

Council Improvement Proposal

(Existing structure)



Council name: **Temora Shire Council**

Date of Council resolution endorsing this submission: **23rd June 2015**

1.1 Executive Summary

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

Temora Shire Council is a council in tune with the hopes and aspirations of its community. The Fit for the Future (FFTF) process has provided reinforcement to council that the actions taken by council on an ongoing basis aligns with the direction the state government considers best practice in Local Government.

Many of the issues outlined by the panel and the FFTF process had already been identified by Temora Shire Council and action commenced to address areas of perceived weakness.

Temora Shire Council is a strong supporter of the reform of Local Government. Any dispassionate analysis would inevitably lead to the conclusion that there are many areas in the state that are in a parlous condition, economically, politically or with poor asset condition. This document will show clearly that Temora Shire Council is not in this position and is a strong local council that is valued by its community, has the necessary scale and capacity to survive and has in place strategies that will ensure that it is indeed Fit for the Future.

The residents of Temora Shire Council have clearly endorsed the council stance to stand alone with over 96% of respondents believing the best option for their council is to stand alone. This endorsement by our community is the primary reason the decision has been made to submit Template 2 (Council Improvement Proposal).

The decision is not made in isolation or ignorance however. Independently, the TCorp evaluation of Temora Shire Council, the Promoting Better Practice review by the Internal Audit Bureau and the Office of Local Government Infrastructure Audit all supported the contention that council are indeed Fit For The Future.

The survey of Council residents and the independent 'People and Communities Survey' conducted by the University of Canberra (1) indicated a level of satisfaction with Council that is equal or better than any other local government body in Australia.

On a regional level, the member councils of Riverina Eastern Regional Organisation of Councils (REROC) have worked cooperatively for many years for the benefit of our residents. The cooperation, trust, honesty and respect of member councils is an example of best practice in regional cooperation. It is not by accident, rather design, that the member councils of REROC are well placed on all measures comparable with other regions. The work of the councils in terms of benefit to the community cannot be over emphasised.

(1) People and Communities: The 2014 Regional Wellbeing Survey Schirmer, Mylekm Peel & Yabsley. University of Canberra

Scale and Capacity

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

Yes / ~~No~~

The Independent Local Government Review Panel “the panel”, in its final report ‘Revitalising Local Government’, provides that Temora Shire Council be categorised in Group D – Potential merger partners for Group B and Group C councils (Table 11).

Specifically, the recommendation provides that Temora Shire Council become a:

“Council in Riverina JO or merge with Coolamon and/or Bland”.

It should be noted that the report provides preferred options in bold type where applicable. In this case, **no bold type is evident**, indicating that either option is acceptable to the panel.

Nonetheless, Temora Shire Council, as part of due process, met with each neighbouring council following the release of the report to determine if any commonality or mutual benefit could accrue from a merger proposal. The process confirmed the belief of this council that the best option for Temora Shire Council is to reject any merger proposal. A preliminary analysis of the merge options is attached (Attachment A). The analysis reviews the impact of a 2 council merger. The impact of a 3 council or more merger was correspondingly less favourable as size and complex operational issues become more problematic.

In support of this decision, there are many indicators that confirm the assessment that Temora Shire Council has the necessary scale and capacity to stand alone. The first indicator is that provided by TCorp in the industry assessment provided to the panel. The TCorp assessment of Temora Shire Council provides a Financial Sustainability Rating (FSR) of **Sound**, an Outlook of **Neutral** and an FSR Overlay of **Sound**. Only 16 Councils in the state received a Sound rating or above. (Attachment B)

In addition to this rating. The Office of Local Government (OLG) Infrastructure Audit provides a **Strong** rating to Temora Shire Council with only 11 rural councils receiving an equal or higher rating.

The issue of declining rural population needs to be considered. The panel report utilised the figures of the NSW Department of Planning (DOP) to show that most of rural NSW is suffering population decline. This is a proposition that Temora Shire Council reject and indeed believe that the DOP figures are crude and dangerous in that they can become a self-fulfilling prophecy if not challenged. More recent presentations by DOP categorise Temora as a 'growing small town'. Similarly, the latest Bureau of Statistics figures, released 31 March 2015 indicates an annual increase in population for Temora Shire Council to 30.6.2014 of 0.9%, confirming the belief of council that population is being maintained or moderately increased (Attachment C).

Temora Shire Council has undertaken an extensive range of consultation with the community to determine stakeholder expectation and ensure that the community is aware of the local government reform process. The details of this process are available in Attachment D. Of note however, is a recent survey (Attachment E) which indicates that in excess of **96%** of the respondents (656) wanted council to remain independent.

