

# → Dubbo City Council Improvement Proposal (Existing structure)





# Getting started . . .

Before you commence this template, please check the following:

- You have chosen the correct template – only councils that have sufficient scale and capacity and who do not intend to merge or become a Rural Council should complete this template (Template 2)
- You have obtained a copy of the guidance material for Template 2 and instructions for completing each question
- You have completed the self-assessment of your current performance, using the tool provided
- You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.
- Your Proposal has been endorsed by a resolution of your Council.



Council name:

Dubbo City Council

Date of Council resolution endorsing this submission: 29 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.

Dubbo City Council is a Fit for the Future council which, as a stand alone council, is well placed to anchor an Orana JO. As a major regional centre in NSW, it has the Scale and Capacity to operate as a stand alone “*Council in Orana JO*” which is consistent with the option provided to Council by the Independent Local Government Review Panel’s Final Report as follows:

Council	Popn. 2011	Popn. 2031	TCorp FSR (Apr 13)	TCorp Outlook (Apr13)	DLG Inf. Audit (May 13)	Rate Base	Grant Dependency	Merger Potential	Options (Preferred options shown in bold where applicable)
Dubbo	40,491	45,400	Moderate	Neutral	Moderate			Medium	Council in Orana JO or merge with Wellington and/or Narromine

The Panel’s report did not identify a bolded preferred option in respect of any merger for Dubbo.

Council, at its December 2014 meeting, resolved “*not to support an amalgamation or merger of Dubbo City Council with any Council including Narromine Shire Council and Wellington Council*”.



The issue of a merger has been explored with representatives of Narromine and Wellington Councils who maintain that like Dubbo their Councils' respective positions are to continue to pursue operating as standalone councils in order to best meet the needs of their individual communities. Narromine and Wellington Councils have provided written advice confirming their respective positions (**Attachment 1**).

Whilst Council's position is consistent with the Panel's recommendation, **Attachment 2** provides specific information as to how Council addresses the issue of Scale and Capacity. In addition, this submission identifies that, based on the implementation of thirteen key improvement strategies (**Attachment 5**), Council will meet five of the seven ratios in 2016/2017 and from 2017/2018 onwards, Council is projected to meet all of the required benchmarks and accordingly, be fully Fit for the Future.

In terms of the remaining three criteria of Sustainability, Infrastructure and Service Management and Efficiency, Council's expected performance against the various benchmarks is as follows:

Criteria	Benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Sustainability	Operating Performance ratio	-15.4%	-11%	-4.38%	1.28%	2.55%	4.67%
	Own Source Revenue	65.61%	66.62%	69.38%	73.71%	75.88%	76.80%
	Building and Asset Renewal ratio	30.85%	56.84%	88.58%	107.45%	107.39%	103.11%
Infrastructure and Service Management	Infrastructure Backlog ratio	0.88%	0.90%	1.8%	1.9%	1.7%	1.5%
	Asset Maintenance ratio	91.8%	96.6%	100%	100%	100%	100%
	Debt Service ratio	6.17%	6.08%	5.36%	5.54%	5.64%	5.4%
Efficiency	Real Operating Expenditure per capita	Decreasing	Decreasing	Decreasing	Decreasing	Decreasing	Decreasing

Council's submission, Improvement Action Plan (**Attachment 5**) and Long Term Financial Plan have been prepared with assistance from Mr Dennis Banicevic, Director - PricewaterhouseCoopers. Staff attended a number of seminars conducted by LG Professionals and LGNSW which discussed various financial sustainability improvement options that councils could consider and from this developed the draft Action Plan which was reviewed by Mr Banicevic who also suggested additional improvement strategies which have now been included into the final Action Plan.



Another important component of Council's submission is demonstrated community engagement in respect of Council's current position and proposed improvement projects. Accordingly, in adopting a draft position Council also resolved to develop and implement a proactive strategy to consult with the community and staff on Council's draft Fit for the Future submission.

The draft submission content and supporting material was placed on Public Exhibition for 28 days with the draft 2015/2016 Operational Plan and Budget and promoted with an extensive proactive Media and Communication Plan. Results of the Community Engagement Campaign are included as **Attachment 6** to this submission.

As per the Engagement Campaign report, a total of 12 formal submissions were received with an online poll included on Council's website via [mydubbomysay.com.au](http://mydubbomysay.com.au) resulting in 81% of respondents voting yes to an Orana JO and 83% saying no to a merger.



## 1.2 Scale and Capacity

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

*(ie, the Panel did not recommend your council needed to merge or become a Rural Council).*

**Yes, Dubbo City Council has the Scale and Capacity consistent with the recommendations of the Independent Local Government Review Panel.**

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

Not applicable as Council has the Scale and Capacity to maintain its status as a stand alone council as identified in the Final Report of the Independent Local Government Review Panel.



## 2. Your council's current position

### 2.1 About your local government area

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

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

Dubbo is a vibrant, diverse and thriving regional city located on the Macquarie River, 414km northwest of Sydney on the Mitchell Highway, 380km west of Newcastle on the Golden Highway, and halfway between Melbourne and Brisbane on the Newell Highway. The Local Government Area covers 3,425km<sup>2</sup>, encompassing the City of Dubbo and the villages of Ballimore, Eumungerie and Wongarbron.

The traditional owners of the Dubbo area are the Tubbagah People of the Wiradjuri Nation. Declared a City in 1965, Dubbo has experienced consistent growth with a residential population currently at 41,573 (Australian Bureau of Statistics, 31 December 2014) and projected to grow to 55,000 by 2036 (KPMG, Bernard Salt – February 2012).

Dubbo has a robust and stable economy. Its economic strength is its diversity, with 16 broad industry sectors and 3700 businesses contributing to a Gross Regional Product of \$2.4 billion and Output (Gross Revenue) of \$4.58 billion. As the only city in the Orana Region, Dubbo has a retail catchment population of 200,000 and is the major healthcare, manufacturing, public administration and education service centre for a geographical area one-third the size of New South Wales.

Its well-established and expanding education sector comprises four tertiary institutions (including Charles Sturt University and the University of Sydney's School of Rural Health), three public secondary schools, three private secondary schools, nine public primary schools and six private primary schools.



Investment confidence in the City continues to strengthen. Some \$99 million worth of non-residential and \$85.4 million of residential building approvals were granted in 2013/2014 (Australian Bureau of Statistics, Building Approvals, Cat. 8731.0 - released 31 July 2014). Current ongoing major developments include the \$93M redevelopment of Dubbo Hospital, the expansion of Orana Mall as well as Council investment in essential services, such as the \$22M upgrade of the Dubbo Sewerage Treatment Plant.

Dubbo City Council delivers and manages a wide range of regional cultural, sporting and community services and facilities, including the Dubbo Regional Theatre and Convention Centre, Western Plains Cultural Centre, Barden Park Regional Centre of Excellence for Athletics, Caltex Park Sporting Complex, Dubbo Aquatic Leisure Centre, Dubbo Regional Livestock Markets and Dubbo City Regional Airport.

The Dubbo Community Strategic Plan – Dubbo 2036 - came into effect on 1 July 2012 following extensive community consultation and stakeholder engagement to identify the community's vision for the future. The Plan was reviewed following the Local Government Elections in September 2012 and the reviewed plan and four year 2013-2017 Delivery Program were adopted by Council in June 2013. The adopted plans demonstrate how Council will work towards the achievement of the community's goals based on themes of people, place, infrastructure, sustainability and leadership. They are supported by an Annual Operational Plan and Resourcing Strategy, which provide specific details as to the projects and services to be delivered and how they will be responsibly and sustainably financed.



## 2.2 Key challenges and opportunities

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Dubbo exhibits consistent population growth</li> <li>• Dubbo provides high level cultural and business facilities and opportunities to both the City and the region</li> <li>• Dubbo is the only city in the Orana Region and is the major regional centre servicing a retail catchment population of 200,000</li> <li>• Dubbo acknowledges the role and importance of the region and the role of Dubbo in the region</li> <li>• Effective regional collaboration being a member of Orana Regional Organisation of Councils (OROC) which has been successfully collaborating in delivering regional level functions for over 20 years and a member of other regional alliances</li> <li>• Unified and engaged elected Council</li> <li>• Dubbo Community Strategic Plan which was developed with unprecedented engagement with the Dubbo community</li> <li>• Solid working relationship with State and Federal Government, both Local Members and bureaucracy</li> <li>• Council's commitment to become Fit for the Future and its ability to meet the sustainability benchmarks in a favourable period of time</li> <li>• A community that has demonstrated its willingness to engage with Council regarding the future of the City</li> <li>• Strong leadership and stability of Council's Executive Staff with significant experience both in Local Government and at Dubbo City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Largest centre in the Orana Region and the reliance of smaller councils on support and services from DCC</li> <li>• Constrained ability to increase operating revenues due to capacity to pay and legislative processes</li> <li>• Large catchment population utilising City infrastructure and services with minimal financial contribution</li> </ul>



<ul style="list-style-type: none"> <li>• High level skills, general experience and commitment of the workforce to Council</li> <li>• Council's Advanced Level of competence in Asset Management</li> <li>• High level of Strategic Infrastructure and Land Use Planning to accommodate growth in an orderly and sustainable manner including Infrastructure and Transport Strategies out to 2045 and Land Use Strategies for the urban and rural areas to accommodate a population of 55,000 people in 2036.</li> <li>• Council's commitment to support and service the region</li> <li>• Provision of high quality services and infrastructure to the community and the region including civil, cultural, recreational and business infrastructure</li> <li>• Strong financial position</li> <li>• Council's operation of income generating businesses (eg Land Development, Dubbo Regional Airport, Dubbo Regional Livestock Markets and the Dubbo City Holiday Park)</li> <li>• Positive organisation culture with a outcome focused, 'can-do' attitude</li> <li>• Broad asset base</li> <li>• Council owned Water and Sewer Utility</li> <li>• Comparatively low average Ordinary Rate assessments, based on land value</li> </ul>	
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Opportunities	Threats
<ul style="list-style-type: none"> <li>• Establishment of an Orana Joint Organisation</li> <li>• Provision of Shared Services to surrounding councils</li> <li>• Continual review and upgrading of Council's Asset Management Strategies and processes</li> <li>• Complete further stages of Organisational Service Review Project to identify additional savings and efficiencies in respect of productivity improvements and through innovation</li> <li>• Development of a Financial Sustainability Policy</li> <li>• Further pursue the Procurement Roadmap Project</li> <li>• Strategic location of Dubbo</li> <li>• Transport and logistics hub with direct road, rail and air access to national ports</li> <li>• Strategic land use and infrastructure planning to accommodate future urban expansion</li> </ul>	<ul style="list-style-type: none"> <li>• Mergers with Narromine and/or Wellington councils or any council</li> <li>• Loss of Water and Sewer Utility Function through 'takeover' by State Government</li> <li>• Continued cost shifting to Local Government by State and Federal Governments</li> <li>• Ongoing reduction of grant income</li> <li>• Further extension of capped Federal Government Financial Assistance Grants</li> <li>• Non delivery of State Government commitments emanating from 2015 Election campaigns</li> </ul>



## 2.3 Performance against the Fit for the Future benchmarks

### Sustainability

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-9.2%	No	-4.38%	No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	66.2%	Yes	69.38%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	27.4%	No	88.58%	No

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

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

As part of the Fit for the Future initiative, Council, after considering the actual performance in respect of the 2013/2014 financial year is then required to demonstrate projected performance - initially to the 2016/2017 financial year and then subsequently over the following three financial years to 2019/2020 (Section 3 herewith of Council's submission).



Council's actual 2013/2014 performance against the sustainability benchmarks shows that one of the three benchmarks was achieved. The results against both the Operating Performance ratio and the Building and Infrastructure Asset Renewal ratio were not met and were adversely impacted by the quality of Council's asset management data resulting in inaccurate depreciation expenses being reported. The projects implemented in response to a review of Council undertaken by Professor Percy Allan have resulted in much improved asset management data and consequently more accurate depreciation calculations (depreciation expenses reduced by \$6.21M) which have now been incorporated into Council's draft 2015/2016 Operational Plan. As a result, Council is forecasting improved benchmark results out to 2019/2020.

Council does not meet the Operating Performance ratio in the 2016/2017 financial year due to the calculation of this ratio being based on a three year average over 2014/2015, 2015/2016 and 2016/2017. Based on the Operating Performance ratio for each of these financial years the ratio in respect of 2014/2015 of -13% adversely affects the three year average. The 2014/2015 Operating Performance ratio has been impacted by a large net operating result impact of \$3M due to a one-off project Council is undertaking in conjunction with NSW Government to deviate the rail corridor at Troy Junction. The work is being undertaken on land that will ultimately not be owned by Council and accordingly the costs associated with this project are treated as an operational expense. Importantly Section 4.1 of this submission shows that Council will achieve the Operating Performance ratio benchmark from 2017/2018 onwards.

Council does not meet the Building and Infrastructure Asset Renewal ratio in 2016/2017 due to the calculation of this ratio being based on an average over the years 2014/2015, 2015/2016 and 2016/2017. The ratio of 48.95% in the 2014/2015 financial year adversely impacts the three year average. The Building and Infrastructure Asset Renewal ratio has been significantly improved in both the 2015/2016 and 2016/2017 financial years as a direct result of improvement initiatives being undertaken to reduce operating expenditure and reallocate these funds to capital renewal works. This is highlighted at Section 4.1 of this submission which shows that Council will meet the required benchmark from 2017/2018 onwards.

The improvements in both ratios by 2017/2018 have been brought about as a result of Council previously implementing a four project base response to the findings of a review undertaken by Professor Percy Allan in 2010. These projects were Superior Asset Management, Budget Priorities, Capital Works Prioritisation and a Service Review. Detail in respect of these projects is provided as **Attachment 3**. In addition, as a result of these projects, Council has significantly improved asset management practices and asset data collection resulting in decreased depreciation expenses and operational expense savings which are now being reallocated to capital renewal works.



Further to this work, Council has developed key improvement strategies as part of this submission which are detailed herewith at Section 3. Upon implementation of these strategies, Council will meet both the Operating Performance ratio and the Building and Infrastructure Asset Renewal ratio from 2017/2018 onwards as per the below table:

Benchmark	2016/2017	2017/2018	2018/2019	2019/2020
Operating Performance Ratio	-4.38%	1.28%	2.55%	4.67%
Building and Infrastructure Renewal Ratio	88.58%	107.45%	107.39%	103.11%



## 2.3 Performance against the Fit for the Future benchmarks

### Infrastructure and service management

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	0.87%	Yes	1.8%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	82.4%	No	100%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	6.15%	Yes	5.36%	Yes

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

Council's actual 2013/2014 performance against the Infrastructure and Service Management benchmarks shows that two of the three benchmarks were achieved. The Asset Maintenance ratio was not achieved due to the alignment between the then Asset Management Plans and the Operational Plan and budget not fully being in place. This has now been rectified with all asset maintenance identified within each of the six corporate asset management plans being fully funded as a budget priority.

Council meets the required 2016/2017 benchmarks.



## 2.3 Performance against the Fit for the Future benchmarks

### Efficiency

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	Increasing	No	Decreasing	Yes

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

Council's actual performance against the required benchmark was not achieved in the 2013/2014 financial year. The Real Operating Expenditure per capita ratio was not achieved largely due to a significant increase in operating expenditure during 2010/2011 and a significant decrease in operating expenditure in 2011/2012.

The increase in operating expenditure during 2010/2011 was mainly as a result of increased depreciation expense as a result of the revaluation of road assets and the introduction of two new services to the community being a Regional Theatre and Convention Centre and a recycling service.

The decrease in operating expenditure during 2011/2012 was due to the capitalisation of operating expenditure relating to internal services provided to other Council functions for the construction of stormwater harvesting at Caltex Park.

Council meets the required 2016/2017 benchmark.



## 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, Council achieved 100% implementation of NSW Government Best Practice Management requirements for Water Supply and Sewerage for 2013/2014.**

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

Not applicable.

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

Council's combined water supply and sewerage backlog is \$10.4M as at 2013/2014 however, this is forecast to be \$0.00 by the 2020/2021 financial year in accordance with Council's Asset Management Strategy.



## 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
<b>WATER</b>			
Lime Dosing Unit	2016/2017	\$2M	Nil external funding
Newtown Reservoir Upgrade	2017/2018	\$4M	Nil external funding
Pipeline Augmentation Works (Obley Road/Newell Highway)	2018/2019	\$1.745M	Nil external funding
Pipeline Augmentation Works (Newell/Rifle Range Reservoir)	2019/2020	\$1.592M	Nil external funding



## Capital works

Proposed works	Timeframe	Cost	Grants or external funding
<b>SEWER</b>			
Cootha SPS Upgrade (Pumps & Overflow Storage)	2016/2017	\$2.103M	Nil external funding
Mains Rehabilitation (Reline)	2016/2017	\$1M	Nil external funding
Delroy Park Pump Station/Rising Main	2017/2018	\$1.301M	Nil external funding
Mains Rehabilitation (Reline)	2017/2018	\$1M	Nil external funding
Keswick Upgrade, Rising Main and Pipeline	2018/2019	\$1.044M	Nil external funding
Mains Rehabilitation (Reline)	2018/2019	\$1M	Nil external funding
Upgrade Pipeline Tamworth Street	2019/2020	\$1.27M	Nil external funding



## 2.4 Water utility performance

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

**Yes, the 2013/2014 TBL Performance Reports for Water Supply and Sewerage shows that Council has achieved full cost recovery in both these areas.**

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
<b>WATER</b>		
1. Review Asset Condition Ratings and Depreciation Schedules	2015/2016	More accurate, consistent and reasonable recognition of depreciation expenses
2. New Demand Management Plan adopted in 2015 to be implemented	2016-onwards	Reduced water consumption per household is anticipated



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
3. New Drought Management Plan adopted in 2015 to be implemented	2016-onwards	Security of supply in even severe drought will be improved
4. Annual inspections and audits of reservoir condition to new Office of Water requirements will improve maintenance outcomes	2016-onwards	Compliance with the adopted Drinking Water Quality Management Plan will be assured
5. Duplication of a key trunk main in West Dubbo, including the river crossing at the Water Treatment Plant, plus the construction of a new trunk main in Chapman's Road (2015/2016)	Progressively in 2017 and 2019	Will improve security of pumping capacity and supply to West Dubbo
6. Duplication of a key trunk main to the Eulomogo Reservoir in East Dubbo	2018	Improved security of pumping capacity and supply to East Dubbo



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
7. Completion of the Eumungerie/Mogriguy Village Water Supply Scheme will finalise Council's Village Water Supply Program commenced 20 years ago in 1995	2016/2017	All of the mapped urban areas of Dubbo will be serviced with standard "town water supply"
8. Automated remote meter reading is intended to be introduced. A detailed feasibility study is currently underway	Probable introduction 2017/2018	Significant cost savings long term, plus much improved management of revenue projections for annual budgeting and quarterly financial reviews
9. Improved management of Council's portfolio of water licences	2016-onwards	Improved water security and probable increase in revenue from water trading



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
10. Final removal of all historic “deemed meter” sizing	2016-onwards	Reduced administrative costs and creation of a level playing field for all Water Fund customers in accordance with Best Practice Pricing Guidelines
11. Formal Water Loss Management Plan to be developed in 2015/16 and implemented thereafter	2016-onwards	Reduced real water losses will reduce costs (less water to treat and distribute) and conserve water.
<b>SEWER</b>		
1. Review Asset Condition Ratings and Depreciation Schedules	2016-onwards	More accurate, consistent and reasonable recognition of depreciation expenses



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
2. Council's innovative Sewer Modelling Program, developed back in 1999, is being migrated to a new software platform and will be available for extensive in-house use later this year	2016-onwards	Improved ability to manage ongoing extensions of the sewerage system into greenfield areas and to analyse chronic overflow problems as they are detected/identified
3. Upgrade to Cootha Sewer Pump Station (SPS)	2017	Improved environmental protection and capacity increase will service further growth in West Dubbo
4. New Delroy Park SPS	2019	Capacity increase will service further growth in West Dubbo



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
5. An upgrade of the Dubbo Sewerage Treatment Plant now underway (\$22 million) will significantly improve sewage treatment outcomes	2016-onwards	Effluent quality improved, odours will be reduced, has capacity to cater for City growth for the next 30 years
6. Duplication of the Railway Sewer planned for 2015/2016	2016-ongoing	Improved environmental protection and will cater for continued growth of East Dubbo
7. Duplication of the Keswick SPS rising main	2019	Will cater for continued growth in South-East Dubbo
8. Relining of sewers will continue	2016-ongoing	Reduced overflows, lower maintenance costs, and better customer service.



