

Template 3

Rural Council Proposal



Getting Started

Before you commence this template, please check the following:



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



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



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



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



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

Section 1: About your council's proposal

Council details

Council name:

Tumbarumba 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.

Tumbarumba Shire is located in the western foothills of the Snowy Mountains, bordered by Kosciuszko National Park in the east and the Murray River to the south. The Shire's agriculture and softwood timber industries, including Australia's largest softwood processing mill provide a strong economic base. A robust retail sector; hydro electricity generation and the Mannus Correctional Centre contribute to Tumbarumba's historically low unemployment rate. These industries are supplemented by an expanding tourism industry centred on Tumbarumba Shire's outstanding natural attractions and growing reputation as a premium cool climate food and winegrowing region. The Shire's area is 4,391 square kilometres and our population is 3,521. The NSW Department of Planning has forecast the Shire's population to drop slightly to 3,300 by 2031.

Despite our small population and remote location, Tumbarumba Shire has been widely recognised as one of the best performing rural councils in NSW. **Attachment A - Our Story** lists some of our achievements, and details what we are already doing to increase our scale and capacity and be Fit for the Future.

We have a sound financial position that will be further strengthened by implementing our Rural Council Action Plan over the coming years. Our greatest challenge is our isolated location and sparse population; however utilising the Riverina JO (REROC) and other regional and local partnerships greatly assist us in achieving scale and capacity without the need for amalgamating with other councils.

We are pleased to present this submission to IPART. It provides an overview of our scale and capacity, and our performance against the Fit for the Future benchmarks. We have achieved full compliance with the Best Practice Management of Water Supply and Sewerage Guidelines and successfully undertaken substantial capital works to improve the performance of our water and sewer operations. These are outlined in more detail in section 2.3.

We have consulted widely with our community on what residents believe is the best way forward for our Shire. An overwhelming majority strongly oppose amalgamation, particularly given the distance and difficult terrain between Tumbarumba Shire and any potential merger partners which would result in the concentration of power outside the Shire and the loss of effective input into decisions that impact the local community.

A range of improvement options have been identified by councillors and staff, which were

then put to the public for feedback through a series of public workshops in May. While many of these measures will result in cost savings, some will lead to better use of scarce resources, releasing resources for higher order management. Projected cost savings have only been included in the long term financial plan where the figures are sufficiently robust.

Council's Improvement Program is detailed in this document, and summarised with costings in **Confidential Attachment J**.

Implementing this plan will improve achievement of the performance benchmarks from three to five by 2019/20 and to six during the term of Council's long term financial plan.

Reasonable explanations regarding the benchmarks not currently met are outlined in section 2.2. Council could achieve the seventh benchmark, but has elected not to for the reasons given in this document.

Council is confident that implementing these strategies will result in a strong, responsive and capable Council that provides a model for how a small, isolated rural council can be Fit for the Future.



See Guidance material page 10 for help completing this section.



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. Tumbarumba Shire Council was identified in Group C of the Panel's final report.

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

(Group C Councils should answer 'NA')

N/A



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

1.2 Scale and capacity

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

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	According to the "NSW State and Local Government Area Population, Household and Dwelling Projections: 2014 Final", Tumbarumba Shire's population is expected to decline from 3,450 in 2016 to 3,300 in 2031. The Shire's area is 4,391 square kilometres. This equates to a population density of 0.79 residents per square kilometre. Much of this area is non-rateable land that forms part of Kosciuszko National Park and NSW State Forests.
2. Local economies that are based on agricultural or resource industries.	The local economy is based on timber, timber manufacturing, and agriculture, with expanding more intensive horticulture, viticulture, and tourism. The presence of the Hyne timber mill, which is the largest and most efficient in Australia (employing up to 180 people), and the Mannus Correctional Centre, puts a floor under the local economy and requires the presence of a skilled workforce.
3. High operating costs associated with a dispersed population and limited opportunities for return on investment.	Council has a high operating cost per head of population, which is a function of a low population density. However, Council has the lowest cost per employee in the region. When averaged over the past 3 years, if neighbouring Tumut Shire Council's per capita employee costs applied in Tumbarumba Shire Council, it would add up to \$1 million per annum to operating costs (despite the qualifications and experience of Council's staff described at 6. below), so it is not necessarily true that smaller means more costly. Long distances are definitely the case; from the administration centre of Tumbarumba to the southern boundary of the Shire is approximately 2 hours. Council maintains the state road to this boundary.

<p>4. High importance of retaining local identity, social capital and capacity for service delivery.</p>	<p>This is extremely important. Key local 'state significant' industry requires a skilled workforce, which is dependent on community services provided by Council. Council supplies a medical centre which houses doctors, pathology, optometry, dentistry and physiotherapy. Council delivers centre based childcare, mobile childcare (into 3 other LGAs), and out of hours school care, plus aged services including social support, meals on wheels, home modifications and maintenance, community transport, low cost housing, and retirement village. These are attractive services that Council has been able to provide substantially on a cost-recovery basis so they deliver an essential service whilst at the same time improving economies of scale of Council's administration. Council also maintains State Roads on behalf of the RMS. The community is enriched by the diversity and skills of Council's employees. The localised nature of Council means that it is able to provide flexible service delivery of the 'little things' that matter to both local residents and visitors. For example, Council provides transmission of ABC radio via our transmission tower at Mt Ikes, and will also shortly commence retransmitting the digital TV signal to 'black spots' in Tumbarumba. In 2013 we extended our wireless internet network to provide free WIFI to tourists and local businesses in Tumbarumba and Khancoban CBDs.</p> <p>The local services that we deliver are 'fit for purpose' i.e. they are appropriate and cost effective for the population they serve. Distance provides a limiting factor for efficient service delivery by other organisations to the extremities of Tumbarumba Shire.</p>
<p>5. Low rate base and high grant reliance.</p>	<p>In recent years, Council has received grant funding to repair flood damage which has distorted own-source revenue. In 'normal' years, Council's own source revenue is at and slightly over benchmark 60%.</p>
<p>6. Difficulty in attracting and retaining skilled and experienced staff.</p>	<p>Council has no difficulty in attracting and retaining skilled and experienced staff, due possibly to a combination of the attractiveness of the area and also Council's reputation as a successful small council. Council's office staff qualifications include 10 staff with degrees, 2 with masters, 5 with diplomas, and a number with TAFE Certificate qualifications. Reports often cite a difficulty in attracting and retaining qualified engineers: Council has 2 masters-qualified civil engineers, plus 1 degree-qualified civil engineer, plus 2 degree-qualified asset management staff. Having well qualified staff is a key to delivering quality services, strong financial and asset management, securing significant grant funding and managing major projects.</p>

7. Challenges in financial sustainability and provision of adequate services and infrastructure.	The combined T-Corp and LG Infrastructure Audits put Tumbarumba Shire Council's sustainability position at equal 3rd in the state. Council is well placed to maintain a sound financial sustainability position going forward. Council has completed major infrastructure projects totalling \$55 million over the past 5 years.
8. Long distance to a major or sub-regional centre.	There are long distances to regional centres. The major regional centre for the northern end of the Shire is Wagga Wagga, and for the south is Albury/Wodonga. Each of these centres is approximately 1.5 hours by road for most residents. This is probably a strength for the community, because it means Tumbarumba needs to be self-reliant.
9. Limited options for mergers.	<p>The panel identified limited options for mergers due to the long distance and difficult terrain between Tumbarumba Shire and other centres.</p> <p>A number of factors limit Tumbarumba Shire Council's options for considering a merger to improve scale and capacity. These include:</p> <p><u>Distance to regional/sub-regional centres</u></p> <p>The town of Tumbarumba is located 1.5 hours drive from Wagga Wagga and Albury/Wodonga, and 1 hour's drive from Tumut. These distances are compounded by difficult driving conditions, including ice, snow and fog in the wintertime; winding mountainous roads; the widespread presence of logging trucks on the roads and large amount of wildlife on roads through heavily forested areas. For this reason, it is not possible to commute to Tumut from Tumbarumba on a daily basis for any length of time. This means that council jobs are unlikely to be retained in Tumbarumba in the long term (employees will move to Tumut, if that is where the administration centre will be based), which will have a devastating effect on the Tumbarumba community.</p> <p><u>Distance between communities of interest</u></p> <p>Perhaps largely due to our isolated location, the communities in Tumbarumba Shire Council have a strong local identity, and few commonalities with Tumut and Gundagai Shire. This was a recurrent theme raised by residents in the Fit for the Future survey. Only 3% of residents identified Tumut as their regional/sub-regional centre.</p> <p>Furthermore, residents in the agricultural south of the Shire, including Tooma, Khancoban and Jingellic are strongly aligned with Victoria. They have little in common with the town of Tumbarumba, and moving the main seat of local government further away to Tumut will only serve to further alienate these small communities, and will likely result in a greater loss of services to these areas.</p> <p><u>Natural barriers</u></p>