Temora Shire Council is involved in the trial Riverina JO in accordance with the recommendation of the panel. This mechanism along with the current regional collaboration has proven to provide significant scale and capacity (Attachment F). Setting aside the formal collaboration mechanisms, Temora Shire Council is involved in at least 54 regional arrangements with other local government bodies (Attachment G).

2. Your council's current position

2.1 About your local government area

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

Temora Shire Council is located in the Eastern Riverina region of New South Wales. Typical of councils in this area, the shire is based on agriculture industry, primarily cereal crops and livestock (sheep & cattle) production.

The local government area (LGA) has a population of 6050 (ABS 2015) with the main population centre being Temora (4600). Other smaller villages in the shire include Aria Park, Springdale and Reefton. The LGA is bordered by the shires of Bland, Coolamon, Cootamundra, Junee and Young. Temora is located 87km from the regional centre of Wagga Wagga, 220km from Canberra and 440km from Sydney.

The LGA, typical of many rural councils, has challenges that it must face into the future. These challenges have been identified in the Temora Community Strategic Plan (CSP), 'Temora 2030'. The most noteworthy of these is the recognition of our ageing population. Whilst the intergenerational issue is a general challenge to society, the problem is amplified in rural areas and Temora is not immune to the effects of this phenomena. The most recent census (2011) provides a snapshot of the issue:

2001. Average age: 38 years % of residents over 65 years: 18.06%

2006. Average age: 42 years % of residents over 65 years: 19.38%

2011. Average age: 44 years % of residents over 65 years: 21.43%

The trend is obvious and the response from council has been clear and proactive. Council has embraced the expectation of its older residents to retire into the community by the provision of services for elderly clients. These services range from health and community services such as home care and transport to the provision of lifestyle options such as interest groups and cultural outlets. Additionally, Council has been active in its role of lobbyist and activist in ensuring that the facilities available to elderly residents meet needs and expectations.

However, meeting the needs of the elderly is one strand of a complex issue. The other issue is the retention of younger people and families within our community. This means meeting the needs of young people and families in areas such as employment, education, cultural, community, spiritual and health. To this end, Council has long term plans to ensure the retention, expansion and attraction of industry. Some strategies have worked very effectively such as the innovative Temora Airpark, attracting aviation enthusiasts from around Australia and beyond.

Temora Shire Council prides itself on being a business friendly council. Best practice development processes, low infrastructure costs, council assistance and a commitment to business illustrate the importance council places on the development of local business.

Demographically, the actions of council are now becoming evident. Temora was recently identified by DOP as a 'growing small town', and the most recent Bureau of Statistics population figures provide modest growth of 0.9% in the past year (Attachment C). These factors are evidence of an internal, stable to growing population, that have not relied on a finite resource industry (mining), regional centre growth or government investment.

2.2 Key challenges and opportunities

Strengths	Weaknesses
<p>COUNCIL REVENUE & BUDGET</p> <ul style="list-style-type: none"> • Low debt level • Solid financial strategy including asset replacement • Strong external revenue sources • Good condition of assets <p>ORGANISATION & STAFF DEVELOPMENT</p> <ul style="list-style-type: none"> • Solid and stable staffing • Employer of choice in the marketplace • Well trained and stable employee base <p>LOCAL REPRESENTATION & LEADERSHIP</p> <ul style="list-style-type: none"> • Solid history of representative government • Local government voice of smaller communities • Excellent reputation in region • Ability to provide local representation (adequate number of representatives) <p>COLLABORATION & PARTNERSHIP</p> <ul style="list-style-type: none"> • Track history of regional cooperation • Excellent communication with stakeholders • Excellent inter-council relationships in Riverina including participation in Water County Council • Excellent relationship with local Members of Parliament • Excellent relationship with community <p>LONG TERM VISION & PLANNING</p> <ul style="list-style-type: none"> • Affordability of housing • Lifestyle • Sense of community • Solid financial footing • Excellent volunteerism ethic in community 	<p>COUNCIL REVENUE & BUDGET</p> <ul style="list-style-type: none"> • Potential shrinking rate base • Imposed infrastructure by higher levels of government eg Heavy Vehicle Mass Limits (HVML) • Capacity of community to pay Special Rate Variation (SRV) • Limited own source revenue options • Community service obligations due to community expectations and higher government inaction • Capacity of community to meet additional borrowing commitments <p>ORGANISATION & STAFF DEVELOPMENT</p> <ul style="list-style-type: none"> • Possible future attraction of skilled staff • Ageing workforce • Cost of employee training due to lack of local providers <p>LOCAL REPRESENTATION & LEADERSHIP</p> <ul style="list-style-type: none"> • Lack of representation on council from some groups (women, Non English Speaking Background) • Distance and isolation from population centre • Difficulty in attracting younger candidates <p>COLLABORATION & PARTNERSHIP</p> <ul style="list-style-type: none"> • Disjoint between government departments and local government in rural areas <p>LONG TERM VISION & PLANNING</p> <ul style="list-style-type: none"> • Extreme weather events/climate change • Technological lag between urban/rural (eg NBN) • Ageing population • Possible population decline • Government policy • Lack of public transport • Escalating centralisation of essential services such as health, law and order.