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
<b>COMBINED SEWER/WATER</b>		
1. Continued support for the Lower Macquarie Water Utilities Alliance comprising the 12 existing councils in the Orana Region	2016-ongoing	Dubbo staff exposed to broader considerations and the operations of 11 other local water utilities improves their expertise and creates a richer job environment, Dubbo's role as a regional capital and "big brother" is reinforced
2. New Environmental Management Plan for Council's Water/Sewerage Operations being prepared 2015/2016	2016-onwards	Improved environmental protection and management of risk for Council, better customer service



## Improvement strategies

Strategy	Timeframe	Anticipated outcome
3. Manpower Study for the Water Supply and Sewerage Branch now underway (2015)	Implementation from 2016-onwards	Improved functional capability and better customer service should result
4. Hunter Water Australia Knowledge Management System (KMS) in use since 2006 is to be migrated in-house to Council's own "Councilpedia" system	2016-ongoing	Ability to capture the knowledge and expertise of experienced personnel will continue and be improved
5. New 30 Year Integrated Water Cycle Management Strategy and Financial Plan to be prepared in 2015/2016	2017-ongoing	Improved strategic and financial management of Council's water utility functions. Achievement of a recently introduced (2014) Best Practice requirement of the Office of 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.

The sustainability benchmarks in relation to the Fit for the Future requirements are as follows:

- Operating Performance Ratio
- Own Source Revenue
- Building and Infrastructure Asset Renewal Ratio

Council's performance in relation to each of the sustainability benchmarks for the period 2016-2020, inclusive of the implementation of the key improvement strategies, is projected to be as follows:

#### **Operating Performance Ratio**

Dubbo City Council will not meet the benchmark for this ratio in 2016/2017 (-4.38%) but is forecast to meet the benchmark in each of the remaining years of the 2017-2020 period.

#### **Own Source Revenue**

Dubbo City Council is forecast to meet this benchmark in every year of the 2016-2020 period.

#### **Building and Infrastructure Renewal Ratio**

Dubbo City Council will not meet the benchmark for this ratio in 2016/2017 (88.58%) but is forecast to meet the benchmark in each of the remaining years of the 2017-2020 period.



Key improvement strategies have been developed and are proposed to be implemented over the 2016-2020 period with the outcome being that by 2017/2018, Council achieves all of the various benchmarking ratios. In this regard, the following key strategies are identified in respect of the Sustainability Criteria:

**1. Complete Dubbo City Council's Superior Asset Management Project – Reduction in Depreciation Expense**

A "Superior Asset Management Project" has been developed by Council to align with the National Asset Management and Financial Planning Framework (NAMAF), which incorporates 11 elements containing 76 objectives. Council already has in place an adopted Asset Management Improvement Strategy (AMIS) which incorporates both the full requirements of the NAMAF and also additional actions as per the advice received from Morrison Low when they prepared an asset management assessment of Council. The Superior Asset Management Project has already delivered significant benefits and in particular helped to reduce Council's reported asset renewal backlog and the amount of depreciation expense recognised for roads, stormwater and buildings. Such work will need to continue into the next round of the Integrated Planning and Reporting cycle and ensure that there is a clear linkage between the Asset Management Plans and the Long Term Financial Plan. Once this project is finalised the complete review of depreciation methodologies utilised to determine the amount of Council's depreciation expense for all asset classes (and based on results achieved to date) will further reduce the amount of depreciation expense being recognised. In addition Council will be able to forecast asset renewal works based on optimised asset management decision making to ensure maximum benefit is obtained in terms of when it is best to intervene and renew an asset. This project will have an ongoing positive impact on Council's performance against both the Operating Performance Ratio and importantly the Building and Infrastructure Renewal Ratio.

**2. Finalise Organisation-wide Service Review Project and Introduce an On-going Recognised and Proven Productivity/Efficiency Programme**

A staged organisation-wide service review project has already been commenced by Council. Stage 1 has identified savings, additional revenue and efficiencies with further stages of this project to review the actual provision arrangements of each individual service provided by Council in terms of continued relevance, best fit for delivery of such service and methods to improve service delivery results. Refinements and enhancements to Council's service delivery as a result of this review will produce both actual dollar savings, forecast to be \$400,000 per annum based on preliminary cost saving initiatives identified to date from 2015/2016 and time/efficiency savings which will have a positive and ongoing impact on Council's Operating Performance ratio.

Once the full organisation-wide service review project is completed an additional project to carry on the productivity and efficiency improvement drive will be introduced. Programs and/or proprietary products such as LEAN will be considered to ensure that Council is operating on both an efficient and effective basis.



### **3. Develop a Financial Sustainability Policy**

A Financial Sustainability Policy is to be prepared and ultimately adopted by Council. This Policy will be a key Policy document and provide guidance to ensure that Council's ongoing performance against both the Fit for the Future and other benchmarks are maintained. The Policy will clearly define key financial performance benchmarks that are to be monitored, maintained and formally reported on.

In developing such Policy, a detailed review is to be undertaken which addresses:

- Council's current financial condition, status and capability based on detailed evaluations of any and all known and projected factors, opportunities and threats.
- Council's future (immediate, medium and longer term) predicted and feasible fiscal options based upon a detailed evaluation of the known and predicted financial environment within which Council will be likely to be operating.

### **4. Undertake the Procurement Roadmap project**

The Procurement Roadmap Project for Dubbo City Council has been designed in conjunction with Local Government Procurement and PMMS Pty Ltd with the aim of the project being "to do procurement better" at Council. The three key outcomes from the project are improved probity, streamlined processes and actual dollar savings on items procured. A trial contract run as part of the preparation for this project for the supply of hardware items realised a saving of 11% over the regular list prices paid by Council. Based on savings of a minimal 1% being realised through the Procurement Roadmap Project (which Local Government Procurement and PMMS Pty Ltd have advised is certainly achievable) then an annual saving of \$300,000 would be realised. This would have a positive and ongoing impact on Council's Operating Performance ratio and also the Building and Infrastructure Renewal ratio as savings made will be allocated to asset renewal works.

### **5. Allocate Proceeds from the New Mining Rate to Asset Renewal Works**

Council has introduced a Mining Rate Category into its rating structure as a result of the imminent commencement of a substantial mining operation within the Dubbo Local Government Area. This development, being a \$1B rare earth minerals project, received conditional approval from the NSW Planning Assessment Commission on Friday 29 May 2015. Rate revenues of \$1.3M are forecast to be received from the 2016/2017 financial year on-going in respect of this long term project with this additional revenue proposed to be specifically allocated to asset renewal works.



**6. Investigate Service Provision by Dubbo City Council to Other Councils**

As part of the Fit for the Future initiative, the formation of an Orana JO provides Dubbo City Council with the opportunity to further develop its in-house capacity to deliver services on a fee for service basis to other councils. This will provide an additional revenue source and in turn have a positive impact on Council's Own Source Revenue ratio and also on the Operating Performance ratio as these services would be run on a full cost recovery basis plus a margin.

Council is already well versed in sharing services with other Local Government entities as demonstrated by its involvement in the Macquarie Regional Library Service, Lower Macquarie Water Utilities Alliance and the Macquarie Valley Salinity and Water Quality Alliance.

In regard to the issue of shared services, it is advised that Council has provided various indicative prices for the supply of services to Wellington Council. At this stage, Wellington Council has advised that, as part of its Fit for the Future submission, one of its improvements is a comprehensive review of its organisational structure and services. Following such review, there may be further discussions to be had with Dubbo City Council in regard to Wellington Council buying in technical specialist advice and services. It is expected this review will be completed around September 2015.

**7. Review of Fees and Charges**

A review of Council's existing Revenue Policy is currently undertaken on an annual basis. This project will review the extent to which cost recovery is being achieved as a basis for determining the fee or charge. In addition the opportunity to introduce new fees and charges will be explored. Any additional revenue obtained from this project will have a positive and ongoing impact on Council's Operating Performance ratio and Own Source Revenue ratio.

**8. Enhanced Budgetary Controls on Additional Income Received, Expenditure Savings and Classification of Grants as being Operational or Capital**

This project will introduce additional ongoing budgetary controls. Specific requirements on how savings on expenditure and any additional revenue achieved will be put in place to ensure that these funds are allocated to corporate wide priorities. Any additional operational funds made available would have a positive impact on Council's Building and Infrastructure Asset Renewal ratio when these funds are directed specifically for asset renewal works.

In addition, clear definitions and guidelines will be developed to ensure that all functional budgets correctly identify both operational and capital grants as overstating capital grants as opposed to operating grants has a detrimental impact on Council's Operating Performance ratio.



**9. Investigate the Viability of Introducing a Further Efficiency Dividend Each Year Over 2016-2018**

This project will investigate the introduction of a further efficiency dividend return from each of the various functions of Council. Previously, Council introduced the requirement for each budgetary function to find a 1% efficiency dividend in each of the two year periods which resulted in some \$600,000 of operational expense savings per annum being allocated specifically to road asset renewal backlog projects. A further 0.5% efficiency dividend based on operational expenditure less depreciation would raise some \$150,000 per annum with these savings also being directed specifically to backlog renewal works on an ongoing basis.

**10. Seek New Revenue Streams**

This project will investigate the various options available to Council in terms of generating new recurrent operational income. Areas to be investigated would primarily centre on entrepreneurial activities and existing business opportunities.

**11. Consider the Need for a Special Rate Variation (SRV)**

Having regard to the outcome of all the above projects and, if necessary, as part of the development of the next round of Council's Integrated Planning and Reporting documentation for the period 2016 to 2020, the need to undertake community consultation and then an administrative process to seek a 1% Special Rate Variation per annum for a four year period is proposed to be considered. Additional operating revenue would strengthen, on an ongoing basis, Council's Operating Performance ratio, Own Source Revenue ratio and indeed the Buildings and Asset Renewals ratio with the additional rate revenue raised being specifically directed to capital renewal works. This outcome strongly aligns with the community's feedback as part of the development of the current Community Strategic Plan which was clearly that the community wants Council to appropriately maintain what it already has.



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

*For example the key assumptions that drive financial performance including the use of SRVs, growth in rates, wage increases, Financial Assistance or other operating grants, depreciation, and other essential or major expense or revenue items.*

The cumulative financial impact per annum of the relevant key strategies, as detailed above, and as included in Council's Long Term Financial Plan, are summarised in the table below along with when the strategies would potentially commence:

<b>Project</b>	<b>Amount</b>	<b>Effective from and Ongoing</b>
Superior Asset Management Project – Depreciation Reduction/ Refinement of Renewal Works	\$1,200,000	2015/2016
Service Review/Productivity Improvement Savings	\$400,000	2015/2016
Procurement Road Map Project Savings	\$300,000	2015/2016
Mining Rate Additional Income	\$1,300,000	2016/2017
Efficiency Dividend Over Two Years (0.5%pa) Savings	\$300,000	2016/2017 and 2017/2018
Special Rate Variation Yields by 2020/2021 Additional Income	\$1,000,000	Commencing 2017/2018
<b>Total Impact</b>	<b>\$4,500,000</b>	

Basis for the above assumptions is provided as follows:

#### Superior Asset Management Project

A further reduction in Council's depreciations expensed is forecast at \$1.2M. To date, Council has been able, as a result of much improved asset data and depreciation methodologies, to reduced depreciation expenses by \$6.21M in the 2015/2016 financial year. There are a number of assets which as yet have not been reviewed to determine the correct depreciation expense particularly around remaining useful lives. Based on the actual results achieved to date with the \$6.21M in reduced depreciation expense it is forecast based on the assets yet to be reviewed that at least a further \$1.2M reduction will be achieved.

#### Service Review Project

A staged organisation-wide service review project has already commenced with the data collection component for Stage 1 now being complete. Based on the actual data collected there are a large number of initiatives that are to be assessed and implemented that will result in cost reductions. Based on the actual data received it is conservatively forecast that these savings will at a minimum results in savings of \$400,000 per annum.



#### Procurement Roadmap Project

Council has commenced the procurement roadmap project which has been developed in conjunction with Local Government Procurement and the PMMS Consulting Group. Advice provided from Local Government Procurement and PMMS is that Council can expected to save between 2% to 3% in procurement expenses. This has been tested by Council with the supply of goods from a regular hardware operator being able to realise a saving of 11% over the regular list prices previously applicable to Council purchases. Based on this a saving of 1% generating a \$300,000 per annum saving has been conservatively forecast from this project.

#### Mining Rate

A new Mining Rate category has been introduced into Council's rating structure as a result of the imminent commencement of a \$1B rare earth mining project. This project received conditional development approval in May, 2015. Based on the forecast Land Value as supplied by the owner of the mining project, which was prepared as part of their feasibility studies, additional rate revenue to be generated from the new mining operation is forecast to be \$1.3M. Council has adopted, for the first time, a mining ad valorem rate in the dollar to obtain this additional rate income.

#### Efficiency Dividend

Council has previously implemented the requirement for each budget function of Council to provide a 1% efficiency dividend. Based on the actual results achieved from these previous initiatives it is conservatively forecast that a further 0.5% efficiency dividend provided over two financial years will in total provide a saving of \$300,000 in operating expenses.

#### Special Rate Variation

A special rate variation of 1% per annum over four consecutive years (4% in total) commencing 2017/2018 will yield a further \$1M in rate revenue each year from the 2020/2021 financial year. This is based on Council's current general purpose rate income currently being \$25M per annum.

A copy of Council's General Fund Long Term Financial Plan is included as **Attachment 4**. This Long Term Financial Plan has been prepared on the basis of Year 1 of the Plan being the 2015/2016 Operational Plan and Budget as exhibited, taking into account enhanced data derived from a series of projects initiated by the Organisation in response to a report prepared for Council, known as the Percy Allan Report. As previously mentioned, details in respect of this response are provided as **Attachment 3**. The Long Term Financial Plan also takes into account the implementation of the various key improvement strategies as identified in Section 3 of this submission and the following specific assumptions:



	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Rates - Ordinary	2.40%	2.80%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
User Charges - Specific	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fees & Charges - Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest & Investment Revenues - Other *	-20.00%	-24.00%	20.00%	-20.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Revenues	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Operating Grants - General Purpose (Untied)	As advised				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Grants - Specific Purpose	As advised				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Contributions - General Purpose (Untied)	As advised				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Contributions - Specific - Developer Contributions	Non Cash - Historic				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Contributions - Specific - Other Contributions	Non Cash - Historic				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs **	4.00%	4.00%	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - Raw Materials & Consumables	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - Other	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Depreciation - IPP&E ***	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Expenses - Insurance	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - Utilities	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - Other	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Net Losses from Disposal of Real Estate	No budget for Loss on Sale of Assets									

\* Interest on investment from 2015/2016 to 2018/2019 is based on maturity profile of the portfolio, current predictions of potential investments and reduced interest rates.

\*\* Employee costs are forecasted to increase by 4% for the next 4 years, then reduce to 3% increase annual to allow for staff turnover (new staff start at an entry leave wage).

\*\*\* Depreciation has a 0% increase, as per advice from Dennis Banicevic from PricewaterHouseCoopers (PwC), due to the Superior Asset Project yet to be finalised with further reductions in depreciation expenses expected.

New Loan Borrowings \$1,500,000 at interest Rate of 5.27% in 2016/2017 and \$600,000 at interest rate of 6% in 2016/2017

Mining Rates expected to be levied from 2016/2017

Employee Leave Entitlement Provision will increase by 5% annually

Long Service Leave Paid estimated at \$600,000 annually from 2015/2016 - 2018/2019 and increasing by 3% from 2019/2020 - 2024/2025

Minimum Level of Cash & Cash Equivalents \$1,000,000 and Maximum Level of Cash & Cash Equivalents \$5,000,000

Population increases by 1% annually

Target % for Balance sheet amounts & Ratios are based on Historical %



## 3.1 Sustainability

Outline your strategies and outcomes in the table below.

### 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Maintain Council's ability to achieve the seven ratios as required under the Fit for the Future project.	Complete Superior Asset Management Project and associated reduction in depreciation expense.	Full review of all Council's asset classes undertaken for depreciation methodology by 31 October 2015.	Further reduction in depreciation expenses of \$1.2M	Positive impact on the Building and Infrastructure Asset Renewal Ratio from allocation of operational savings to capital renewal expenditures.
	Complete Service Review and on-going productivity improvement plan	Full service review completed and adopted productivity/improvement plan in place by 31 December 2015.	Savings of \$400k generated from completing project. Council able to do more with the same as a result of productivity improvements.	Positive impact on the Building and Infrastructure Asset Renewal Ratio from allocation of operational savings to capital renewal expenditures



## 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Financial Sustainability Policy developed.	Policy drafted and adopted by Council by 29 February 2016.	Policy in place to direct future development of Council's IP&R documents from a financial sustainability perspective. Council continues to meet the required benchmarks going forward.	Positive impact on all measures.
	Procurement Roadmap Project	Full project plan scoped and adopted by 31 August 2015. Project completed by 31 July 2016.	Savings of \$300k identified and allocated to asset renewal works.	Positive impact on Operating Performance Ratio and Building and Infrastructure Asset Renewal Ratio.



## 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Additional Mining Rate Revenue	Mining project commences (currently forecast for the third quarter 2015) and Rate Notice issued within 30 days of receipt of the Notice of Valuation.	\$1.3M in additional rate revenue per annum to be allocated to asset renewal works.	Positive impact on Operating Performance Ratio, Own Source Revenue and Building and Infrastructure Asset Renewal Ratio.
	Consider Special Rate Variation	Need for SRV developed and enunciated as part of a community consultation process. Project to commence in June 2016.	\$1M in additional revenue generated by 2020/2021.	Positive impact on Operating Performance Ratio, Own Source Revenue and Building and Infrastructure Asset Renewal Ratio through the allocation of this additional rate revenue to asset renewal works.



## 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Use of an efficiency dividend	Introduction of an efficiency dividend by July 2016.	Efficiency dividend of 0.5% per annum generated during the 2016/2017 and 2017/2018 financial years totalling \$300k.	Positive impact on Operating Performance Ratio and Building and Infrastructure Asset Renewal Ratio through the allocation of operational savings to capital renewal works.



## 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 infrastructure and service management benchmarks in relation to the Fit for the Future requirements are as follows:

- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Debt Service Ratio

Council's performance in relation to each of the sustainability benchmarks for the period 2016-2020, inclusive of the implementation of the key improvement strategies, is projected to be as follows:

### **Infrastructure Backlog Ratio**

Dubbo City Council is forecast to meet this benchmark in every year of the 2016-2020 period.

### **Asset Maintenance Ratio**

Dubbo City Council is forecast to meet this benchmark in every year of the 2016-2020 period.

### **Debt Service Ratio**

Dubbo City Council is forecast to meet this benchmark in every year of the 2016-2020 period.

Key improvement strategies have been developed and are proposed to be implemented over the 2016-2020 period with the outcome being that Council achieves the various benchmarking ratios. In this regard, the following key strategies are identified in respect of the Infrastructure and Service Management Criteria:



**1. Complete Dubbo City Council's Superior Asset Management Project – Further Refine Backlog of Renewal Works and Asset Maintenance Requirements**

A "Superior Asset Management Project" has been developed by Council to align with the National Asset Management and Financial Planning Framework (NAMAF), which incorporates 11 elements containing 76 objectives. Council already has in place an Asset Management Improvement Strategy (AMIS) which incorporates both the full requirements of the NAMAF and also additional actions as per the advice received from Morrison Low when they prepared an asset management assessment of Dubbo City Council. The Superior Asset Management Project has already delivered significant benefits and in particular helped to reduce Council's reported backlog and help determine the actual required maintenance to be performed on Council's asset stock. Continuation of this project until completion will allow Council to determine its ongoing asset renewal backlog and asset maintenance requirements to an even higher degree of accuracy which will then ensure that both the Infrastructure Backlog ratio and Asset Maintenance ratios are determined as accurately as possible moving forward and importantly that Council prepares its IP&R documentation to ensure that the correct benchmarks are being met.

A key output of the Superior Asset Management project is to have a detailed list of all individual asset backlog works to ensure funding can be allocated as appropriate.

**2. Develop and Implement a Treasury Management Policy**

The development of an internal Council Treasury Management Policy will provide the benefit of enabling the use of restricted asset funds for the purpose of borrowings rather than borrowing externally from financial institutions. The Treasury Management Policy will provide guidelines and requirements on when and how internal borrowings are to be undertaken. Through the use of internal borrowings the rate of interest will be treated as an internal transaction thus saving the prevailing commercial interest rate expense, which in turn has a positive impact on Council's Debt Service ratio.

**3. Investigate Paying out Council's Existing Loans**

Council's existing external loan borrowings will be reviewed in terms of the current interest rate payable on each, the existing term of the loan and any break-fees that would be applicable. The project will require each of Council's loans to be reviewed and if favourable in terms of cost, seek to have these loans paid out and re-negotiated on more attractive terms or funding sourced from internal borrowings (via the proposed Treasury Management Policy). Once again any savings identified would have a positive impact on Council's Debt Service ratio.

Council's current outstanding General Fund loans are, as at 30 June 2015, \$26M.



