMS supports this direction, we are unable to secure formal confirmation for evidence. However, our submission to ILGRP ([attachment # 2](#)) demonstrates our position in this regard and the support from our regional Councils

Council has approached this programme with an open mind, genuinely exploring the best options for our community into the future. With non negotiable positions of maintained levels of core service; no unreasonable loss of jobs; and maintained representation, we not only have the community support to morph into a new breed of Rural Council, we have demonstrated over many years, an attitude of cooperation and resource sharing which has resulted in a continuing efficient organisation which can and will make the best use of the initiatives available and continue to maintain the assets under our control at the best possible level within affordability limits.



*See Guidance material page 10 for help completing this section.*



## 1.2 Scale and capacity

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

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

**Yes / No**

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

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

**Yes / No / NA**

The Review Panel's preferred option for Jerilderie Shire Council was to merge with Berrigan Shire Council. Berrigan Shire Council commissioned a business case study. This was carried out at Berrigan's cost, as they did not wish to have outside influence on the outcome. The result was written from a standalone point of view, addressing also the proposed merger, and revealed limited benefit, offset by significant risk. Berrigan Shire Council resolved to submit template 2 and not consider further a merger with Jerilderie.



See Guidance material page 10-12 for help completing this section.

## 1.2 Scale and capacity

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

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	<p>The Jerilderie Shire Council has a population of 1504 (Census 2011) covering an area of 3397 square kms. This equates to 1 person per 2.5 square kms.</p> <p>Planning &amp; Environment, NSW Government, provide population projections for Jerilderie, showing an 18.8% decline over 20 years, 2011-2031</p> <p><a href="#">Planning &amp; Environment, NSW Government</a></p>
2. Local economies that are based on agricultural or resource industries.	<p>NSW Department of Planning and Environment Murray-Murrumbidgee Regional Strategy identifies that the major employers for Jerilderie Shire are agriculture, school and pre-school education and other store based retailing. The 2011 Census backs this finding for Jerilderie Shire with over a third of the workforce in the Shire employed in the agricultural sector.</p>
3. High operating costs associated with a dispersed population and limited opportunities for return on investment.	<p>The Office of Local Government's comparative data indicates that Jerilderie Shire Council has the seventh highest ratios of road length per head of population in NSW. This equates to high operating costs across the dispersed population, with 1,100kms of road and a population of 1,504 people.</p> <p><a href="#">Office of Local Government - Comparative Data - Your Council</a></p>
4. High importance of retaining local identity, social capital and capacity for service delivery.	<p>The Jerilderie Community Strategic Plan, Community Vision (page 12) <a href="#">Jerilderie Shire Council Community Strategic Plan 2014-2024</a></p> <p><i>"We are blessed with a strong and vibrant community, a resilient economy and an environment that provides us both enjoyment and productivity. As a community we offer diverse opportunities, exciting possibilities and a strong sense of belonging. We possess an identity that reflects our rich history, our focus on the land, and our hope for the future. Together, we will make our Shire the place to be in the year 2030."</i></p> <p>Council is the largest employer within the township of Jerilderie and undertakes activities within the community that are well beyond the Council core business of roads, rates and rubbish.</p> <p>The Council workforce and their families (10% of town population) makes a considerable contribution to overall viability of the Jerilderie community - schools, the doctor, ambulance service and retail outlets.</p>

