

## Template 2

Fit for the Future

# Council Improvement Proposal

(Existing structure)



Office of  
Local Government



# Getting started . . .

Before you commence this template, please check the following:

- You have chosen the correct template – only councils that have sufficient scale and capacity and who do not intend to merge or become a Rural Council should complete this template (Template 2)
- You have obtained a copy of the guidance material for Template 2 and instructions for completing each question
- You have completed the self-assessment of your current 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.

**Council name:** Goulburn Mulwaree Council

**Date of Council resolution endorsing this submission:** 16 June 2015

## 1.1 Executive Summary

Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and your planned improvement strategies and outcomes.

Goulburn Mulwaree Council is entering an exciting period in its short history. Council is currently in its first year under a new Council direction and Executive Team which has a focus on being Fit For the Future by:

- Driving continued efficiencies into Council processes/activities
- Ensuring optimal use of Council's resources
- Delivering traditional services to contemporary standards
- Enhancing asset management practices
- Adopting a significant capital works program
- Commencing a proactive economic development program to compliment and expand on existing commerce and industry in the region
- Improving community and stakeholder engagement.

Council's current financial position has enabled it to recently adopt a budget and four year capital works program which contains some very exciting projects for the community and a major increase in renewal works on its assets whilst, at the same time ensuring the ongoing sustainability of the organisation. This forward capital plan includes provision for a comprehensive community

consultation to be undertaken for each of the major new projects allowing flexibility in the plan should the project be seen as no longer feasible following this consultation.

A number of these strategies outlined in this submission have been implemented or are in the process of being implemented. Further strategies have been included for implementation as part of Council's 2015/16 Operational Plan that has recently been adopted by Council.

In a recent online survey (which was also distributed through Council's newsletter and 4<sup>th</sup> quarter rates instalment notices), 91% of respondents said that they were aware of the Local Government reform process. Of these respondents, 67.74% believed that an amalgamation and Upper Lachlan Council would not provide a positive outcome for Goulburn Mulwaree, while 71.5% were opposed to the idea of an amalgamation with our other neighbouring Councils.

Council is an active member of the Canberra Region Joint Organisation (CBRJO) and believe it has already developed into an effective organisation in driving efficiencies and economic benefits to member Councils through economies of scale and enhanced regional collaboration. CBRJO also enables Councils in this region to benefit from the membership of the ACT Government and all of the opportunities which are presented through cross border cooperation. Council believes that CBRJO should remain intact as part of this reform and does not support the recommendation to divide the region into two joint organisations.

## 1.2 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**

If No, please indicate why you are not proceeding with a voluntary merger or creation of a Rural Council as recommended by the Independent Panel and demonstrate how your council has scale and capacity (up to 500 words).

## 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.*

The Goulburn Mulwaree Local Government Area (LGA) comprises an area of 3,223 square kilometres making it approximately 1.5 times the size of the Australian Capital Territory. The LGA shares its borders with Upper Lachlan, Palerang, Wingecarribee and Shoalhaven LGAs and is located on the Sydney to Melbourne transport corridor. The majority of the LGA is also within the Sydney Drinking Water Catchment.

Goulburn Mulwaree has a total population of 29,230 with a steady average annual growth rate of approximately 1.7%. The City of Goulburn is a major regional centre having the largest population base within the LGA of 22,796 people. Smaller outlying villages include Marulan, Tarago, Tallong, Lake Bathurst, Bungonia and Towrang. We have an aging community (12% of our population are over 70 years old), an increasing number of commuter workers and a significant number of tree changers moving to the area.

Goulburn Mulwaree's population is predominately Anglo-Saxon with our cultural diversity being enhanced in recent years through the arrival of migrant refugees primarily from Africa and Northern Asia. 2.8% of our community identify as being of Aboriginal or Torres Strait Islander ancestry.