Opportunities	Threats
<p>COUNCIL REVENUE & BUDGET</p> <ul style="list-style-type: none"> • Special Rate Variations (SRV) possible due to historic adherence to rate pegging • Population growth • Reassessment of financial factors such as depreciation • Extension of council services into private sector (eg road contracts) • Loan capacity • Introduction of developer contributions <p>ORGANISATION & STAFF DEVELOPMENT</p> <ul style="list-style-type: none"> • Development of succession planning capacity for workforce • Development of a skilling strategy (cadetships etc) • Greater emphasis on asset management and awareness of organisational situation • Given lack of training providers, council could become a Registered Training Organisation <p>LOCAL REPRESENTATION & LEADERSHIP</p> <ul style="list-style-type: none"> • Greater cooperation within local government following FFTF • Social media and internet • New residents presentation of fresh ideas for community future <p>COLLABORATION & PARTNERSHIP</p> <ul style="list-style-type: none"> • Regional collaboration and peer support • Development of MOU between governments • Devolution of power to the regions rather than the current centralised system • Access to broader range of services through collaboration <p>LONG TERM VISION & PLANNING</p> <ul style="list-style-type: none"> • Affordability of housing • Infrastructure for ageing population providing a potential for development of facilities and staff position • Development of industry & business • Increased tourism 	<p>COUNCIL REVENUE & BUDGET</p> <ul style="list-style-type: none"> • Cost shifting from other levels of government (\$763,843 in 2013/14) • Imposed infrastructure by higher levels of government eg HVML • Government policy changes on state government contracts (eg aged care and road contracts) • Unrealistic expectations of government reporting <p>ORGANISATION & STAFF DEVELOPMENT</p> <ul style="list-style-type: none"> • Potential lack of skilled staff in future • Staff attraction difficulty due to other attractive employment options (mines) <p>LOCAL REPRESENTATION & LEADERSHIP</p> <ul style="list-style-type: none"> • Corporate farming leading to a weakening of communities of interest <p>COLLABORATION & PARTNERSHIP</p> <ul style="list-style-type: none"> • Amalgamations leading to decreased representation at the local level • Privatisation of water/sewer provision <p>LONG TERM VISION & PLANNING</p> <ul style="list-style-type: none"> • Extreme weather events/ climate change • Technological lag between rural/urban • Infrastructure required for ageing population • Possible population decline

2.3 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.040%	No	4.21%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	53.96% 71.34%	No Yes	60.07% 78.32%	Yes Yes(Incl. FAGS)
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	103.81%	Yes	112.63%	Yes

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

Council relies heavily on grant funding, especially for road maintenance & renewal, which can have a deleterious effect on own source revenue. These grants also impact on operating performance when they are used to fund maintenance programs. In the past Council has been reluctant to consider SRVs as a revenue raising option, primarily due to the economic effects of the drought and GFC on our community. It should be noted that Temora Shire Council will meet Own Source Revenue requirements into the future without taking Financial Assistance Grants (FAG) to account.

2.3 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	3.23%	No	0%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	131.6%	Yes	101%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.79%	Yes	2.13%	Yes

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

Council believes that the level of maintenance expenditure meets the levels required to keep our assets in a satisfactory condition. Temora Shire Council prides itself on the state of its infrastructure assets. Council roads are among the best maintained roads in the state. Council has very few assets which are considered unsatisfactory. Any assets that are unsatisfactory at the moment will be renewed in coming years, as identified in our IP&R documents.

2.3 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	2.27% Increasing	No	2.25% - Decreasing	Yes

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

Council has undertaken numerous service reviews in recent years in order to gain efficiencies. This will be an ongoing process into the future. Increased expectations from ratepayers and residents, along with only marginal increases in population, make it difficult to maintain a decrease in real operating expenditure per capita.