#### **4. Develop a Financial Sustainability Policy**

A Financial Sustainability Policy is to be prepared and ultimately adopted by Council. This Policy will be a key Policy document and provide guidance to ensure that Council's ongoing performance against both the Fit for the Future and other benchmarks are maintained. The Policy will clearly define key financial performance benchmarks that are to be monitored, maintained and formally reported on.

In developing such Policy, a detailed review is to be undertaken which includes a review of:

- The Council's current financial condition, status and capability based on detailed evaluations of any and all known and projected factors, opportunities and threats.
- The Council's future (immediate, medium and longer term) predicted and feasible fiscal options based upon a detailed evaluation of the known and predicted financial environment within which Council will likely be operating.

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

The Superior Asset Management Project to date has been very successful in developing and providing benefits for Dubbo City Council. The advancement within the organisation in terms of the level of sophistication of asset management has been significant with this being confirmed by independent consultants Morrison Low who have, in 2014, determined Council to be at an advanced level of asset management competence, up from a core level as assessed in 2012. Based on the continued success of this project, further improvements in aligning Asset Management Plans and Budgets, together with further refining the Organisation's asset maintenance requirements and actual backlog of renewal works will be achieved.

Importantly, the complete review of all of Council's assets, in terms of depreciation methodology to be used, is forecast to result in a further reduction in depreciation expenses of \$1.2M, which has been based on the actual results achieved to date by Council as a result of already having reviewed a substantial proportion of Council's total asset portfolio.



The Treasury Management Policy will be developed on the premise that Council will maintain its level of restricted assets which will provide a sufficient pool of funds to facilitate internal borrowings. Based on Council's current four year draft budget out to 2018/2019, the level of restricted assets will not vary greatly and will provide a significant pool of funds to allow any required borrowings to be undertaken internally. The Policy will result in reduced borrowing costs however, as a quantified amount of actual savings cannot be determined at this point in time, no financial impact has been included within the Long Term Financial Plan.

In relation to the project to review existing external Council loans the current rate of interest in the existing economic climate is lower than what initial rates were when these previous loans were taken out by Council. Anecdotally savings are available provided that any break costs do not exceed any interest savings. Once again, it is likely that borrowing costs will be reduced under this improvement initiative however, as the amount cannot as yet be quantified, no direct savings have been provided within Council's current Long Term Financial Plan.

The development of a Financial Sustainability Policy is a critical improvement item that will provide the foundation for Council to ensure that the required financial benchmarks are maintained into the future. Once adopted, reporting will detail the impact that draft budgets and large capital projects/and or borrowings will have in terms of Council's financial performance and sustainability, based on various benchmark tolerances. Importantly, the Policy will require that the backlog of Council's asset renewals be maintained and updated on an individual project basis to ensure that these works are being funded as required. In addition the Policy will also require that the reported maintenance requirements as per the Corporate Asset Management Plans are fully funded at 100% each year.



## 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
Maintain Council's ability to achieve the seven ratios as required under Fit for the Future.	Further refine Council's assessment of its asset renewal backlog and asset maintenance requirements	Full Superior Asset Management project complete 30 September 2016. Full and quantified determination of asset maintenance requirements for each asset class determined and full detailed list of all asset renewal backlog projects available on demand from 1 July 2015.	Improved accuracy of ratios relating to Infrastructure backlog and asset maintenance	Will improve accuracy of Building and Infrastructure Renewal ratio.



## 3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Develop Treasury Management Policy	Treasury Management Policy drafted with external expert assistance and Treasury Management policy adopted by 31 November 2017.	Improved internal loan borrowing terms available to Council.	Positive impact on Council's reported Debt Service Ratio.
	Investigate paying out Council's existing external loan borrowings	Each external loan individually assessed in terms of financial benefit available in paying out and renegotiating the loan by 30 June 2016.	Improved loan borrowing terms available to Council especially if taken up as part of the proposed Treasury Management policy and borrowed from internal funds.	Positive impact on Council's reported Debt Service Ratio.



## 3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Financial Sustainability Policy	Policy drafted and adopted by Council by 29 February 2016.	Policy in place to direct future development of Council's IP&R documents from a financial sustainability perspective. Council continues to meet the required benchmarks going forward.	Positive impact on all measures.



### 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.

The efficiency benchmark in relation to the Fit for the Future requirements is as follows:

- Real Operating Expenditure Per Capita

Council's performance in relation to this efficiency benchmark for the period 2016-2020, inclusive of the implementation of the key improvement strategies, is projected to be as follows:

#### **Real Operating Expenditure Per Capita**

Dubbo City Council is forecast to meet this benchmark in every year of the 2016-2020 period.

Key improvement strategies have been developed and are to be implemented over the 2016-2020 period with the outcome being that Council achieves the benchmark ratio. As previously identified at sections 3.1 and 3.2 above, the following strategies to improve Council's performance will also help to improve Council's performance against the Efficiency benchmark to contain operating expenses in future years. These strategies as previously detailed are:

- Finalise Organisation wide Service Review Project and introduction of an on-going recognised and proven productivity/efficiency programme.
- Develop a Financial Sustainability Policy
- Complete Council's Superior Asset Management Project – Reduction in Depreciation expense
- Undertake the Procurement Roadmap project
- Enhanced budgetary controls on operating expenditure savings
- Introduction of a 0.5% per annum efficiency dividend for a two year period

The above improvement strategies are focussed on cost effectiveness (as opposed to efficiency) as the benchmark is focussed on operational expenditure.



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

A staged organisation-wide service review project has already been commenced by Council. Stage 1 has identified savings, additional revenue and efficiencies with further stages of this project to review the actual provision arrangements of each individual service provided by Council in terms of continued relevance, best fit for delivery of such service and methods to improve service delivery results. Based on the actual data collected to date for Stage 1, the Service Review Project will produce both actual dollar savings, forecast to be \$400,000 per annum from 2015/2016 and time/efficiency savings which will have a positive impact on Council's Operating Performance ratio.

Once the full organisation-wide service review project is completed an additional project to carry on the productivity and efficiency improvement drive will be introduced. Programs and proprietary products such as LEAN will be considered to ensure that Council is operating on both an efficient and effective basis.

A Financial Sustainability Policy is to be prepared and ultimately adopted by Council. This Policy will be a key Policy document and provide guidance to ensure that Council's ongoing performance against both the Fit for the Future and other benchmarks are maintained. The Policy will clearly define key financial performance benchmarks that are to be monitored, maintained and formally reported on.

In developing such Policy, a detailed review is to be undertaken which includes a review of:

- Council's current financial condition, status and capability based on detailed evaluations of any and all known and projected factors, opportunities and threats.
- Council's future (immediate, medium and longer term) predicted and feasible fiscal options based upon a detailed evaluation of the known and predicted financial environment within which Council will likely be operating.

A "Superior Asset Management Project" has been developed by Council to align with the National Asset Management and Financial Planning Framework (NAMAF), which incorporates 11 elements containing 76 objectives. Dubbo City Council already has in place an adopted Asset Management Improvement Strategy (AMIS) which incorporates both the full requirements of the NAMAF and also additional actions as per the advice received from Morrison Low when they prepared an asset management assessment of Council. The Superior Asset Management Project has already delivered significant benefits and in particular helped to reduce Council's reported asset renewal backlog and the amount of depreciation expense recognised for roads, stormwater and buildings. Such work will need to continue into the next round of the Integrated Planning and Reporting cycle. A further reduction



in Council's depreciation expense is forecast at \$1.2M. To date, Council has been able, as a result of much improved asset data and depreciation methodologies to reduced depreciation expenses by \$6.21M in the 2015/2016 financial year. There are a number of assets which as yet have not been reviewed to determine the correct depreciation expense particularly around remaining useful lives. Based on the actual results achieved to date with the \$6.21M in reduced depreciation expense it is forecast based on the assets yet to be reviewed that at least a further \$1.2M reduction will be achieved. This project will have a positive impact on Council's performance against both the Operating Performance Ratio and importantly the Building and Infrastructure Renewal Ratio.

Council has commenced the procurement roadmap project which has been developed in conjunction with Local Government Procurement and the PMMS Consulting Group. Advice provided from Local Government Procurement and PMMS is that Council can be expected to save between 2% to 3% in procurement expenses. This has been tested by Council with the supply of goods from a regular hardware operator being able to realise a saving of 11% over the regular list prices previously applicable to Council purchases. Based on this a saving of 1% generating a \$300,000 per annum saving has been conservatively forecast from this project. This would have a positive impact on Council's Operating Performance ratio and also the Building and Infrastructure Renewal ratio as savings made will be allocated to asset renewal works.

The enhanced budgetary controls project will introduce additional budgetary requirements. Specific requirements on how savings on expenditure and any additional revenue achieved would be put in place to ensure that these funds are allocated to corporate wide priorities. Any additional funds made available would have a positive impact on Council's Building and Infrastructure Asset Renewal ratio when these funds are directed specifically for asset renewal works. In addition, clear definitions and guidelines will be developed to ensure that all functional budgets are correctly identifying both operational and capital grants as overstating capital grants as opposed to operating grants has a detrimental impact on Council's Operating Performance ratio.

The Efficiency Dividend Project will investigate the introduction of a further efficiency dividend return from each of the various functions of Council. Previously, Council introduced the requirement for functions to find a 1% efficiency dividend over a two year period which resulted in some \$600,000 per annum being allocated specifically to road asset renewal backlog projects. A further 0.5% efficiency dividend based on operational expenditure less depreciation would raise some \$150,000 per annum with these savings also being directed specifically to backlog renewal works.

As previously advised, a copy of Council's Long Term Financial Plan is provided herewith as **Attachment 4**. The specific financial assumptions relating to such Long Term Financial Plan are as identified in Section 3.1 of this submission.



### 3.3 Efficiency

Outline your strategies and outcomes in the table below.

### 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Maintain Council's ability to achieve the seven ratios as required under Fit for the Future	Complete Service Review and ongoing productivity improvement plan.	Full service review completed and adopted, productivity/improvement plan in place by 31 December 2015.	Savings of \$400k generated from completing Service Review project. Council able to do more with the same as a result of productivity improvements.	Positive impact on Real Operating Expenditure per capita.



## 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Financial Sustainability Policy.	Policy prepared and adopted by Council by 29 February 2016.	Policy in place to direct future development of Council's IP&R documents from a financial sustainability perspective. Council continues to meet the required benchmarks going forward.	Positive impact on Real Operating Expenditure per capita.
	Completed Superior Asset Management Project and associated reduction in depreciation expense.	Full review of all asset classes undertaken for depreciation methodology by 31 October 2015.	Reduction in depreciation expenses of \$1.2M.	Positive impact on Real Operating Expenditure per capita.
	Procurement Roadmap Project.	Full project plan scoped and adopted and project completed by 31 July 2016.	Savings of \$300k identified and allocated to asset renewal works.	Positive impact on Real Operating Expenditure per capita.



### 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Enhanced Budgetary Controls.	Budgetary Policy adopted by 30 September 2016.	Operational Expenditure savings allocated to organisation rather than budget function priorities.	Positive impact on Real Operating Expenditure per capita.
	Use of an efficiency dividend.	Introduction of an efficiency dividend in place by July 2016.	Efficiency dividend of 0.5% per annum generated during the 2016/2017 and 2017/2018 financial years totalling \$300K.	Positive impact on 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.

Council's improvement plan includes actions from initiatives which have already commenced (**Attachment 3**), together with new improvement initiatives to be undertaken.

In relation to the initiatives of a comprehensive review of Council's Fees/Charges and the development of a Treasury Management Policy it should be noted that these projects will not commence until after the first year of the Plan (being 2015/2016) and accordingly, do not appear in the table below.

#### Action plan

Actions	Milestones
1. Complete Superior Asset Management Project.	Depreciation expenses fully reviewed for all remaining assets by 31 October 2015.
2. Finalise organisation-wide Service Review Project and introduce an on-going recognised and proven productivity/efficiency programme.	Stage 1 of Service Review Project completed by 31 December 2015.
3. Develop a Financial Sustainability Policy.	Completed by 29 February 2016.
4. Undertake the Procurement Roadmap Project.	Completed by 31 July 2016.



## Action plan

Actions	Milestones
5. Allocate proceeds from the new Mining Rate to Asset Renewal works.	Initial income expected 2016/2017.
6. Investigate service provision by Council to other Councils.	Project commenced June 2016.
7. Enhanced budgetary controls on additional income received, expenditure savings and classification of grants as being operational or capital.	Project commenced 30 September 2016.
8. Investigate the viability of introducing a further efficiency dividend each year over 2016-2018.	Completed 31 July 2016.
9. Seek new revenue streams.	Project to commence January 2016.
10. Investigate paying out Council's existing loans.	Completed 30 June 2016.
11. Consider the need for a Special Rate Variation (SRV).	Project to commence June 2016.
<b>* Please attach detailed action plan and supporting financial modelling</b>	



A copy of Council's detailed Action Plan, which incorporates all 13 improvement initiatives, as opposed to the 11 improvement initiatives to be undertaken in the first year, in relation to Council's Fit for the Future improvement strategy, is attached as **Attachment 5**.

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

*For example, who was involved, any external assistance, consultation or collaboration, and how the council has reviewed and approved the plan.*

Councillors have reviewed the improvement strategies developed at a workshop convened to specifically discuss Council's Fit for the Future submission and improvement proposal and in addition, at a subsequent Extraordinary Council meeting convened to discuss and adopt these matters. The community has been engaged with a strong media campaign and public display of the improvement strategies.

An important component of Council's submission to the Fit for the Future Expert Local Government Panel is demonstrated community engagement in respect of Council's current position and proposed improvement projects. Accordingly, in adopting a draft position, Council also resolved to develop and implement a strategy to consult with the community and staff on Council's draft Fit for the Future submission.

The draft submission content and supporting material was placed on Public Exhibition for 28 days along with the draft 2015/2016 Operational Plan and Budget and promoted with a proactive Media Plan, Consultation and Communication Plan including advertising, online communications, a web poll and extensive media.

Exhibition included public displays at various locations throughout the Local Government Area, online exhibition, online poll, proactive media promotions, advertising campaign, an open letter to the Community from all Councillors, social media and an e-blast. Results of the Community Engagement Campaign are included as **Attachment 6** to this submission. The Campaign included a communication program with reach of more than 430,000 as summarised below:



COMMUNICATIONS ACTIVITY	OUTCOME	POTENTIAL AUDIENCE/ REACH*
Put Dubbo First styling developed	Unique styling developed to support consistent messaging and readily identifiable information for the community	N/A
Councillor's letter to residents	Open letter published in 3 major print news outlets	39,068
Print Advertising	Display print advertisements included in 3 major print news outlets	75,395
Radio Advertising	3 week advertising campaign across 2 major commercial radio station	120,000
Council Column	Public notice in Council dedicated notices pages	6,568
City Connection (3)	3 week coverage	82,300
City Communications e-blast	Direct email to City wide subscriber list	917
Social media	Total reach across Council managed social media	5,670
Print media campaign	Locally generated media coverage	83,663
Dubbo Show	Information available at Dubbo City Council displays at 2015 Dubbo Show	20,000
Website visits	Unique visits to related content on Council's websites	586
Poll count	Number of responses to poll questions	314
<b>Total potential reach of communication program</b>		<b>434,481</b>



In summary during the engagement period a total of 12 formal submissions were received. Of the written submissions, 7 objected to the idea of a merger and 3 supported the concept of an Orana Joint Organisation. In addition, an online poll was included on Council's website via [mydubbomysay.com.au](http://mydubbomysay.com.au) which asked the community to vote yes or no to an Orana Joint Organisation and yes or no to a merger with other councils. The results of the polls were as follows:

Yes to an Orana Joint Organisation – 97 votes (81%)

No to an Orana Joint Organisation – 23 votes (19%)

Yes to a merger with other Councils – 31 votes (17%)

No to a merger with other Councils – 151 votes (83%)

Despite an extensive promotion of opportunities for community involvement delivered through the consultation period the result has been little support from the community for a merger with any other Council. The low number of submissions despite a communication program with reach of more than 430,000 can only indicate a level of community satisfaction with maintaining the status quo in terms of Council structure.

At its meeting held on 29 June 2015, Council adopted this document for submission to the Office of Local Government/Independent Pricing and Regulatory Tribunal.



### 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.

*For example, neighbouring council did not want to pursue a merger, unable to increase rates or increase borrowing, changes in policy or service standards.*

#### Merger Proposal

Following the release of the Fit for the Future Reform Package by the Minister for Local Government on 10 September 2014, Council convened an Extraordinary meeting on 9 October 2014 with a Mayoral Minute considered by Council.

In respect of this matter, Council resolved, in part, as follows:

- “1. That Council be party to the lodgement of an Expression of Interest by the Orana Regional Organisation of Councils (OROC) to the Office of Local Government to be a pilot Joint Organisation.*
- 2. That Council’s involvement in any pilot for an Orana Joint Organisation, if successful, be conditional upon:*
  - a) The issue of some form of proportional representation based on population numbers in respect of voting rights being addressed.*
  - b) Only elected persons representing the Council as part of the Joint Organisation decision making process.*
  - c) The elected person(s) representing the Council being determined by Council on an annual basis.*
- 3. That as part of the pilot, if successful, reports be provided to Council on a regular basis as the pilot progresses.”*

The Expression of Interest by OROC to be part of a Pilot was unfortunately unsuccessful.

On 31 October 2014, the Office of Local Government released its Fit for the Future Self Assessment Tools, Templates and Guidance Material to help councils prepare their Fit for the Future proposals.



As a result of the release of such documentation, Council at its meeting held on 15 December 2014 gave consideration to a further Mayoral Minute, seeking Council's determination of its position in respect of proceeding with its Fit for the Future assessment and submission. In this regard, the Mayor noted that Council essentially had two alternatives. These were either to prepare a Council Merger Proposal or prepare a Council Improvement Proposal.

In regard to the issue of council mergers, Council resolved that its position be that it does not support an amalgamation or merger of Dubbo City Council with any council including Narromine Shire Council or Wellington Council. The Mayor noted in his Mayoral Minute that he had expressed Council's position to both the Mayors of Narromine and Wellington Councils who concurred with Dubbo's position with both Mayors advising that their Councils' positions were to also continue to pursue operating as stand alone councils to best service and meet the needs of their individual communities.

Accordingly, Council resolved as follows:

- "1. That Council strengthen its position not to support an amalgamation or merger of Dubbo City Council with any council including Narromine Shire Council and Wellington Council.*
- 2. That the General Manager be requested to prepare the necessary documentation in respect of the Fit for the Future Assessment and Submission on the basis of Council preparing a Council Improvement Proposal (existing structure) for a further report to Council for consideration of the documentation prior to submission to the Expert Local Government Panel by 30 June 2015."*

Council's adopted position in respect of mergers has been the subject of numerous ongoing discussions with both Narromine and Wellington Councils and members of the Orana Regional Organisation of Council's in developing its submission to become a pilot JO. Over the past 2-5 years, Council has also had a number of discussions with both Councils in respect of shared services; the most recent of these discussions was with Wellington in February 2015.

In exploring the options of a merger with adjoining councils, Council has considered a number of issues, including:

- The physical size of the potential new merged LGA.

Dubbo is currently 3,425km<sup>2</sup>; a merger with both Narromine and Wellington Councils would increase the total area of the merged Local Government Area to 12,789km<sup>2</sup>.



- The additional road and infrastructure maintenance costs.

Council currently has a total road length of 1,246km; a combination of the three Councils of Dubbo, Narromine and Wellington would result in a road length in the order of 4,196km, an increase of 336%. Dubbo revenue from continuing operations in 2013/2014 was \$106.9M; a combination of the three Councils would be \$147.1M, an increase of only 37.6%.

- The cost of maintaining community assets and services in such an expansive LGA as distinct from the Dubbo LGA.
- The nature/characteristics of the different communities of Dubbo, Narromine and Wellington and their expectations and political representation.

The Office of Local Government has classified Dubbo as a Regional Town/City whilst both Narromine and Wellington Councils are classified as Large Rural.

- The fact that Dubbo merged with the former Talbragar Shire in 1980 (expanding from 44 km<sup>2</sup> to 3,425 km<sup>2</sup>), and the experiences Council has learned from that process and the issues that are still being addressed today.
- Most significantly, the fact that, based on the feedback from the communities of the three LGAs, the lack of desire for or opposition to a merger.
- Reduced local political representation for both the Narromine and Wellington communities.

If the three Councils merged Councillor numbers would more than likely be reduced to 11 or 12 in total, thus reducing political representation especially from Narromine and Wellington as Dubbo will have 72% of the combined population of a merged 3 Councils.

Council's position in respect of a merger has been explored again most recently with representatives of Narromine and Wellington Councils who maintain that they concur with Dubbo's position and further that their Councils' respective positions are to also continue to pursue operating as standalone councils, in order to best service and meet the needs of their individual communities. Narromine and Wellington Councils have provided written advice confirming their respective positions (**Attachment 1**).