Goulburn was traditionally a service centre for a thriving surrounding agriculture industry connected to Sydney by the Great Southern Railway. Our local economy has transitioned and we now have a diverse industry base which provides a variety of employment opportunities and security into the future. Goulburn is home to a number of significant industries including the NSW Policy Academy, Corrective Services, Southern Area Health Service, Southern Meats and several major extractive industries supplying construction materials to the Sydney market.

Goulburn Mulwaree contributes \$1.3 billion to the economy, with major contributing sectors including manufacturing (12%), healthcare and social assistance (12.2%) and construction (9.2%). The largest industries of employment for our residents are Health & Social Care (16%), Retail Trade (14%) and Public Administration & Safety (12%). Council, in collaboration with the community has developed a Community Strategic Plan which focuses on six goals areas of quality infrastructure, a strong economy, a vibrant community, a sustainable environment, retained heritage and a leading organisation. Achievement of these goals underpins Council's operations.

Some of the challenges for Council and the community include high welfare dependency, our lower social-economic demographic, changing industry base and the need for the workforce to up skill with limited local education opportunities and youth migration for university and employment opportunities. Council is actively promoting Goulburn as a modern, robust regional city which is open for business to address negative external perceptions for example water shortages, climate and road bypass impacts.

Goulburn Mulwaree Council continues to drive efficiencies into all of Council's future activities and ensure optimal use of Council resources and achievement of positive social, environmental and economic outcomes. Council is taking a leadership role within the region.

Council is strategically planning to secure economic growth while protecting our lifestyle advantages and natural and built assets. The community recognises the opportunities for economic growth that our location provides and wants to engage with Council to realise this potential. Goulburn Mulwaree Council has secured a sustainable water supply to support growth with guaranteed supply and quality.

## 2.2 Key challenges and opportunities

Strengths	Weaknesses
<p>Location on Sydney/Canberra corridor, access to major infrastructure (road, rail, air, water)</p> <p>Diverse industry base which provides a variety of employment opportunities and secures economy into the future including significant new developments by external investors and within Goulburn Mulwaree</p> <p>Further investment and development opportunities within areas of largely unconstrained land for urban expansion (includes residential, industrial, business and retail)</p> <p>Steady population growth, attracted by:</p> <ul style="list-style-type: none"> <li>• Affordable housing and land and lifestyle choices (city, village and rural)</li> <li>• Historic character and heritage buildings</li> <li>• Housing is good investment – good capital gain and rental return</li> <li>• Available and affordable childcare</li> <li>• City standard community services and facilities</li> <li>• Inclusive, engaged and welcoming community</li> </ul> <p>Goulburn Mulwaree Council is financially sustainable and well-connected within the broader region (i.e. through Canberra Region Joint Organisation)</p>	<p>External perceptions – water shortage, climate, bypass, lower socio-economic demographics, Council is open for business</p> <p>Close location to cities for retail &amp; service industry</p> <p>Labour force: low skilled, high long term unemployment, high early school leavers (61.8% did not complete Year 12)</p> <p>Limited tertiary education options</p> <p>High welfare dependency – 29.3% of population use Government support as their main source of income (Regional Competitiveness Index 2014)</p> <p>Youth out migration and aging population</p> <p>Health – 61.9% of adults have at least one of the four health risk factors – smoking, harmful use of alcohol, physical inactivity or obesity.</p> <p>Declining extensive agriculture industry</p> <p>Planning controls need reviewing to manage community expectations and reduce undesirable development and land use conflict.</p>



Strengths	Weaknesses
<p>Government support for Goulburn's continuing role as a major regional centre with a main focus for new housing and employment</p> <p>Proactive Council &amp; community with existing and active community and stakeholder groups</p> <p>Water secured into the future (HSP and STP upgrade)</p> <p>Council is proactive in identifying long term infrastructure needs (including social infrastructure like the adventure playground, performing arts centre and Riverwalk)</p>	<p>Ageing infrastructure and need for improved broadband/NBN coverage</p>

