

Template 3

Coolamon Shire Council 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:

Coolamon Shire Council

Date of Council resolution endorsing this submission:

25 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 how adopting the Rural Council and other options in your Proposal will improve your council's performance against the Fit for the Future measures.

COOLAMON SHIRE COUNCIL AT A GLANCE

Coolamon Shire Council (CSC) will meet all of the seven benchmarks in the 2014/15 year and will continue to meet this through to 2023/24. By 2017, Council's infrastructure backlog will be zero. Council has spent \$25 Million over the last 20 years on major capital improvements without the need for debt or any special rate variation being sought.

CSC has played a leadership role on local and regional issues by acting as Treasurer and holding this Executive position of RERO for the past 21 years.

CSC is a progressive, robust and flexible organisation that can and will meet the challenges faced by Local Government. This Council has a track record of successfully undertaking major projects and providing appropriate infrastructure and services to the communities that it represents, at value for money.

CSC has a strong connection with its communities and also with the region. Local Government has the greatest capacity to improve people's lives and CSC plays an active role in helping these communities grow through the provision and maintenance of infrastructure and services.

CSC conducted a review of its operations in light of the Fit for the Future proposals and discussed these matters with their communities. Community Consultation undertaken indicated overwhelming support for Council to maintain its operation as an independent Local Government Authority servicing the needs of its residents.

All Communities within the Coolamon Shire are proud, strong and diverse. They believe in their towns and fiercely defend the ability to control their own destiny. This was reinforced throughout the Consultation process with many examples given of resilience, innovation and creativity in achieving outcomes. The way people within these communities and the communities themselves support each other is what drives Council to deliver. This community support for maintaining CSC has been an established position over numerous public consultation processes and community surveys.

CSC is not just a "maintenance operation" and has a proven ability to undertake capital investment work. A strong financial position has allowed it the flexibility to take advantage of Government Funding Programmes and facilitate innovative partnerships, both private and government. This has helped to attract and maintain creative and skilled staff excited about and committed to working in Rural Local Government.

Not only does CSC meet the criteria for a Rural Council and all of the OLG/TCorp benchmarks, it also meets the required scale and capacity through our connection and co-operation with the extremely successful REROC. Taking a regional perspective has become part of the fabric of how we operate with tangible benefits of this collaborative approach visible throughout this submission.

In addition to the regional scale and capacity identified above, CSC believes that it can also achieve this individually by taking the challenges of a Rural and Regional Council and use its initiative and knowledge to overcome perceived obstacles to continue to sustainably provide for the communities it represents.

Our logo “Big enough to serve, small enough to care” embraces what we mean to our communities and reflects how we operate as fit for purpose.



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

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

(Group C Councils should answer 'NA')

NA



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
<p>1. Small and static or declining population spread over a large area</p>	<p><u>Challenges</u></p> <p>Coolamon Shire has a population of 4308 (Attachment 1, Page 12 – NSW Local Government Operational & Management Effectiveness Report, FY2014) and is spread over a large area of 249,609 hectares. This equates to a population density of one person per 58 hectares.</p> <p>Coolamon Shire has a North/South disparity that sees the North population declining due to agricultural factors (aggregation, production efficiencies etc), whilst the south is growing due to its proximity to the regional centre of Wagga. The end result is a static population across the Shire that is spread among a rural population, 3 towns and 3 villages.</p> <p>There is some in principle concern over the use of Department of Planning & Environment projected forecasts as they are continually pessimistic, however, they do show that Coolamon Shire Council is bucking the trend by indicating a static population. There is also other conflicting information based on work by Forecast ID that shows the population increasing. Regardless of the projected population data provided, CSC has been growing at each Census date, and looks to continue this trend.</p> <p><u>Initiatives</u></p> <p>Council is marketing the Coolamon Shire as being an alternative lifestyle option to living in Wagga. This is reinforced by our LEP and Community Strategic Plan. Council believe that the Coolamon Shire is well situated to take advantage of numerous opportunities to reverse any perception of static population numbers.</p> <p>Council has leveraged this position by undertaking private subdivision work to increase the land stock and make it attractive for families to live in the southern towns and villages but work in Wagga. This subdivision work has allowed Council to develop a bank of land for future development opportunities. (Attachment 2, Page 8 - Submission for Local Government Review Panel – March 2013).</p> <ul style="list-style-type: none"> • CSC as the developer has undertaken Subdivisions totalling 106 lots in the past and has 30 more approved and to be commenced in next year's budget. <p>In addition to this Council has worked hard to develop a Health and Aged Care Precinct that offers the opportunity for residents to maintain living in their community as their housing and care</p>

	<p>needs change over time. This stops disjointed family networks and provides employment opportunities within the Shire. This in turn creates the need for childcare and other business opportunities. (Attachment 2, Page 7).</p>
<p>2. Local economies that are based on agricultural or resource industries.</p>	<p><u>Challenges</u></p> <p>Coolamon Shire is located in the heart of the Riverina and is a rich and productive agricultural area. This region is an important part of the nation's economy and food resources, however due to the current federal policies of free trade and the need for a competitive edge, farm aggregation is occurring to achieve economies of scale.</p> <p>The communities have a close connection with the agricultural activities and the fortunes of the area are dependent on this industry.</p> <p>This 'boom or bust' environment of agricultural and resource industries requires innovative thinking to ensure viable communities are retained to service these industries.</p> <p><u>Initiatives</u></p> <p>The rural aggregation has reduced the population but not the production. Therefore the voice of the region is diminished but the need for infrastructure and operational support has not.</p> <p>Both Federal and State Governments continually talk of decentralization and relieving pressure on the cities. The opportunities for this to occur in regional areas that piggyback on these agricultural or resource industries is endless, however, is left to Local Government as the only body seriously trying to make this happen.</p> <p>It is important that local communities exist and provide a support network and service industry to agricultural activities and that the voice of this industry is not lost.</p> <ul style="list-style-type: none"> • A 2014 Service Review reassessed the road hierarchy and reduced Council network and costs whilst still providing access and service standards.
<p>3. High operating costs associated with a dispersed population and limited opportunities for return on investment.</p>	<p><u>Challenges</u></p> <p>The tyranny of distance has always and will continue to be a challenge for Rural Local Government. Coolamon Shire is no different and accordingly has an extensive Road Network of 1250 kilometres that have been classified according to the operational requirements.</p> <p>The population of Coolamon Shire is dispersed amongst rural communities, 3 towns and 3 villages that all appropriately service their local community's needs. There is limited, to no public transport, therefore creating an onus on Council to replicate services or develop initiatives to overcome this.</p>