2.4 Water utility performance

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

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

~~Yes~~ / **No**

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

The NSW Water and Sewerage Performance Monitoring report 2013/14 provides details of requirements for compliance with the NSW Best Practice Management (BPM) framework. The report provides as follows:
(over page)

No.	Requirement	Complies?	Action required
1	Complete current strategic business plan and financial plan	Yes	Nil
2	Pricing – full cost recovery without significant cross subsidies	Yes	Nil
3	Pricing – Appropriate residential charges	Yes	Nil
4	Pricing – Appropriate non-residential charges	Yes	Nil
5	Pricing – Appropriate trade waste fees and charges	No – will comply 2015/16	Liquid Trade Waste (LTW) policy completed public exhibition. Has been adopted by Council at June 2015 council meeting
6	Pricing – Developer Services Plan (DSP) with commercial developer charges	No – will be considered in 2016/17	DSP under consideration in conjunction with LTW policy
7	Pricing – Liquid Trade Waste approvals and policy	No – will comply 2015/16	Refer 5 & 6 above
8	Complete performance reporting	Yes	Nil
9	Integrated Water Cycle Management strategy	No – will comply 2016/17	Commenced plan including floodplain management, stormwater management. Funding allocated for commencement of works in 2015/16

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

\$500k identified and budgeted in 2015/16 financial year. Funds also allocated in 2015/16 to undertake major review of condition of sewerage infrastructure.

2.4 Water utility performance

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

Capital works

Proposed works	Timeframe	Cost	Grants or external funding
Review of Sewerage infrastructure	Prior to 2016/7 FY	\$60,000	Nil
Relining of sewer mains	2015/2016	\$500,000	Nil
Integrated Water Cycle Management Plan	2016/2017	\$75,000	Nil
Relining Sewer Mains+	2017/2018	\$500,000	Nil++
Relining Sewer Mains+	2019/2020	\$500,000	Nil++
+ to be reviewed after investigation complete ++ with the council move to best practice, grant funding may be available but not factored in as yet.			

2.4 Water utility performance

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

Yes / ~~No~~

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

Not applicable

2.4 Water utility performance

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

Improvement strategies

Strategy	Timeframe	Anticipated outcome
1. Review existing infrastructure including use of CCTV imagery and appointment of consultant to develop system overview	30 June 2016	Development of long term improvement strategy
2. Investigation and design of primary treatment system	30 June 2016	Programmed Installation of enhanced primary treatment system
3. Implementation of Integrated Water Cycle Management Scheme	30 June 2017	Coordinate strategy for water cycle management
4. Ongoing upgrade of effluent reuse system including Ultra Violet disinfection	30 June 2019	Completion of one storage dam annually. Provision of higher quality water

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

3.1 Sustainability

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

In essence, the Temora Shire Council strategy is self-explanatory in relation to sustainability – the need to maximise revenue and minimise expenditure. This is not achieved by a single action, rather an ongoing improvement in a number of areas. Many of the actions have already been commenced and are being constantly reviewed, reconsidered and evaluated.

In terms of revenue, the opportunity to maximise limited ability to raise funds are being explored. The possibility of Special Rate Variations, Developer Services Plan and consideration of the rationale underpinning councils Fees and Charges are being considered.

The reduction in expenditure also involves an incremental approach to improvement involving a review of service levels, and reviewing activities such as plant replacement & utilisation policies, workforce requirement and procedures. These are issues that require gradual implementation, taking on board the workforce, operational and community requirements.

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

Temora Shire Council has taken a conservative approach to the assumptions made in our Sustainability benchmarks in the 2016-20 period.

No allowance has been made for significant departures from the current operations. The use of a Special Rate Variation or above rate pegging increase, whilst inferred, has not been factored into forward projections. Similarly, a review of fees and charges, to be conducted by the next council, has not been taken into account.

In terms of reduced expenditure, significant adjustments have already been made to service standards, and this is an ongoing process. The adjustments made to date have been factored in to forward projections with expected further improvements to be made. At this stage the future improvements have not been allowed for due to the need for community consultation on required/expected service standards.

In terms of grant funding, council have made the reasonable assumption that grant levels will remain relatively static with reserved forecasts (below historic average) for discretionary grants.

3.1 Sustainability

Outline your strategies and outcomes in the table below.