Opportunities	Threats
<p>Employment opportunities with further growth</p> <p>Significant infrastructure projects planned</p> <p>Engaging/partnering/collaborating more with adjoining Councils, State Government Agencies and other bodies and community organisations and meaningful community engagement.</p> <p>Social infrastructure planning – particularly around integrated cultural and social planning</p> <p>Activating the CBD and supporting small business</p> <p>Commitment to better corporate strategic planning which will assist with addressing the four tiers of sustainability i.e. society/culture, economy, environment and governance</p> <p>Attracting and retaining experienced and well qualified staff to drive Council's forward work program and drive innovation and change within the organisation</p>	<p>Increasing regulatory demands and government agencies unrealistic expectations (eg Water NSW)</p> <p>Amalgamation with economically non-viable neighbours</p> <p>Unsympathetic or undesirable development (and the risk these decisions are taken out of our hands and the developments imposed on the community.)</p> <p>Not all growth is good growth and the need to address land use conflicts (with environmentally sensitive areas, areas of agricultural significance, industrial and intensive agricultural land etc)</p> <p>High cost of supporting infrastructure (out of Council's reach) that may be needed to support growth (i.e. northern interchange)</p>

## 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?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-20.1%	No	-5.69%	No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	68.3%	Yes	66.68%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	43.07%	No	74.66%	No

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

- Council has historically set its standards extremely high as to the condition expected of its transport assets. This has, particularly since the revaluation of these assets in 2010-11, led to a very high level of depreciation recorded in its annual accounts. This impacts on both the Operating Performance Ratio and the Building and Infrastructure Asset Renewal Ratio
- The 2013/14 Operating Performance Ratio has also been impacted by the cessation of the payment of advanced Financial Assistance Grant instalments, leading to Council only reporting half of the annual grant in that year.
- Council meets FFTF benchmark building infrastructure asset renewal for 2015-16 & 2017-18

## 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?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	5.38%	No	2.38%	No
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	80.60%	No	109.64%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	3.38%	Yes	2.71%	Yes

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

- Once again, Council's high expectation of the condition of its transport assets has led to this ratio being historically high. A recent review undertaken by an independent consultant has resulted in a more realistic backlog figure for these assets.
- Works scheduled in the current four year capital works program in relation to Council's Aquatic Centre and museums will see a dramatic reduction in the backlog figure for buildings.

## 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?
<b>Real Operating Expenditure per capita</b> <small>A decrease in Real Operating Expenditure per capita over time</small>	1.17	No	1.09	Yes

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

Council failed to meet this benchmark in the self-assessment, primarily due to a spike in depreciation following the revaluation of transport and stormwater infrastructure in 2010-11. Since that time Council's real operating costs per capita have decreased from 1.37 to 1.17 in 2013/14. Projections show that this benchmark will continue to be met moving forward.

## 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.

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

Council's reported backlog in 2013/14 for water was \$4,350k and for sewer it was \$22,500k. This backlog will all but be eliminated over the next four years with a \$40million upgrade to Council's ageing Waste Water Treatment Plant (grant funded to \$10million from the Federal Government's National Stronger Regions Fund) and major works also being undertaken at the Goulburn Water Filtration Plant.

## 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
Southern Tablelands Water Reuse Infrastructure Scheme – Wastewater Treatment Plant Upgrade	Commence February 2015 Completion June 2017	\$40,000,000	\$10M National Stronger Regional Fund Grant
Goulburn Water Treatment Plant Washwater and Sludge Handling Upgrade	2018/19	\$1,700,000	
Raw Water Irrigation Scheme	2016/17 to 2017/18	\$3,000,000	
Sewer Mains Rehabilitation	2016/17 to 2018/19	\$3,300,000	

## 2.4 Water utility performance

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

**Yes**

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



## 2.4 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
1. Total Asset Management Strategy	2016/17	Improved knowledge of asset base and future asset renewal
2. Levels of Service Strategy	2016/17	Improved relationship with the community and improved service delivery
3. Procurement Strategy	2017/18	Consolidation of procurement methods and improved service delivery
4. Water Reuse Strategy after completion of New WWTP and Raw Water Irrigation Scheme	2018/19	Extension of reuse scheme to further benefit Council and community assets