<p>5. Low rate base and high grant reliance.</p>	<p>47% of Council's total revenue is grant funds, inclusive of the Financial Assistance Grant. Only 26% of total revenue is received from rates and annual charges.</p> <p>With only 1,100 assessments and a static to low development rate per annum in terms of creation of new lots within the Shire,(ie. under 3 new allotments per annum), Council's rate base is unlikely to increase dramatically. Council's proposal to extend its housing development by constructing stage II (37 allotments) will result in an increase in the rate base (<a href="#">attachment # 3</a>)</p>
<p>6. Difficulty in attracting and retaining skilled and experienced staff.</p>	<p>Council currently has a relatively stable workforce. However it has been identified through the workforce plan that Council has an ageing workforce. The plan has identified that attracting and retaining suitably qualified staff will be an issue for the Council in the next 3-5 years. In order to address this issue, Council is proactive in succession planning for key positions, and supports and provides assistance for tertiary study currently for a Trainee Building Surveyor and an Engineer, both are long term employees and local families.</p> <p>Management employment positions include provision of Council owned executive housing at an attractive rent and executive level vehicle lease back. A strong attraction for professionals continues to be the diverse work assigned to senior officers.</p>
<p>7. Challenges in financial sustainability and provision of adequate services and infrastructure.</p>	<p>Challenges in financial sustainability are clearly indicated by Council's operating performances over the last 5 years. Council has not been able, and will not be able to, in the medium to long term, meet this fit for the future benchmark.</p> <p>The Community Strategic Plan clearly indicates the community's desire for a high level of service - Strategy 2 – Infrastructure - that is responsibly planned, developed and maintained (page 18).</p> <p><a href="#">Jerilderie Shire Council Community Strategic Plan 2014-2024</a></p>
<p>8. Long distance to a major or sub-regional centre.</p>	<p>Albury, Griffith, Wagga Wagga and Shepparton (Victoria) are 1.5 hours -2 hours drive from Jerilderie. Specialist medical services are provided at each of these locations. Regional air travel and Tertiary Educational establishments are located at these 4 centres.</p> <p>The public meeting held on 10 June 2015 confirmed that the dominant regional centres are Albury and Shepparton (<a href="#">page 3 - attachment # 4</a>).</p>

<p>9. Limited options for mergers.</p>	<p>Jerilderie Shire Council has investigated 3 options for mergers with neighbouring Shires.</p> <p>1 – Merge with Berrigan Shire. ILGRP preferred option. Berrigan Shire Council commissioned a business case study (<a href="#">attachment # 5</a>). This was carried out at Berrigan's cost, as they did not wish to have outside influence on the outcome. The result is written from a standalone point of view addressing the merger proposal, and revealed limited benefit, offset by significant risk. Berrigan Shire Council resolved to submit template 2 and not consider further merger with Jerilderie.</p> <p>2 - Merge with Urana, Corowa and Berrigan Shire Councils. This alternative was identified by the Independent Panel in the Future Directions for NSW - Local Government Twenty Essential Steps –April, 2013 (page 43, Table 3). This captured Council's imagination and resulted in discussions with all except Urana Shire Council, who did not attend the first discussion. The result was that both Corowa and Jerilderie Shire Councils were willing to prepare a business case, however both Urana and Berrigan Shires decided not to be involved. There was no appetite for Jerilderie and Corowa Shire Councils to analyse a merger of these 2 Councils, they only supported an amalgamation of the 4 Councils, which could not proceed.</p> <p>3 - Merger of Murrumbidgee Shire Council with Jerilderie Shire Council. This was encouraged by Jerilderie to be analysed to business case level, to be clear about what the benefits were prior to making any decision on which template to complete.</p> <p>Councils agreed to enter into a joint funded business case with Office of Local Government support.</p> <p>This business case has been completed to final draft stage, 24 June 2015 (<a href="#">attachment # 6</a>). Councils have not yet reached agreement with the detail, which we believe has overstated savings. The draft shows limited benefit with significant risk.</p> <p>Ultimately both Murrumbidgee and Jerilderie Shire Councils resolved to submit a Rural Council Template as the limited savings were outweighed by the risks. The advantages identified can all be accessed without merging.</p>
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## Section 2: Your council's current position