	<p><u>Initiatives</u></p> <p>Whilst the focus on financial return is important, Council must also consider their charter to provide services to a community and this is not always based on financial return but rather providing the platform to allow and encourage investment by others.</p> <p>The cost of maintaining an extensive Road Network, whilst challenging has been structured to ensure that Council is providing a cost effective infrastructure, serviced to meet the operational needs of the users.</p> <ul style="list-style-type: none"> • CSC built a Communications Tower to encourage Telco's to provide a service in the area. This was taken up by all providers and this rent is now an income stream. <p>Even though CSC has limited opportunities to obtain a return on investment, Council has maximised this by holding a diverse building portfolio. Council receives rent from doctors, banks, communication providers and residential tenants. In addition, the previously mentioned ongoing subdivision works have resulted in an increase to the population base and provide a return on investment to Council. Council has been very proactive in this regard ensuring that it can attract new residents to the Shire.</p>
<p>4. High importance of retaining local identity, social capital and capacity for service delivery.</p>	<p><u>Challenges</u></p> <p>Each of our communities are important to the people they serve. They are built on local identity and the social capacity is founded on a two way support between Council and the Community.</p> <p>It must be remembered that strong regional centres are built on strong viable rural communities.</p> <p><u>Initiatives</u></p> <p>CSC has a strong history of supplementing or providing aged and health care services within its communities. This ranges from ownership and control over 26 Self Care Aged units, 22 Low Income Aged units, a 33 bed Aged Hostel (including 11 bed dementia specific), 2 Doctors Surgeries and a Community Centre that houses all Allied Professionals from both State and Federal Agencies. In addition, Council provided the upfront capital for additional beds for the local Hospital that was paid back over time as the State Government did not have the capacity to deliver this project. (Attachment 3, Pages 1-2, Submission to the NSW Independent Local Government Review Panel – 11 September 2012)</p> <p>In effect CSC provided a loan to the State Government. This investment was a community need due to the fragmentation and lack of continuity in the existing State and Federal Government services that separated families from their communities in the later parts of their lives. This was seen as a serious and endemic failure of the current system to allow people to age with dignity and remain connected to their communities.</p>

	<ul style="list-style-type: none"> • CSC with the help of community donations has an investment of \$20 Million in its Aged & Health Care Service that retains local identity, social capital and generates an income. <p>Another example is when the Banks pulled out of Coolamon Shire Communities, Council entered into a financial arrangement through a Subordinated Debt with a local Credit Union to enter into this market. A branch was set up in the main street of Ganmain to provide a shop front and the financial institution includes in its products Sponsorship programmes for local sporting and community groups and has been well rewarded for this initiative. (Attachment 2, Page 8).</p> <p>Council constructed and maintains ownership of the building that the banking services are located in and receive an income for its assets and the community supports and receives support from the financial institution. The main street has a new and vibrant streetscape with operational shopfronts.</p> <p>Similarly when the private childcare provider closed its doors in 2007, Council was in a position to seize the initiative and maintain this service. (Attachment 3, Page 2). CSC now has an income stream, additional employment and a service for its residents.</p> <p>CSC also has a significant role in managing volunteers and supporting them by providing the infrastructure to continue to community work. For example insurance cover, financial support.</p>
<p>5. Low rate base and high grant reliance.</p>	<p><u>Challenges</u></p> <p>The real story to this characteristic is that Rural Councils have a limited ability to source city based income streams such as parking fines, developer charges etc. This is a reality of the situation and should be managed by all tiers of Government and not seen as an unfixable problem that only burdens Rural Local Government.</p> <p>Whilst CSC receives funds from other tiers of Government, this is not seen as grant reliance but rather the return of the taxation dollar to the infrastructure providers as is part of a federal system of government. This is a reliable income stream and the assessment process has identified that FAGs will be given consideration to include them accordingly. The low rate base is constrained by both numbers and rate pegging, however, this must be considered in light of a community's ability to pay.</p> <p><u>Initiatives</u></p> <p>Whilst Council does have financial challenges, it attempts to buffer itself from grant dependency by providing community beneficial services that have the dual purpose of employing local people and developing community capacity. The majority of these activities are by default provided by Local Government when other State or Federal agencies, or even the private sector pull out of providing services, (eg: aged care and child care). (Attachment 3, Page 2).</p>

	<ul style="list-style-type: none"> • Council managed business arms that are a result of other tiers of government pulling out of the service provision now make up 20% of the operating income of CSC in 2016. <p>These activities have been entered into to ensure that there is a mutual benefit both financially and to the community. Council is willing to accept a smaller profit margin when there is a clear community benefit that builds on a base to encourage or facilitate growth, (eg: Communication Tower). (Attachment 2, Page 9)</p> <p>The relationship between Council and the Community is important and Rural Councils have the ability to galvanize communities, but it comes on the back of being commensurate with a community's ability to pay. For this reason CSC regularly helps to source external funding to help improve or provide facilities that can then be paid for over time, (eg: Ganmain Sewer). This should not be used as a negative test against Councils when the recent trend with funding is to restrict annualized income grants and replace with project specific grants.</p>
<p>6. Difficulty in attracting and retaining skilled and experienced staff.</p>	<p><u>Challenges</u></p> <p>Like every State Agency and business operating in Rural and Regional Australia, it is a challenge to attract skilled and experienced staff. CSC has responded to this by ensuring “we grow our own” and have put strategies in place to retain and train the staff we have. We do this through a number of initiatives detailed below.</p> <p><u>Initiatives</u></p> <p>CSC believe this can be managed and has worked hard to make sure it can attract and retain skilled staff. This has involved succession planning, workplace management and a good working relationship based on trust between Council and the General Manager.</p> <ul style="list-style-type: none"> • Highlighted as a case study in NSW Local Government Operational & Management Effectiveness Report FY14. (Attachment 1, Page 33). <p>By providing a diverse work environment and a vigorous education program that upskills both the local workforce together with the local communities social capital is increased. We have numerous traineeships and partake in REROC programmes such as ‘Build a Bridge’ etc. (Attachment 4, Page 24 - Achieving Strategic Capacity Through Regional Collaboration – June 2015).</p> <p>Council’s involvement in non-traditional Local Government work such as aged and child care, and the management of large infrastructure works, together with undertaking traditional Local Government work and the maintenance and encouragement of an involvement in Regional issues has ensured that the staff have been exposed to a wide range of interests and skill sets.</p>