	<p>Tumbarumba Shire is located in a mountainous area, with the Snowy Mountains main range to the east, and the Victorian border to the south. The presence of alpine conditions further reduces the ability to commute between areas requiring servicing by a potentially much larger amalgamated Shire. For example, Tumbarumba Shire currently maintains a number of alpine roads in Kosciuszko National Park, such as the Alpine Way (state road) to Dead Horse Gap, and the Elliott Way to Cabramurra.</p> <p>Please see Attachment B – Consideration of Options to Deliver Scale and Capacity for more details on why Tumbarumba Shire Council does not believe a merger will provide benefits to our community.</p>
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Section 2: Your council's current position

2.1 Key challenges and opportunities

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

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

Strengths	Weaknesses
<ul style="list-style-type: none"> • Financially sustainable <i>(as per Attachment C: T-Corp report)</i> • Very strong asset management <i>(as per OLG Asset Management review)</i> • High level of volunteering via S.355 committees • Ability to obtain grants • Strong collaboration in partnership with other organisations/community drivers <i>(see attachment A – Our Story)</i> • Can do attitude • Deliver on promises • High level of capacity for small council (eg as shown by response to natural disasters) • Good planning for lower asset maintenance costs in the future– no timber bridges, road capital replacement <i>(see improvement option 6E)</i> • Community endorsement/satisfaction • Wide range of services delivered by Council on a cost recovery basis • Staffing expertise • Local control/identity • Cohesive, self-reliant council • No developer charges • Major infrastructure has been renewed (e.g. STP, WTP). • Good plant fleet <i>(see improvement option 2A)</i> 	<ul style="list-style-type: none"> • Small, ageing population <i>(as per NSW State and Local Government Area Population, Household and dwelling Projections: 2014 Final)</i> • Cold, wet climate – small window for capital works • Isolation – increased costs • Non-rateable land • Communication – lack of reliable mobile coverage and fast internet. • Lack of data – e.g. tourism for future growth opportunities • High cost of energy/unreliable electricity • LV vs CIV/rating structure • RMS and State Government bureaucracy and red tape

<p>Opportunities</p> <ul style="list-style-type: none"> • Provider of services to other LGAs (e.g. child care) <i>(see improvement option 3A)</i> • Use of more technology <i>(see improvement option 5B, 7A)</i> • Opportunity to share admin e.g. REROC/ other regional partners <i>(see improvement option 2A)</i> • Public Private Partnerships <i>(see Improvement option 1B)</i> • Provide more local services – home care, personal care, supported playgroup, support to Khancoban – share resources <i>(see improvement option 1E)</i> • Appropriate zoning for development • Further develop tourism <i>(see improvement option 1D)</i> • Growth of local horticultural industry (provides potential for population growth) <i>(see Attachment A – Our Story p38)</i> 	<p>Threats</p> <ul style="list-style-type: none"> • Change in government policy • Amalgamations • Declining/static and ageing population • Climate change/forest industry/fire/drought/decreased rain. • Noxious weeds • Ageing volunteers • Loss of RMS work/decline in road funding
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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)	0.021	0.073	0.075	0.043
Own Source Revenue Ratio (Greater than 60% average over 3 years)	67.9%	58.2%	54.2%	49.3%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	135.7%	153.5%	123.4%	165.4%

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	0.009	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	No	62.3%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	Yes	86.9%	No

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

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

In recent years, Council has received grant funding to repair flood damage which has distorted own-source revenue. In 'normal' years, Council's own source revenue is at and slightly over benchmark 60%. Please refer to **Attachment D – Long Term Financial Plan** if more financial information is required.

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%)	11.61%	3.86%	3.05%	2.80%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	137.3%	124.4%	92.7%	92.0%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.66%	0.64%	0.80%	1.00%



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%)	No	1.24%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	No	100%	No
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	Yes	1.58%	Yes

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

Infrastructure Backlog Ratio

In 2011/12, as part of our preparation for the introduction of Integrated Planning and Reporting, Council reviewed the desired standard and condition of our assets in conjunction with the community. As a result of the review, Council committed additional capital expenditure to bring our assets to a satisfactory standard and also changed our focus from new assets to asset replacement. This higher level of capital renewal expenditure has now been in place for four years, and the results are seen in the reduction in infrastructure backlog. While we don't currently meet the benchmark due to the rolling 3 year average, this benchmark will be met in the 2016/17 financial year. Our approach to reducing this backlog has been endorsed by Moloney Asset Management. No changes have been made to our accounting policies or depreciation rates in order to meet any of the Fit for the Future benchmarks.

Asset Maintenance Ratio

Council budgets for asset maintenance to meet asset depreciation and sees no need for this to be higher than 100%. Moloney Asset Management agrees with this approach. Refer **Attachment K**.

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)	3.70	4.58	3.59	4.38



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)	4.38	No	3.73	Yes

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

Past fluctuations in real operating expenditure per capita are due to changes in service levels. The underlying benchmark is improving. Council will always have a high operating expenditure per capita due to the Shire's low population density, and due to the extensive range of services delivered both within and outside the Shire boundaries and on behalf of other entities and levels of government.

2.3 Water utility performance

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

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

Yes

Tumbarumba Shire Council is leading the Riverina region in best practice management. Council has completed our IWCM plan and we are carrying out our IWCM strategy. A letter from the Minister for Natural Resources, Lands and Water (dated February 2015) is attached to this submission at **Attachment E**. It notes that Tumbarumba Shire Council has achieved full compliance with the Best Practice Management of Water Supply and Sewerage Guidelines, and congratulates Council on this achievement.

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?

\$1,933,000

This backlog has now been addressed by replacement of Tumbarumba's ageing sewer treatment plant.



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

Council will have completed all significant capital works (\$12.3 million) identified in our IWCM including replacement water treatment and sewer treatment plants by the end of the 2015/2016 financial year.

Council has prepared an application for funding to secure the Tumbarumba town water supply at an estimated cost of \$5 million. This is not included in the table above because funding has not yet been secured.

2.3 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.

Council's long term financial plan shows a net profit from water and sewer operations of \$656,000 for the 2014/15 financial year.

A small operating loss before capital grants of \$4,000 is projected for the current financial year, but operating surpluses are projected for the next 10 years.