## 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 is planning a number of initiatives/strategies to improve its performance against the Sustainability benchmarks:

- In 2015/16 Council will be consolidating its current three works depots into one. As a flow on from this project, Council proposes to undertake a review of its fleet of heavy plant & equipment. This process will be made easier with all plant being located at a central point thus potentially reducing the need for duplication. It is anticipated that the outcome of these processes will be a reduction in both depreciation expenses and other plant running costs which automatically flows on to reduced operating costs.
- Council will be reviewing the costs of a wide range of services to ensure that User Fees & Charges more accurately reflect the cost of the service provision. It is anticipated that this will lead to an increase in overall revenue.
- Council will be reviewing its asset management plans with a view to enhancing them in terms of accuracy and relevance with regard to community expectations. The outcomes of this review will then be incorporated into future Operational and Delivery Plans
- Council will continue to pursue opportunities for grant funding to optimise the amount of funding received externally. The intended outcome of this is to reduce the reliance on borrowings for projects currently in the forward capital works program and/or free up working capital to put towards other project such as asset renewal works.
- Council has commenced a review of its Section 94/64 Contribution Plans to enable Council to maximise use of contributions to fund capital projects.

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.*

Council has presented its financial performance results in this submission based on its current operational plan. The projections have been based on the following assumptions:

- Rates & Annual Charges – 4% increase per annum (includes rate pegging plus growth). At this stage there is no provision for a Special Rate Variation.
- Fees & Charges & Other Revenues – 4% increase per annum
- Operating Grants & Contributions – incorporates Financial Assistance Grant ‘Freeze’ period and annual increases to other grants and contributions of between 2% and 2.5%.
- Salaries & Wages – 2.8% increases per annum
- Materials, contracts and other expenses – 3% per annum
- Depreciation – includes historical depreciation figures other than those for transport assets for which Council has recently received an updated annual depreciation figure as part of the current revaluation process.

At this stage Council has not factored in the outcomes of the proposed strategies in this submission as these outcomes are largely unknown and, if included, could be misleading. This being said, it is assumed that all of the strategies we have in place will improve those ratios where Council is already achieving the benchmark, and improve the other ratios to a point where Council may meet, or be very close to the benchmark by 2019/20.

## 3.1 Sustainability

Outline your strategies and outcomes in the table below.

### 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Reduce depreciation impact	a) Consolidation of Works Depots  b) Consolidation of Plant & Equipment	30 June 2016  30 June 2017	<ul style="list-style-type: none"> <li>• Reduction in asset base of buildings, land &amp; plant &amp; equipment</li> <li>• Reduction in depreciation and other operating costs</li> <li>• More efficient use of resources</li> </ul>	This should also lead to an improvement in Councils efficiency measures
2. Improved asset information	Review & enhance asset management plans	December 2016	Improved asset data to better inform future capital / maintenance programs	

## 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
3. Maximisation of external revenues	Continuation of a proactive grants system	Ongoing	<ul style="list-style-type: none"> <li>• Reduction in reliance on Borrowings</li> <li>• Working capital freed up for other projects (ie asset renewal works)</li> </ul>	This should also lead to an improvement in Council's efficiency and infrastructure and service management measures
4. Maximisation of internal revenues	Review of costs of services	March 2016	<ul style="list-style-type: none"> <li>• Increase in Council's revenue base</li> </ul>	
5. Maximisation of the use of Section 94/64 contributions	Review of Section 94/64 Contribution Plans	March 2016	<ul style="list-style-type: none"> <li>• Working capital freed up for other projects (ie asset renewal works)</li> </ul>	This should also lead to an improvement in Council's infrastructure and service management measures

## 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.

- Council will be reviewing its asset management plans with a view to enhancing them in terms of accuracy and relevance with regard to community expectations. The outcomes of this review will then be incorporated into future Operational and Delivery Plans
- Council has now adopted a dynamic four year capital works program for core infrastructure. Whilst this program includes a number of exciting new projects, it has also includes a vastly increased amount for renewal works on transport assets. It also addresses backlog work required at Council's museums and aquatic centre. As mentioned in section 2.4 of this submission, works planned for the Water & Sewer funds virtually eliminates any backlog existing on Council's water and sewer infrastructure assets.