	<p>Additionally, Council understands the importance of offering a pleasurable and attractive place to live. This all goes to the holistic attitude that when Council provides benefits to the community then it is repaid by people investing in the towns, wanting to live and work and thereby creating a vibrant community (ie. Community Benefit Fund, Heritage Fund etc).</p> <p>This is all reflected in the long serving highly skilled and stable workforce that Council has enjoyed.</p>
<p>7. Challenges in financial sustainability and provision of adequate services and infrastructure.</p>	<p><u>Challenges</u></p> <p>Whilst this is always seen as a challenge in any Local Government Organisation or Private Business, Council sees the need to develop realistic service standards with the community and set budgets accordingly.</p> <p>Council has long held the opinion that you should be able to work within your means and service standards should reflect the needs of the community and not just the wishes of a few.</p> <p>The very nature of Local Government means that Council as a whole are required to deal with, or are left with the least viable service provision, but in some instances without adequate resources to maintain them. In an environment of rate pegging and constrained funding from higher levels of Government, Councils have their backs against the wall.</p> <p><u>Initiatives</u></p> <p>Coolamon Shire Council is of the belief that you cut the cloth to fit the need and have managed its finances and community expectations accordingly. For this reason Community Strategic Plans need to be realistic and manageable, and communities should be well informed on a Councils capacity to provide.</p> <p>CSC does this in an environment that is geared towards additional requirements being loaded onto Local Government from community expectations and government policy. These include providing and supporting communication, medical and banking services and covering costs as a result of reduced funding.</p> <ul style="list-style-type: none"> • Over the past 20 years Council has spent over \$25 Million on major Capital Improvements without the need for debt. <p>This infrastructure has included a Community Cultural Precinct, complete upgrade and extension to water re-use plant for irrigation of parks/gardens and sports fields, main street upgrades in 4 separate communities, Static Library, Museums, construction of Touch Fields, synthetic Bowling Green and new Tennis Courts. This is all in addition to those other items mentioned throughout the report.</p> <p>Whilst Council received a negative rating from TCorp and the OLG infrastructure audit in this regard, CSC contend that it was not accurate and did not reflect Council's true position. (Attachment 2, Page 42) and (Attachment 5, Page 22 - Response to Independent Local Government Review Panel</p>

	<p>Discussion Paper: Future Directions for NSW Local Government Twenty Essential Steps). Council also engaged Percy Allen to provide an analysis by Review Today in 2009 and 2013 that indicated Coolamon Shire Council was considered sustainable.</p> <p>Council had been budgeting conservatively and managing its infrastructure in accordance with its practical approach to outcomes based service delivery. From this assessment, Council has identified and proceeded with an Asset Management Programme and employed a staff member responsible for its implementation. Council has massaged its approach to conservative accounting but have stayed true to this intention.</p> <p>As a contradiction to the TCorp Assessment, Council, in 2012 initially met 5 of the 7 benchmarks when assessed in 2012. Own source revenue and debt service ratio were the only two not met. Now as a result of the changes made, Council now meets 6 of the benchmarks whilst own source revenue has improved from 38% to 59% by 2025.</p>
<p>8. Long distance to a major or sub-regional centre.</p>	<p><u>Challenges</u></p> <p>Due to Coolamon Shire's geographic location there is a considerable disparity between the northern and southern regions of the Shire. Additionally, this characteristic could more broadly refer to population density and distance to communities of interest. The breadth and width of having to provide services across Coolamon Shire is a greater issue than distance to regional centres.</p> <p><u>Initiatives</u></p> <p>The existence of different communities of interest with the northern region of the Shire (Ardlethan and Beckom) drifting towards Temora or Griffith, whilst in the south of the Shire the communities are more associated with the regional centre of Wagga Wagga.</p> <p>Rather than trying to transport people to larger centres, Local Government supports these communities to develop social capital and services to make these communities viable and attractive in their own right.</p> <p>With limited or no public transport to connect communities, Council is required to show initiatives on how to deal with these matters.</p> <ul style="list-style-type: none"> • Council is partnered with more than 50 organisations/communities/government/businesses to deliver outcomes to all communities. <p>In order to provide these services across the region, Council develops alliances or partnerships with others to resource share and develop cost savings. An example is the Riverina Regional Library that incorporates 13 Local Governments and operates a mobile service to deliver to remote towns and villages. . (Attachment 6, Pages 1-3 - Statement of Partnerships)</p>

9. Limited options for mergers.

Challenges

There is always an opportunity for mergers, but what outcome do they provide? It is a well-known fact that mergers will not reduce the road network nor the community's needs. One of Councils main costs is the management of an extensive road network that supports a rural and regional economy. The communities that support this productivity are important to ensure that the rural produce can continue to land on both metropolitan and international plates.

Any proposal to merge such Councils would not improve any services or community support. This has been implied in the ILGRP Report and reinforced by the identification of Rural Councils in this submission process.

Initiatives

This characteristic is by definition starting with the premise that mergers can fix all ills. Council contend that this is incorrect and any assessment of viability and sustainability should be outcome driven. All organisations have challenges but it is how they can overcome them that makes them successful.

CSC contend that mergers will only establish a system of regional governance that will continue to struggle within the existing constraints, not a system of Local Government that provides opportunities and flexibility to meet challenges and overcome obstacles. Merely taking the "local" out of Local Government.

As detailed in Council's submission to IPART on the methodology for assessment of Council Fit for the Future proposals, Council believe that a more appropriate Rural Council characteristic would have been to explore the opportunities available within membership of a Joint Organisation.

Coolamon Shire Council believes that inclusion in a regional organisation offers all the benefits of obtaining scale and capacity to manage the community's expectations and deliver the necessary services. (Attachment 4, Page 5)

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)

<p>Strengths</p> <ul style="list-style-type: none"> • Good Strong stable leadership. • Developed partnerships and trust with the community. • Flexibility to take advantage of opportunities. • Adaptive and responsive. • Good regional working relationship. • Strategic Business Model – 10 year Plans have been part of our operations for 15 years – both financially and operationally. • Financially sound – low debt – good use of reserves provides services that community wants and supports – Aged Care, Child Care. • Asset Management – Practical, outcome based. • Resource Sharing • Staffing - retention, development, training. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Maintaining a large Road Network. • The tyranny of distance. • Provision of services to multiple communities. • Lack of opportunities for diversification of income.
<p>Opportunities</p> <ul style="list-style-type: none"> • Alternative lifestyle options are stabilising and increasing the population base. • Continued and strengthened development of Resource Sharing – JO development must be with operational component. • Ability to source funding opportunities. • Improve regional collaboration. 	<p>Threats</p> <ul style="list-style-type: none"> • Loss of local identity/community. • The declining loss of a rural voice. • Mergers reducing ratepayer’s equity. • Loss of community Assets. • Instability of agricultural economy. • Destruction/devalue of REROC with JO development. • Loss of local knowledge and ownership



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
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.00	-0.006	0.025	0.020
Own Source Revenue Ratio (Greater than 60% average over 3 years)	61.57%	62.26%	60.72%	59.32%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	145.38%	106.09%	99.01%	115.45%



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?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	Yes	0.08	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	No	76.62%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	Yes	146.99%	Yes

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 and with the inclusion of FAGs grants to the Own Source Revenue Ratio, CSC will meet the benchmark moving forward. In the past, CSC classified income to operate commercially competitive businesses that were reliant on an individual's Government subsidies as Government Grant Income. This previous classification of some incomes received from State & Federal Governments identified as Government Grants has been reassessed to result in an increase in Council's own source revenue. The reliance of these incomes and the mechanism under which they are received mean that Council does not only provide vital community services, offer local employment but also helps to attract and retain staff by offering diverse management opportunities.