### ➤ 2.1 Key challenges and opportunities

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

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

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>➤ Financial Governance</li> <li>➤ High level of Asset Maintenance</li> <li>➤ Stable workforce</li> <li>➤ One town Shire</li> <li>➤ Stable governance</li> <li>➤ High level of service to community</li> <li>➤ High service standards</li> <li>➤ Council thinks outside the box – looking for other opportunities for Council and its staff</li> <li>➤ Excellent employer/employee relationship</li> <li>➤ Multi skilled and qualified staff</li> <li>➤ Council well respected by the community</li> <li>➤ Modern Library with extensive services</li> <li>➤ Excellent social and sporting venues for the community</li> <li>➤ Good working environment and team</li> <li>➤ Good communication-close relationship with community</li> <li>➤ Opportunities to learn every aspect of Council within functional areas i.e. Engineer can do water, sewer, roads, waste, design, subdivisions etc.</li> <li>➤ Extensive training ground</li> <li>➤ Council has active truck body building licence</li> <li>➤ Networking centralised in Jerilderie</li> <li>➤ Demonstrated ability to provide additional services by working collaboratively with private enterprise</li> <li>➤ Council land immediately available for residential and industrial developments</li> <li>➤ Extensive, modern plant and equipment</li> <li>➤ Modern Works Depot capable of satisfying future expansion</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reliant on grants</li> <li>➤ Uncertainty of volume of RMS contract works</li> <li>➤ Ageing workforce</li> <li>➤ Isolated</li> <li>➤ Limited career opportunities</li> <li>➤ Restricted funding</li> <li>➤ Community expectations that Council will provide all services required by the community</li> <li>➤ Limited time access to some community facilities, i.e. library, pool (constrained by finances)</li> <li>➤ Limited use of community facilities – pool, racecourse, halls, sports stadium</li> </ul>

## Opportunities

- Expand RMS contract work
- Expand sharing of Council staff and expertise
- Buy in required services – IT, strategic planning for waste and other areas; procurement
- Additional private works on farm
- Expansion of fabrication business – employ additional staff
- Additional training and opportunities for staff to become multi skilled
- Additional traineeships to keep youth in town
- JO could provide services to the Shire such as legal advice, specialty advice for rangers, weeds officers, strategic planning documents; provide substitute staff when other staff are on leave, records.
- Additional IT and technologies provided to the public in the library
- Improvement to social connection for community – library, halls, sporting venues
- Networking through JO (already occurring in RAMROC)
- Technological changes assist in retaining youth and enabling business decentralisation
- Council land immediately available for residential and industrial developments

## Threats

- Ageing workforce
- Ageing population
- Limited opportunities in town for partners and youth
- Small and declining population
- Merger with other Council may see expertise lost to the Shire
- Technological change impacting on ageing population
- Younger generations' expectation of Council's ability to keep pace with speed and change
- NBN does not address our technology requirements into the future



*See Guidance material page 13 for help completing this section.*

## 2.2 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	<i>Calculate using Self - Assessment Tool</i> -0.1217	-0.0994	-0.1568	-0.2904
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	77.80%	74.17%	70.05%	62.82%
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	46.21%	91.02%	64.52%	73.11%



See Guidance material page 14-15 for help completing this section.

## 2.2 Performance against the Fit for the Future benchmarks

Sustainability			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	Yes/No  No	<i>Estimate performance</i>  -011155	Yes/No  No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	Yes	77.49%	Yes
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	No	89.39%	No

If 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.*

As a Rural Council with a small rate base and large infrastructure network, Council has a considerable depreciation expense which impacts severely on operating performance ratios.

Limited income has also impacted the available funds for infrastructure renewals.

## 2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	<i>Calculate using Self - Assessment Tool</i> 1.69%	2.73%	2.29%	2.51%
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	100.00%	100.00%	85.04%	159.55%
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	2.01%	2.49%	2.47%	2.84%



See Guidance material page 13-15 for help completing this section.