2.3 Water utility performance

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

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

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
1. Water Supply from Lake Mannus - Application prepared for submission to next Water Security for Regions funding round. Total value: \$6,095,500	2016/17 pending funding opportunity	<ul style="list-style-type: none"> Improved town Water Security Comply with the Australian drinking water quality guidelines 2010
2. Upgrade of Tumbarumba Dam - Project plan completed and endorsed by NSW Dam Safety Committee - Geotechnical and concept study: \$122,500. - Construction estimated to be around \$100,000.	2016/2017	<ul style="list-style-type: none"> Improved town Water Security Dam risk reduction Improved public health and safety

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. Summary descriptions and costings for Council's Improvement Plan are contained in **Confidential Attachment J – Fit for the Future Council Action Plan – Tumbarumba Shire**

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.
1a) Deliver scale and capacity by utilising increased regional collaboration through a strengthened Riverina Joint Organisation. Beyond the pilot program there will be a number of ongoing opportunities for regional collaboration. A detailed description of REROC's activities and milestones for implementation of the Riverina JO can be found at Attachment F – Achieving Strategic Capacity through Regional Collaboration.	Continue membership of REROC as it transitions to the Riverina Joint Organisation. The Mayor and General Manager will continue to represent Tumbarumba Shire Council as voting delegates.	1. Transition phase (ROC to JO) entered: December 2015 The Pilot JO has identified targets and milestones.	For the duration of the pilot, the operating costs of the pilot JO will be met via the State Government's \$300,000 contribution and REROC's existing membership fee structure (Tumbarumba Shire Council currently pays \$13,440 for annual REROC membership).	Possible loss of local staff expertise, for example in Water and Sewerage Management.

<p>1b) Public/Private Partnerships with private softwood plantations for road improvements (Addresses SWOT opportunity: Public Private Partnerships)</p> <p>Around 30,000 hectares of softwood pine plantations are situated in Tumbarumba Shire. The industry's log haulage places significant stress on Council's road infrastructure. Council has a partnership in place with Forests NSW to upgrade/maintain roads subject to significant wear and tear from timber haulage. Council will seek to establish similar funding partnerships with private softwood plantations in the Shire.</p>	<ul style="list-style-type: none"> - Identify roads that will be impacted by the future harvesting of timber. Enter into MOUs with private plantations to contribute to the maintenance and repair of local roads during and after harvest. - Erect load limit signs on roads not to be used for timber haulage. - Negotiate amended logging schedules where possible to minimise log haulage on local roads over winter months. 	<ol style="list-style-type: none"> 1. Impacted roads identified: 31/10/15 2. Discussions held with private plantations: 31/12/15 3. Agreements entered into: 30/6/16 	<p>Review of impacted roads to be undertaken by existing staff, so no additional cost.</p>	<p>Private plantations may choose not to enter into an agreement with Council. Council can't force a private plantation to enter into a public/private partnership.</p>
<p>1c) Plant rationalisation</p>	<p>A plant utilisation review was carried out by Council staff in early 2015. It identified a number of plant units which are being utilised at levels below industry benchmarks. As a result of this review, four plant units (2 graders, a roller and a landcruiser utility vehicle) will be sold in the 2015/16 financial year for a total expected sale price of \$250,000. The savings from the reduction in the plant fleet size are expected to be approximately \$75,000 per</p>	<ol style="list-style-type: none"> 1. Items surplus to requirements sold: 30/09/15 2. New grader purchased: 30/09/15 3. Annual plant utilisation review completed: 31/03/16 	<p>Reviews undertaken by existing staff, so no additional cost.</p> <p>A new multifunctional grader will be purchased to replace the two graders sold, for a purchase price of \$340,000</p>	<p>A reduction in plant may create delays in completion of work. This may be addressed by using an efficient plant management system with work scheduling capabilities.</p>

	<p>year.</p> <p>Plant and heavy vehicle utilisation will be reviewed annually in the future and compared to industry benchmarks to ensure machinery is meeting budget utilisation forecasts.</p>			
<p>1d) Partnership with NSW National Parks and Wildlife Service to deliver Visitor Information Services to Khancoban.</p> <p>(Addresses SWOT Opportunity: Further develop tourism)</p>	<p>Council is building a new Visitor Information Centre in Khancoban in partnership with NSW NPWS. The centre is being built by Council and will be leased by NPWS for a period of 20 years, at which time ownership of the building will transfer to the NPWS.</p>	<p>1. Official opening of Visitor Information Centre: September 2015</p> <p>2. Operation of centre commences: October 2015</p>	<p>The capital cost of the building is \$740,000. Council has committed \$10,000 in annual maintenance of the site's landscaping.</p>	<p>Loss of control of day to day operational aspects of visitors centre.</p>
<p>1e) Expand delivery of community services to generate income for Council and drive further economies of scale in utilising Council's existing administration function.</p> <p>(Addresses SWOT opportunity: Provide more local services – home care, personal care, supported playgroup, support to Khancoban – share resources)</p> <p>Council delivers a wide range of</p>	<p>In the 2015-16 financial year, Council will extend the community services delivered by increasing the number of child-care places at Tumbarumba's long day care centre from 47 to 55. This will bring an additional \$126,000 in income to Council over the next five years.</p>	<p>1. Building extensions completed: 30/11/15</p> <p>2. Additional places secured: 30/06/15</p>	<p>The Carcoola building extension will cost approximately \$60,000, however this is being covered by a grant received by Council.</p>	<p>The risk of delivering additional community services is that they may lose money. Mitigated by careful planning, budgeting and monitoring.</p>

<p>community services that are essential for our small community.</p> <p>These services include:</p> <ul style="list-style-type: none"> - Children's services - Retirement village - Community transport - Multi service outlet - Centrelink and agency services - Medical Centre <p>Please refer to confidential attachment G – Community and Agency Services for more details on the financial impact of providing community and agency services in Tumbarumba Shire.</p>				
<p>1f) Utilise community consultation carried out for UM2030 to contribute to next Community Strategic Plan.</p> <p>In 2014, extensive community consultation was carried out in the southern half of Tumbarumba Shire (postcode 2642), as part of the Upper Murray 2030 Vision Plan (UM2030).</p> <p>UM2030 is a joint initiative of the Victorian Government (\$150,000), the Towong Shire in Victoria (\$50,000) and Tumbarumba Shire in NSW (\$10,000). It is a</p>	<p>While extensive community consultation has already taken place as part of the UM2030 process, some consultation in the south of the Shire will still be required as part of the CSP process.</p> <p>Full consultation in the north of the Shire will still be required.</p>	<p>1. CSP consultation completed: 31/12/16 2. CSP adopted by Council: 30/09/17</p>	<p>\$10,000 has already been expended.</p> <p>Leveraging UM2030 consultation is likely to save Council around \$10,000 in consultants fees for development of the next CSP.</p>	<p>Less consultation in the south of the Shire may mean that these residents are less engaged with the CSP process, and as a result their input is not received.</p>

<p>community planning project which will result in a detailed, deliverable and economically viable plan for the future of the Upper Murray.</p> <p>Council will be able to leverage the extensive community consultation that was undertaken for the UM2030 plan, to include some of the information in our next community strategic plan.</p>				
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p>1a) Riverina JO: The Riverina JO will enable member councils to collaborate on regional priorities and to share certain resources. It aims to deliver scale and capacity to member councils; for example by enabling economies of scale; undertaking joint projects; working with the state government and accessing expertise and resources that might not be available to individual councils.</p> <p>It will allow individual councils in the eastern Riverina to retain flexibility and autonomy, while at the same time strengthening regional collaboration opportunities.</p>	<p>Council considers that the regional priorities identified by REROC will have a direct impact in improving Tumbarumba Shire Council's Infrastructure and Service Management. These regional priorities include:</p> <ul style="list-style-type: none"> • Water and wastewater • Freight transport • Regional planning. 	<p>The existing REROC structure has delivered substantial benefits to member councils over the past 15 years. REROC has calculated that it has delivered over \$45 million in financial benefits to member councils over this time.</p> <p>It is difficult to quantify the expected future financial benefits of the strengthened Riverina JO. However, Tumbarumba Shire Council is confident that membership of this strengthened JO will continue to contribute to Tumbarumba Shire Council's scale and capacity. For this reason, membership of the strengthened JO has been included in our improvement strategy, despite the absence of rigorous financial modelling to quantify the expected benefits of membership of the JO.</p>