The three business arms that have government grants included in their operation are Community Care, Early Childhood Centre and Allawah Lodge. Together they make up 20% of Council's total income and to remove these businesses from our portfolio would reduce our own source income (excluding FAGs) from 49% to 37% in 2015/16.

This is not seen as grant dependency to Council but a business arm that provides an income stream to Council using the current accepted business model that has been developed by State and Federal Governments.

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
Infrastructure Backlog Ratio (Less than 2%)	2.43%	2.58%	1.71%	1.75%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	127.21%	144.76%	158.96%	121.37%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.00%	0.00%	0.00%	0.00%



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?
Infrastructure Backlog Ratio (Less than 2%)	Yes	0.00%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	Yes	102.72%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	No	0.10%	Yes

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

CSC has utilised its own reserves to fund infrastructure projects over the past 20 years. This has been considerable in both quality and quantity and a full list is provided in ([Attachment 7 – A list of Council Capital Works](#)). Council sourced external funding or grants to augment these costs and provide value for money for the community.

In 2016/17 Council is proposing to fund a project by utilising an internal loan from its Sewerage Fund (subject to Ministerial approval). This project will undertake improvements to a Council facility (Caravan Park) and increase visitation and income.

The benefit of this approach is that it will have no negative affect on the Sewerage Fund, but the capital cost will be repaid by visitors to the Shire.

Council believes that debt should be used wisely to either reduce operating expenditure or to fund income generating assets that will be able to fund the initial capital investment and ongoing replacement. Debt should not be incurred just for the sake of having debt and if other sources of funding are available (ie reserves) then they should be utilised and this should not be viewed upon detrimentally.

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
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	2.50	2.49	2.37	2.21



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?
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	2.21	Yes	2.00	Yes

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

2.3 Water utility performance

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

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

No

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

Coolamon Shire Council is not a potable water supplier but is responsible for the management of both the Coolamon and Ganmain Sewerage Networks. As a part provider in the management of an integrated water cycle, there are some complexities associated with full implementation of the best practice framework. Council needs to partner with both Riverina Water and Goldenfields Water County Council (both provide services within CSC LGA) to develop appropriate management policies to meet this challenge.

Council currently charges a non-residential sewer charge and pedestal charges. These charges are currently not aligned with NSW Best Practice Management framework as they are not based on use, but rather on an annual charge, which does not take into account meter size, discharge factors and water usage.

Similarly Council's Trade Waste charges are not monitored in accordance with Best Practice guidelines as the cost to administer would not cover the income received. Currently non-residential, including Trade Waste is 4% of total sewerage collected. ([Attachment 8 - NSW Office of Water - Coolamon Shire Council – TBL Sewerage Performance](#))

Should Council require a user pays principle for these non-residential and trade waste requirements then the cost would jeopardise business operations that could become unsustainable and this in turn would impact on the community. In the majority of cases this would require retrospective work on existing businesses for minimal benefit.

For this reason Council manages the trade waste and non-residential premises by outcomes and impacts. The amount of non-residential and trade waste received is of low impact and of such minor quantities that it is diluted to safe volumes at the treatment facility. Provided the potential impact and risks are dealt with appropriately, then Council believes it is administering the sewerage component of the water cycle appropriately and fit for purpose.

Provided the Sewer Network is protected through these conditions of operation, then it seems counter intuitive to set up a costly and complex system to develop a pay structure to manage the discharge. The current position, whilst practical and 'fit for purpose', means that Council does not meet the framework. In Council's opinion the framework is not practical and inappropriate for rural and remote Councils.

Having made this point, Council is a willing participant in the JO/REROC Working Party to work through this issue of meeting the intention and requirements of the Best Practice Framework and acknowledge and accepts the need to arrive at a solution that both meets the intention of the Best Practice Management Framework and the practicality of delivering a cost effective service.

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

\$100,000

1. Council has commenced an inspection and annual maintenance regime that has allowed a more definitive knowledge of the cost and need to manage the system.
2. Councils is aware of future infrastructure requirements of its Sewerage Network and has been accumulating reserves in preparation. In addition to the reserves collected, Council does have the capacity to borrow should reserves not meet the cost of future upgrades.
3. The extended lifespan of major Sewerage Assets means that a 3 or 5 year time series is not an appropriate assessment of Capital and Operational maintenance. Therefore it is important to maximise the operational life of all assets to ensure value for money with the additional benefit of allowing reserves to grow. With the accumulation of reserves it allows flexibility to make changes to the lifespan of infrastructure should emergencies occur.



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

2.3 Water utility performance

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

No

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

Coolamon Shire Council prides itself on running a lean and cost effective Sewerage Management business, as can be seen in the TBL Performance Reports. (Attachment 8, Page 1). As part of the regular review of the Sewer Network and its assets, a Strategic Business Plan was redeveloped in May 2014. This indicated that Council was not reaching full cost recovery. It was determined that this was only a minor shortfall and could be fixed by increasing sewer charges over time.

When considering the Council sewer rates against State averages, it was determined that there was ample room to move in this regard and the rate increase commenced immediately. This was seen as proof that Council had been managing its Sewer Network efficiently.