## 4. How will your plan improve performance?

### 4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-15.4%	-11%	-4.38%	1.28%	2.55%	4.67%	Yes
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	65.61%	66.62%	69.38%	73.71%	75.88%	76.80%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	30.85%	56.84%	88.58%	107.45%	107.39%	103.11%	Yes
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	0.88%	0.90%	1.8%	1.9%	1.7%	1.5%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	91.8%	96.6%	100%	100%	100%	100%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	6.17%	6.08%	5.36%	5.54%	5.64%	5.4%	Yes
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	Decreasing	Decreasing	Decreasing	Decreasing	Decreasing	Decreasing	Yes

**Note:** IPART will assess this table in accordance with section 3.3 in the [Methodology for Assessment of Council Fit for the Future Proposals](#)

\*if your council is including FAGs in this calculation please provide information for years 2020/21 to 2024/25 on the following page.



## 4.1 Expected improvement in performance (rural with FAGS considered\*)

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

\*Includes councils in OLG groups 8,9, 10 and 11 only. See page 42 of IPARTs [Methodology for Assessment of Council Fit for the Future Proposals](#)



## 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.

*For example, historical constraints, trade-offs between criteria, longer time required.*

Following completion of the enclosed improvement Action Plan, Dubbo City Council will achieve all of the Fit for the Future benchmarks.



## 5. Putting your plan into action

How will your council implement your Improvement Action Plan?

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

Council's Improvement Action Plan will be undertaken as a special cross-functional corporate project. The detailed Plan (**Attachment 5**) has a significant number of actions with every action having an identified officer who is responsible for the completion of that action item.

The improvement action plan developed by Council in preparing its Fit for the Future Proposal will be linked directly to the next iteration of the Integrated Planning and Reporting (IP&R) documents. The strategies and actions developed as part of Council's Fit for the Future proposal will require Council to critically review the existing suite of IP & R documents to include such strategies and actions where required thus ensuring that Council's journey to becoming sustainable is approached in a formal and integrated manner.

The Improvement Plan strategies and actions will be incorporated within the four year Delivery Program 2016-2020 and the individual 12 month Operational Plans during 2016-2020 as required. Council's Operational Plan is formally reported to Council on a quarterly basis and the Delivery Program is formally reported on a six monthly basis. The Long Term Financial Plan will also be prepared to ensure Council is sustainable over the long term and have clear links to the Resourcing Strategy, especially the Asset Management Strategy and Asset Management Plan to ensure that the Fit for the Future benchmarks are attained on an on-going basis.

In addition the progress in relation to implementing the Fit for the Future Improvement Action Plan and Council's specific performance against the Fit for the Future benchmarks will be formally reported as part of Council's Annual Report.





**File No: 01.034, 92.047**

13 April, 2015

Mr Mark Riley  
General Manager  
Dubbo City Council  
PO Box 81  
DUBBO NSW 2830

Dear Mark

### **Fit for the Future**

Thank you for your letter dated 30 March 2015.

I note that following discussions between the Mayors and General Managers of Dubbo, Wellington and Narromine Councils, Dubbo City Council have resolved to strengthen its position not to support an amalgamation or merger of Dubbo City Council with any Council, including Narromine Shire Council and Wellington Council.

Council, at its meeting on 8 April 2015 received a further report on this matter, where your letter dated 30 March 2015 was considered.

Council subsequently resolved at the meeting –

1. That Narromine Shire Council reaffirm its position not to support an amalgamation or merger with any other council, including Dubbo City Council and Wellington Council, and Dubbo City Council be advised of this decision;
2. That the General Manager prepare the necessary documentation in respect of the Fit for the Future submission for submission to the Expert Local Government Panel by 30 June 2015.

Accordingly, this letter is to formally advise that Narromine Shire Council does not support an amalgamation or merger with Dubbo City Council, or with any other Council, and will be preparing its own submission as a 'Fit for the Future' stand alone Council, and part of the Joint Organisation that is currently OROC.

Yours faithfully

  
Greg Lamont  
General Manager

Dubbo City Council	
Parcel.....	
Ass.....	ACGM
15 APR 2015	
File C.....	12/712
(ED15/23007)	

Please address all correspondence to the General Manager, P.O. Box 115 Narromine NSW 2821  
T: 02 6889 9999 F: 02 6889 9998 E: mail@narromine.nsw.gov.au W: www.narromine.nsw.gov.au

Office Address: 124 Dandaloo Street Narromine NSW 2821

ABN 99 352 328 405





KR/LLDF02042015

2 April 2015

Mr Mark Riley  
General Manager  
Dubbo City Council  
PO Box 81  
**DUBBO NSW 2830**

Dear Mr Riley,

### **FIT FOR THE FUTURE**

Council acknowledges receipt of your correspondence of 30 March 2015, seeking formal notification of Councils position in respect to the Independent Local Government Review Panels recommendation.

At its Ordinary meeting held on 26 February 2014, Council resolved;

*"that Council's Submission on the Final Report of the NSW Independent Local Government Review Panel be endorsed."*

Councils submission concluded by stating that "Wellington Council does not support amalgamation of Dubbo City Council, Narromine Council and Wellington Council".

In accordance with the above, Council staff have been working with its consultants Morrison & Low to complete template 2. Councillors are of the view that the best interests of Wellington residents are served by Wellington Council continuing to stand alone, ensuring that the current levels of representation are maintained and that the priorities and local identity of the Wellington community are not lost with those of a large City focused Council.

Should you wish to discuss any of the above please do not hesitate to contact me.

Yours faithfully

**Karen Roberts**  
**ACTING GENERAL MANAGER**

Dubbo City Council	
Parcel.....	
Ass:.....	<b>DECU</b>
- 7 APR 2015	
File C.....	<b>12/712</b>
<b>(E015/32003)</b>	





# → Dubbo City Council – Addressing the Issues of Scale and Capacity

Council is pursuing the option provided to it by the Independent Local Government Review Panel to operate as a stand alone “*council in Orana JO*”. Accordingly, Council has responded “yes” to Item 1.2 of Template 2 that Council has the Scale and Capacity consistent with the recommendations of the Panel. Notwithstanding, for the purposes of clarity, the criteria in respect of Scale and Capacity are addressed below:

- **Robust revenue base and discretionary spending**

Council’s 2015/2016 Long Term Financial Plan is forecasting Operational Expenditure to be \$62.9M with the value of the General Fund written down assets being \$1,138M (2014). Coupled with Council’s Water and Sewer Funds, the total Operational Expenditure for 2015/2016 is forecast to be \$90.7M, capital expenditure is forecast to be \$62M with a total written down asset value of \$1,452M (2014).

The population of Dubbo continues to grow with the latest ABS statistics identifying a population as at December 2014 of 41,573. Coupled with this population growth is a growth in rate assessments. In 1998/1999, there were 14,188 rate assessments, with this having now grown to 17,295. In the last four (4) years, rate assessments have increased an average of 163 per year. The Dubbo LGA has not experienced population decline, as shown by data sourced from the ABS, despite the 10 year drought from the turn of this century and resulting rural decline as experienced over many areas.

Council’s robust revenue base is supported by the Own Source Revenue ratio of 66.2% in 2013/2014, which is forecast to improve to 69.38% in the 2016/2017 financial year.

This ongoing development and resultant investment activity sees Dubbo Council with a robust revenue base that affords Council a level of discretionary spending in providing services to the community. Council is far more than a “rates, roads and rubbish” council. It provides extensive community services and infrastructure, both for local and regional users, undertakes significant economic development and promotional activity and is at the forefront of assisting its fellow Local Government Authorities in the region.

Council operates a series of business activities being Dubbo City Regional Airport, Dubbo Regional Livestock Markets (which annually contributes \$75.6M or 1.4% of Dubbo’s \$2,400M Gross Regional Product), Dubbo City Holiday Park and a significant residential and industrial land development function. In 2015/2016, these business activities are forecast to contribute \$1M to Rates and General Revenue. In addition to this, since 1991, Council’s land development function has contributed some \$11.02M to specific “special projects” in the City, such as the CBD Beautification and the construction of the

Dubbo Regional Theatre and Convention Centre in 2010.

Dubbo Council was not identified in the Final Report as a Council that was required to urgently review its “*long term asset and financial management plan plus an updated sustainability assessment to be developed*”.

- **Scope to undertake new functions and major projects**

Council has a long history of undertaking new functions and major projects. This has been demonstrated by Council’s successful role as a residential and industrial land developer over the past four (4) decades and completion of major projects such as the construction of the Dubbo Regional Theatre and Convention Centre (\$18.2M), Western Plains Cultural Centre (\$8.2M), upgrades at the Dubbo City Regional Airport (\$2.5M), John Gilbert Water Treatment Plant (\$21M), Upgrade of Sewerage Treatment Plant (\$23.7M), effluent irrigation schemes for Dubbo and Wongarbron (\$9M), Caltex Park Recreation Facility and Water Harvesting System (\$11.5M) and the Barden Park Athletics Facility (\$6M), as examples.

Council’s success in completing the construction of the major project of the Dubbo Regional Theatre and Convention Centre, with only minimal grant funding, “on budget and on time” in 2010, at a time when other councils were experiencing serious difficulties in bringing to fruition similar projects, was recognised at the time by then Department of Local Government Director General, Ross Woodward. Whilst this is again an example, the successful delivery of major projects and undertaking of new functions is certainly the ‘norm’ for Dubbo City Council.

- **Ability to employ wider range of skilled staff**

Council currently employs 314 full time staff. Due to the size and amenity of the City of Dubbo (population 41,573), the diversity of the functions performed, attractive remuneration, training and development opportunities and the reputation of Dubbo City Council as a leading Local Government Authority, Council has the demonstrated ability to employ and retain a wide range of skilled staff. This is demonstrated by consistent employee turnover rates of less than 10% per annum with Council’s recruitment timeframes in 2014/2015 being 6.23 weeks from time of resignation. Council has been able, over the years, to recruit successfully both internally and externally for professional staff at all levels of the Organisation.

- **Knowledge, creativity and innovation**

Council is committed to overseeing the continued growth of the City and assisting the region by ensuring a high quality of lifestyle





for residents and visitors. This role was reinforced by significant community input into the development of the Dubbo Community Strategic Plan, Dubbo 2036 (<http://www.dubbo2036.com.au/>), which incorporates the following Vision and Mission Statements for Dubbo:

### Dubbo's vision

*A vibrant city of lifestyle and opportunity*

### Dubbo's mission

*To manage and promote Dubbo's diversity, lifestyle and opportunity through innovation and excellence*

Council has adopted a Value Statement, with the Organisation taking an additional step in respect of its own vision to be a "top performing council and one that is trusted, valued, responsive and dependable".

Council, in 2005, was awarded the A R Bluett Memorial Award which is highly contested annually by councils in NSW to be recognised as being the most progressive in the State. More recently Council has received awards in respect of Tourism, Council's Youth Week Program, Aboriginal Cultural Development, Climate Change Action, Infrastructure Innovation, Business Sustainability, Environmental Enhancement, Planning, Road Safety, Engineering, Excellence in Infrastructure and Work Health and Safety.

Some recent examples of Organisational innovations implemented include:

- Development of the Dubbo 2036 Community Strategic Plan which involved unprecedented community engagement in a project of this size and includes innovative and integrated frameworks to monitor progress on an ongoing basis
- Proactive approach pursued in respect of addressing Council's ageing infrastructure, including:
  - Superior Asset Management Project
  - Organisational Service Review Project
  - Budgetary Priorities Project
  - Development of a Capital Works Prioritisation Model to assess Council's Capital Works priorities
- Zero based budgeting framework
- Resource and service sharing with surrounding councils (eg Macquarie Regional Library, Lower Macquarie Water Utilities Alliance, Bathurst/Orange/Dubbo Alliance, regional procurement with OROC and regional advocacy)
- Enterprise Risk Management Project
- Information Management Strategic Plan development and implementation
- Electronic Staff Performance Management System linked to the Delivery Program and operational responsibilities
- Online Staff Recruitment Process
- E Services Initiatives
- Development of an Infrastructure and Services Impacts Model to assess impacts from major developments such as mines
- Strategic approach in respect of the potential duplication of

the LH Ford Bridge resulting in the announcement by the Premier in the lead up to the March 2015 State Election of a \$50M upgrade of the bridge

- Strategic Partnership Agreements with the Amarti family sponsoring the Western Plains Cultural Centre – \$1M over six years, Caltex sponsoring Apex Oval – \$150,000 over three (3) years and more recently Dubbo City Locksmiths sponsoring Barden Park Regional Centre of Excellence for Athletics – also \$150,000 over three (3) years
- Integrated Corporate Marketing Program (partnership program) attracting an average of \$250,000 per year from the private sector
- Accredited/Qualified Roads and Maritime contractor

### • Advanced skills in strategic planning and policy development

Council operates under a core set of planning documents, some of which are a statutory requirement under the Local Government Act 1993 and some of which are business initiatives of Dubbo City Council.

Council uses a 'Whole of Council' management approach to ensure that the best value is obtained from the resources it has. The 'Whole of Council' approach means understanding and coordinating the relationship between all of Council's businesses or functions as part of the planning process and day-to-day operating processes based on a comprehensive Organisational Development discipline.

To provide the detailed strategic direction within the Integrated Planning and Reporting Framework, Council also develops and maintains a series of Strategies. These Strategies have a minimum horizon of 10 years.

The main overarching Strategies of Council, based on the themes of Infrastructure, People, Place, Sustainability and Leadership identified in the Community Strategic Plan, are:

- The Dubbo Infrastructure Strategy, which comprises strategies for Transportation, Water, Sewerage and Drainage.
- The Built and Natural Environment Strategy, which comprises strategies for Urban and Rural Land Use, Environmental Management and Sustainability, Recreation and the Open Space Master Plan.
- The Human Environment Strategy, which comprises cultural, health, housing, education and social strategies.
- The Resourcing Strategy, which comprises the Long Term Financial Plan, Workforce Plan, Asset Management Strategy and Enterprise Risk Management Strategy.
- The City Development Strategy, which comprises the Economic Development Strategy, City Image Strategy and City Development Delivery Plan.

These Strategies are designed to result in the achievement of the City's Vision and result in the City being able to meet the various challenges as it grows and develops in accordance with stated objectives of the Dubbo community as identified in the Dubbo 2036 Community Strategic Plan.





### • Effective regional collaboration

Dubbo City Council is a member of the Orana Regional Organisation of Councils (OROC). OROC comprises twelve local government areas located in the west and north west of NSW. Such councils have been successfully collaborating and delivering regional level functions for over 20 years. These collaborations have gone beyond resource sharing and the normal Local Government service delivery role to deliver improvements to the liveability of the region and significant financial savings for the member councils. For example, OROC successfully advocated for improvements to health infrastructure in Dubbo for the benefit of the entire ROC region and have engaged, on various occasions, to procure electricity at favourable prices through joint tender processes.

OROC gains its strength through its responsiveness to the region's needs which it gains from being directly connected to its communities. OROC operates on a Board/GMAC structure with Dubbo City Council's General Manager the long term Chair of GMAC and further the supervising General Manager in respect of the OROC Executive Officer.

OROC member councils have further joined together to form the Lower Macquarie Water Utilities Alliance to assist member councils toward achieving "Best Practice" status and assist in respect of shortages of professional staff in some councils.

The Review Panel, in its Final Report, formally recognised Dubbo City Council's leadership role and the provision of technical support where required to other councils when it stated that "Dubbo City Council provides a good example of how this can work through its leadership of the Lower Macquarie Water Alliance".

As part of the Department of Planning and Environment's development of Regional Growth and Infrastructure Plans, Dubbo City Council is also assisting OROC councils to provide input to the Plan to help councils plan for sustainable growth and change within the region. This Plan will be critical in assisting the region plan for growth, manage decline and ensure there are a range of housing and employment opportunities for a changing population, and there is appropriate infrastructure to support this.

OROC previously lodged an Expression of Interest to become a Pilot Joint Organisation, however this was unfortunately unsuccessful.

Dubbo City Council provides a regional library service to the Councils of Narromine, Warrumbungle and Wellington as part of the Macquarie Regional Library Service. Whilst resources such as books, staff and equipment are shared, it is Dubbo City Council that employs the staff, provides financial and human resource management, purchases resources and oversees the day to day operations of the Library Service. The participating Councils pay a full cost recovery fee for the service provided by Dubbo City Council.

Dubbo City Council also has an alliance with Bathurst and Orange Councils (BOD Alliance) which has been successful in obtaining some \$2M in funding for environmental improvements across the Alliance. The BOD Alliance also operates a successful Internal Audit Program which involves the employment of an independent Internal

Auditor shared across the three (3) Councils.

Council was also a founding member of the NSW Inland Forum with Tamworth and Wagga Wagga Councils along with being a strong advocate and member of Evocities along with Albury, Armidale, Bathurst, Orange, Tamworth and Wagga Wagga cities.

### • Credibility for more effective advocacy

- As demonstrated though Council's various roles as members of OROC/BOD Alliance/Inland Forum/Evocities and as a major regional centre, Council maintains a strong advocacy role in regional NSW to ensure that Dubbo and the region are represented to Government to ensure appropriate levels of services are delivered and the amenity desired by the community is maintained. Dubbo City Council is well respected in this role as an advocate for the City and the region with Council acknowledging that in order for Dubbo to be successful, the communities within the region also need to be successful. This is the basis for Council's support for and willingness to be part of a new Orana Joint Organisation.

In addition, whilst Council's political leadership and management are strong and credible advocates for Dubbo, the City also advocates on behalf of the region and State with both groups involved in numerous regional and State political, professional and technical alliances such as:

- Local Government NSW
- Local Land Services
- NSW Local Government Aboriginal Network
- NSW Local Government Planning Directors Group
- Lower Macquarie Water Utilities Alliance
- Murray Darling Association
- Local Government Professionals
- NSW Inland Tourism
- Orana Economic Development Officer Network
- NSW Local Government Water Directorate
- NSW Office of Water / Local Government NSW Liason Committee
- North West Weight of Loads Group
- NetWaste
- and various other government reference groups.

### • Capable partner for State and Federal agencies

Council is a most capable partner for State and Federal Government agencies and has demonstrated this through the delivery of numerous collaborative projects for Dubbo such as the most recently completed Federal, State and locally funded Barden Park Regional Athletics Facility, the Federally funded Caltex Park Stormwater Harvesting Project, Highway/rail improvements and Council's involvement in the response to social issues in West Dubbo as part of the Gordon Estate Transformation Strategy in partnership with multiple state agencies.





As examples, Council also partners with numerous State Government agencies in respect of the Ministers' Action Group as part of a Whole of Government approach to social issues in the City, partners with the Department of Premier and Cabinet in the Regional Leadership Network, partners with Government in respect of the implementation of the Destination Management Plan (first in NSW), partners with 16 fellow Local Government Authorities with regard to the operation of a Salinity and Water Quality Alliance (initially formed by Dubbo Council) to assist Government to deliver its programs in this area and further partners with the Department of Planning to assist in the development of Regional Growth and Infrastructure Plans. Council is also partnering with Regional Development Australia – Orana and OROC to develop a Regional Infrastructure Masterplan. Council also co hosts regular Community Leaders Breakfast events in conjunction with Federal and State local members where the community can raise questions and issues with their local State and Federal representatives.

### • Resources to cope with complex and unexpected change

Dubbo Council has the skills and resources to cope with complex and unexpected change within its Local Government Area. To address this issue the Organisation maintains a cyclic Organisation Development process to ensure that the Organisation, at any moment in time, is relevant, cost effective and operationally efficient. The process is about effectively managing change and ensuring that Council can respond appropriately to such change.

As part of this cyclic management of change process, a specific project is currently underway aimed at enhancing the following disciplines:

- Strategic Planning
- Business Planning
- Business System Capability
- Information Management Strategy
- Intra-organisation communication
- Enterprise Risk Management

In addition, Council's salary administration based Performance Management System, Succession Planning Program and a Marketing Strategy are being developed.

### • High quality political and managerial leadership

Council has 11 Councillors, an annually elected full time Mayor and employs 314 permanent full time staff. The Organisation is made up of six (6) operational Divisions responsible for the implementation of Council's resolutions and resulting operations. Dubbo City Council is recognised as a progressive council.

The elected Council operates as a cohesive group focussed on the growth and prosperity of the Dubbo Local Government Area. In this regard the Councillors, as elected in September 2012, formally pledged a commitment and advised the community what they could expect from their Councillors as part of their commitment to

the implementation of the Dubbo 2036 Community Strategic Plan. These commitments are:

- To always put Dubbo first
- To demonstrate unity of purpose
- To be representative and responsive
- To demonstrate sound management and strategic planning
- To deliver prudent fiscal revenue management
- To undertake transparent decision making
- To engage in two way communication with the community
- To develop and maintain Councillor skill levels
- To support the organisation of Council in implementing Council's policies and decisions

The Pledge also contains information as to how they will achieve these expectations.