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

The key assumption here is that Council is currently overstating its depreciation. It can be seen from Note 21 of the 2013/14 General Purpose Financial Statements that depreciation accounted for 35.9% of Council's General Fund expenditure. The current revaluation process for which Council has recently received its report has reduced Council's annual depreciation expense for transport assets by in excess of \$2million.

## 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
1. Improved asset information and practices	Review & enhance asset management plans	December 2016	Improved asset data to better inform future capital / maintenance programs	Potential to improve sustainability measures through reduced depreciation.
2. Continuation of Asset Renewal works	Implement current works program	Ongoing in accordance with Delivery Plan	Renewal Work on high risk assets to reduce backlog	

### 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.

Council will be driving ongoing efficiencies and cost savings (primarily through reduced overheads) into its daily undertakings through:

- The development of a stronger business focus in all of Council's activities. This will include more strategic procurement (including the preparation of an annual procurement plan) and a more realistic pricing of Council's services.
- The development of corporate leadership through both training and the future employment of Senior Managers with a wider range of experience.
- The up-skilling of Council's workforce through training initiatives and strategic recruitment.
- An increase in the level of training offered to Councillors.
- Improvements in Council's plant utilisation.
- The consolidation of Council's works depots as outlined in Section 3.1 above.
- Improvements in Council's plant replacement strategies
- A continuation of Council's energy reduction strategies including solar panel and LED lighting installations.
- A focus on sustainability to meet Government targets.
- Strategic use of technology in all aspects of Council business that will drive effective and efficient processes and improve customer service delivery timeframes.



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

As previously stated in section 3.1 of this submission, At this stage Council has not factored in the outcomes of the proposed strategies in this submission as these outcomes are largely unknown and, if included, could be misleading. This being said, it is assumed that all of the strategies we have in place will improve those ratios where Council is already achieving the benchmark, and improve the other ratios to a point where Council may meet, or be very close to the benchmark by 2019/20.

### 3.3 Efficiency

Outline your strategies and outcomes in the table below.

### 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Reduction in energy costs	Continuation of energy reduction strategies	Ongoing	Reduction in operational expenses	Improvements in Council's sustainability measures
2. Optimisation of Plant Utilisation	Review of Councils plant utilisation practices	June 2017	<ul style="list-style-type: none"> <li>• Reduction in operational expenses</li> <li>• More efficient use of Council resources</li> </ul>	Improvements in Council's sustainability measures
3. Strong corporate leadership	a) Recruitment of managers that have a wide skill set that meet modern day Local Government business expectations  b) Continued proactive leadership training	Ongoing	Improved decision making based on effective and efficient outcomes that explore all options and opportunities	Supports improvements to all measures

## 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
4. Strong business focus	a) Development of strategic procurement practices  b) Review of cost of services	December 2015  March 2016	<ul style="list-style-type: none"> <li>• Reduced expenditure duplication</li> <li>• Greater efficiency in Council's procurement processes</li> <li>• Increase in Council's revenue base</li> </ul>	Improvements in Council's sustainability measures
5. Sustainability	Expansion and further implementation of Sustainability Action Plan	Ongoing	<ul style="list-style-type: none"> <li>• Reduction in operating costs</li> <li>• Improved Council reputation / recognition</li> <li>• Increased community engagement</li> <li>• Improved environmental outcomes</li> </ul>	Improvements in Council's sustainability measures