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
Increase fees and Charges	2016-2020	Break even
Continue CCTV Inspection Identification	2016-2020	Better knowledge of underground Network condition – planned maintenance/capital work
Participation in JO – REROC Best Practice pricing and management taskforce across the region IWCM Strategy completed	2016-2020	<ul style="list-style-type: none"> • Meet Best Practice guidelines. • Acknowledge rural and regional issues and inconsistencies with the current benchmarks.
Ongoing Capital Renewal Programme	2016-2020	Improved Capital Assets

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.
REROC/JO Operational Activities	Maintain presence and participation in REROC/JO	Annual Membership Annual Report	Cost shared across REROC Councils	Potential increase in membership costs due to new JO structure
REROC/JO employed specialists (eg: Contaminated Land Officer)	Maintain presence and participation in REROC/JO	Annual Membership Annual Report	Cost shared across REROC/JO Councils	Potential increase in membership costs due to new JO structure
Pursue a Heads of Agreement with REROC/JO members to share capacity/resources		Annual Membership Annual Report	Nil	N/A

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>The current REROC Organisation provides value for money and runs a lean budget for what it delivers. The current membership fees of REROC are approximately one third of the annual budget. Therefore the additional benefits are both quantitative and qualitative. (Attachment 4, Page 60). Council are well aware of the ability for members to value add to the service and gain regional benefits.</p> <p>This success was recognised by being part of the JO pilot program and was reinforced by the commitment of the Member Councils of REROC to ensure that the operational arm of this organisation is to continue – either as a formal part of the JO or as an independent organisation undertaking the operational components relating to the JO. The reason for this commitment is due to the obvious benefits both realised and proposed that this brings all members. This is best explained in the REROC document “Achieving Strategic Capacity through Regional Colaboration”. (Attachment 4, Page 5 - Executive Summary)</p> <p>Council propose to maintain membership of this Regional Organisation formally as part of the new JO. The new structure must maintain the service delivery of the existing REROC to ensure real on ground benefits.</p>	<p>The initiative and ongoing development of the Regional Freight Transport Plan has been considered one of the recent successes of REROC. (Attachment 4, Page 36). Coolamon Shire acted as Chair of this project that required Council Engineers to think outside the individual Local Government boundaries and consider regional impediments or improvements to the Freight Network. CSC provided the secretarial and administrative support, collected and collated the information and prepared an interactive mapping tool.</p> <p>This is seen as a regional view developed by Local Government feeding strategic information into State Plans and prioritising funding opportunities that benefit regions.</p> <p>The importance and success of this programme is highlighted in the successful funding of the majority of these identified projects over the last two years.</p> <ul style="list-style-type: none"> • \$12 Million of the \$38 Million (32%) of the allocated money for Fixing Country Roads landed in the REROC Region. CSC alone was successful with 6 of its 7 applications. <p>Council are already members of the successful Riverina Regional Library (RRL) that incorporates the largest Regional Library servicing 13 Member Councils with 136,630 constituents, 18 Static Libraries and a Mobile Service visiting 60 communities.</p> <p>This is only two examples of the numerous Partnerships or Alliances that Council is involved in to maximise access to services and/or facilities or minimise</p>	<p>‘Acting locally, thinking regionally’ is part of the fabric of how Councils in this region do business. When opportunities are harnessed they can be with neighbours, other LGA with similar interests, private sector or industry. This approach of ‘Local Government without borders’ creates sustainable outcomes.</p>

	<p>operational costs. A full list of these Alliances is included in (Attachment 6) and ranges from Local Government specific issues such as RENWA (weeds) and Riverina Internal Audit Group to non-government partnerships such as Links to Learning (education) and Community Drug Action Teams.</p>	
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See Guidance material page 17-20 for help completing this section.

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.
Undertake Corporate Service activities for third party organisations	Continue existing service and be aware of future opportunities	Implemented as need or opportunity arises	Cost Recovery or income generation	Stretch own resources

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Shared Administration</p> <p>Coolamon Shire Council has a slightly different take on the Panel's opinion of shared administration and would like to put forward an alternative to the thoughts in the guidance material.</p> <p>True, strong local government comes from a commitment and teamwork by the elected representatives of the community and the Senior Management Team of the Council. This leadership comes from the Mayor and General Manager and should be focussed on the objective of improving the living standards within the Local Government area. Splitting the role of Senior Management with other organisations will have an undeniably detrimental impact to this goal.</p> <p>Rather Council sees the opportunity of resource sharing as an ability for the Local Government facilities to be used to deliver regional and community services. As an example of this Coolamon Shire Council currently use their administrative staff to undertake the financial management on a fee for service basis thus increasing own source revenue and act as the Treasurer for NERRCS, REROC and the RFS.</p>	<p>CSC has become and will remain Fit for the Future by expanding the role it performs. The ability to develop cost recovery partnerships ensures not only the ongoing viability of Council but also provides cost effective services to other organisations.</p> <ul style="list-style-type: none"> • Coolamon Shire Council provides the back office financial support to 3 Regional Organisations, being REROC, NERRCS and RFS. 	<p>This proposal to use spare Administration capacity to undertake work for business or Regional Organisations ensures the delivery of a sustainable business model in addition to supporting and building community capacity.</p>

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

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
Investigate an MOU formalising resource sharing within REROC/JO	Prepare information investigating and discussing the potential for an MOU to be presented to REROC Board		Nil	N/A
Continue to provide or use neighbouring Council services as need and efficiencies arise	Continue to provide the service at an appropriate pay rate	Implemented as needs arise	Cost recovery	Stretch own resources
Investigate development of a more specific Asset Management tool that more effectively links finance and engineering	Apply for innovation funding to develop an appropriate Asset Management tool	Development of a truly integrated Asset Management Programme	\$200,000 estimated – not yet fully investigated	
Continue the employment and training of a jointly funded Trainee Asset Manager with GWCC.	Commenced in April to co-ordinate Council's Asset Management Programme	Ongoing employment	\$50,000	Train staff that could potentially leave the organisation

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>The sharing of resources and information is nothing new to Local Government. Whilst we have previously undertaken this on an informal basis, it does not mean that it is not important nor meaningful. Examples are numerous and almost too common to mention specifically, but they range from contracting specific equipment, or whole Construction Gangs to Corporate Service expertise.</p> <p>In addition to this there has been discussion within the Joint Organisation to set up a Memorandum of Understanding within the REROC Cluster of Councils to provide services to other members as a first option to contract out. This would be on a pay for use and serves to both provide Councils with expertise and help negate the use of costly contractors.</p> <p>It is noted that both Coolamon and Junee have indicated sewer infrastructure upgrades in the near future. Initial discussions have been held that have indicated that there may be some economies of scale achieved by co-ordinating these projects. Whilst still in the preliminary discussion stage there may be some advantages in joining resources and technology for the tendering and construction purposes. This type of thinking adds to previous benefits recently CSC received by tailing in on Cootamundra Shire Council's camera and relining contract for investigating and repairing its underground Sewer Network.</p>	<p>This year has seen a partnership with Goldenfields Water County Council to jointly employ a Trainee Asset Manager. This has benefits to both organisations and commences the development of a corporate knowledge base specific to Asset Management.</p> <p>Coolamon Shire Council currently and in the past have provided Planning and Building inspection services to the neighbouring Councils of Temora, Junee and Gundagai. Whilst this shared service has been undertaken during holidays or staff constraints at the other Councils, it is a service that will continue.</p> <p>Similarly Council has used neighbouring resources when the need arises. Junee Shire Council has survey equipment and staff that the design Engineer utilises. Temora Council's Streetsweeper is contracted to undertake regular work within our LGA. Councils are aware and utilise efficiencies obtained through partnerships that benefit all parties.</p> <p>Part of Council's review of its services and Asset Management has required investigation and instigation of setting a programme that appropriately links the Engineering requirements with the financial needs of an organisation. This investigation and employment of a specific Asset Manager has revealed that the majority of current programmes either focus on the engineering needs such as GIS data and inspection results and neglect the financial and reporting requirements. Conversely other programmes</p>	<p>The relationship between Councils from this region mean that we co-operate to provide the above partnerships that benefit all users. CSC has requested that REROC formalise this by pushing for a non-binding heads of agreement that commits all Councils to asking for opportunities of spare capacity that can be provided within the JO before searching wider. This can be something as simple as a street sweeper or more complex to back office services.</p> <p>This was presented at the Executive Meeting and gained in principle support but due to time constraints has not been put to the full REROC Board at this date.</p>