## 2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	Yes/No  No	<i>Estimate performance</i>  0.26%	Yes/No  Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	Yes	101.05%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	Yes	2.09%	Yes

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

The major infrastructure asset, the community swimming pool, is included as a replacement funded externally by grant. This asset will be removed (either by grant funded replacement or closure) as a backlog item, resulting in the backlog ratio being met.

With the implementation of, and continued improvement to, asset management planning and review of current methodologies, confidence levels are expected to improve to more realistic and evidence based information.

Roads to Recovery funding and the Special Rates Variation approved in May 2015 will provide funds to reduce the backlog, meeting the required benchmark.

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Real Operating Expenditure per capita</b> (A decrease in Real Operating Expenditure per capita over time)	<i>Calculate using Self - Assessment Tool</i> 4.85	4.88	5.08	4.78



See Guidance material page 13-15 for help completing this section.

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2013/2014 performance	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b>  (A decrease in Real Operating Expenditure per capita over time)	<i>Calculate using Self - Assessment Tool</i>	Yes/No   No	<i>Estimate performance</i>   5.16	Yes/No   No

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

Council has a static to decreasing population and increasing costs with high expectations for service delivery from our small and dispersed community. It is highly unlikely that the efficiency ratios will be met into the future, particularly as our infrastructure burden does not decrease but population will stay static or decrease.

However, mergers with any neighbouring Councils does not enhance this position, and brings with it significant risk.



## 2.3 Water utility performance

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

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

**Yes/ No**

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

Council meets the majority of requirements for NSW Best Practice Management framework. A Section 64 Development Servicing Plan is not in place, as there is no new development within the township, except Stage II of Council's residential estate, a 37 allotment residential subdivision (attachment # 3).

With less than 400 residential and 100 non residential assessments, the ability to obtain the required usage criteria is limited.

The Fund has been operating on a surplus for many years. It is currently showing a diminishing deficit over the next 10 years, which is to be addressed by a 5% annual increase in fees and charges, with a review on depreciation. A review of service delivery for community use and a review of the administrative costs met by the General Fund will result in the deficit being removed earlier than currently predicted.

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

**\$Nil**



*See Guidance material page 16 for help completing this section.*

## 2.3 Water utility performance

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

Capital works			
Proposed works	Timeframe	Cost	Grants or external funding
Proposed replacement of sewer rising mains	2016-2023	\$150,000	Nil
Proposed additional sewer connections and pump station for Oaklands Road precinct	2019	\$240,000	Nil
Replacement of raw water reservoir	2015-16	\$400,000	Nil
Construction of filtered water reservoir	2015-16	\$400,000	Nil

## 2.3 Water utility performance

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

~~Yes~~ / No

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

Council's sewer service is managed with an operational surplus into the future.

Both supply services are affected by a small number of connections for the extent of infrastructure required.

Council proposes annual increases of approximately 5% per annum on both annual and usage charges into the future in order to maintain the service provided.

Council operates a dual water supply system and has approximately 360 residential connections and 100 non residential connections.

## 2.3 Water utility performance

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

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

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
1. Increased annual and water usage charges of approximately 5% per annum	2016-2025	Decreasing deficits over the long term
2. Review valuations and depreciation	2016-2017	Reduction in operating deficit
3. Review service charges affecting the Funds	2015-2016	Reduction in operating deficit

## Section 3: Towards Fit for the Future

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

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

Option 1: Resource sharing				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<i>Shared Professional Services</i>	<i>Expansion of existing Manager of Development expertise with regional Councils</i>	<i>Councils taking up service (Urana Shire Council - 1 July 2015)</i>	<i>\$100,000</i>	<i>Inadequate take up</i>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<i>Highly unlikely that the proposals listed will make any significant impacts on efficiency benchmarks</i>	<i>Likely to be little or no impact on infrastructure &amp; service management benchmarks</i>	<i>A marginal improvement in the sustainability benchmarks which has already been factored in Council's long term financial plan.</i>