## 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. Consolidation of Works Depots – Development of building and engineering plans, Obtaining Development Approval, Construction, and relocation of staff.	30 June 2016
2. Review of Annual Plant replacement program, relocation of all plant to Hetherington Street depot, review of plant utilisation practices and the development and implementation of a centralised plant management system	30 June 2016
3. Development of asset management strategy documents	30 September 2015
4. Review existing core asset management plans	31 December 2015
5. Review GMC Asset Management Policy, asset revaluations (Community Land, Recreation and Buildings)	30 June 2016

# Action plan

## Actions

## Milestones

6. Project Management training of key staff

30 June 2016 and ongoing

7. Implementation of project management database and internal reporting structure

31 August 2015

8. Develop comprehensive and well planned tender and contract documentation

31 August 2015

9. Review of Section 94 & Section 64 Contributions Plans coinciding with major reviews of planning controls and land use strategies.

31 December 2015

10. Refocus an existing position within Council to include responsibility for developer contributions and liaising between both Planning & Development and Operations and Utilities.

31 December 2015

11. Preparation of corporate sustainability plan

31 December 2015

12. Review of recruitment processes for senior management positions and Develop recruitment processes for managers and other senior staff to ensure candidates can demonstrate highly developed skills and alignment with Council's values.

31 December 2015

13. Implementation of stage 2 of Council's procurement roadmap program

31 December 2015

## Action plan

### Actions

### Milestones

14. Review current sustainability targets and present revised action plan to Council

31 August 2015

15. Actively engage Council staff in the implementation of the Sustainability Action Plan

31 December 2015

16. Review internal processes for developing the community strategic plan, delivery plan and operational plan

31 December 2015

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

*The vast majority of the actions and strategies contained within the action plan have already commenced in their implementation and are included in Council's Delivery and Operational plan through the usual planning process including public exhibition periods and a series of Councillor workshops. The remaining actions are operational in nature and are designed to increase the productivity and efficiency of existing processes/activities. These actions have generally been presented to Council, also via Councillor workshop(s).*

### 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.

Council has held discussions in relation to possible amalgamation with all neighbouring Councils but in each case were advised that each of these Councils were not interested in pursuing that option.

Council has also had discussions about applying for a Special Rate Variation but preferred to improve its asset information data before further considering that option. Council is also aware that State Government policy around rate capping is likely to change thus giving this Council more options and opportunities to address any shortfalls in funding.

## 4. How will your plan improve performance?

### 4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-18.59%	-5.41%	-5.69%	-5.39%	-5.12%	-4.72%	No
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	65.62%	64.86%	66.68%	67.96%	68.14%	68.55%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	43.07%	105.44%	74.66%	100.08	52.67%	52.51%	No
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	3.26%	2.80%	2.38%	2.02%	1.68%	1.34%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	102.18%	109.75%	109.64%	109.54%	109.43%	109.33%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	2.42%	2.29%	2.71%	3.91%	5.97%	6.85%	Yes
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	1.22	1.12	1.09	1.08	1.07	1.05	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.

Historically, Council has not been strong in terms of its asset management practices. Recently it has commenced a process to improve these processes and place itself in a position where it knows that its asset information is both relevant and reliable. Recent revaluation processes have improved the reliability of the information, the overall picture in relation to asset management is still not clear enough. In response to this Council has engaged consultants to review and enhance its asset management plan in relation to transport assets to better align Council's Long Term Financial Plan to its asset management requirements. The outcome of this process could result in Council, based on the updated information, meeting the benchmarks earlier than anticipated, or alternatively re-working its forward plan to meet the benchmarks within, or as close as possible to, the required timeframes.

Based on current projections, application for a special rate variation to enable Council to raise rates by 10% per annum for the next four years would enable Council to meet the Operating Performance Ratio benchmark. This would also enable Council to allocate more funds to asset renewal expenditure thus improving our results in other ratios. It is critical however that Council has all of the information available to it before placing what may turn out to be an unnecessary burden on the community.

## 5. Putting your plan into action

How will your council implement your Improvement Action Plan?

Council's General Manager to have a Key Performance Indicator in his performance agreement requiring a report monitoring Council's progress against the Action Plan to be provided to Council on a six monthly basis.