The Councillors have a diverse range of professional backgrounds and provide strategic input working closely with Council staff for the betterment of the Community. Councillors are involved at Board level in respect of numerous external organisations such as Regional Capitals Australia (RCA), University of Sydney School of Rural Health Community Advisory Board, Local Government NSW (at one stage Dubbo Council had four (4) Councillors on the executive of LGNSW with this now being reduced to two (2)), Regional Development Australia (RDA), Local Land Services (LLS), Local Government Aboriginal Network, StateCover Insurance, Museum and Galleries NSW, Taronga Conservation Society and a Community Consultative Committee for a mining project in far west NSW.

Council's Executive Staff team comprises highly qualified and respected members of the community with in excess of 218 years experience in local government and 168 years experience with Dubbo City Council. This level of experience and stability within an organisation is a valuable asset that cannot be underestimated and comes with a high level of ownership and commitment in respect of achieving the goals for the community within which they live.

Council's Executive also make a considerable contribution to the region and State with Directors being involved in alliances such as the NSW Local Government Planning Directors Group, Planning Institute Australia, IPWEA, NSW Water Directorate, Lower Macquarie Water Utilities Alliance, Murray Darling Association, Local Government Professionals, Australian Airports Association, The Australian Livestock Markets Association, Regional Arts New South Wales Limited, Northe West Weight of Loads Group, Engineers Australia, NetWaste, the BOD Alliance and various other government reference groups.



# → Dubbo City Council – Addressing the Percy Allan Report

In preparing Council’s draft 2015/2016 Operational Plan and Budget and subsequently reviewing Council’s Long Term Financial Plan out to 2024/2025, Council relied on enhanced data derived from a series of projects initiated by the Organisation in response to a report prepared by Review Today Pty Limited for Council (known as the Percy Allan Report). This report assessed Council’s financial sustainability in relation to Council’s backlog of asset renewal works and the potential impact that this would have on Council’s sustainability going forward.

At the time, Professor Allan determined that Council had an asset renewal backlog amount of \$25.5M in respect of General Fund assets and that if no action was taken, this backlog liability would expand to \$130M or 26% of Council’s General Fund asset base by 2028/2029. In addition, asset maintenance funding was identified to be in a shortfall position of \$12.9M per annum at the time. Notwithstanding this Report, Council’s annual audited financial position was always regarded as being strong.

Obviously Council needed to take action to address these findings and, as a result, a series of project based initiatives were commenced with a significant amount of work undertaken by staff in respect of the following projects:

- Superior Asset Management project
- Organisation Wide Service Review Project
- Budgetary Priorities project
- Capital Works Prioritisation project

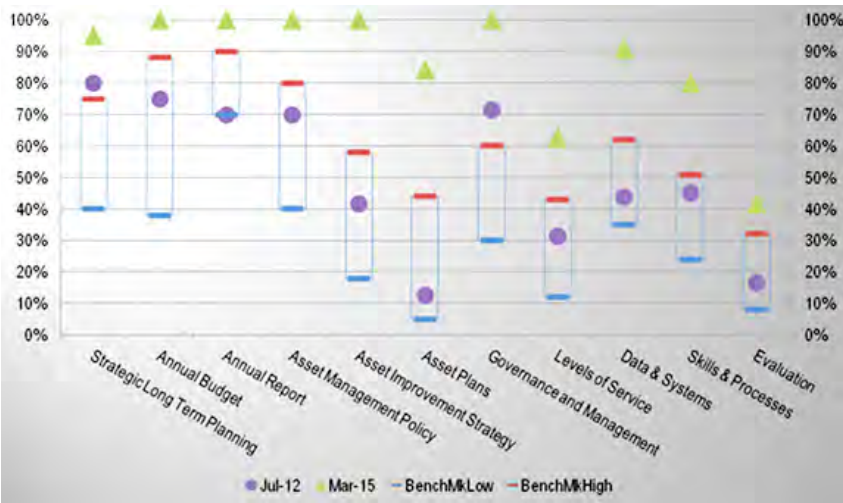
The timing of these projects has been most appropriate in providing the necessary data for the development of Council’s 2015/2016 draft Operational Plan and Budget, being year 1 of Council’s revised Long Term Financial Plan, and data for the necessary review of the Fit for the Future benchmark ratios, as required by the Office of Local Government. Accordingly, information is provided in respect of each of these projects and their various outcomes.

### • Superior Asset Management Project

Broadly speaking, the Superior Asset Management project has involved the Organisation undertaking a full review of its asset management practices and processes. The Project was developed to align with the National Asset Management and Financial Planning Framework (NAMAF), which incorporates 11 elements containing 76 objectives.

At the commencement of the Project in July 2012, Council was assessed with a compliance rate of 43% in terms of meeting the objectives of NAMAF. On 20 November 2012, the Asset Management Improvement Strategy (AMIS) was adopted by Council’s Executive Staff Committee.

As at March 2015, Council had achieved an overall compliance rating of 87% in respect of meeting the objectives of NAMAF, as detailed below:



A revised draft Asset Management Strategy and six resulting draft Corporate Asset Managements Plans, as below, have been prepared in readiness for implementation following the adoption by Council of the draft 2015/2016 Operational Plan and Budget:

- Transport
- Water
- Sewer
- Drainage
- Buildings
- Parks and Landcare

This documentation will be submitted to Council for consideration in July 2015.

The asset renewal backlog has also been significantly reduced to what is now a manageable level given the total value of assets under the custodianship of Council. Council is now able to determine its depreciation expense with a much improved degree of accuracy as a result of the work undertaken in respect of the Superior Asset Management Project.

In this regard, Council’s General Fund depreciation expenses have been significantly reduced by the following amounts, as part of this project:

Roads	\$3.75M
Buildings / other structures	\$1.33M
Stormwater	\$1.13M
	<b>\$6.21M</b>

In regard to the asset renewal backlog, such backlog renewal works are confirmed at \$8.087M for General Fund in 2015/2016, down



from the \$25.5M amount as identified in the Percy Allan Report in 2010.



Anticipated General Fund Rolling Backlog over the next 10 years (in 2014 \$,000)

The above results in respect of the infrastructure renewal backlog amount and depreciation expense amounts have had a dramatic and positive impact on Council's Operating Performance Ratio and Asset Renewal Ratio under the Fit for the Future sustainability ratio regime and as a result these improvements have significantly improved Council's financial sustainability position as it progresses towards being 'certified' Fit for the Future.

It is further advised that in respect of Council's asset management capability, the firm Morrison Low was engaged in 2012 by the, then, Division of Local Government to undertake an onsite infrastructure audit of a significant number of councils in NSW in respect to their infrastructure backlog and asset management capacity. The audit assessed Dubbo City Council's infrastructure management, at the time, at a "core" level of competence.

Given the Organisation's progress with its Superior Asset Management Project, the opportunity was taken to request Morrison Low to undertake a follow up audit to determine how far Council's asset management practices have progressed. In this regard, the assessment as undertaken by Morrison Low dated March 2015 has resulted in an overall score of B which "would indicate that the Council is at an advanced level of competence in asset management". Morrison Low further advise that based on their "recent experience across the asset management practices, systems and processes of councils in reviewing NSW, this result puts Dubbo asset management above the average of NSW councils".

**A copy of this assessment is attached here as Annexure A.**

### • Organisation-Wide Service Review Project

The organisation-wide Service Review Project is an organisational review of current service provision to identify potential cost reductions, staff productivity gains and revenue generation ideas. This review has progressed such that Stage 1 has been completed with all relevant data having now been collected and collated for each of the six Divisions. Directors are now individually pursuing issues identified for their Divisions.

Whilst the organisation-wide Service Review project still has additional work to be completed, as identified in the draft 2015/2016 Budget and the forward budgets for the following three

(3) years, operational expense reductions have been identified:

	2015/16	2016/17	2017/18	2018/19
Service Review Operational Expense Reductions	\$610,913	\$651,931	\$703,979	\$729,128

The identified operational expense reductions have been allocated to capital expenditure asset renewal/backlog works.

### • Budget Priorities Project

The Budget Priorities Project examines budgeting practices as they relate to potential savings and process improvements.

The Project is now complete following the preparation of the draft 2015/2016 Operational Plan and Budget.

As a result of this project, the total Operational Result, as identified in the draft 2015/2016 Operational Plan and Budget and forward budgets for the following three years, shows an improvement of a total of \$10.9M as per the following table:

	2015/16	2016/17	2017/18	2018/19
Decrease in Previously Forecast Operating Expenditure	1,353,811	1,721,021	2,175,883	2,594,202
Increase in Previously Forecast Operating Income	775,889	769,800	763,021	777,947
<b>TOTAL</b>	<b>2,129,700</b>	<b>2,490,821</b>	<b>2,938,904</b>	<b>3,372,149</b>

Increases in budgeted Operating Income were largely achieved by increasing income forecasts in a number of functions to more accurately reflect the level of income that is currently being achieved in the 2014/2015 financial year.

Once again the results achieved from this project have improved Council's Operating Performance Ratio and Asset Renewal Ratio in terms of Council's Fit for the Future requirements.

The funds identified as decreases in operating expenditure herewith have been allocated to capital asset renewal expenditure, commencing in the 2016/2017 financial year.

### • Capital Works Prioritisation Project

The Capital Works Prioritisation Project has seen the development of a capital investment prioritisation methodology to ensure all capital works are assessed under a systematic asset investment decision support process.

The Capital Works Prioritisation Project has now been completed. Capital expenditure items for the 2017/2018 financial year were assessed and determined under the prioritisation model as have the capital works as contained in the forward budget for the 2018/2019 financial year.





**Dubbo City Council**

Asset Management Assessment of  
Dubbo City Council

March 2015



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<b>Approving Director:</b>		<b>Date:</b>	<b>March 2015</b>
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## **1. INTRODUCTION**

### **1.1 Background**

In 2012 Morrison Low carried out an onsite infrastructure audit of Dubbo City Council. The audit was carried out on behalf of the Office of Local Government (previously the Division of Local Government) as part of the 2011 NSW Government State Plan - NSW 2021.

Council has undertaken a number of asset management initiatives since the last audit. As such, Council has requested a follow up audit to determine how far Council's asset management practices have progressed. This audit will determine how much progress Council has made and prioritise areas for improvement so that the organisational asset management goals can be achieved.

To provide this assessment, an onsite audit of Council's asset management practices and a review of the relevant asset management and financial documents have been undertaken. The work has been aligned with our standard methodology and moderated against other recent assessments, which allows for a ready comparison against other councils.

### **1.2 Infrastructure Asset Management Assessment**

This assessment of the asset management systems has followed the same methodology and procedures as the 2012 Audit. This has been done to provide a clear and comparable data set to Dubbo's previous report as well as councils across NSW.

Dubbo City Council has made significant improvements in asset management since 2012 particularly in the area of asset management plans and long term asset strategies. With the recent assessment of Critical Assets Council has reached and Advance rating for asset management.

### **1.3 Independent Audit – Process and Methodology**

Our methodology is based on achieving consistent and repeatable results which can be applied across a range of councils while recognising the differences between councils in terms of size, asset base and capacity. Our standardised assessment methodology and practices have been used as well as a standard reporting format where findings relating to each category which summarises the evidence on which the assessment was made.

#### ***Asset Management Systems and Processes***

Key roles within the Council that have responsibilities for asset management within the organisation (strategic, operational and financial) were interviewed over a two day period.



The assessment considers each of the following categories and sub-categories.

<b>Asset Knowledge / Data</b> <ul style="list-style-type: none"> <li>Asset Classification / Hierarchy</li> <li>Attributes and Location</li> <li>Condition Data</li> <li>Lifecycle Cost Data</li> <li>Valuation, Depreciation and Age / Life Data</li> </ul>	<b>Asset Knowledge Processes</b> <ul style="list-style-type: none"> <li>Asset Accounting / Valuation</li> </ul>
<b>Strategic Asset Planning Processes</b> <ul style="list-style-type: none"> <li>Strategic Long Term Plan</li> <li>Asset Management Policy and strategy</li> <li>Levels of Service</li> <li>Risk Management</li> <li>Financial Planning and Capital Investment</li> <li>Asset Management Plans</li> </ul>	<b>Operations and Maintenance Work Practices</b> <ul style="list-style-type: none"> <li>Operations / Maintenance Management</li> <li>Critical Assets</li> </ul>
<b>Information Systems</b> <ul style="list-style-type: none"> <li>Asset Register</li> <li>Systems Integration</li> </ul>	<b>Organisational Context</b> <ul style="list-style-type: none"> <li>Organisational Strategy</li> <li>Asset Management Review/Improvement</li> <li>Asset Management Roles and Responsibilities</li> </ul>

An assessment against each category based on an A – F scoring is provided as well as an overall weighted score again based on A – F. The table below sets out the ranking system.

Assessment	Description	Standard
<b>A</b>	At or near best practice	≥ 9.0
<b>B</b>	Advanced level of competence	7.50 – 8.99
<b>C</b>	Core level of competence	6.00 – 7.49
<b>D</b>	Basic level of competence	4.00 – 5.99
<b>E</b>	Awareness	2.50 – 3.99
<b>F</b>	Nothing / limited	≤ 2.49

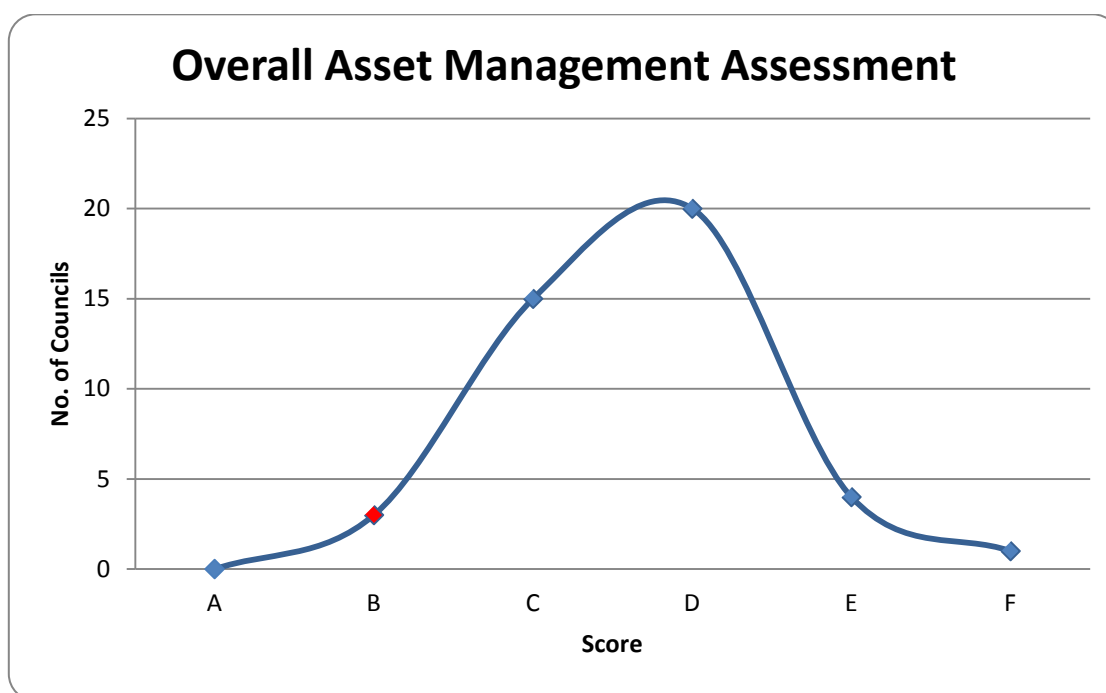


## 2. SUMMARY OF AUDIT RESULTS

Category	Assessment 2012	Assessment 2015
Asset Knowledge / Data	C	B
Asset Knowledge Processes	C	B
Strategic Asset Planning Processes	C	B
Operations and Maintenance Work Practices	C	C
Information Systems	D	C
Organisational Context	C	B

<b>Overall Asset Management Assessment</b>	<b>C</b>	<b>B</b>
--	----------	----------

The overall score of **B** would indicate that the Council is at an **Advanced** level of competence in asset management. Based on our recent experience across the asset management practices, systems and processes of councils in reviewing NSW, this result puts Dubbo asset management above the average of NSW councils. The following chart shows the distribution of councils who were part of the DLG onsite infrastructure audit in 2012 as well as councils subsequently assessed using the same methodology. For ease of reference we have highlighted in red where this places Dubbo Council compared to those councils which were audited<sup>1</sup>.



To improve in asset management more work is required in:

- A. Continuing to reinforce the organisational approach to asset management
- B. Improve the systems integration
- C. Improve on the service levels

<sup>1</sup> Local Government Infrastructure Audit June 2013, Division of Local Government, Page 87



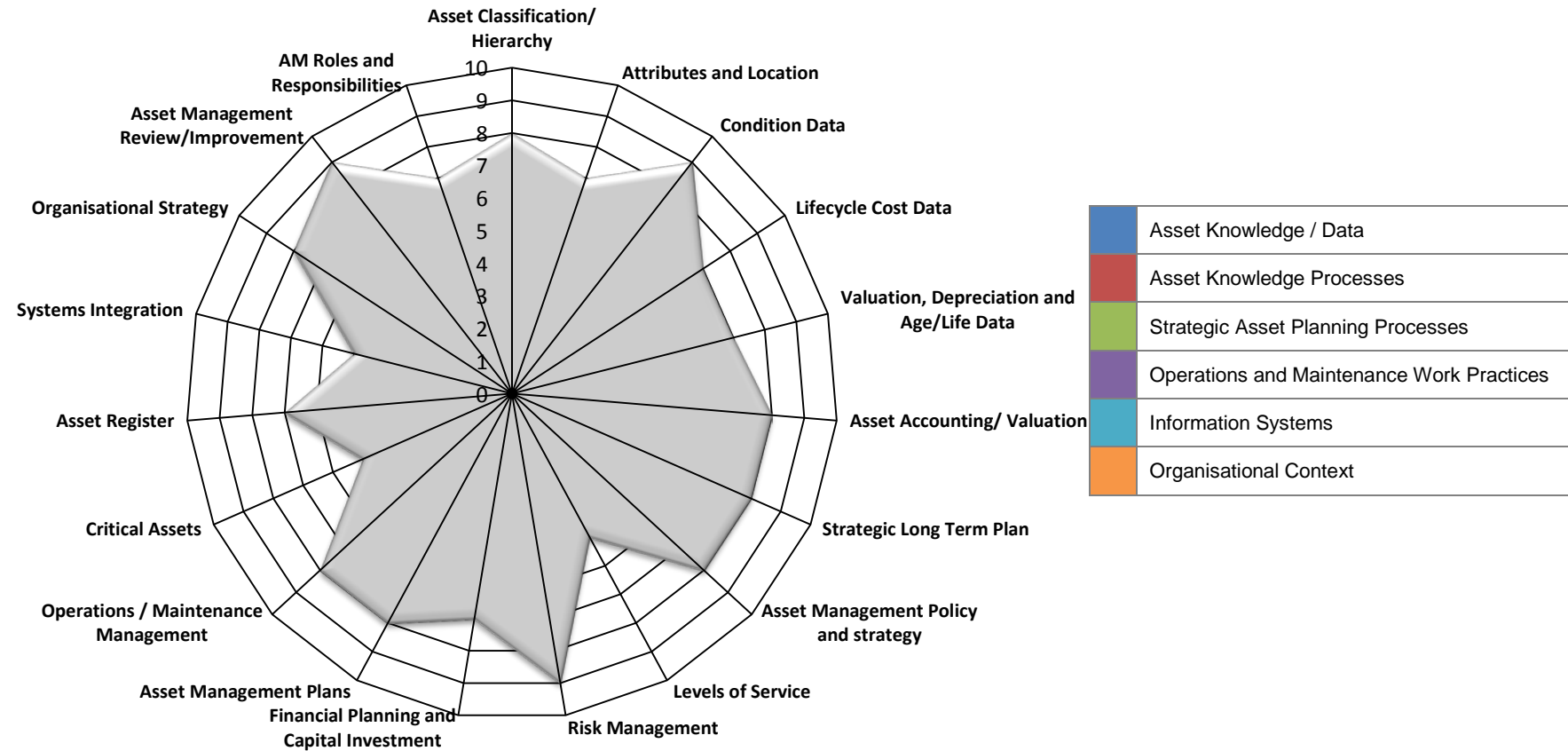
### **3. ASSET MANAGEMENT ASSESSMENT**

This information is also presented as a radar chart to enable greater visual understanding of the Council's current strengths and weaknesses.





### Gap Analysis Assessment Chart - Dubbo City Council





### 3.1 Asset Knowledge / Data

Overall category score	B
------------------------	---

#### 3.1.1 Asset Classification / Hierarchy

We would expect Council to have a logical structure to the collection and storage of its asset data including:

- Assets identified by unique IDs
- Registers segmented into appropriate classification levels

We would expect to find an asset hierarchy that covers all asset classes and is consistent with guidelines and processes.

There should be guidelines and processes for asset identification using unique IDs.