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

#### Option 2: Shared administration

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<i>Shared General Manager</i>	<i>Joint offering with neighbouring Councils when position/s next become vacant</i>	<i>Agreement entered into</i>	<i>Share of possible advertising/consultancy costs</i>	<i>Unable to agree on share basis</i>

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

Efficiency	Infrastructure and Service Management	Sustainability
<i>Possible savings in salaries and wages thereby allowing for a small improvement to efficiency ratio</i>	<i>Not likely to be any impact upon these ratios</i>	<i>Possible small improvement in operating performance ratio</i>

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

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Proposed objectives and strategies</p> <p><i>RMS Contract works (additional) including lead Council for contracts, expected to occur as part of JO</i></p>	<p>How will your council implement the option?</p> <p><i>Apply for additional contracts on State Roads</i></p>	<p>Milestones for implementation</p> <p><i>Agreement entered into with RMS</i></p>	<p>Costs of implementation. Potential to consider Innovation Fund</p>	<p>Known risks of implementing your proposal.</p> <p><i>Further delays in implementing contracts by RMS</i></p>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p><i>Highly unlikely that the proposals listed will make any significant impacts on efficiency benchmarks</i></p>	<p><i>Little to no variance upon these benchmarks as works undertaken would be on State Roads</i></p>	<p><i>A marginal improvement in the sustainability benchmarks which has already been factored into Council's Long Term Financial Plan.</i></p>

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

#### Option 4: Streamlined governance

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<i>Reduced number of Councillors</i>	<i>By Government approval allowing a once off opportunity to reduce without referendum</i>	<i>September 2016</i>	<i>Saving of \$20,000 per annum</i>	<i>Community perception that they are not adequately represented</i>

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

Efficiency	Infrastructure and Service Management	Sustainability
<i>Reduction of member fees equivalent to approximately \$20,000 per annum will improve efficiency benchmarks minimally.</i>	<i>No change would be expected to these benchmarks as a result of these proposals.</i>	<i>No significant changes as a result of these proposals. Cost savings are small, resulting in little to no change to operating performance ratio.</i>



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

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

Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Proposed objectives and strategies</p> <p><i>Utilise Joint Organisation to provide specialty services and undertake reporting on behalf of council. Services that can be sourced include: HR professional; IT Services, Community/Economic Development services</i></p>	<p>How will your council implement the option?</p> <p><i>Will be requested on establishment of Joint Organisation</i></p>	<p>Milestones for implementation</p> <p><i>Contract between Council and JO signed for provision of services</i></p>	<p>Costs of implementation. Potential to consider Innovation Fund</p> <p><i>Unknown</i></p>	<p>Known risks of implementing your proposal.</p> <p><i>Joint Organisation may not be able to provide required services.</i></p> <p><i>The cost of provision of services may not see any real cost savings</i></p>

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

Efficiency	Infrastructure and Service Management	Sustainability
<i>Impact is unknown as the form and services to be offered is unknown</i>	<i>Sourcing services from JO is likely to have little impact on the infrastructure and service management benchmark.</i>	<i>Potential for a marginal improvement in the sustainability benchmarks. Full impact will not be known until JO is established.</i>

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

Option 6: Service review				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<i>Library Services</i>	<i>Reduction in staff hours, whilst maintaining opening hours</i>	<i>Reduced annual cost</i>	<i>Saving \$30,000 per annum</i>	<i>Community satisfaction</i>
<i>Relinquish unused community buildings</i>	<i>Return of property to State Government</i>	<i>Agreement by the State Government to accept the return of property</i>	<i>Savings of approximately \$20,000 pa</i>	<i>Little appetite by State to accept responsibility for Crown property</i>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service management	Sustainability
<i>Small improvements to operating expenditures have already been factored into the Long Term Financial Plan, however little variation of this ratio will occur.</i>	<i>Limited change would be expected to these benchmarks as a result of this proposal</i>	<i>No significant changes as a result of this proposal. Cost savings are small, resulting in little to no change to operating performance ratio</i>