<p>1b) PPP with private timber plantations: Sharing the cost of road maintenance will reduce the real operating expenditure of Council.</p> <p>The placement of load limit signs on local roads will ensure that forest haulage is restricted to major transport routes, thus minimising damage and cost to local roads.</p> <p>In addition, discussions with the Forestry Corporation of NSW and private plantations about their harvest timeframes will minimise damage and cost, by restricting harvest on fragile roads to summer months.</p>	<p>Sharing the costs of renewing road infrastructure will improve the infrastructure backlog ratio.</p>	<p>Sharing the costs of maintaining road infrastructure will improve the operating performance ratio.</p>
<p>1c) Plant rationalisation/sharing:</p> <p>A reduction in 4 plant units will save Council the expenses associated with these, including registration, insurance and depreciation. This is expected to save approximately \$75,000 per year.</p> <p>More effective ongoing monitoring of plant units will flag any spare capacity and availability of plant for sale, reallocation or resource sharing with other work units.</p> <p>Utilisation records also assist with planning for plant replacement and service schedules, and to work out whether hiring or owning plant items is more cost effective.</p>	<p>Improved plant management may result in reduced idle time of plant on projects, therefore reducing the cost of constructing and maintaining infrastructure.</p>	<p>The plant utilisation review has identified 2 graders, a roller and a weeds vehicle that are surplus to Council's requirements. These will be sold in the 2015/16 financial year, for an expected sale total of approximately \$250,000.</p> <p>Better utilisation of plant will improve the operating performance ratio.</p>

<p>1d): Khancoban VIC</p>	<p>This arrangement increases Council's capacity by providing an additional visitor information centre service in the south of the Shire with no ongoing operating costs to Council. The cost to Council of operating an equivalent visitor information centre (at Tumbarumba) is approximately \$130,000. The arrangement also takes advantage of the specialised expertise of NPWS staff in providing visitor information to tourists visiting the snowy mountains region surrounding Khancoban.</p>	
<p>1e): Expand delivery of community services Delivery of community services allows us to increase Council's turnover without significantly increasing overhead costs, leading to greater economies of scale. For example, approximately \$135,000 in overheads is recouped annually by Tumbarumba Shire Council's community services activities (see Confidential Attachment G – Community and Agency Services).</p> <p>Council makes extensive use of volunteers in providing community services. For example, The Tumbarumba Multi Service Outlet provides HACC services, Meals on Wheels, Community Transport, Home Modification and Maintenance, Telecross and social support. In the last 12 months, the Multi Service Outlet has utilised 5,660 hours of volunteer time.</p>	<p>The community services delivered by Council are critical to the ongoing viability of our small rural communities. In an era where services in many small towns are diminishing, Council is expanding the range of services we deliver to the local community. Running these services in a financially sustainable manner enhances our ability to prosper over the longer term.</p> <p><u>Examples of community services provided by Council</u></p> <p>The Roth's Corner Medical Centre in Tumbarumba provides the town with a general practitioner, pathology, dentist, optometrist and dietician.</p> <p>The Tumbarumba Retirement Village allows older residents to 'age in place' without needing to move to larger regional centres.</p> <p>Centrelink, RMS agency and Service NSW</p>	

	<p>services are also operated at a small profit.</p> <p>Children's services operated by Council include a long day care centre; before and after school care; and a mobile service providing child care to rural and isolated communities in Tumbarumba Shire and neighbouring Shires.</p> <p>These activities increase the range of services available in our isolated rural communities, and are carried out in an efficient and financially sustainable manner.</p>	
<p>1f) Resource sharing: utilising UM2030 community consultation to include in 2016 CSP process: Tumbarumba Shire's residents in the rural southern half of the Shire identify much more closely with Victoria than Tumbarumba and have very different needs to those in the township of Tumbarumba and surrounds. Therefore, a completely separate community engagement program is required for this part of the Shire. Council can utilise the extensive community consultation carried out for the UM2030 plan to create efficiencies in the CSP process, saving \$10,000 in consultation fees.</p>		



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.
2a) Resource sharing agreement with Wagga Wagga City Council (Capitalises on SWOT strength: Good plant fleet) (Address SWOT opportunity: Opportunity to share admin e.g. REROC/ other regional partners)	A MOU is currently being drafted with Wagga Wagga City Council (WWCC) for WWCC to deliver specialist administration services to Tumbarumba Shire Council. These include: Workers Compensation Claims Management; policy development; and risk management. In return, Tumbarumba Shire Council will deliver road maintenance for WWCC's road network east of the Hume Highway, utilising Tumbarumba Shire Council's strong engineering management and operational capacity and Council will utilise specialised WWCC plant. Each Council will charge internal plant rates, delivering cost savings to both Councils.	1. Draft MOU: 31/07/15 2. Sign MOU: 31/08/15	Please see confidential attachment J – Fit for the Future Rural Council Action Plan	Job losses in Tumbarumba Shire Council. Council's current rankings by PwC's NSW local government operational effectiveness report – FY14, showed 2 metrics that may be improved by focussing on the HR issues of lost time injuries and sick leave taken. Council believes the proposed change to HR will reduce these two HR risks faced by Council.

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>2a) Resource sharing agreement with WWCC: ‘Outsourcing’ some of Tumbarumba Shire Council’s more specialised administrative functions to WWCC will result in a more efficient and cost effective administrative structure for Tumbarumba Shire. This will result in a decrease in real operating expenditure.</p>	<p>Tumbarumba Shire Council carrying out WWCC’s road works east of the Hume Highway is a practical option for both councils, as the highway is only 68 kilometres west of Tumbarumba. We already demonstrate our capacity and cost effective maintenance to a distance of 145km to the southern boundary of the Shire. Preliminary investigations indicate that WWCC sees benefits in this proposal as it would be able to concentrate more on its city-centric services, and it is likely that Tumbarumba Shire Council could provide these services more cost effectively.</p>	<p>Reduced operating costs will improve the Operating Performance Ratio.</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.
<p>3a) Expand childcare services to Ladysmith (WWCC) and Khancoban.</p> <p>Addresses SWOT opportunity: Provider of services to other LGAs (e.g. child care)</p> <p>Tumbarumba Shire Council provides a mobile long day care service to rural and isolated communities across 4 LGA's. There is an opportunity to expand this service to Khancoban (in Tumbarumba Shire) and Ladysmith (in Wagga Wagga City Council).</p>	<p>Funding has been secured for delivery of mobile long day care service to Ladysmith. Service will commence in July 2015.</p> <p>Funding has not yet been secured for provision of service to Khancoban, and delivery of this service is contingent on securing child care funding.</p>	<p>1. Mobile service commences at Ladysmith: 01/07/15</p> <p>2. Funding secured for Khancoban: 28/02/16</p> <p>3. Child care service commences in Khancoban: 01/07/16</p>	<p>Council's existing Children's Services structure will administer these two programs. Additional staff required will be offset by revenue generated.</p> <p>Council is eager to ensure that Child-care services are offered at Khancoban, due to its small population and very isolated location. It is willing to incur a loss on this location, which will be subsidized by profits generated from other Children's Services activities that council carries out.</p>	<p>Funding may not be secured for Khancoban, meaning that delivery of child care services to Khancoban would not go ahead.</p>