Findings
There is good data, knowledge and systems in place, the data is well structured and supports hierarchical reporting on assets. There are no written guidelines for the creation of data; however a series of formal and informal systems ensures that asset data is current and available.

#### 3.1.2 Attributes and Location

We would expect asset attribute data (location, size, material, type etc.) to be in the asset register and able to be represented in a spatial format, with associated mapping guidelines and processes

Findings
The majority of the asset data has attributes allocated to it, and are linked to the GIS system. However this needs to be implemented across all the asset classes.

#### 3.1.3 Condition Data

We would expect there to be written processes for carrying out condition surveys and defect identification assessments, with data recorded in accordance with the asset hierarchy. Condition assessment guidelines and processes should be developed and used, and there should be a consistent rating system applied. Historical assessment data should be available in a consistent format.

Findings
Council is collecting good data on its assets. An extensive asset condition manual has been developed and implemented and utilised across all asset classes. Mobile devices are used via a number of different systems to collect data. There is limited historical data; however there are now good systems and processes in place to address this future need.

#### 3.1.4 Lifecycle Cost Data

There should be clear definitions of operations and maintenance, renewals and new/upgrades expenditure. Cost data should be recorded separately for each, with the data used in decision making. There should be a written lifecycle strategy and cost and planning processes which are used.



**Findings**

In most cases Council collects cost data at the appropriate level to allow good decision making on assets. However in many cases this data is not available to the asset custodian due to the current purchaser provider split. All capital costs appear to be collected at the right level and costed back against appropriate assets. Life cycle cost data is only used to justify larger asset projects and is not utilised in general day at day asset planning

**3.1.5 Valuation, Depreciation and Age / Life Data**

We would expect there to be a common data system used across all asset groups, with current depreciation and replacement cost data at the appropriate asset hierarchy level. Depreciation should be updated on the basis of annual assessments of useful asset life. Historical accounting data should be available.

**Findings**

All Council's assets have been valued at fair value. Council has utilised a mix of consultants and in-house staff to undertake this task. Each asset class has guidelines and methodology to back up and justify asset valuations; however, more work is required to determine the useful life of assets in Dubbo. No analysis has been undertaken to assess the suitability of industry standard asset lives in the Dubbo context.

**3.1.6 Asset Knowledge / Data Summary**

Asset classification/hierarchy	Information verified, very good quality and coverage
Attributes and location	Information verified, good quality and coverage
Condition data	Information verified, excellent quality and coverage
Lifecycle cost data	Information verified, good quality and coverage
Valuation, Depreciation and Age / Life data	Information verified, good quality and coverage

**3.2 Asset Knowledge Processes**

<b>Overall category score</b>	<b>B</b>
-------------------------------	----------

**3.2.1 Asset Accounting / Valuation**

There should be clear valuation and depreciation guidelines and accounting processes against various hierarchy levels and categorised in accordance with accounting requirements developed and used. The responsibilities for system and data management should be clearly defined. There should be data validation and audit processes developed and used.



Findings
Asset valuations are stored in a number of systems, with no integration between systems. Potentially people will be using different data and valuations.

### 3.2.2 Asset Accounting / Valuation Summary

Asset Accounting / Valuation	Good written procedures that are widely and consistently used and that cover most asset classes
------------------------------	---

## 3.3 Strategic Asset Planning Processes

Overall category score	B
------------------------	---

### 3.3.1 Strategic Long Term Plan

There should be strategic asset management plan documents that are fully aligned with Council's other strategic documents. The documents should include or define the plan review process, long term expenditure forecasts with operations and maintenance, renewals and new/upgrade forecasts separately identified and Council's strategy for the management of Council's assets. There should be evidence that the strategy is being complied with.

Findings
Council has an asset management strategy that generally complies with the DLG's guidelines, however further work is required to ensure full integration between the Asset Management Strategy, the LTFP and the Delivery Plan. The Asset Management Strategy should articulate an overall strategy for the management of the Council's assets linked to the LTFP.

### 3.3.2 Asset Management Policy and Strategy

We would expect there to be an asset management policy that has been adopted by Council and that defines vision and service delivery objectives and reinforces the need to use a lifecycle cost approach. The policy should be reviewed annually. There should be evidence that the policy is being complied with.

Findings
Council has an adopted asset management policy that incorporates lifecycle costing into the overall asset management decision making process. The policy has been adopted by Council and there is some evidence that the policy is being complied with in major asset discussions.

### 3.3.3 Levels of Service

We would expect that levels of service are clearly defined in each asset management plan and are aligned to Council's strategic objectives and legislative requirements and have been developed taking community input into account. Community and technical levels of service should be separately identified with the latter incorporated into service level agreements and operations and maintenance and renewals processes. Performance against level of service targets should be monitored in accordance with documented procedures.



### Findings

Council has a series of service levels articulated in its asset management plans. The current service levels are at a very high level and do not drive service delivery for assets. More work is required in this area to ensure that the service levels are appropriate. No community input has been undertaken as part of the development of the service levels.

#### 3.3.4 Risk Management

Council should have a corporate risk management policy and strategy and a risk assessment should exist for each asset class in accordance with them. The assessment should identify critical assets and any risk mitigation strategies or measures. Council should have emergency response and recovery and business continuity plans, taking into account each asset class.

### Findings

Council has an adopted risk management policy supported by the Risk Strategy. Whilst assets form part of that strategy and some asset-based risks have been identified, critical assets have been identified in each of the asset management plans.

#### 3.3.5 Financial Planning and Capital Investment

We would expect Council to have a long term financial plan (LTFP) that is based on Council's Community Strategic Plan, Workforce Plan and Asset Management Plans. The LTFP should incorporate lifecycle planning, forward capital works planning, risk and sensitivity analyses and project prioritisation processes.

### Findings

Council has detailed forward works programs included within the individual asset management plans. This information is rolled up into the LTFP across the organisation. Life cycle costing data is not generally considered except for larger scale asset projects where detailed business case analysis is required. A capital works prioritisation model is in place for all capital projects.

#### 3.3.6 Asset Management Plans

There should be asset management plans covering all assets owned by Council. The Asset Management Plans should include levels of service with performance targets and actions and costs established to achieve them together with the following:

- Demand forecasts
- Lifecycle cost plans
- Forecast costs separately identified for operations, maintenance, renewals new/upgrades and depreciation
- Asset disposals
- An asset management improvement plan

Consideration should be given to solutions not involving assets owned by Council. There should be clear evidence that they have been prepared taking community consultation into account.



Findings
Council has a series of first cut asset management plans, for all major asset classes. These plans cover all of the elements of asset management that would be expected. Further work is required to address lifecycle costs, service levels and non-asset service delivery options. There has been a significant improvement in the development of the current asset management plans.

### 3.3.7 Strategic Asset Planning Processes Summary

Strategic Long Term Plans	Good written procedures which are widely and consistently used that covers most asset classes
Asset Management Policy and Strategy	Good written procedures which are widely and consistently used that covers most asset classes
Levels of Service	Satisfactory written procedures which covers major infrastructure classes but they are not widely or consistently used.
Risk Management	Good written procedures are generally used that covers major infrastructure classes.
Financial Planning and Capital Investment	Good written procedures are generally used that covers major infrastructure classes.
Asset Management Plans	Good written procedures which are widely and consistently used that covers most asset classes

### 3.4 Operations and Maintenance Work Practices

Overall category score	C
------------------------	---

#### 3.4.1 Operations / Maintenance Management

We would expect there to be operation and maintenance plans taking levels of service and performance targets into account for each asset class. This should be supported by processes for collecting, validating and auditing operations and maintenance data. There should be written processes for planning maintenance and works order and costing management that are used. There should be written maintenance specifications and, where appropriate, performance based contracts or service level agreements in place.

Findings
Maintenance planning is based upon a mix of both reactive and a planned basis for most asset classes. Council utilises a service level agreement between the asset owner and the internal service provider. Works are generally carried out in accordance with the agreed standard frequency and response times as specified and agreed upon. Good asset data appears to be collected allowing good asset decisions to be made.



### 3.4.2 Critical Assets

We would expect critical assets to have been identified taking into account risk and emergency management and written strategies established for their management, with regular written reports on their condition and performance.

Findings	
Council has identified critical assets in each of the asset management plans. This information should be made widely available and the condition of these assets should be regularly assessed and reported on and drive asset maintenance and renewal standards. .	

### 3.4.3 Operations and Maintenance Work Practices Summary

Operations / Maintenance Management	Good written procedures which are widely and consistently used that covers most asset classes
Critical Assets	Unwritten procedures in most parts of the organisation/written procedures of limited value that covers some asset classes.

## 3.5 Information Systems

Overall category score	C
------------------------	---

### 3.5.1 Asset Register

There should be a single asset register that captures, manages and reports on asset data as required by asset management. It should be possible to sort data by different hierarchy levels and to customise reports if required. The register should integrate with other asset management systems.

Findings
Council's asset data is located in a series of asset systems. There is no one consolidated Council asset register however all financial data is held within the finance system. Reporting out of the asset systems is good, however there is no consistent reporting format across asset classes.

### 3.5.2 Systems Integration

Asset management systems should integrate or interface with corporate systems, including the customer request, document management, accounting and HR systems. There should be a spatial system (GIS) implemented with written processes that are used.

Findings
As mentioned previously, there are multiple asset systems in use throughout the organisation. Whilst this is not ideal it can be successful provided there is a robust framework that clearly identifies the linkages and systems capabilities for each system. This will ensure that there is one consolidated asset register for the council that is accurate and up to date.



### 3.5.3 Information Systems Summary

Asset Register	Good written procedures are generally used that covers major infrastructure classes.
Systems Integration	Satisfactory written procedures which covers major infrastructure classes but they are not widely or consistently used.

## 3.6 Organisational Context

Overall category score	<b>B</b>
------------------------	----------

### 3.6.1 Organisational Strategy

There should be evidence that asset management drives Council in terms of the use and management of its assets aligned with Council's policies and strategies. Council's structure and position descriptions should clearly identify asset management roles and responsibilities across all asset classes. There should be written processes for capital investment based on Council's strategic plans, lifecycle costs and risk assessments.

Findings
Asset management responsibilities are defined, however the application and buy in by asset owners varies. All departments are involved in the asset management decisions but each has different degrees of understanding. There should be greater clarity around the overall asset strategy development of the organisation that sets a clear asset management pathway for the organisation.

### 3.6.2 Asset Management Review / Improvement

We would expect that there is a prioritised asset management improvement plan, with responsibilities and timeframes in place that is monitored and reported on. There should be a benchmarking process and regular asset management reviews in place.

Findings
Council has an overarching asset management improvement plan in place. Progress against the plan is reported to the asset management steering group on a regular basis. The plan has detailed timelines and allocates responsibilities across the organisation.

### 3.6.3 Asset Management Roles and Responsibility

We would expect that asset management roles and responsibilities are clearly identified. There should be a clear training program in place for all levels in the organisation, including Council, with needs assessments where appropriate. Identified needs should be included in a workforce management plan.

Findings
Council has undertaken asset management training across the organisation to ensure that there is an understanding of what is required in each of the different asset classes. Concern has been expressed regarding the management of the organisation's building assets. Clear understanding of asset management roles and responsibilities in this area is essential.



### 3.6.4 Organisational Context Summary

Organisational Strategy	Good written procedures which are widely and consistently used that covers most asset classes.
Asset Management Review / Improvement	Comprehensive written procedures are widely and consistently used that covers most asset classes.
Asset Management Roles and Responsibility	Good written procedures are generally used that covers major infrastructure classes.

## 4. WHAT DUBBO IS DOING WELL

Dubbo Council has made some significant improvements since the last asset management audit. There has been an increased focus on the asset management plans and data, which form the basis of any good asset management framework. The previous functional / service provision approach to asset management limited the strategic capacity of the organisation to deliver a consolidated strategic approach to the management of infrastructure assets. The consolidated asset management strategy and asset management plans are a significant improvement from the previous audit.

There has been good information collected on assets, and this information is correlating to advanced forward works programmes across asset sections. Regular inspections are made to update asset condition records for all asset classes. While the audit did not verify the data that the organisation has on its assets, the organisation has solid systems and processes that set the foundation to ensure reliable asset data is collected and available. As such, there is no reason not to have a high level of confidence in the data collected on most of assets classes.

There is a good policy in place which is driving the asset management practices across the Council. There is generally good buy-in by asset owners with acknowledgement that these are providing value and form the basis of a good asset management culture within the organisation.

Another strong element of asset management practice is the implementation and ongoing review of the asset management improvement plan. This is treated as a living document and reviewed regularly by Council. This is highly commendable and considered to be good practice.

## 5. SUMMARY OF NEEDS, ISSUES AND BARRIERS

The improvements in asset management practices since the last audit can be put down to the high level overarching asset work carried out. This has ensured consistent and reliable asset plans are in place and the asset management improvement plan is driven from a corporate level.

The areas of need have generally been recognised, and include the following:

- Development of robust service levels
- Development of a clear framework for asset information systems
- Clearer definition of roles and responsibilities
- Identification of critical assets in each asset class



There are still some issues which have not been fully resolved since the last audit. The asset custodian responsibility in the building area still remains a concern. However there have been some improvements primarily as a result of a strong organisational push for improvement asset management across the organisation.

The major area of risk for the organisation at the moment is the multiple asset systems in place. The systems are based on individual asset classes and their specific needs. Some of these systems hold data locally and others hold data in the cloud environment. For this to be successful there needs to be an overarching information framework around assets. This framework should map information flows and data security and how each system will integrate. Although the current systems appear appropriate, there is a significant risk that data may be input into one system but not another. This would result in an asset register that was not fully reliable.

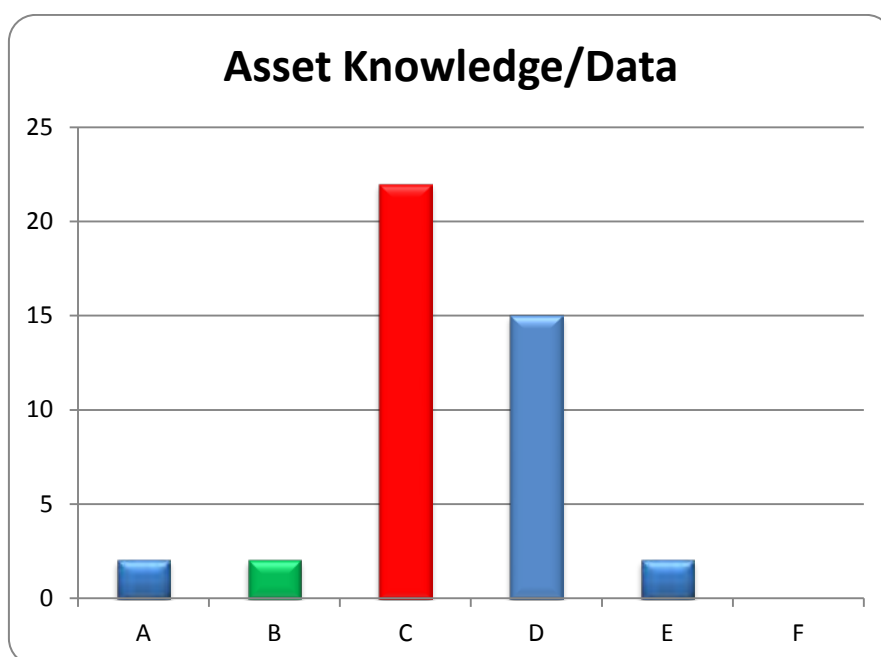
## 6. BENCHMARKING

The following graphs set out a comparison of Dubbo compared to the results published by the Division of Local Government Infrastructure Audit June 2013 and the subsequent asset management reviews undertaken by Morrison Low. The processes and systems used to make the assessment of Dubbo are directly comparable to those in the DLG infrastructure audit.

Each graph shows how Dubbo's assessment in each category compares to the 35 councils that were audited as part of that assessment and subsequent councils assessed using the same methodology.

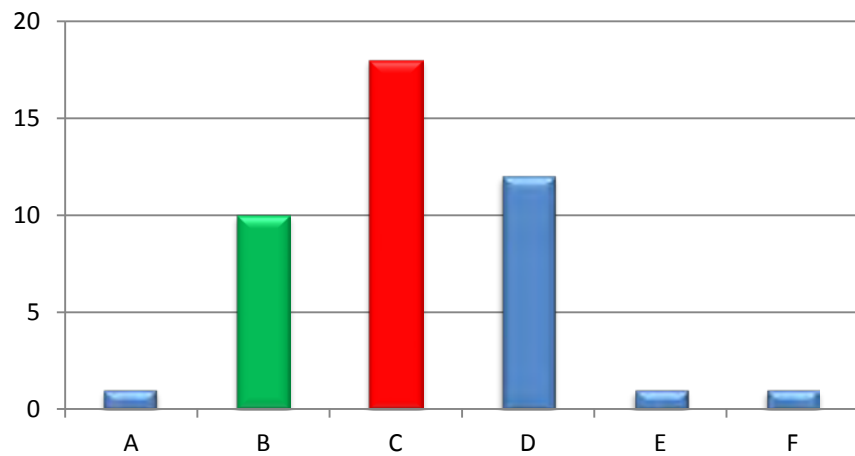
Dubbo has made some significant improvements since the previous audit two years ago. Dubbo has now reached the B category, which indicates significant improvement since the last audit.

Dubbo's score from the 2012 audit has been highlighted in red. Dubbo's score from this assessment (2014/15) has been highlighted in green. If there is no change the 2014/15 score is only shown.

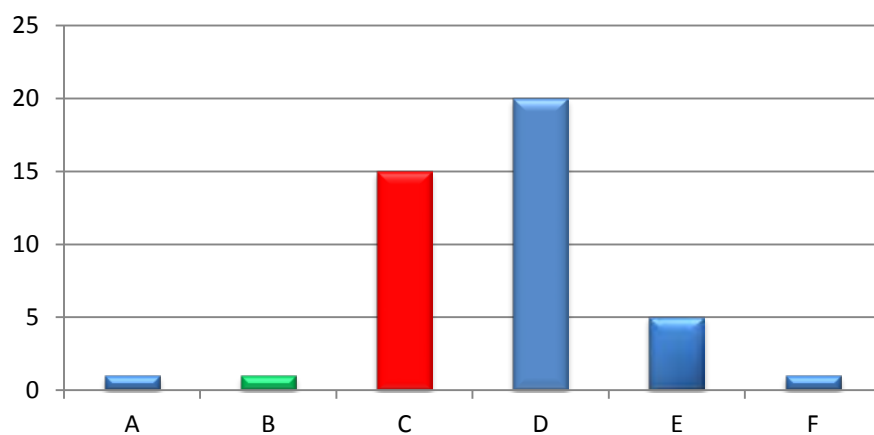




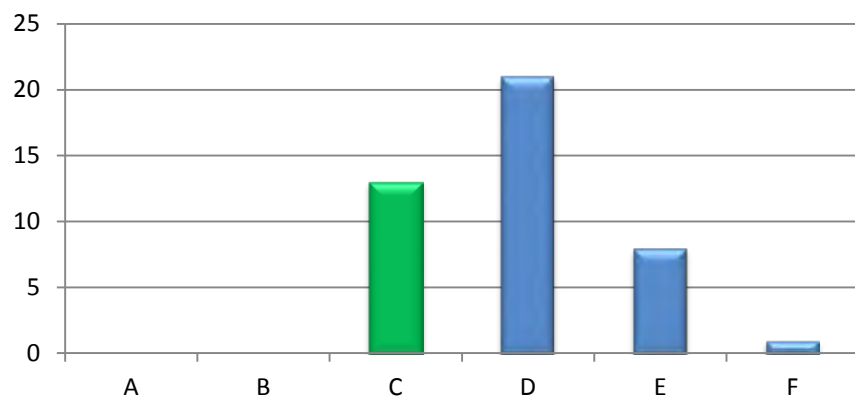
### Asset Knowledge Processes



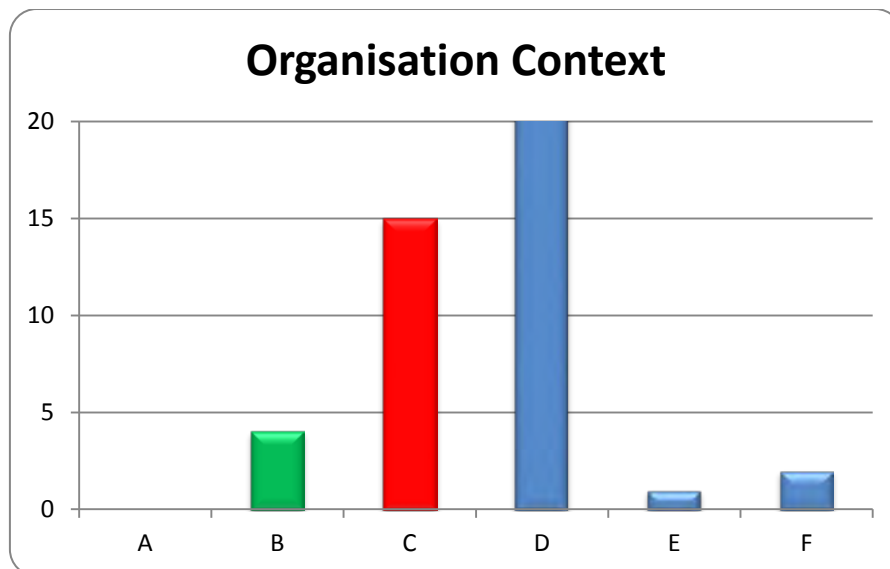
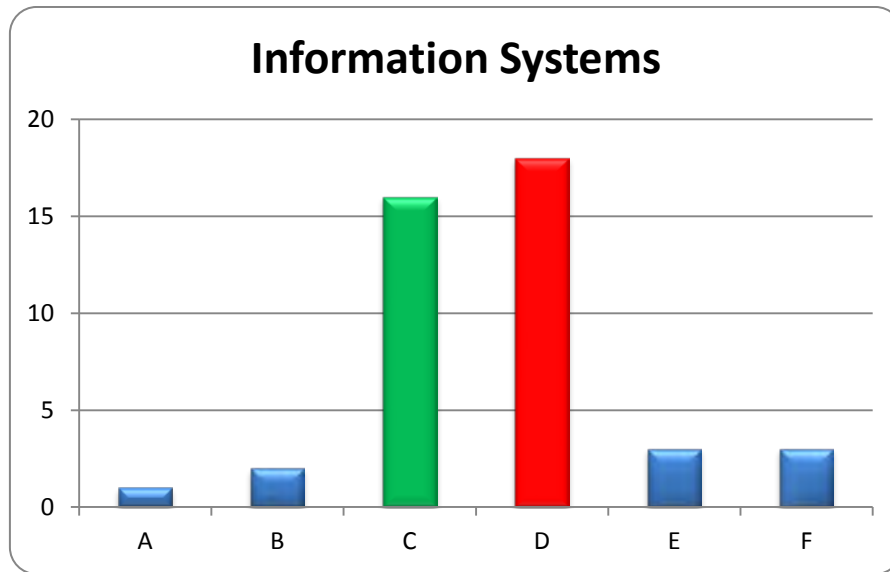
### Strategic Asset Planning Process



### Operations and Maintenance Work Practices









## 7. RECOMMENDATIONS AND NEXT STEPS

Based on the onsite reviews of Council's asset related documents and our understanding of practices and processes, we consider the following steps should be considered in the next iteration of Council's asset management improvement plan.