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

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

Proposal	How will it be achieved /Implemented	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<i>Review infrastructure valuation and depreciation methodology</i>	<i>Undertake review based on a regional basis by specialist consultants</i>	<i>September 2015</i>	<i>Cost of \$25,000 to consultants. Savings unknown at this stage</i>	<i>Improvement in methodology results in minimum change</i>
<i>Special Rate Variation at 10% for 2 years</i>	<i>With IPART approval</i>	<i>Approval received May 2015</i>		

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

Efficiency	Infrastructure and Service management	Sustainability
<i>Possible reduced depreciation expense will in turn reduce the real operating expenditure per capita.</i>	<i>Possible ability to meet infrastructure and service management ratios.</i>	<i>Possible ability to meet sustainability ratios by reducing depreciation expense.</i>
<i>SRV proposal as listed is unlikely to impact on efficiency benchmarks</i>	<i>Improvements in the infrastructure and service management benchmarks have been factored into Council's Long Term Financial Plan.</i>	<i>Improvements in the sustainability benchmarks have been factored into Council's Long Term Financial Plan.</i>

## 3.2 Rural Council Action Plan

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

Action plan	
Actions	Milestones
1. Shared Professional Services	Works to commence July 2015
2. Shared General Manager	Agreement entered into when position becomes vacant
3. Additional RMS Contract Works	Agreement or contract entered into
4. Reduced number of Councillors	Reduce Councillor numbers at next Local Government election if Ministerial approval is provided
5. Review of Library Services	Reduction in staff hours at library
6. Relinquish community buildings	Return of properties to the Crown
7. Review infrastructure valuation and depreciation methodologies	Works commenced. Review completed September 2015.
8. Special Rate Variation	IPART deliberation. Approved.

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

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

*For example, who was involved, any external assistance, consultation (incl. employees, Joint Organisations representatives and relevant industrial representatives) or collaboration, and how the council has reviewed and approved the plan.*

In preparing the 2014/2015 budget, Council identified the need to reduce its operating expenditure and apply for a Special Rate Variation to ensure the financial viability of the Council in order to maintain the level of service the community expects.

The 2014/2015 budget included the following provisions:

- 10% rate rise in 2015/2016 and 10% rate rise in 2016/2017.
- Demolition of RSL Hall and return of The Willows building and land owned by the Crown.

- Increase in RMS contract work has been actively sought by Council for over last 5 years. Council has a good working relationship with RMS in the Riverina region and is keen to expand its role in this area.
- Reduced staffing levels at the Library whilst maintaining opening hours.
- Review infrastructure valuation and depreciation methodologies.

The budget was exhibited to the public, and community meetings held. Information and questionnaires were also provided to the Jerilderie community. The majority of the community were in favour of the proposals in the budget presentation.

The results of the community consultation were included and underpinned Council's submission to IPART for the Special Rate Variation.

Fit for the Future has seen Council consider additional measures for cost savings and additional income streams which has been included in the 2015/2016 budget:

- Outsourcing of professional staff has been undertaken on a regular basis over the past 8 years. This has now been formalised with an Agreement with Urana Shire Council, and continuing works for Murrumbidgee Shire Council until at least September 2016.
- Potential shared appointment of General Manager.

These measures were notified to the community via a public meeting, newsletter and survey as part of the Fit for the Future process. The majority of the community are in favour of the measures.