	<p>have been developed with the finance component preferred and therefore limiting true connectivity between the two important arms of Local Government.</p> <p>CSC would like to investigate the opportunities of developing a programme that would more appropriately reflect the interaction between these two components. CSC will pursue innovation funding to implement such a programme.</p>	
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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.
Maintain and improve on Section 355 Structure to engage with Community	Develop and provide a more formal link with the Communities through the Section 355 Structure	Use engagement strategy to develop and support next IP&R	Nil	N/A
Review the existing Council governance structure to determine the most appropriate model to suit the needs and efficiency of Council	Report to Council for consideration	Implement outcomes of the decision	Nil	N/A
Improve education opportunities for Councillors	Run Executive Certificate for Elected Members locally	Attendance at programmes	REROC runs these programmes thus making them more accessible to Councillors and cheaper for Council	Nil

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Council has previously implemented a structure of formally linking with the communities through Advance Committees. These Committees are the conduit between Council and the Community tasked with the responsibility of providing and receiving information between Council and the Community as well as being responsible for the management of defined community assets.</p> <p>This includes a formal capacity in the Integrated Planning and Reporting process which allows quick and easy dispersion and collection of information.</p>	<p>Council has 9 Councillors that currently and historically have represented all communities within the Coolamon Shire. As identified as a Rural Council, Coolamon Shire has numerous communities that require different considerations in service delivery. The current representation of Councillors is deemed appropriate to reflect the circumstances.</p>	<p>One of the positive issues identified by the community is the accessibility that they have to their Elected Representatives and this partnership is seen as a pivotal role in making good decisions. (Attachment 9, Page 17 - Public Consultation Fit for the Future Local Government Reform Powerpoint Presentation). When decisions are known and accountable at a personal level it generally makes for better community outcomes.</p> <p>In relation to the number of Councillors, CSC have historically and continue to be paid the minimum amount for their role as part of the community. This has been a conscious decision to allow more Councillors to share the role that the community requires of them. As can be seen from the NSW Local Government Operational and Management Effectiveness Report, (Attachment 1). Council deliver this governance in a cost effective and efficient manner.</p> <p>This situation maximises representation and governs with efficiency.</p>

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

Option 5: Streamlined planning, regulation and reporting				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
JO/REROC develop a Regional Growth Plan	Participation in the JO/REROC Working Party	Continued membership of the working party Report prepared	Cost of JO/REROC Membership	

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p>Council believes that whenever the JO/REROC can gain benefits for all members by undertaking Regional Strategic Planning and Reporting, then that should be explored. The issues of Sub Regional Land Use Plans and State of the Environment Reports fit into this category and have previously been discussed. (Attachment 4, Page 43).</p> <p>The Joint Organisation has identified Regional Planning as an issue to be explored during the Pilot programme. (Attachment 4, Page 67) Council also sits on the Technical Advisory Group to this Working Party.</p>		<p>Council's ongoing commitment to the JO/REROC will ensure the sustainability of this membership.</p>

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.
Continue with full Service Review with particular focus on Waste Management, Aged Care and Childcare	Provide reports to Council for consideration	Adoption by Council	Dependent on outcome of reports	

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

Efficiency	Infrastructure and Service management	Sustainability
<p>Council commenced a full Service Review in conjunction with a Strategic Infrastructure Plan in 2012. These reviews were undertaken at both Councillor and Senior Staff level. This has already realised efficiencies and a noticeable change in the Operational Plan.</p> <p>Real benefits have included a sale of excess buildings, reduction in Road Network, Rationalised Donation Policy, Rationalisation of Caravan Parks, Review of Property Insurances, Full review of fees and charges and a focus on savings around discretionary service provision, ie. Pools, libraries.</p> <p>CSC has numerous and lengthy documents that have been compiled over several years that support the position Council has taken. Some have been included as attachments that attempt to summarise this body of work, but it is hard to represent the process of service reviews to reflect outcomes that support an existing considered position. Service review information is provided in (Attachment 5, Page 23) and (Attachment 6, Page 3)</p>	<p>Whilst Council conducted a service review of all operations, the 2015/16 Operational Plan did highlight areas of importance. These being Ardlethan Preschool and Allawah Lodge. Both are currently in the middle of Government funding changes that Council need to be aware of and manage to ensure the operations remain viable and cost effective. In addition Council have previously highlighted Asset Management as an area that requires Council's attention.</p> <ul style="list-style-type: none"> • Council has conducted full service reviews in 2012 and 2014 and will continue into the future. 	<p>CSC believes that a continual programme of operational reviews will improve Council's ability to deliver services and manage infrastructure.</p> <p>The ongoing review of Council's operations will continue to highlight areas where efficiencies can be gained by improved practices.</p> <p>A continual cycle of service reviews and community consultation is the basis of IP&R legislation. Council has embraced this process and believes that it leads to sustainable decisions about infrastructure provision and ongoing maintenance costs.</p>

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.