<p>3b) Expand contract environmental services work. For example, to other government bodies and agencies, such as the NSW Division of Crown Land and Snowy Hydro Limited.</p> <p>This will take advantage of our location close to large tracts of forests, including Kosciuszko National Park, and utilise Council's expertise in weeds and pest control.</p>	<p>In May 2015, Council was awarded a \$360,000 tender to maintain the 440 km Hume and Hovell Walking Track. This will be carried out over a period of 40 weeks from July 2015.</p> <p>Council has also submitted a tender to carry out weed spraying works near Khancoban on behalf of Snowy Hydro Limited.</p> <p>Council will actively pursue additional tender contracts of a similar nature as they arise.</p> <p>Additional casual weed sprayers will be engaged if needed.</p>	<p>1. Hume and Hovell Maintenance Contract commenced: 01/07/15</p> <p>Additional tenders prepared as they arise.</p>	<p>Please refer to confidential attachment J – Fit for the Future Rural Council Action Plan for costings.</p> <p>Greater use of existing staff and plant will enable existing costs to be better spread across a greater range of projects. The revenue generated from the new work will offset the additional setup costs.</p>	<p>Utilising council staff on the Hume and Hovell maintenance contract means there are insufficient resources to carry out Council's regular maintenance work. (Managed by accessing additional labour units through project partnership with Mannus Correctional Centre and Parklands Albury Wodonga Ltd).</p>
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
3a) Expand child care services	Delivering child care services into Khancoban will provide a greater certainty of long-term child care services remaining in the town, improve quality of care, and will capitalise on Council's child care economies of scale. No additional profit would be generated, but it would allow for recoupment of additional overhead. Financial benefits are unknown until funding is secured.	Delivery of child care services into remote areas of adjoining Shires takes advantage of Council's strong child care unit, earning additional income for the council.
3b) Environmental services contract work	Increased continuing revenue will improve the Debt Service Ratio.	The Hume and Hovell Walking Track and other maintenance contracts allow Council to generate increased income while utilising economies of scale and extensive community asset management experience in managing and delivering the project. Increased revenue will improve the Operating Performance Ratio and Own Source Revenue Ratio.

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.
<p>4a) Reduce the number of councillors from 8 to 7.</p> <p>Council has already removed the second formal council meeting that was previously held each month. Committee meetings have also been consolidated to be held on the same day as the council meeting.</p>	<ul style="list-style-type: none"> Proposal discussed at public meetings in May 2015 to gauge residents' views. Put the revised number of councillors to a referendum, with input from the local community. Constitutional referendum to be conducted in conjunction with the Local Government Election (Unless referendum no longer required under Fit for the Future reform process). If the answer is 'yes', Council will apply to the Minister to reduce the number of councillors from 8 to 7, effective from the next local government election. 	1. Referendum held: September 2016	The cost savings from reducing the number of councillors by 1 will be \$15,600 per year.	<ul style="list-style-type: none"> A reduction in the number of councillors may mean that less populated and isolated areas of the Shire, (such as Khancoban) are not adequately represented. A reduction in the number of councillors may limit the diversity of interests around the table and cause potential for dominance in Council by a particular interest group.

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p>4a) Reduction in number of councillors</p> <p>The cost of maintaining councillors will be reduced. This would save \$15,600 per year per reduced councillor (calculated by taking the average of 2013-14 councillor expenses and allowances, excluding the Mayor).</p> <p>The decision-making process may be more effective and efficient if the number of councillors is reduced.</p>		<p>Reduced operating costs will improve the Operating Performance Ratio.</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.
<p>5a) Reduce the level of detail in our delivery plan that we currently report upon.</p> <p>The IP&R reporting process is substantially more automated and streamlined than when it was first introduced. Initially, each IPR report took the responsible officer 6 weeks to complete.</p> <p>With the implementation of Council's new software suite, automation has saved at least two weeks of staff time.</p> <p>Plans are in place to further streamline the process during the next IP&R reporting cycle.</p>	<p>It is anticipated with the new major reporting cycle commencing for the next four year period that the initial input of goals and actions should take no more than a week.</p> <p>In the next IP&R reporting cycle, unnecessary actions will be removed from the report and replaced with a more descriptive action.</p> <p>For example remove items like complaints to be completed in 14 days, respond to customer correspondence in 10 working days when this plus others can be covered with one action like – Implement Council policy.</p>	<p>1. Further streamlined reporting program established in conjunction with new IP&R cycle: 30/09/17</p>	<p>There will be no additional costs to further streamline IP&R reporting.</p>	<p>It may take some staff time to set up streamlined changes. The process may divert resources from other important aspects of Councils operations.</p>

<p>5b) Streamline administrative function by moving to a more automated and integrated financial software system.</p> <p>(Addressses SWOT opportunity: Use of more technology)</p> <p>Council is currently moving to Civica's Authority Enterprise software suite for local government.</p> <p>Enhanced features of the new integrated software include automatic upload of budget reviews and LTFP from Authority Enterprise; Automatic records management archiving in TRIM of business paper reports and actions; standardisation of IPR reporting; linking of spatial data with financial software.</p>			<p>Savings have not been quantified for this initiative, so expected financial benefits have not been included in the Long Term Financial Plan.</p>	
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p>5a) Streamlining of the IP&R Reporting process</p> <p>Streamlining of the reporting process has already saved 2 weeks of the responsible officer's time, which is now being redirected to other important tasks.</p> <p>It is expected that further streamlining during the next IP&R reporting cycle will mean that the process takes the Responsible Officer no more than a week.</p> <p>This won't result in a reduction in costs per se, but will increase efficiency, allowing additional tasks to be carried out by the responsible officer.</p>		
<p>5b) Increased automation of accounting/administration processes: Investment in best practice information hardware and software across the organisation is a cost effective way to improve the efficiency of staff resources.</p> <p>Council is currently moving to 'Authority', a finance technology platform that provides the opportunity to automate routine tasks. A more automated workflow and approvals system will reduce reliance on manual, paper based checks.</p> <p>A more integrated finance system will improve the efficiency of the financial reporting process. Systems that do not meet business requirements and as a result need 'workarounds' (e.g. via excel spreadsheets) will be minimised, reducing inefficiencies in processing. This will free up staff to perform other tasks.</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.
6a) Rationalisation of playgrounds (Read Street Khancoban, King Street and Bicentennial Park in Tumbarumba). Possible sale of Read Street and King Street sites.	<ul style="list-style-type: none"> - Community consultation undertaken on this issue as part of CSP consultation. - Subject to community's wishes, playgrounds decommissioned and equipment removed as it becomes hazardous. - Council resolution obtained, authorising disposal of the properties. - Authorise the GM to finalise the terms of sale (including sale price) for the properties. 	<ol style="list-style-type: none"> 1. Playgrounds identified for removal and report prepared for Council seeking authorisation for sale: 31/12/16 2. Playgrounds decommissioned and marketed for sale: March 2017 	Revenue on the sale of land is expected to be approximately \$170,000. While this is less than the playgrounds' book value of \$237,000, the ongoing savings in maintenance and inspection costs are expected to deliver ongoing savings in the long term of approximately \$4,800 per year.	Complaints from the community about reduction in services.