As the opportunity may arise, we would anticipate the ability to outsource, via the Joint Organisation, various functions eg. IT, community/economic development, human resources, payroll, etc



*See Guidance material page 21 for help completing this section.*

### 3.3 Community involvement

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

Council carried out community consultation over a period of 2 years, and in conjunction with that required by a Special Rate Variation approved in May 2015:

- Fit for the Future Questionnaire and summary ([attachment # 7](#))
- Fit for the Future Public Meeting 10 June 2015 ([attachment # 4](#))
- Fit for the Future and Budget Public Meeting-25 September 2014 ([attachment # 8](#))
- Fit for the Future Newsletter with Questionnaire, June 2015 ([attachment # 9](#))
- Council's quarterly Community newsletters
- Staff meetings-regular staff meetings specifically for Fit for the Future
- Media releases
- Newspaper articles
- Monthly Mayor's Column in local newspaper

### 3.4 Other strategies considered

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

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

Council approached the Fit for the Future program with an open mind as to outcomes, with three central "non-negotiables" that the outcomes had to satisfy:

1. Service levels in core functions maintained without additional cost;
2. Retention of on the ground jobs (understanding the protections contained in legislation for small communities);
3. Adequate representation available.

In addition, Council was looking for an outcome which would grow our involvement in engineering services out of Jerilderie.

At the outset, we discussed attitudes to the program individually with all our neighbours and in RAMROC forum, as well as with other regional subgroups centred around Deniliquin, Griffith and Albury.

Supporting the required starting point as the October 2013 "Revitalising Local Government", three proposals evolved worthy of more in depth analysis:

1. Berrigan Shire Council merger business case. This was carried out at Berrigan's cost, as they did not wish to have outside influence on the outcome. The result was written from a standalone point of view and revealed limited benefit, offset by significant risk. Berrigan Shire Council resolved to submit Template 2 and not consider further merger with Jerilderie.
2. Council involved itself in regional meetings:
  - a) Mid Murray Group of Councils, originally exploring merger with a facilitator
  - b) Discussion with group of Councils in the Murrumbidgee JO
  - c) Group of Councils in the Upper Murray JO

3. Merger with Urana, Corowa and Berrigan Shire Councils. This alternative was identified by the Independent Panel in the Future Directions for NSW - Local Government Twenty Essential Steps –April 2013 (page 43, Table 3) [Future Directions for NSW Local Government-Twenty Essential Steps](#)

This captured Council's imagination and resulted in discussions with all except Urana Shire Council, who did not attend the first discussion. The result was that both Corowa and Jerilderie Shire Councils were willing to proceed to business case, however both Urana and Berrigan Shire Councils decided not to be involved. There was no appetite for Jerilderie and Corowa Shire Councils to analyse a merger of just these two, ie 4 supported, but not the 2. This option could not proceed.

4. Merger of Murrumbidgee Shire Council with Jerilderie Shire Council. This was encouraged by Jerilderie to be analysed to business case level, to be clear about what the benefits were. Jerilderie, at the time when Murrumbidgee Shire Council was advertising for appointment of a new General Manager in May 2011, proposed that a trial joint appointment of General Manager for a period of three years be implemented in order to test the proposal (page 17-18 - attachment # 1). This option was not supported by the Murrumbidgee Shire Council.

Councils agreed to enter into a joint funded business case for a merger; commencement was delayed by Murrumbidgee's deferral. Final agreement occurred in May 2015, and the consultant was engaged with Office of Local Government support. Councils have not yet reached agreement with the detail of the draft report, which we believe has overstated savings. The draft (attachment # 6) shows limited benefit with significant risk.

Both Councils ultimately resolved to submit a Rural Council Template as the limited savings were outweighed by the risks.

During this period, Jerilderie Shire Council explored the groupings of Councils for future Joint Organisations. Consideration centred around Griffith, Albury and Deniliquin. Considering the future service centres for the Shire, strong support for Council looking to Albury was given by the community.