As the foundation for ongoing improved asset management capability, two broad areas for improvement can be considered for the highest priority efforts.

A. Systems Integration

B. Levels of Service

These three areas for improvement focus on the work needed to achieve quality asset data, as this is the foundation for making robust asset management decisions.

Action	Priority
There are multiple systems used to record asset data. Although it would be beneficial to implement a single system to cover all assets, it is recognised that a number of the current systems are well embedded. If council continues with the multiple systems a robust and consistent frame work needs to be implemented to ensure the integrity of the asset data.	<b>H</b>
Expand the levels of service statements in the asset management plans to include parameters which describe the provision (how much), performance (how big, what capacity) and quality (how good) of the assets. These parameters would reflect the objectives of the community.	<b>M</b>
Expand the links between the AMP and the LTFP. These need to be linked to show the implications of the financial and asset constraints on each of the plans.	<b>M</b>
Implement or improve the current process for the flow of financial data across the asset owner and asset provider, these needs to be improved to ensure that lifecycle decisions made on assets is based on actual costs not budgets or estimates.	<b>M</b>
Review the overall roles and responsibilities framework for assets across the organisation. Particular emphasis should be given to the definition of service provider and asset custodian in each asset class.	<b>M</b>



Dubbo City Council  
10 Year Financial Plan for the Years ending 30 June 2025  
INCOME STATEMENT - GENERAL FUND

	Actuals 2013/14 \$	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
							2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
<b>Income from Continuing Operations</b>												
<b>Revenue:</b>												
Rates & Annual Charges	27,971,000	28,944,653	31,208,066	32,815,678	34,715,347	36,137,340	37,221,460	38,338,104	39,488,247	40,672,895	41,893,081	43,149,874
User Charges & Fees	17,454,000	16,385,989	15,910,086	16,580,514	17,535,579	18,505,207	19,310,363	20,139,674	20,993,864	21,873,680	22,779,891	23,713,288
Interest & Investment Revenue	2,156,000	2,145,762	1,675,095	1,266,086	1,528,924	1,226,706	1,263,507	1,301,412	1,340,455	1,380,668	1,422,088	1,464,751
Other Revenues	1,103,000	2,519,326	2,333,093	2,570,321	2,481,564	2,668,276	2,748,324	2,830,774	2,915,697	3,003,168	3,093,263	3,186,061
Grants & Contributions provided for Operating Purposes	7,682,000	13,956,550	12,432,918	10,852,255	11,120,040	11,496,085	11,783,487	12,078,074	12,380,026	12,689,527	13,006,765	13,331,934
Grants & Contributions provided for Capital Purposes	16,967,000	15,624,666	8,828,066	7,185,106	6,844,914	5,833,001	5,865,481	5,898,935	5,933,393	5,968,884	6,005,441	6,043,094
<b>Other Income:</b>												
Net gains from the disposal of assets	1,388,000	357,749	434,467	446,439	456,940	568,905	480,628	492,643	504,959	517,583	530,523	543,786
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>74,721,000</b>	<b>79,934,695</b>	<b>72,821,791</b>	<b>71,716,399</b>	<b>74,683,308</b>	<b>76,435,520</b>	<b>78,673,251</b>	<b>81,079,617</b>	<b>83,556,642</b>	<b>86,106,406</b>	<b>88,731,052</b>	<b>91,432,787</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	20,237,000	21,964,883	22,312,815	22,525,041	24,053,019	24,956,707	25,956,060	26,766,692	27,603,242	28,466,566	29,357,550	30,277,113
Borrowing Costs	2,037,000	1,909,286	1,809,258	1,874,562	1,814,560	1,676,390	1,525,233	1,367,761	1,190,841	1,015,059	835,434	642,045
Materials & Contracts	16,132,000	26,638,731	18,420,280	19,676,232	18,251,864	19,534,651	20,320,919	21,458,172	22,629,544	23,836,056	25,078,764	26,358,753
Depreciation & Amortisation	20,958,000	15,754,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111	14,554,111
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	9,072,000	6,000,752	5,810,282	6,198,786	6,033,480	5,930,834	6,194,515	6,380,351	6,571,761	6,768,914	6,971,982	7,181,141
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	19,000	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>68,455,000</b>	<b>72,267,763</b>	<b>62,906,746</b>	<b>64,828,732</b>	<b>64,707,033</b>	<b>66,652,694</b>	<b>68,550,837</b>	<b>70,527,087</b>	<b>72,549,499</b>	<b>74,640,705</b>	<b>76,797,841</b>	<b>79,013,163</b>
<b>Operating Result from Continuing Operations</b>	<b>6,266,000</b>	<b>7,666,932</b>	<b>9,915,045</b>	<b>6,887,667</b>	<b>9,976,275</b>	<b>9,782,826</b>	<b>10,122,414</b>	<b>10,552,529</b>	<b>11,007,143</b>	<b>11,465,700</b>	<b>11,933,212</b>	<b>12,419,625</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>6,266,000</b>	<b>7,666,932</b>	<b>9,915,045</b>	<b>6,887,667</b>	<b>9,976,275</b>	<b>9,782,826</b>	<b>10,122,414</b>	<b>10,552,529</b>	<b>11,007,143</b>	<b>11,465,700</b>	<b>11,933,212</b>	<b>12,419,625</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(10,701,000)</b>	<b>(7,957,734)</b>	<b>1,086,979</b>	<b>(297,439)</b>	<b>3,131,361</b>	<b>3,949,825</b>	<b>4,256,933</b>	<b>4,653,594</b>	<b>5,073,750</b>	<b>5,496,816</b>	<b>5,927,771</b>	<b>6,376,531</b>



**Dubbo City Council**  
**10 Year Financial Plan for the Years ending 30 June 2025**  
**BALANCE SHEET - GENERAL FUND**

	Actuals 2013/14 \$	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
							2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	7,987,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,222,865	1,000,000	2,280,221	1,621,542	3,507,169
Investments	15,000,000	21,753,715	17,764,478	13,007,265	12,106,020	12,104,043	10,861,965	10,861,965	10,115,210	10,115,210	10,115,210	10,115,210
Receivables	5,466,000	5,493,866	5,259,846	5,128,317	5,252,640	5,426,712	5,585,046	5,777,827	5,954,911	6,171,501	6,370,596	6,606,279
Inventories	1,356,000	2,301,642	1,908,231	2,034,746	1,781,964	1,879,637	1,907,528	1,948,877	1,991,534	2,035,538	2,080,930	2,127,752
Other	837,000	1,222,866	987,061	1,072,081	920,071	976,878	1,000,701	1,030,722	1,061,644	1,093,494	1,126,298	1,160,087
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>30,646,000</b>	<b>31,772,089</b>	<b>26,919,617</b>	<b>22,242,409</b>	<b>21,060,695</b>	<b>21,387,269</b>	<b>20,355,241</b>	<b>20,842,256</b>	<b>20,123,299</b>	<b>21,695,964</b>	<b>21,314,577</b>	<b>23,516,497</b>
<b>Non-Current Assets</b>												
Investments	28,490,000	16,643,770	13,591,605	9,951,860	9,262,317	9,260,805	8,310,491	8,310,491	7,739,149	7,739,149	7,739,149	7,739,149
Receivables	966,000	925,194	970,374	1,002,977	1,041,585	1,070,614	1,092,780	1,115,610	1,139,126	1,163,347	1,188,294	1,213,990
Inventories	2,107,000	2,334,094	2,322,783	2,311,472	2,300,161	2,288,850	2,277,539	2,266,228	2,254,917	2,243,606	2,232,295	2,220,984
Infrastructure, Property, Plant & Equipment	1,138,075,000	1,157,167,622	1,172,534,822	1,188,494,278	1,198,104,871	1,206,598,943	1,217,444,265	1,226,188,337	1,237,140,035	1,245,884,107	1,256,839,955	1,265,584,027
Investments Accounted for using the equity method	871,000	871,000	871,000	871,000	871,000	871,000	871,000	871,000	871,000	871,000	871,000	871,000
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	451,000	451,000	451,000	451,000	451,000	451,000	451,000	451,000	451,000	451,000	451,000	451,000
<b>Total Non-Current Assets</b>	<b>1,170,960,000</b>	<b>1,178,392,679</b>	<b>1,190,741,583</b>	<b>1,203,082,587</b>	<b>1,212,030,934</b>	<b>1,220,541,212</b>	<b>1,230,447,075</b>	<b>1,239,202,666</b>	<b>1,249,595,226</b>	<b>1,258,352,208</b>	<b>1,269,321,693</b>	<b>1,278,080,150</b>
<b>TOTAL ASSETS</b>	<b>1,201,606,000</b>	<b>1,210,164,768</b>	<b>1,217,661,200</b>	<b>1,225,324,996</b>	<b>1,233,091,629</b>	<b>1,241,928,482</b>	<b>1,250,802,315</b>	<b>1,260,044,922</b>	<b>1,269,718,525</b>	<b>1,280,048,172</b>	<b>1,290,636,269</b>	<b>1,301,596,646</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	8,849,000	10,781,485	9,311,374	9,164,606	8,206,813	8,530,380	8,644,387	8,793,193	8,946,172	9,107,038	9,269,274	9,434,541
Borrowings	1,403,000	1,502,755	1,724,189	2,052,843	2,191,014	2,342,170	2,499,642	2,592,208	2,471,006	2,753,647	2,947,036	2,025,836
Provisions	10,659,000	10,999,290	11,534,386	12,168,354	12,941,654	13,831,257	14,776,925	15,781,810	16,849,229	17,982,677	19,185,838	20,462,586
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>20,911,000</b>	<b>23,283,529</b>	<b>22,569,949</b>	<b>23,385,804</b>	<b>23,339,480</b>	<b>24,703,808</b>	<b>25,920,954</b>	<b>27,167,211</b>	<b>28,266,407</b>	<b>29,843,362</b>	<b>31,402,148</b>	<b>31,922,963</b>
<b>Non-Current Liabilities</b>												
Payables	1,000	591	572	611	594	584	610	629	648	667	687	708
Borrowings	26,033,000	24,530,519	22,806,330	22,743,846	20,552,832	18,210,662	15,711,020	13,118,812	10,647,806	7,894,159	4,947,123	2,921,286
Provisions	914,000	936,196	955,372	978,091	1,005,802	1,037,682	1,071,571	1,107,581	1,145,833	1,186,451	1,229,567	1,275,320
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>26,948,000</b>	<b>25,467,307</b>	<b>23,762,275</b>	<b>23,722,548</b>	<b>21,559,229</b>	<b>19,248,928</b>	<b>16,783,201</b>	<b>14,227,022</b>	<b>11,794,286</b>	<b>9,081,277</b>	<b>6,177,377</b>	<b>4,197,314</b>
<b>TOTAL LIABILITIES</b>	<b>47,859,000</b>	<b>48,750,836</b>	<b>46,332,223</b>	<b>47,108,351</b>	<b>44,898,709</b>	<b>43,952,736</b>	<b>42,704,155</b>	<b>41,394,233</b>	<b>40,060,693</b>	<b>38,924,639</b>	<b>37,579,525</b>	<b>36,120,277</b>
<b>Net Assets</b>	<b>1,153,747,000</b>	<b>1,161,413,932</b>	<b>1,171,328,977</b>	<b>1,178,216,644</b>	<b>1,188,192,920</b>	<b>1,197,975,746</b>	<b>1,208,098,160</b>	<b>1,218,650,690</b>	<b>1,229,657,833</b>	<b>1,241,123,533</b>	<b>1,253,056,744</b>	<b>1,265,476,369</b>
<b>EQUITY</b>												
Retained Earnings	514,287,000	521,953,932	531,868,977	538,756,644	548,732,920	558,515,746	568,638,160	579,190,690	590,197,833	601,663,533	613,596,744	626,016,369
Revaluation Reserves	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000	639,460,000
Council Equity Interest	1,153,747,000	1,161,413,932	1,171,328,977	1,178,216,644	1,188,192,920	1,197,975,746	1,208,098,160	1,218,650,690	1,229,657,833	1,241,123,533	1,253,056,744	1,265,476,369
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>1,153,747,000</b>	<b>1,161,413,932</b>	<b>1,171,328,977</b>	<b>1,178,216,644</b>	<b>1,188,192,920</b>	<b>1,197,975,746</b>	<b>1,208,098,160</b>	<b>1,218,650,690</b>	<b>1,229,657,833</b>	<b>1,241,123,533</b>	<b>1,253,056,744</b>	<b>1,265,476,369</b>



## Dubbo City Council

## 10 Year Financial Plan for the Years ending 30 June 2025

## CASH FLOW STATEMENT - GENERAL FUND

	Actuals 2013/14	Current Year 2014/15	2015/16	2016/17	2017/18	2018/19	Projected Years					
	\$	\$	\$	\$	\$	\$	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
							\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	28,887,130	31,131,000	32,760,941	34,650,666	36,088,923	37,184,548	38,300,084	39,449,086	40,632,559	41,851,536	43,107,082
User Charges & Fees	-	17,790,859	15,976,367	16,487,141	17,402,564	18,370,164	19,198,226	20,024,173	20,874,899	21,751,146	22,653,680	23,583,290
Interest & Investment Revenue Received	-	2,140,334	1,729,967	1,342,384	1,519,493	1,207,544	1,275,217	1,283,676	1,343,562	1,349,569	1,413,941	1,425,631
Grants & Contributions	-	17,324,069	18,229,934	15,109,248	14,800,099	14,178,344	14,430,103	14,757,599	15,093,450	15,437,869	15,791,075	16,153,294
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	2,056,073	2,381,378	2,542,166	2,505,131	2,640,145	2,736,177	2,818,268	2,902,821	2,989,911	3,079,614	3,172,008
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(21,440,902)	(21,786,741)	(22,552,650)	(23,252,008)	(24,035,224)	(24,976,502)	(25,725,797)	(26,497,572)	(27,292,499)	(28,111,274)	(28,954,612)
Materials & Contracts	-	(26,472,083)	(19,208,472)	(19,379,470)	(18,761,639)	(19,350,612)	(20,231,674)	(21,351,470)	(22,519,641)	(23,722,856)	(24,962,168)	(26,238,659)
Borrowing Costs	-	(1,920,786)	(1,834,166)	(1,870,150)	(1,848,585)	(1,712,706)	(1,564,054)	(1,409,193)	(1,233,807)	(1,056,016)	(881,076)	(690,892)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(6,000,752)	(5,810,282)	(6,198,786)	(6,033,480)	(5,930,834)	(6,194,515)	(6,380,351)	(6,571,761)	(6,768,914)	(6,971,982)	(7,181,141)
<b>Net Cash provided (or used in) Operating Activities</b>	-	12,363,941	20,808,984	18,240,814	20,982,241	21,455,744	21,857,525	22,316,989	22,841,038	23,320,769	23,863,346	24,376,002
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	5,092,515	7,041,402	8,396,957	1,590,788	3,489	2,192,392	-	1,318,097	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	371,315	448,033	460,005	470,506	582,471	494,194	506,209	518,525	531,149	544,089	557,352
Sale of Infrastructure, Property, Plant & Equipment	-	1,672,440	1,851,450	1,869,847	1,926,182	1,309,366	1,309,366	1,309,366	1,309,366	1,309,366	1,309,366	1,309,366
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(25,084,485)	(28,647,114)	(29,233,794)	(22,916,874)	(21,160,057)	(23,511,307)	(21,410,057)	(23,617,683)	(21,410,057)	(23,621,833)	(21,410,057)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(17,948,215)	(19,306,229)	(18,506,985)	(18,929,398)	(19,264,731)	(19,515,355)	(19,594,482)	(20,471,695)	(19,569,542)	(21,768,378)	(19,543,339)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	-	-	2,100,000	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(1,402,726)	(1,502,755)	(1,833,829)	(2,052,843)	(2,191,014)	(2,342,170)	(2,499,642)	(2,592,208)	(2,471,006)	(2,753,647)	(2,947,036)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	(1,402,726)	(1,502,755)	266,171	(2,052,843)	(2,191,014)	(2,342,170)	(2,499,642)	(2,592,208)	(2,471,006)	(2,753,647)	(2,947,036)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(6,987,000)	0	(0)	0	0	0	222,865	(222,865)	1,280,221	(658,679)	1,885,627
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	7,987,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,222,865	1,000,000	2,280,221	1,621,542
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,222,865</b>	<b>1,000,000</b>	<b>2,280,221</b>	<b>1,621,542</b>	<b>3,507,169</b>
Cash & Cash Equivalents - end of the year	7,987,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,222,865	1,000,000	2,280,221	1,621,542	3,507,169
Investments - end of the year	43,490,000	38,397,485	31,356,083	22,959,125	21,368,337	21,364,848	19,172,456	19,172,456	17,854,358	17,854,358	17,854,358	17,854,358
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>51,477,000</b>	<b>39,397,485</b>	<b>32,356,083</b>	<b>23,959,125</b>	<b>22,368,337</b>	<b>22,364,848</b>	<b>20,172,456</b>	<b>20,395,321</b>	<b>18,854,358</b>	<b>20,134,579</b>	<b>19,475,901</b>	<b>21,361,527</b>



Dubbo City Council  
10 Year Financial Plan for the Years ending 30 June 2025  
EQUITY STATEMENT - GENERAL FUND

	Actuals 2013/14 \$	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
							2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
<b>Opening Balance</b>	1,147,550,000	1,153,747,000	1,161,413,932	1,171,328,977	1,178,216,644	1,188,192,920	1,197,975,746	1,208,098,160	1,218,650,690	1,229,657,833	1,241,123,533	1,253,056,744
a. Current Year Income & Expenses Recognised direct to Equity												
- Transfers to/(from) Asset Revaluation Reserve	213,000	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	(594,000)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income Recognised Directly in Equity</b>	<b>(381,000)</b>	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	6,266,000	7,666,932	9,915,045	6,887,667	9,976,275	9,782,826	10,122,414	10,552,529	11,007,143	11,465,700	11,933,212	12,419,625
<b>Total Recognised Income &amp; Expenses (c&amp;d)</b>	<b>5,885,000</b>	<b>7,666,932</b>	<b>9,915,045</b>	<b>6,887,667</b>	<b>9,976,275</b>	<b>9,782,826</b>	<b>10,122,414</b>	<b>10,552,529</b>	<b>11,007,143</b>	<b>11,465,700</b>	<b>11,933,212</b>	<b>12,419,625</b>
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>1,153,435,000</b>	<b>1,161,413,932</b>	<b>1,171,328,977</b>	<b>1,178,216,644</b>	<b>1,188,192,920</b>	<b>1,197,975,746</b>	<b>1,208,098,160</b>	<b>1,218,650,690</b>	<b>1,229,657,833</b>	<b>1,241,123,533</b>	<b>1,253,056,744</b>	<b>1,265,476,369</b>