<p>6b) Internal red tape/efficiency reviews.</p> <p>Engage Council's internal audit firm to conduct an internal efficiency review. This will identify opportunities to simplify, remove or reduce unnecessary administrative functions, to increase efficiency and reduce administrative effort.</p> <p>Include results of 'NSW local government operational and management effectiveness report – FY14' as part of scope of review.</p> <p>Also use Towong Shire Council's efficiency program as a reference point.</p>	<ul style="list-style-type: none"> - Accounting firm engaged to conduct an internal efficiency review. - Efficiency review report (including recommendations) made to Council. - Some/all of the report's recommendations are implemented by Council. <p>In future years, Council will commission efficiency reviews of two processes per year within Council's operations.</p>	<ol style="list-style-type: none"> 1. Accounting firm engaged: 31/07/15 2. Efficiency report to Council: 31/05/16 3. Recommendations implemented: 2016-17 financial year. 	<p>Internal efficiency reviews are expected to cost \$10,000 annually.</p> <p>It is expected that the efficiency review will result in \$15,000 in cost savings in the first year of implementation, tapering by 20% each year in subsequent years.</p>	<p>Recommendations may be difficult to implement in terms of complexity, external constraints or implementation costs.</p> <p>Recommendations may result in job losses in our small community.</p>
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6c) Review all land surplus to requirements including unformed roads, with a view to sale.	<p>Identify properties suitable for sale.</p> <p>Undertake public consultation on proposed parcels for sale.</p> <p>Council resolution obtained, authorising disposal of the properties.</p> <p>Authorise the GM to finalise the terms of sale (including sale price) for the properties.</p>	<p>1. Investigation of unformed roads suitable for sale completed: 31/08/16</p> <p>2. Surplus land identified for sale and report prepared for Council seeking authorisation for sale: December 2016</p> <p>3. Surplus land marketed for sale: March 2017</p>	<p>The review will be conducted internally by existing staff.</p>	<p>Reduces council assets for future use.</p>
6d) New banking contract	<p>In December 2014, Tumbarumba Shire Council resolved to award the tender for provision of banking Services to the National Australia Bank for a period of 3 years with the option of an additional two years. An external consulting firm was engaged to manage the tender process.</p>	<p>1. Banking services commence: 01/07/15</p> <p>2. 'opt in' services such as BPAY View investigated: 31/03/16</p> <p>3. Report prepared for Council regarding decision to participate in opt-in services: 30/04/16</p> <p>4. Opt-in services implemented, if endorsed by Council: 01/07/16</p>	<p>According to the Consultants evaluation report, "The total saving over the contract period when compared to the existing Bank is \$46,735".</p>	<p>Nil – tender award has already been made.</p>

<p>6e) External review of asset condition and management (roads and bridges).</p> <p>(Capitalises on SWOT strength: Good planning for lower asset maintenance costs in the future– no timber bridges, road capital replacement)</p> <p>External asset management reviews have demonstrated that increased capital spending of past years has resulted in an opportunity to reduce recurrent maintenance such as patching activities. These external reviews have noted the effectiveness of Council's asset management systems.</p>	<p>Tumbarumba Shire Council routinely carries out road and bridge asset management reviews including inspection, condition rating and report by an independent expert every three years in conjunction with revaluation of asset classes. These ensure that Council's renewal expenditure is well directed.</p>	<p>1. Next asset management review completed: 31/03/18</p>	<p>Detailed asset management reviews cost \$48,000.</p>	
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?

Efficiency	Infrastructure and Service management	Sustainability
<p>6a) Rationalisation of playgrounds: The rationalisation of fewer, higher quality facilities that are appropriately distributed throughout the Shire is a more cost effective option than maintaining a number of poorly utilised and lower quality playgrounds.</p> <p>Council expects to save around \$4,700 annually in maintaining and inspecting these playgrounds.</p>		
<p>6b) Internal efficiency review: Implementation of recommendations will result in more efficient processes throughout the organisation.</p> <p>Council expects to generate \$15,000 in savings in the first year of implementing efficiency recommendations, tapering by 20% in future years.</p>		
<p>6c) Review land surplus to requirements with a view to sell</p>		<p>Selling land surplus to Council's requirements will generate additional income for Tumbarumba Shire Council. Estimates of the proceeds of the sale of surplus land are not sufficiently robust to include in the long term financial plan.</p>

<p>6d) New banking contract:</p> <p>In addition to saving \$46,735 in bank fees, the new banking contract will enable Council to introduce a range of new services including internet and telephone receivables channels, BPAY View, and Allocated EFT. This will allow bills such as rates notices to be sent electronically.</p>		
<p>6e) External asset management reviews:</p> <p>Past external asset management reviews (roads and bridges) have demonstrated that increased and better targeted capital spending of past years has resulted in an opportunity to reduce recurrent maintenance such as patching activities. Savings are increasing each year, and in 2014/15 are expected to be around \$65,000.</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.
<p>7a) Continue to implement GPS plant tracking for increased efficiency</p> <p>(Addresses SWOT opportunity: Use of more technology)</p> <p>Tumbarumba Shire Council is implementing GPS tracking and monitoring technology to assist in cutting operating costs to a minimum, with no impact to our level of service to ratepayers, by refining asset efficiency to our leanest levels.</p> <p>This has led to improvements in fleet management, road inspections and maintenance, and even resource allocation during natural disasters.</p>	<p>This initiative has already been partly implemented, with approximately 20 plant units now in the GPS plant tracking system. A further 20 plant units are scheduled to be included in the tracking system in the 2015-16 financial year.</p>	<p>integration of a further 20 plant units into GPS system completed: 30/06/16</p>	<p>\$20,000 has been spent in the 2014/15 budget, and a further \$20,000 will be spent in the 2015/16 budget. Additional maintenance costs are \$30 per month per plant unit (approx \$14,400 per year).</p>	<p>Incorrect or dangerous installation of equipment. Minimised by using only qualified and skilled personnel in installation.</p>

<p>7b) Implement recommendations from “Electricity Usage Review and business cases” report prepared for Council by CDE Energy in 2014.</p>	<p>- Solar PV systems will be installed in Council’s buildings that consume the largest amounts of electricity (Water Treatment Plant, Works Depot, Child care centre etc..)</p> <p>- A lighting upgrade will be implemented at Council’s administration building.</p>	<p>Solar PV systems</p> <ol style="list-style-type: none"> 1. Contact potential solar PV suppliers and request site visits and quote developments: 31/07/15 2. Evaluate offers and specification suitability and quality: 31/08/15 3. Select contractor and quotation. Undertake works: 31/10/15 4. Evaluate system performance: 31/05/16 <p>Lighting upgrade</p> <ol style="list-style-type: none"> 1. Obtain quotations for lighting upgrade options, request separate quote for each option to enable ROI evaluation and quote comparison: 31/07/15 2. Evaluate project viability and select contractors: 30/09/15 3. Complete works and evaluate system 	<p>Solar PV systems</p> <p>A 20KW Solar PV system for Tumbumba’s water treatment plant is expected to cost around \$20,500 and is expected to generate annual cost savings of between \$3,000 and \$5,000. (ROI = 14%).</p> <p>A 10KW Solar PV system for Council’s administration building is expected to cost around \$20,500 and generate annual savings between \$3000 - \$3,500 (ROI – 18%).</p> <p>A 10KW Solar PV system for Council’s works depot building is expected to cost around \$20,500 and generate annual savings between \$3000 - \$3,500 (ROI – 18%).</p> <p>A 10KW Solar PV system for Council’s Rural Transaction Centre building is expected to cost around \$20,500 and generate annual savings between \$3000 - \$3,500</p>	<p>- Incorrect or dangerous installation of equipment. Minimised by using only qualified and skilled personnel in installation.</p> <p>- Inefficiently sized solar PV unit installed. Minimised by implementing specific recommendation from qualified consultant.</p>
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		performance: 31/05/16	<p>(ROI – 18%).</p> <p>A 6KW Solar PV system for Council's Carcoola long day care centre building is expected to cost around \$12,000 and generate annual savings between \$2,400 - \$3,400.</p> <p>Lighting upgrade The implementation cost of the lighting upgrade is expected to be \$9,500. The annual savings are expected to be \$2,275.</p>	
7c) Increase the amount of information on website to help minimise number of customer service calls/enquiries.	A web developer will develop a new website that is easier to use, navigate and contains more up to date and relevant information. A council staff member will keep the content of the website current.	<p>1. Develop specifications for Council's new website: 31/08/15</p> <p>2. Contact potential web developers and request quotes: 31/10/15</p> <p>3. Select web developer: 28/02/16</p> <p>4. New website live: 31/10/16</p>	<p>The new website is expected to cost around \$20,000 in web development fees. Efficiencies created by the website are expected to save one day per week in enquiries for part-time customer service officer.</p>	<p>Risks of poor quality will be minimised by using a professional web development company.</p> <p>Disgruntled residents if they cannot navigate the website and are disappointed with the reduced personal interaction with Council staff.</p>