*See Guidance material page 21-22 for help completing this section.*

## Section 4: Expected outcomes

### 4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total improvement over period?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-0.1153	-0.1211	-0.1155	-0.1041	-0.0995	-0.0921	Also complete years 2020/21 – 2024/25 on following page
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	78.28%	66.02%	77.49%	80.52%	80.58%	80.72%	Also complete years 2020/21 – 2024/25 on following page
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	74.15%	115.36%	89.39%	90.87%	92.13%	97.18%	31.06%
<b>Infrastructure Backlog Ratio</b> (Greater than 2%)	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%	0%
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	105.94%	101.05%	106.90%	112.36%	115.90%	122.22%	15.37%
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	2.16%	2.13%	2.09%	1.37%	1.34%	0.84%	-61.12%
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	5.17	5.17	5.24	5.34	5.45	5.58	7.93%



## 4.1 Expected improvement in performance\*

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Total improvement over period
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-0.0825	-0.0702	-0.0641	-0.0611	-0.0574	50.22%
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	80.80%	80.94%	80.98%	81.12%	81.14%	3.66%

\* See section 3.3 of IPARTs [Methodology for Assessment of Council Fit for the Future Proposals](#)

### Supporting Information

1. Data self assessment 2015-2025 ([attachment # 10](#))
2. Long Term Financial Plan 2015-2025 (refer Appendix F page 4) [Jerilderie Shire Council Long Term Financial Plan 2015-2025](#)



See Guidance material page 23 for help completing this section.

## 4.2 Factors influencing performance

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

Although Council is performing with higher capacity than our size would indicate, we find there are a number of factors influencing our performance in respect to the Fit for the Future benchmarks.

- In the case of own source income, we have seen the inclusion of FAG's to take us from a relatively high 47% to an average of 69.15% over three years 2011-2014, and an ultimate high of 74.45% for 3 years 2015-2018.
- Our aspirations to carry out more contract work for the State Government, particularly in asset maintenance related to roads, will depend upon the attitude of the Roads and Maritime Services. We have been supporting this growth in activity as a win/win situation, offering ourselves as lead Council in discussions going back five years. Our Director of Technical Services has led this conversation in the Regional Forums, as Chair, and with the RMCC Peer Group meetings held in Jerilderie.
- Our submission to the Independent Panel in January 2013 is evidence of the position, and was the result of a presentation to the Panel where they asked us to put this proposal in writing ([attachment # 2](#)).

We continue to host and chair the RAMROC Engineers' Group, and our General Manager fulfils the role of 'duty' General Manager for this group, as a qualified Local Government Civil Engineer.

- Operating Performance Ratio-The gap below acceptable level of performance improves with time, but does not reach the benchmark with current analysis. This result is based on our first attempts using asset management methodology. Proposed revaluation of assets and reconsideration of depreciation, using outcomes of a regional review of this methodology, will produce a more accurate result.
- The new asset maintenance outcomes will also have a favourable effect on results for infrastructure and service management ratios.



See Guidance material page 23 for help completing this section.

## Section 5: Implementation

### 5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

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

Action	Milestone	Responsible officer	KPI
1. Shared Professional Services	Works to commence July 2015	Manager of Development	Contract signed to supply work to additional Council by September 2015.
2. Shared General Manager	Agreement entered into when position becomes available	General Manager	Willingness to share GM sort from Neighbouring Shire for 2016 election
3. Additional RMS Contract Works	Agreement or contract entered into	Director of Technical Services	Additional contract with RMS signed by September 2016
4. Reduced number of Councillors	Reduce Councillor numbers at next Local Government election	General Manager	Number of Councillors reduced to 5 for 2016 election
5. Review of Library Services	Reduction in staff hours at library	General Manager / Finance Manager	Library staff hours reduced by September 2016
6. Relinquish community buildings	Return of properties to the Crown	General Manager / Manager of Development	One building demolished by 1 July 2015  One building returned to care and control of the Crown.
7. Review infrastructure valuation and depreciation methodologies	Works commenced. Review completed September 2015.	General Manager/ Finance Manager/ Director of Technical Services/ Manager of Development	Review to be completed by 30 September 2015

*Council will report on its delivery progress within the six monthly reporting requirements, as currently required under the Integrated Planning and reporting framework, together with implementation milestones within its Annual Report.*



See Guidance material page 24 for help completing this section.