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Maximise Revenue	Council to consider Special Rate Variation (SRV) and rate increases above rate pegging limit (assuming FFTF status)	30 June 2017 Consideration in IP& R process by new council	Increase in revenue and less reliance on external funding	Improve own source revenue and operating performance ratio
	Reconsider Fees and Charges basis	30 June 2017 Consideration in IP& R process by new council	Increase in revenue and potentially equality in council charging regime	Improve own source revenue and operating performance ratio
2. Minimise Expenditure	Service level reviews, particularly in the areas of Parks & Gardens, Sporting Grounds & road maintenance	30 June 2017 Consideration in IP& R process by new council	Reduction in expenditure and better understanding of community expectations	Improvement in real operating expenditure per capita
	Review of major expenditure areas including plant replacement and workforce requirements (consideration of use of external contractors)	30 June 2017 Consideration in IP& R process by new council	Reduction in expenditure	Improvement in real operating expenditure per capita

3.2 Infrastructure and Service Management

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

The approach taken by Temora Shire Council in the area of Infrastructure and Service Management is one of gradual improvement against established benchmarks, at a basic level; council has reviewed its property and asset portfolio to ensure that surplus assets are disposed of, maximising short term return and minimising the long term cost burden.

The other aspect to this area is the issue of optimal management of council assets. This involves the determination of the actual condition of the assets and management through a robust asset management system. The next step in the process is the alignment of the council asset management plan with stakeholder (resident and ratepayer) expectations. By alignment of these factors and constant evaluation of asset expenditure, the optimal level of asset maintenance will be determined. Temora Shire Council is well advanced in this program and resources have been allocated to ensure best practice is achieved.

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

Asset management is a relatively new concept to NSW local government, and in the case of Temora Shire Council is an area where information and knowledge is evolving.

Much of the work required in this area involves field testing data to ensure alignment of data with actual conditions on the ground. The removal of assumptions and replacement with empirical evidence is the highest priority at this stage.

When originally entered, data was largely based on sampling and assumptions for expediency. The maturity of the data now provides the opportunity to continue the truthing process to ensure that the data is meaningful, useful and accurate. This approach, supported by financial and spatial inputs will provide a robust basis for the asset management function.

3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Maintain assets to a satisfactory standard	To review service levels and ensure they are consistent with community expectations	Annually review asset condition and funding to retain satisfactory condition	Community satisfaction with asset condition	Improvement in Asset renewal ratio and infrastructure backlog ratio
2. Maintain a negligible infrastructure backlog	Review asset management systems	30 June 2016 and then annually. Field test existing classifications and refine criteria	Closer alignment of asset system with actual asset condition	Improvement in Asset renewal ratio and infrastructure backlog ratio
	Monitor renewals expenditure	Annually	Ensure assets are maintained in a satisfactory condition	Improvement in Asset renewal ratio and infrastructure backlog ratio

3.3 Efficiency

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

As is the case in sustainability, the function involves the maximising of revenue and the minimisation of expenditure. Comments in this area are identical to those made in Section 3.1

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

Much of the commentary on previous measures is valid for this section. Additionally however, there are a number of strategies that are being considered, namely:

Population – Temora Shire Council have invested heavily in economic development programs to ensure population is maintained and increased. Evidence suggests that this program has been successful with recent ABS population figures indicating a modest rise of 0.9% in 2014. Continued progress in this area will improve the real operating expenditure per capita ratio.

Rationalisation – There has been a great deal of commitment by council recently to the process of rationalising the broad scope of council operations. This process, which is continuing, includes workforce, service levels, staffing and plant. In terms of plant, council has had a fully funded Plant Replacement Policy in place for over 20 years. Whilst this document has served council well, the underlying assumptions will be reviewed, potentially leading to savings.

Regional Sharing – The Riverina councils have a great history of resource sharing and cooperation (refer Attachment F). The FFTF process has highlighted even greater opportunities for resource sharing beyond traditional areas that can be explored. The current mood for change is ideal to escalate the process and commitment is in place from regional councils.

3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Maximise revenue	As per 3.1 Sustainability	As above	As above	As above
Minimise expenditure	Operational rationalisation including plant, staff and service levels	30 June 2017 Consideration in IP& R process by new council	Reduction in expenditure and better understanding of community expectations	Improvement in real operating expenditure per capita

3.4 Improvement Action Plan

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

Action plan

Actions	Milestones
1. Review of revenue generation options including SRV, DSP, Fees and Charges*	Review completion by 30 June 2017
2. Continue review of service levels*	Ongoing review. Several functions reviewed annually

* Refer 2015/16 Temora Shire Council Resourcing Strategy (Attachment I)

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

The Action Plan was developed by staff and councillors of Temora Shire Council. No consultants have been utilised to develop the plan.