<p>7d) Upgrade Council's Works Depot</p> <p>Council resolved to upgrade the Tumbarumba works depot over a period of 3 years.</p>	<p>Stage 1:</p> <ul style="list-style-type: none"> - remove igloo building - build compound 2 - build heavy truck covered area - build covered area for light vehicles - fill land for heavy vehicle parking - new fence - security system/electronic gates and cameras -new weed and chemical shed; hay shed and emergency shed. <p>Stage 2:</p> <ul style="list-style-type: none"> - refurbish store and storeroom - refurbish office - new gravel and cold mix compounds. <p>Stage 3:</p> <ul style="list-style-type: none"> - new staff room, amenities and training room. - sell off old staffroom and offices. - refurbish carpentry and fabrication areas. - build compound 1. 	<p>1. Stage 1 complete: 30/06/17</p> <p>2. Stage 2 complete: 30/06/18</p> <p>3. Stage 3 complete: 30/06/19</p>	<p>Stage 1 cost: \$272,500</p> <p>Stage 2 cost: \$75,500</p> <p>Stage 3 cost: \$132,000</p>	<p>- Risk of budget blowout mitigated by effective monitoring of project budget to actual costs.</p>
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?

Efficiency	Infrastructure and Service management	Sustainability
<p>7a: Plant tracking:</p> <ul style="list-style-type: none"> Increased asset utilisation. Cutting operating costs to a minimum with no impact on level of service to ratepayers. Identification of inefficient work practices. Reduced public liability Theft prevention Reduced maintenance costs and downtime Improvements in scheduling work and monitoring progress. <p>The two primary benefit of GPS plant tracking are the identification of inefficient work practices and increased asset utilisation.</p>	Better provision of service to ratepayers	
<p>7b) Energy efficiency measures: Installing energy efficient Solar PV units and lighting will contribute to lower electricity costs in the long term.</p>		
<p>7c) Updated website: A clearer website that is easier to navigate and contains up to date information will assist in reducing the number of phone enquiries that Council's customer service staff are required to deal with. This will free them up to do other tasks. Efficiencies created by the website are expected to save one day per week in enquiries for part-time customer service officer (\$180/day x 52 days = \$9,464 per year).</p>		
<p>7d) Upgrade Council's Works Depot: delivering savings from improved staff productivity.</p> <p>The installation of employee and vehicle scanning is to monitor who and when the Depot is accessed. This will improve staff efficiency and safety, reduce the need for keys and supply data that assists management when there is a belief that there is a need to investigate breaches of Council policy and/ or protocols.</p> <p>The depot upgrade will include the installation of employee and vehicle scanning, to monitor when the depot is being accessed and by whom.</p> <p>This will improve staff efficiency and safety and will assist in monitoring for breaches of council</p>		

<p>policy/protocols.</p> <p>For example, if 4 staff members arrive/ leave a work site 30 minutes early/ later than required, it would result in a total of 2hrs/ day @ \$55/hr (on-costs) in lost productivity which equates to \$220/day.</p> <p>Currently, Council has no formal method for staff to record their start/ finish times apart from their timesheets. Using the example of 4 staff working 30 minutes short 3 out of 5 days per week, would cost Council a total of \$660/week. Over a 12 month period occurring at a conservative rate of 26 weeks/ year @ \$660, results in \$17,160 in lost productivity at a minimum.</p> <p>In addition to the above example, there is the situation of staff coming into the yard without purpose apart from to waste or fill in time until knock off. It would be a fair assessment that this could be double the loss of an annual productivity value than that given in the above example. This gives a conservative estimate of productivity savings of \$34,320 per year resulting from increased security at the works depot.</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
<p>(N.B. Please refer to Attachment J – Fit for the Future Rural Council Action Plan for more details on these actions).</p> <p>1. Deliver increased scale and capacity through membership of a strengthened Riverina Joint Organisation.</p>	<p>Please see attachment F for detailed milestones identified by REROC.</p>
<p>2. Hold discussions with private timber plantations with a view to entering into public private partnerships for a contribution to the maintenance of local roads utilised by private plantations for log haulage.</p>	<p>1. Impacted roads identified: 31/10/15</p> <p>2. Discussions held with private plantations: 31/12/15</p> <p>3. Agreements entered into: 30/6/16</p>
<p>3. Sell surplus items of plant that were identified as underutilised in the Plant Utilisation Review, conducted earlier this year. Purchase a new multifunctional grader to replace two underutilised graders. Undertake to review plant utilisation on an annual basis.</p>	<p>1. Items surplus to requirements sold: 30/09/15</p> <p>2. New grader purchased: 30/09/15</p> <p>3. Annual plant utilisation review completed: 31/03/16</p>
<p>4. Implement agreement with NSW National Parks and Wildlife Service for the provision of visitor information services in Khancoban.</p>	<p>1. Official opening of Khancoban Visitor Information Centre: September 2015</p> <p>2. Operation of centre commences: October 2015</p>
<p>5. Complete building extensions for Tumbarumba's long day care centre (Carcoola). With increased floor space, expand the number of child care places available at Tumbarumba's long day care centre from 47 to 55.</p>	<p>1. Building extension completed: 30/11/15</p>
<p>6. Sign resource sharing agreement with Wagga Wagga City Council, whereby WWCC will deliver specialist administration services to Tumbarumba Shire Council. In return, Tumbarumba Shire Council will deliver road maintenance for WWCC's road network east of the Hume Highway. Each Council will charge internal plant rates, delivering cost savings to both councils.</p>	<p>1. Draft MOU: 31/07/15</p> <p>2. Sign MOU: 31/08/15</p>

Implement agreement.	
7. Expand mobile child care services to Ladysmith in the Wagga Wagga City Council Local Government Area. Secure funding for the provision of child care services at Khancoban.	<p>1. Mobile service commences at Ladysmith: 31/12/15</p> <p>2. Funding secured for Khancoban: 28/02/16</p>
8. Carry out contract to maintain Hume and Hovell Walking Track. Tender for addition contract environmental services work where the opportunity arises.	<p>1. Hume and Hovell maintenance contract commenced: 01/07/15</p> <p>(Additional tenders prepared as they arise).</p>
9. Engage accounting firm to carry out internal efficiency reviews.	<p>1. Accounting firm engaged: 31/07/15</p> <p>2. Efficiency report to Council: 31/05/16</p> <p>3. Recommendations implemented: 2016/07 financial year</p>
10. Implement new banking services. Investigate utilising 'opt in' services such as BPAY View for greater automation of cash collection processes.	<p>1. New banking tender commences: 01/07/15</p> <p>2. 'Opt in' services such as BPAY View investigated: 31/03/16</p> <p>3. Report prepared for Council recommending Council participate in opt-in services or not: 30/04/16</p> <p>4. Opt-in services implemented if endorsed by Council: 01/07/16</p>
11. Continue to roll out GPS plant tracking for increased efficiency of work practices.	<p>1. integration of a further 20 plant units into GPS system completed: 30/06/16</p>
12. Implement recommendations of 'Electricity Usage Review and Business Cases' report, including solar PV panels on key council buildings, and an energy efficient lighting upgrade.	<p><u>Solar PV systems</u></p> <p>1. Contact potential solar PV suppliers and request site visits and quote developments: 31/07/15</p> <p>2. Evaluate offers and specification suitability and quality: 31/08/15</p> <p>3. Select contractor and quotation. Undertake works: 31/10/15</p>

	<p>4. Evaluate system performance: 31/05/16</p> <p><u>Lighting upgrade</u></p> <p>1. Obtain quotations for lighting upgrade options, request separate quote for each option to enable ROI evaluation and quote comparison: 31/07/15</p> <p>2. Evaluate project viability and select contractors: 30/09/15</p> <p>3. Complete works and evaluate system performance: 31/05/16</p>
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**Please attach detailed action plan and supporting financial modelling.*

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

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

In March 2015, workshops were held with both staff and councillors to identify areas of improvement. Council staff collated the results of these workshops and put together a draft improvement program.