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service management	Sustainability
	<p>One of the issues identified in IPART's assessment is the ability to advocate on behalf of the community and prove a successful partner with State Government.</p> <p>The issue of credibility and advocacy is a more complex issue that can just be resolved by scale or capacity. It is a principle more built on trust. If the need is genuine, Coolamon Shire Council has no concerns or issues about lobbying the relevant organisation to have this matter resolved. If the matter is of regional significance, then it is obviously important that Coolamon Shire Council lends its voice to support the regional benefit (e.g. Wagga Hospital, Rural Doctors). The creditability of this advocacy can only be judged on the issues that Councils believe are important.</p> <p>This credibility in the role of advocacy leads to the</p>	

	<p>establishment of trust that allows a collaboration of partnership with State and Federal bodies. Coolamon Shire Council has history of providing this collaboration and service delivery (i.e. Preschools, Medical Centre). In addition to these partnerships with Government Agencies Council also has a proven track record with private industry (e.g. Coolamon Medical Centre and Coolamon Cheese Factory)</p> <p>Coolamon Shire has a good rapport with State Agencies built upon a stable platform of co-operation and practical delivery of programmes. An example is the recent negotiations with the NSW Ambulance about providing a new Station in Coolamon and upgrading capital work in Ardlethan.</p> <ul style="list-style-type: none"> • Council has offered land and \$100,000 towards the Ambulance facilities in the Coolamon Shire, which has led to the NSW Ambulance Coolamon Shire Out of Hospital Service Plan 2015-2031 recommending \$1.5 Million being included in the coming year's budget for construction of a new Station. <p>Similarly Council were pivotal in providing and constructing the Emergency Service building, all located on the same land that houses FRNSW, SES and RFS.</p>	
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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
Review and enhance the community engagement strategy that streamlines the conduit between Council and the Community to ensure robust dialogue in preparation for the next Community Strategic Plan.	Develop strategy for presentation to Council
Asset Management – Develop an appropriate and user friendly system that supports our existing work and realistically links finance and engineering needs.	Submit an application for innovation funding
Continue to maintain and improve Council's involvement in the JO/REROC. This includes but is not limited to the special interest groups that specifically target transport, planning, water and waste.	Maintain membership
Continue with ongoing service reviews including but not limited to waste management, Aged Care and Early Childhood Services.	Provide reports on service reviews to Council for consideration.
Maintain corporate service activities for third party organisations.	

**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.

CSC used internal staff to undertake all work associated with not only the Rural Council Action Plan but the whole Fit for the Future Submission. This was a collaboration between the Elected Representatives and Senior Management Staff taking into consideration community opinion.

Councillors and Council Staff through their involvement in REROC and the JO Pilot programme understand the significance and opportunities that have been included in this submission that relate to regional benefits.

This plan has been presented to Councillors for endorsement prior to being submitted. This report is a considered collected opinion of Coolamon Shire Council and all of whom play a part in its success.



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.

An important part of any Local Government Reform is informing the local communities of what is proposed.

As part of the IP&R requirements, CSC had previously redeveloped its existing Section 355 Committees to operate as a conduit that connects the local communities with the Council. In this regard any community meetings are run through these Committees as they are given the role as the voice of the community.

Coolamon Shire Council commenced Public Consultation meetings in April 2014. As a result of being identified as a Rural Council in Group C, it was necessary to wait for the final Rural Council Model to be developed and understand how it would be integrated into the new landscape, so that the Community could be fully appraised of the options available.

The Public Consultation involved a 2 hour open meeting with each of the Communities within the Coolamon Shire whereby the financial situation of Coolamon Shire Council together with its neighbours was presented by the Mayor, General Manager and Executive Manager, Corporate & Community Services.

During these presentations ([Attachment 9 - Coolamon Shire Council Survey Results and Council Newsletters](#)), communities were given time to ask any questions and raise issues that they had in regard to not only the Local Government Reform process, but also any issues in general.

These meetings indicated overwhelming support for Coolamon Shire Council to remain as an independent Local Government Authority that was aware of and could support local community concerns. The community supported the current representation and operations of Coolamon Shire Council in not only being 'fit for purpose' but also in its ability to provide infrastructure and services with appropriate ongoing management.

In addition to the Community Meetings, Council provided regular information provided in its monthly Newsletter and a Survey was developed to gain feedback. The results of this Survey have been included in [Attachment 9](#)

- **97% of respondents to the Community Survey wanted Coolamon Shire to remain as an independent Local Government body.**

Coolamon Shire Council believe that this consultation process and the subsequent communities position in regard to continuing to operate as a Stand Alone Council is reflective of Council's ongoing dialogue that is regularly conducted with the community.

Coolamon Shire Council regularly interacts with the communities on a range of issues and in a range of mediums.

- **Coolamon Shire Council has had two independent Iris Research Surveys conducted in 2007 and 2012. In 2012 it recorded an 81.8% or 4 out of every 5 residents being satisfied with Council's delivery of services and facilities, whilst just 3.5% were dissatisfied.**

At the time that both these surveys were completed, Coolamon was the new best performing Council in the Iris database. ([Attachment 2, Page 27](#)). In addition to this Council has undertaken significant Community consultation as part of the Local Environmental Plan Review and the Integrated Planning and Reporting process. Council has web pages for tourism activities and for general Council information and is in contact through two Facebook accounts. Coolamon Shire Council has a close connection with its communities and prides itself on partnerships that reflect this relationship. In addition, part of Council's budget formation includes an annual bus tour with all Councillors visiting the local communities to discuss issues and inspect infrastructure with the Section 355 Community

Representatives.

The position Council has taken in this regard is considered and supported by the community. In the best interest of its communities, Council believes that it is in the best position to continue to provide the infrastructure and services to the communities it represents.

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's choices were: Rural Council in a JO or merge. Council has chosen the first option, however, discussion were held with neighbouring Councils about the second option. As the two neighbouring Councils of Temora and/or Bland are identified in Group D they have different criteria to Coolamon and were not given the same options. Regardless informal talks were held with these Councils and the intention of all Councils were considered.

Coolamon received a formal response from Temora indicating that they would be completing Template 2, but to date have received no response from Bland.

Council, as part of the Community Meetings and in the Public Survey identified and discussed the implications and options that a merger would create. (Attachment 9, Pages 14-16) Council also undertook a desktop assessment of a 3 way amalgamation to determine what the benchmark outcomes would be for a merged entity. (Attachment 10 - Coolamon Shire Council - Desktop Bland/Coolamon/Temora Merger Assessment).

- **The 3 way merged entity as identified would not meet 3 of the investigated benchmarks. Coolamon Shire Council currently meets all of the benchmarks, therefore an immediate negative impact would be the result.**

After consultation with our communities and development of our financial Plans, it became apparent that Council was viable and could Stand Alone and the Community supported this.

As identified throughout this report there was minimal gain for Coolamon Shire Council with significant negative impacts to the communities Council represents. As the benchmarks are being met or moved towards being met (when FAGs are excluded) and with the support of these communities we believe that the decision to remain as a viable and robust independent Local Government entity is well founded.

As part of the Independent Local Government Review Panel's consultation, CSC provided numerous examples indicating the likely impact of amalgamations would have on the communities within the Coolamon Shire Council. If we were to repeat this information in this document it would create a lengthy submission that repeated Council's concerns. However, as IPART has not seen or read this information Council needs to provide it somewhere and will do so as attachments. (Attachment 5, Page 30-32)

Council seriously considered completing Template 2, 'Council Improvement', as it believed that it not only met the majority of benchmarks, but also that it is fit for purpose in providing 'scale and capacity'. Prior to the IPART methodology, the scale and capacity was focused on service delivery and outcomes provided to the community and CSC believes it delivers this. The Terms of Reference to the methodology now indicate a more numerical process of determining scale and capacity that hampers Rural Councils and reinforces the reasons behind CSC making a submission under the Rural Council Template.