Primarily the plan was drawn from council IP&R documents, stemming ultimately from the Community Strategic Plan (CSP)

Over the past years, the plan has essentially been enacted with most of the proposed changes well underway. In 2014, Temora Shire Council undertook a full restructure after a significant evaluation and negotiation process.

The full impact of the changes made will be felt in future years as job redesign, new salary structure, amended work practices and contemporary reporting and delegations take effect.

Additionally, in 2014, Council commenced a rigorous review of service standards throughout the council operation. This is a complex and exhaustive process that requires substantial consultation and feedback to our stakeholders, the Temora Shire Community. This process has commenced but has a long way to go. In the first round of reviews, the areas that were reviewed included parks, gardens and sporting fields due to the relatively easy quantification of the function. In future years, those areas that are more difficult to determine metrics will be considered.

The other area of operation, which is a subset of the organisational performance metrics, is the areas of internal capital review. This includes such items as plant replacement, whole of life review of information technology infrastructure and an innovation and technology awareness program.

In terms of other actions undertaken, the issue of revenue generation will be reviewed but not in the term of the current council. Our revenue forecasts indicate that there is no need for a structural adjustment to the current path in the short term. It is then an action that will be considered after the next election in 2016 for implementation of any new strategies in 2017/18 financial year. This will include a review of Special Rate Variations (SRV), Fees and charges and Developer Services Plan (DSP)

At all stages of the review, the elected body of councillors have been involved and are aware of activities proposed in this area.

3.5 Other actions considered

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

Temora Shire Council, as outlined above, discussed options available for mergers with neighbouring councils. The options were not pursued due to a strong belief, supported by empirical evidence, that the merger would not be beneficial to our community (refer Attachment A)

4. How will your plan improve performance?

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-1.53%	.23%	4.21	3.12	2.46	2.71	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	56.98% 63.21%	59.74% 71.84%	60.07% 78.32%	60.95% 79.12%	62.29% 80.85%	61.52% 79.99%	Yes Yes(Incl.FAGS)
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	105.18%	114.94%	102.99%	100.58%	100.47%	100.21%	Yes
Infrastructure Backlog Ratio (Greater than 2%)	0%	0%	0%	0%	0%	0%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	101%	101%	101%	101%	101%	101%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	1.45%	2.10%	2.13%	2.45%	2.79%	2.32%	Yes

Real Operating Expenditure per capita

A decrease in Real Operating Expenditure per capita over time

2.27%	2.29%	2.25	2.23	2.19	2.17	Yes
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4.1 Expected improvement in performance

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

Financial modelling by Council indicates that all Fit for the Future benchmarks will be met

5. Putting your plan into action

How will your council implement your Improvement Action Plan?

Temora Shire Council view this document, presented to Government, as a genuine indication of the strength of our current position and a road map to our future sustainability.

Accordingly, there is an expectation that the assumptions and the extrapolations made will be tested into the future to ensure that we, as an organisation are moving in the general direction. Obviously, when assumptions are made involving external factors and without the foresight of knowing what can impact on council finances, there is an element of potential flexibility in the projections. This is a primary reason for Temora Shire Council taking a conservative approach to forward estimates.

For this reason, it is essential that there is ongoing monitoring of progress against stated projections. Given the importance of this activity, it is intended that the review, within Temora Shire Council, would be the responsibility of the General Manager. The compliance would be reported annually to Council and the Internal Audit Committee. A Statement of Compliance would be required to be signed off by the Council external auditor.

It is the strong belief of Temora Shire Council that a standard compliance regime is required across all local government bodies. We will be strongly advocating for a formal review process to be included as part of the NSW Local Government Act rewrite, preferably as part of the Integrated Planning and Reporting (IP&R) Framework. In the interim, Temora Shire Council will be undertaking a voluntary approach to the process.

ATTACHMENTS

- A Evaluation of merger proposals**
- B TCorp assessment of Temora Shire Council**
- C Bureau of Statistics population details and associated documents**
- D Community Consultation**
- E Survey and associated documents**
- F Achieving Strategic Capacity through Regional Collaboration**
- G Regional collaborations**
- H Key Elements of Strategic Capacity**
- I 2015/16 Resourcing Strategy – Temora Shire Council**
- J Promoting Better Practice Review 26/4/2012**