The draft improvement program was presented to the community at public meetings held across the Shire in May 2015. Council sought community feedback on options for improvement at these meetings.

A further workshop was held, facilitated by Council's Internal Auditor to review outcomes from the councillor and staff workshops and public meetings and to refine the improvement program.

Council staff modelled the financial impacts of the identified improvement options where they could be robustly measured. Where the financial impacts of improvement options could not be reliably measured, the options have still been included in our submission, but the lack of robust modelling has been noted, and the impact of the option has not been included in Council's long term financial plan. Council has chosen to keep these unmodelled options in our submission as we believe that they will deliver future cost savings or expanded capacity, despite the absence of hard supporting data at this time. An example of this is membership of the Riverina JO. We believe that this will deliver substantial benefits to our Shire, but these future benefits have not been reliably quantified at this point in time*.

A draft submission (including action plan) was then presented to a councillor workshop prior to the June 2015 council meeting for feedback from councillors. The refined submission was then endorsed by Council at the June 2015 council meeting.

* [Figures demonstrating the financial benefits generated by REROC over the past 15 years were provided to all member councils by the REROC Executive Officer.

Tumbarumba Shire Council is represented on the executive of the Riverina JO, plus on each of the JO working parties either at the technical or executive level (or both).]



See Guidance material page 21 for help completing this section.

3.3 Community involvement

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

Council has consulted with the community via a number of channels regarding the Fit for the Future process and opportunities for improvement.

In March 2015, workshops were held with both staff and councillors to identify areas of improvement. Council staff collated the results of these workshops and put together a draft improvement program.

The draft improvement program was presented to the community at public meetings held across the Shire in May 2015. Council sought community feedback on options for improvement at these meetings.

An information bulletin and survey was distributed to all residents in early May providing information about options for Tumbarumba Shire Council and seeking feedback. 1500 surveys were distributed via a household letterbox drop, and 424 completed surveys were received. A sample survey is available at **Attachment H**, and a summary of the survey responses is contained at **Attachment I**.

A further workshop was held with Council's Internal Auditor to review outcomes from the councillor and staff workshops and public meetings and to refine the improvement program.

A dedicated 'Fit for the Future' page has also been made available on Council's website <http://www.tumbaShire.nsw.gov.au/featured-programs/1167533-fit-for-the-future-community-survey>.

Regular updates have been provided to the community via Council's website, social media and through community newsletters.

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.

A number of strategies were considered but not adopted when preparing Tumbarumba Shire Council's Action Plan. Increasing rates and/or decreasing service levels have not been included in our Action Plan at this point. This is because the community and councillors have clearly indicated in our Fit for the Future public consultation process that the first priority should be increasing efficiency and maximising income opportunities through other internal efficiency measures at an organisational level. The following strategies were considered throughout the Fit for the Future process but ultimately not included in the final action plan.

1. Reducing the number of council meetings

Tumbarumba Shire Council considered reducing the number of council meetings from one per month to one every 5 weeks. However, this was eventually rejected due to the difficulty it would create for members of the public to know when council meetings would be held, and the minimal cost reductions it would create. Further, Council has already reduced the number of meetings attended by councillors by distributing information via email. Previously, a formal planning and works meeting was held on a monthly basis, in addition to the Council meeting.

2. "Outsourcing" investment management to Wagga Wagga City Council

Council also considered outsourcing Tumbarumba Shire Council's investment management to WWCC. However, this was eventually rejected as the investment timeframes for WWCC and Tumbarumba Shire Council are significantly different.

3. Implementation of a telemetry system for remote water meter readings

A cost/benefit analysis conducted by Council concluded that the proposed telemetry system would result in a net increased cost of approximately \$20,000 per year. For this reason, it was decided not to include the proposed telemetry system in our Rural Council Action Plan. However, this may be something that Council considers in the future if bulk procurement by the Riverina JO results in a more affordable proposal.

4. Investigate developing a waste recycling centre in conjunction with Mannus Correctional Centre.

This was ultimately rejected due to the concept being in an embryonic stage, with no firm costings or agreement from the Department of Corrective Services. However, Council will investigate this further as a potentially more cost effective solution to managing recycling in the Shire.

The use of inmate labour would make the project viable financially. Preliminary discussions with the Department of Corrective Services indicate that they are keen for inmates to be working and generating income for the department, and the department supports the concept in principle at this stage.

The project may generate income for Tumbarumba Shire Council, It may also generate an additional job in Tumbarumba – an inmate supervisor.

5. Shared senior management

Sharing senior management with other councils is not considered to be practical in Tumbarumba Shire Council for the following reasons:

- Poor mobile phone and internet service does not support remote work arrangements.
- Large distances to travel, both within Tumbarumba Shire and to neighbouring Shires.
- Council already has a lean organisational structure with the lowest cost per employee in the region.

Considerations regarding preferred option to deliver Scale and Capacity

Please see **Attachment B – Consideration of Options to deliver Scale and Capacity** for discussion of merger option to deliver scale and capacity.

Section 4: Expected outcomes

4.1 Expected improvement in performance

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

Measure/ Benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total improvement over period?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.025	-0.011	0.009	0.024	0.033	0.028	Also complete years 2020/21 – 2024/25 on following page
Own Source Revenue Ratio (Greater than 60% average over 3 years)	50.9%	59.3%	62.3%	69.7%	70.1%	70.9%	Also complete years 2020/21 – 2024/25 on following page
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	90.4%	80.1%	86.9%	90.0%	99.4%	99.4%	10.0% Change
Infrastructure Backlog Ratio (Less than 2%)	1.34%	1.30%	1.24%	1.17%	1.12%	1.06%	-20.9% Change
Asset Maintenance Ratio (Greater than 100% average over 3 years)	100%	100%	100%	100%	100%	100%	Nil% Change
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	1.63%	1.55%	1.58%	1.59%	1.64%	1.61%	-1.2% Change
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	3.87	3.86	3.73	3.57	3.43	3.31	-14.5% Change

4.1 Expected improvement in performance*

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Total improvement over period
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.032	0.036	0.040	0.043	0.047	288.0% Change
Own Source Revenue Ratio (Greater than 60% average over 3 years)	71.0%	71.1%	71.2%	71.3%	71.4%	40.3% Change

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

Council's long term financial plan which extends to 2024/2025 shows achievement of all benchmarks with the exception of the asset maintenance ratio. Council has made a conscious decision to achieve an asset maintenance ratio of 100% as it sees no need to increase maintenance above depreciation.



See Guidance material page 23 for help completing this section.

4.2 Factors influencing performance

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

The key constraint limiting Tumbarumba Shire Council's ability to generate own source revenue is our low population density, combined with our large tracts of unrateable land.

This limits the amount of income from rates that can be earned.

Because of this, we have had to maximise opportunities to deliver financial sustainability through:

- Our ability to form strong partnerships;
- Our ability to access capital grants;
- Our strong resources (stunning natural environment, strong cohesive council, diversified economy and well qualified staff).

Further information on our overall model for creating scale and capacity in a small rural council, and our commitment to continuous improvement can be found at **Attachment A – Our Story**.



See Guidance material page 23 for help completing this section.

Section 5: Implementation

5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

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

Council will create a 'Fit for the Future' implementation committee, to oversee the implementation of the Rural Council Action Plan. It will consist of councillors and council senior staff.

Council staff will report to the committee bi-annually, on achievements against milestones in the Rural Council Action Plan. The implementation committee will report to Council on an annual basis. Reporting to Council will tie in with Council's annual report process.



See Guidance material page 24 for help completing this section.