Nevertheless, Council believes that it does meet the intention of the FFTF Reforms and as an appropriately scaled and fit for purpose Council, delivers to its communities through its capacity to provide services.



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	2016/2017	2017/2018	2018/2019	2019/2020	2020/21	2021/22	2022/23	2023/24	Total improvement over 10 years
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.035	0.045	0.080	0.075	0.070	0.066	0.062	0.058	0.057	0.056	<i>Meets benchmark</i>
Own Source Revenue Ratio (Greater than 60% average over 3 years)	63.27%	68.90%	76.62%	77.81%	79.99%	81.46%	82.22%	82.89%	83.20%	83.50%	<i>Meets benchmark</i>
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	129.07%	141.00%	146.99%	141.51%	128.81%	119.40%	115.48%	112.89%	112.09%	111.16%	<i>Meets benchmark</i>
Infrastructure Backlog Ratio (Less than 2%)	1.24%	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	<i>Meets benchmark</i>
Asset Maintenance Ratio (Greater than 100% average over 3 years)	118.46%	100.83%	102.72%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	<i>Meets benchmark</i>
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.01%	0.01%	0.10%	0.18%	0.27%	0.26%	0.26%	0.25%	0.24%	0.23%	<i>Meets benchmark</i>
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	2.09	2.00	2.00	1.99	1.98	1.97	1.97	1.95	1.95	1.95	<i>Meets benchmark</i>



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.

Coolamon Shire Council comfortably meets all the FFF benchmarks, clearly demonstrating that sustainability is not a function of size.

Prior to the inclusion of FAGs grants, the only benchmark that was not achieved was that of own Source Revenue, however, previously explained changes in Council's financial management (supported by advice from Crowe Horwath) would have seen Council move from 38% in 2012 to 59% (exclusive of FAGs), by the Year 2024/2025.

The factors that affect this own source revenue are related to several issues. The first is that Council have no RMS funded roadworks which removes a definition of own source income that other Councils are granted. Secondly, Council have a large and extensive Rural Road Network and provides Community Services to numerous towns and villages which increase FAG Grants. The lack of public transport affects CSC ability to aggregate these services without disadvantaging communities.

The OLG Infrastructure Audit indicated that Council had a very weak asset maintenance regime which Council contested at the time. Council believed that the assets were well maintained by each responsible officer and that the appropriate records were kept, that Councillors were fully advised and that a Strategic Plan was in place for improvements/replacement. (Attachment 5, Page 22).

The Council regime was negatively assessed against a need to have all information recorded electronically and linked to the finance records. As a Council without "internal silos" financial and asset information is freely dispersed and provided to all users for the sole goal of delivering outcomes. The process, whilst not process compliant was practical and delivered the required outcomes, as proven by the benchmarks.

The key performance indicators have proven that Council does maintain a healthy Asset Management Regime. Council has however, taken on board the improvement plan and employed an Asset Manager and currently investigating the current computer programme to integrate into the financial management structure.

In addition to this Council believe that a real strength in its current financial position is being flexible to chase Grant funding opportunities as they arise. This is seen as an efficient and effective means of providing infrastructure and services to the community by taking advantage of Grant Funding opportunities, (eg: Fixing Country Roads). Council success in receiving Fixing Country Roads is an indication of flexibility and regional collaboration to maximise opportunities. This should not be seen as a negative to Council's operations.

In the past Council has found that small communities can struggle for the capital cost of works but can manage the ongoing operational costs including replacement. For example, Sewerage Treatment Works have a long life and the capacity to pay by users allows Council to put away reserves to replace and reconstruct new works over an 80 year life span. However, the capacity to pay for the initial large capital infrastructure construction is hard in rural and regional areas.

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.

Council has embraced the Fit for the Future Programme as part of its ongoing process of reviewing and monitoring Councils achievements and improvements. The General Manager will be the responsible person to monitor and report on the progress of all strategies associated with implementing Council's Action Plan. Council has already included the benchmarks within its Delivery Programme/Operational Plan and will continue to do so into the future.

Coolamon Shire Council has already taken significant steps since the TCorp Report (April 2013) and Local Government Infrastructure Audit (June 2013).

- 10 Year forecasting has been addressed by taking a less conservative and pessimistic approach.
- Engagement of consultant to aid with development of Strategic Business Plan for Sewerage – May 2014.
- Engagement of a Consultant to review existing Asset Management Policy & Strategy and aid in development of core Asset Management Plan (Feb 2014).
- Purchase of new integrated software Platform incorporating Financial, Customer Request, Asset Management, Electronic Document Management – went live October 2013.
- A number of operational reviews at both Senior Staff and Councillor levels, October 2013 and March 2014 that have resulted in operational efficiencies and financial savings. The full report of these reviews is quite extensive and due to submission restrictions, only the meeting Agenda is attached. Should further information be required Council is happy to supply in full.
- Employed a Trainee Asset Manager to develop and manage Council's Asset Management Programme.

Council will maintain this continuous improvement cycle with the implementation of the items identified in the Rural Council Action Plan and take an active role in the development and establishment of the Riverina JO and in the ongoing work of REROC.

LIST OF ATTACHMENTS

- Attachment 1: PWC & Local Government Professionals Australia NSW
NSW Local Government Operational & Management Effectiveness Report
FY2014 – Coolamon Shire Council - 29 April 2015.
- Attachment 2: Coolamon Shire Council
Submission for Local Government Review Panel – March 2013
- Attachment 3: Coolamon Shire Council
Submission to the NSW Independent Local Government Review Panel – 11
September 2012
- Attachment 4: REROC
Achieving Strategic Capacity Through Regional Collaboration – June 2015.
- Attachment 5: Coolamon Shire Council
Response to Independent Local Government Review Panel Discussion Paper:
Future Directions for NSW Local Government Twenty Essential Steps
- Attachment 6: Coolamon Shire Council
Statement of Partnerships
- Attachment 7: Coolamon Shire Council
A list of Council's Capital Works.
- Attachment 8: NSW Office of Water
Coolamon Shire Council – TBL Sewerage Performance
- Attachment 9: Coolamon Shire Council
➤ Public Consultation Fit for the Future Local Government Reform Powerpoint
Presentation
➤ Survey Results and Council Newsletters
- Attachment 10: Coolamon Shire Council
Desktop Bland/Coolamon/Temora Merger Assessment



*See Guidance material page 24 for
help completing this section.*