# Dubbo City Council Improvement Strategies 2016 – 2020

## DETAILED ACTION PLAN

Improvement Strategy	Actions	Responsibility	Milestones
Complete Superior Asset Management Project.			
	All assets are fully reviewed for correct depreciation expense.	Director Organisational Services	19/08/2015
	Level of service options incorporate into each corporate Asset Management Plan	Asset Specialist	30/08/2015
	2015 Update of Transport AMP incorporating LOS improvements	Asset Systems Engineer (Civil Infrastructure)	2/10/2015
	2015 Update of Water AMP incorporating LOS improvements	Water Asset Planning Engineer	2/10/2015
	2015 Update of Sewer AMP incorporating LOS improvements	Water Asset Planning Engineer	2/10/2015
	2015 Update of Drainage AMP incorporating LOS improvements	Urban Drainage Engineer	2/10/2015
	2015 Update of Buildings AMP incorporating LOS improvements	Manager Commercial Facilities	2/10/2015
	2015 Update of Parks and Landcare AMP incorporating LOS improvements	Manager Business Support Parks & Landcare	2/10/2015
	Update Asset Component Conditions – Drainage	Urban Drainage Engineer	31/08/2015
	Update Asset Component Conditions – Buildings	Manager Commercial Facilities	31/08/2015
	Update Asset Component Conditions – Parks and Landcare	Manager Business Support Parks & Landcare	31/08/2015
	Update Asset Management Strategy	Asset Specialist	6/10/2015
	Review Risk Criticality Profiles in Asset Management Plans	Director Organisational Services	31/08/2015
	Develop Corporate Framework and Document for the inclusion of Council's Enterprise Risk Management System to Asset Management Plans.	Director Organisational Services	30/06/2016
	Determine organisational approach to corporate asset management systems linked to financials. (Morrison-Low Audit [3.3 & 3.4 AM Planning Improvements)	Director Organisational Services	30/09/2015



Improvement Strategy	Actions	Responsibility	Milestones
	Improve information on life cycle costing, service level, and non asset service delivery options.	Asset Specialist	30/09/2015
	Collate information on Future Demand into AMP's for insertion into Asset Strategy	Director Technical Services	1/10/2015
	Add Future Demand details into Transport AMP	Asset Systems Engineer (Civil Infrastructure)	1/12/2015
	Add Future Demand details into Water AMP	Water Asset Planning Engineer	1/12/2015
	Add Future Demand details into Sewer AMP	Water Asset Planning Engineer	1/12/2015
	Add Future Demand details into Drainage AMP	Urban Drainage Engineer	1/12/2015
	Add Future Demand details into Building AMP	Manager Commercial Facilities	1/12/2015
	Add Future Demand details into Parks and Landcare AMP	Manager Business Support Parks & Landcare	1/12/2015
	Add Future Demand details into AMS	Asset Specialist	28/02/2016
	Incorporate asset performance and utilization details into Transport AMP	Asset Systems Engineer (Civil Infrastructure)	5/10/2015
	Incorporate asset performance and utilization details into Water AMP	Water Asset Planning Engineer	5/10/2015
	Incorporate asset performance and utilization details into Sewer AMP	Water Asset Planning Engineer	5/10/2015
	Incorporate asset performance and utilization details into Drainage AMP	Urban Drainage Engineer	5/10/2015
	Incorporate asset performance and utilization details into Building AMP	Manager Commercial Facilities	5/10/2015
	Incorporate asset performance and utilization details into Parks and Landcare AMP	Manager Business Support Parks & Landcare	5/10/2015
	Operations / Maintenance Management - develop written procedures for maintenance planning	Asset Management Working Group	1/12/2015
	Incorporate 'other' assets into existing AMP's or develop additional AMP to capture this information	Asset Specialist	2/10/2015
	Capture missing information into registers and condition rate	Asset Specialist	30/07/2015
	Council has a documented process for making capital investment decisions, which is driven by Council's Strategic Longer Term Plan, Long Term Financial Plan and the Council Plan and explicitly details the impacts on the future operations and maintenance budgets, "Whole of Life" costs and risk management assessments	Director Parks & Landcare Services	31/07/2015



Improvement Strategy	Actions	Responsibility	Milestones
	Develop Business Case Template and guidelines	Director Parks & Landcare Services	31/07/2015
	Council has Service Plans for each of its services which have been developed in consultation with the community	Director Technical Services	30/09/2015
	Council has undertaken the process of defining, quantifying and documenting current community levels of service and technical levels of service, and costs of providing the current levels of service.	Director Technical Services	30/09/2015
	Expand the levels of service statements in the asset management plans to include Urban Drainage Engineer parameters which describe the provision (how much), performance (how big, what capacity) and quality (how good) of the assets.	Asset Specialist	30/09/2015
	Development of LOS for Water & Sewer	Water Asset Planning Engineer	30/06/2015
	Development of LOS for Transport	Asset Systems Engineer (Civil Infrastructure)	30/06/2015
	Development of LOS for Parks and Landcare	Manager Business Support Parks & Landcare	30/06/2015
	Development of LOS for Drainage	Urban Drainage Engineer	30/06/2015
	Development of LOS for Buildings	Manager Commercial Facilities	30/06/2015
	Council has consolidated, integrated, accurate, up to date and completed componentised asset register with the required functionality to ensure security and data integrity, which includes Urban Drainage Engineers all information about each asset sorted by asset group	Director Organisational Services	30/11/2015
	Electronic Capture of Work as Executed Information	Asset Specialist	30/11/2015
	There is common corporate data framework used across all asset groups, which is defined by Council's Infrastructure Asset Hierarchy	Director Technical Services	30/06/2015
	Consider integration of systems with Financial systems to track asset expenditure and roll information up into CVR including utilization of Corporate AMS	Director Organisational Services	30/06/2015
	Council has a defined process for operations, maintenance, renewal and upgrade planning for its existing assets	Director Technical Services	1/12/2015
	Address gaps and prepare critical process procedures	Asset Specialist	1/12/2015
	Improvements to Asset Knowledge – Data & Processes	Asset Specialist	31/03/2016
	Develop guidelines for the creation of data in the Asset Management Manual	Asset Management Working Group	30/04/2015



Improvement Strategy	Actions	Responsibility	Milestones
	Identify additional linkages required between the AMS and GIS programs then develop integration	Asset Management Working Group	30/11/2015
	Develop framework that clearly identifies the linkages between Asset Management Plans and the GIS and their capabilities	Asset Specialist	30/05/2015
	Ensure linkages exist between Corporate Enterprise Risk Management framework and the CSP as well as AMP	Director Organisational Services	31/07/2015
	Council has a process to annually review and update the financial forecasts for all asset classes and update the Long Term Financial Plan	Director Organisational Services	30/09/2015
	Council has a process to collect and record asset data into an Asset Management System upon the commissioning of new (and/or modified) assets, including built and contributed assets.	Director Technical Services	31/07/2015
	Council has formal processes for the handover of assets to asset custodians/owners	Director Technical Services	25/05/2015
	Council has a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders	Director Organisational Services	30/06/2015
	Council provides ongoing training programs for councillors, council management and officers on key asset management topics	Director Organisational Services	31/10/2015
	Review the overall roles and responsibilities framework for assets across the organisation	Director Organisational Services	30/11/2015
Complete Service Review Project			
	Finalise Stage 1 of Service Review Project	Director Organisational Services	30.09.2015
	Savings and additional revenue generated from project are detailed in budget and allocated to internally restricted asset for allocation to asset renewals.	Manager Management Accounting Services	31.12.2015
	Appointment made for a consultant or staff member to develop and implement stage 2 of the project.	Director Organisational Services	31.3.2016
	Develop project plan for Stage 2 of Service Review Project to address the following:- <ul style="list-style-type: none"><li>Is Local Government best placed to provide this service?</li><li>Is the service broadly valued by the community and how does it align with the Community Strategic Plan.</li><li>Is there any unmet demand for the service?</li><li>What are the risks of not undertaking this service?</li><li>What the existing service levels and what would be the impact of reducing or increasing the current levels of service?</li></ul>	Director Organisational Services	30.6.2016
	Internal project team appointed to assist with project.	Director Organisational Services	30.6.2016



Improvement Strategy	Actions	Responsibility	Milestones
	Training plan developed and implemented for the project.	Service Review Project Team	31.8.2016
	Project to be undertaken	Service Review Project Team	1.9.2016 to 31.5.2017
	Results to be compiled and report prepared.	Service Review Project Team	30.6.2017
	Implementation plan developed for adopted recommendations.	Director Organisational Services	31.8.2017
	Evaluation of service review project and allocation of savings to asset renewal works.	Director Organisational Services	31.10.2017
	An on-going efficiency and productively improvement project such as LEAN in investigated.	Executive Staff Committee	31.12.2017
	Formal on-going efficiency and productivity improvement initiative implemented.	Executive Staff Committee	1.7.2018
Develop Financial Sustainability Policy			
	Engage consultant to assist in preparing a draft consultation paper.	Director Organisational Services	1.8.2015
	Consultation paper workshopped with Executive Staff.	Director Organisational Services	31.8.2015
	Consultation paper workshopped with Councillors.	Director Organisational Services	10.9.2015
	Draft Financial Sustainability Policy developed, adopted and placed on public display.	Director Organisational Services	1.10.2015
	Financial Sustainability Policy adopted and implemented.	Director Organisational Services	30.11.2015
Procurement Road Map Project			
	Define more strategic procurement role	Executive Staff Committee	30.7.2015
	Launch quarterly procurement steering group	Manager Financial Accounting Services	31.8.2015
	Review open quote process for \$50-\$100k	Manager Financial Accounting Services	31.8.2015
	Address invoices without PO	Manager Financial Accounting Services	31.8.2015
	Identify procurement champions for each area	Manager Financial Accounting Services	30.9.2015
	Identify lead buyers for key categories	Manager Financial Accounting Services	30.9.2015



Improvement Strategy	Actions	Responsibility	Milestones
	Review and develop policy procedures and templates	Manager Financial Accounting Services	30.9.2015
	Definition of preferred suppliers	Manager Financial Accounting Services	30.9.2015
	Launch pilot strategic procurement project	Manager Financial Accounting Services	31.12.2015
	Define system requirements to support processes	Manager Financial Accounting Services	31.12.2015
	Define system report/data requirements	Manager Financial Accounting Services	31.12.2015
	Develop category coding	Manager Financial Accounting Services	28.2.2016
	Define list of preferred suppliers and communicate	Manager Financial Accounting Services	30.4.2016
	Advertise quotes on website	Manager Financial Accounting Services	31.5.2016
	Develop contract register	Manager Financial Accounting Services	31.5.2016
	Develop procurement intranet	Manager Financial Accounting Services	31.5.2016
	Conduct procurement training	Manager Financial Accounting Services	30.6.2016
	Investigate and if appropriate expand use of credit cards	Manager Financial Accounting Services	30.6.2016
	Communicate changes and train	Manager Financial Accounting Services	30.6.2016
	Quarterly reporting to senior management	Manager Financial Accounting Services	30.6.2016
	Develop annual procurement plans	Manager Financial Accounting Services	31.8.2016
	Develop Contract Management Manual	Manager Financial Accounting Services	31.8.2016
	Sustainable procurement guidance	Manager Financial Accounting Services	30.9.2016



Improvement Strategy	Actions	Responsibility	Milestones
New Mining Rate Income allocation			
	Raise a supplementary Rate Levy upon receipt of new land value for the Alkane mine from the Valuer General.	Manager Financial Accounting Services	As soon as received.
	Prepare a report to Council detailing the rates levied on the Alkane Mine and recommending that the rates collected from the Mining Rate be allocated specifically for Asset Renewal works.	Manager Financial Accounting Services	One month after receipt of new land value.
	Adjust budgets to reflect the raising of the Mining Rate and the transfer of rates collected to an internally restricted asset for asset renewal works.	Manager Management Accounting Services	Next quarterly financial review.
	Determine asset renewal works to be undertaken utilising Councils adopted Capital Works Prioritisation framework.	Manager Management Accounting Services	Next quarterly financial review.
Investigate Service Provision to Other Councils			
	Investigate existing service provision models in Local Government. Review and make recommendations for how these services could be best structured.	Executive Staff Committee	30.9.2015
	Comprehensively review the findings of the trial Joint Organisations (JO's) and incorporate any requirements into Councils service provision to other Councils model.	Executive Staff Committee	31.3.2016
	Prepare a report to Council on options/requirements under the new JO guidelines and seek approval to undertake project.	Executive Staff Committee	31.8.2016
	Project commences and accountabilities and organisational structure put in place to support and commence project.	Executive Staff Committee	1.1.2017
	Service provision commences as agreed with other Councils.	Executive Staff Committee	1.1.2017
Comprehensive Review of Fees and Charges			
	All Managers undertake the training course "Price setting for Fees and Charges" as provided by LGNSW.	Manager Management Accounting Services	31.8.2016
	Project timetable developed and endorsed by the Executive Staff Committee.	Manager Management Accounting Services	30.9.2016
	Review of Fees and Charges undertaken, with each Manager to report to the General Manager in relation to results achieved.	Manager Management Accounting Services	31.1.2017



Improvement Strategy	Actions	Responsibility	Milestones
Enhanced Budgetary Controls			
	Review current budgetary controls in place and document.	Manager Management Accounting Services	31.5.2016
	Investigate Councils current budgetary software for capability in monitoring and enforcing any control parameters.	Manager Management Accounting Services	31.8.2016
	Prepare a report for consideration of the Executive Staff Committee in relation to the proposed increase in budgeting controls and how such controls will be instigated, measured and reported.	Manager Management Accounting Services	30.9.2016
	Undertake in conjunction with each subsequent quarterly financial review.	Manager Management Accounting Services	31.12.2016
	Once adopted prepare a supplementary report detailing how the savings in operational expenditure and additional operating revenue received are to be allocated to asset renewals.	Manager Management Accounting Services	31.3.2017
Implement a Further Efficiency Dividend			
	Report prepared to the Executive Staff Committee on the introduction of a further efficiency dividend requirement and that the reduction in Operational expenditure achieved is allocated to capital asset renewal works.	Manager Management Accounting Services	30.9.2015
	Once report is adopted budgets are prepared on the basis that the efficiency dividend is to be achieved and a report on the results submitted to the Executive Staff Committee.	Manager Management Accounting Services	28.2.2016 31.3.2016
	Efficiency dividend in place.	Manager Management Accounting Services	1.7.2016
Seek new Revenue Streams			
	Investigate previously successful revenue generation options from other councils.	Executive Staff Committee	31.12.2015
	Engage consultants to undertake a review of Councils current operations and identify any opportunities for additional revenue creation from existing operations.	Executive Staff Committee	31.1.2016
	Engage consultants to advise on any potential new revenue generation options for Council.	Executive Staff Committee	31.1.2016
	Prepare a report to the Executive Staff Committee on the findings and seek approval to engage staff in the project.	Executive Staff Committee	31.8.2016
	Compile all results from staff consultation and the consultants findings into a report for the Executive Staff Committees consideration.	Executive Staff Committee	31.10.2016
	Workshop held with Councillors to review findings.	Executive Staff Committee	30.11.2016
	Alternative arrangements put in place and budgets developed effective 1 July, 2017.	Executive Staff Committee	1.7.2017



Improvement Strategy	Actions	Responsibility	Milestones
Develop Treasury Management Policy			
	Review Treasury Management Policies already in place at other Councils.	Manager Financial Accounting Services	31.12.2016
	Review Treasury Management options with T/Corp and LGNSW.	Manager Financial Accounting Services	31.12.2016
	Engage a consultant to review draft policy.	Manager Financial Accounting Services	31.3.2017
	Prepare a draft policy for consideration of the Executive Staff Committee	Manager Financial Accounting Services	30.9.2017
	Policy adopted by Council.	Manager Financial Accounting Services	31.11.2017
Investigate renegotiation of Councils loans			
	Prepare a list of Council loans detailing the current terms of each.	Manager Financial Accounting Services	30.9.2015
	Contact each of the relevant financial institutions to determine any applicable break-costs.	Manager Financial Accounting Services	30.11.2015
	Prepare a financial analysis on each loan to determine if refinancing will provided an improved financial outcome for Council.	Manager Financial Accounting Services	31.12.2015
	Prepare a financial analysis on the entire loan portfolio to determine if refinancing as a whole or combined part thereof would provide a financial benefit to Council.	Manager Financial Accounting Services	31.3.2016
	Engage a consultant to review findings	Manager Financial Accounting Services	30.4.2016
	Prepare a report with recommendations.	Manager Financial Accounting Services	30.6.2016
Special Rate Variation			
	Workshop held with Councillors to discuss SRV	General Manager	31.5.2016
	Contact IPART and clarify process required to be followed for a SRV after Councils determination in relation to being classified as Fit for the Future.	Director Organisational Services	30.6.2016
	Under the requirements determined by IPART establish the need for the SRV, develop a community consultation plan with the IP&R documentation in support and detail the results to be achieved from the SRV and that the additional rate revenue raised will be utilised to fund asset renewal works.	Director Organisational Services	31.7.2016
	Submit a report to a workshop with Councillors detailing the reason for pursuing a Special Rate Variation 'to enhance the financial sustainability of Council' and process to be followed.	Director Organisational Services	30.11.2016
	SRV implemented and additional allocated to capital renewal works.	Director Organisational Services	1.7.2017.





## Local Government Reform – Fit for the Future



## Putting Dubbo First



## Engagement Report





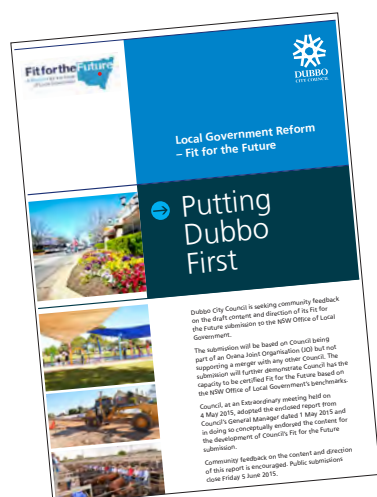
Local Government Reform – Fit for the Future



Putting Dubbo First



# → Community Engagement Report



## OVERVIEW

Dubbo City Council developed and implemented a strategy to consult with community and staff on Council's draft content and direction of its Fit for the Future submission to the Office of Local Government.

The submission content and supporting material was placed on Public Exhibition for 28 days and promoted with a proactive Media Plan, Consultation and Communication Plan including advertising, online communications, a web poll and extensive media.

Material was styled under a Put Dubbo First banner providing a unique identifier for the community. This styling has been used in all collateral.

The extensive promotion of opportunities for community involvement delivered through the consultation period has met with little support from the community for a merger with any other Council. The low number of submissions despite a communication program with reach of more than 430,000 can only indicate a level of satisfaction with the status quo in terms of Council structures.

COMMUNICATIONS ACTIVITY	OUTCOME	POTENTIAL AUDIENCE/ REACH*
Put Dubbo First styling developed	Unique styling developed to support consistent messaging and readily identifiable information for the community	N/A
Councillor's letter to residents	Open letter published in 3 major print news outlets	39,068
Print Advertising	Display print advertisements included in 3 major print news outlets	75,395
Radio Advertising	3 week advertising campaign across 2 major commercial radio station	120,000
Council Column	Public notice in Council dedicated notices pages	6,568
City Connection (3)	3 week coverage	82,300
City Communications e-blast	Direct email to City wide subscriber list	917
Social media	Total reach across Council managed social media	5,670
Print media campaign	Locally generated media coverage	83,663
Dubbo Show	Information available at Dubbo City Council displays at 2015 Dubbo Show	20,000
Website visits	Unique visits to related content on Council's websites	586
Poll count	Number of responses to poll questions	314
<b>Total potential reach of communication program</b>		<b>434,481</b>

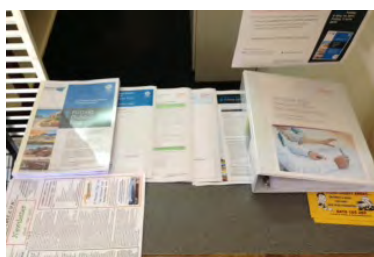




## Local Government Reform – Fit for the Future



# Putting Dubbo First



### PUBLIC DISPLAYS 8 May 2015 – 5 June 2015

Hard copies of the draft content of the Fit for the Future submission, a Putting Dubbo First fact sheet and public submission forms were available at the following public displays from 8 May to 5 June 2015:

DUBBO CITY	VILLAGES	ONLINE
Council's Civic Administration Building	Ballimore Inn	The draft content of the Fit for the Future submission, a Putting Dubbo First fact sheet and public submission forms were available on Council's public consultation website <a href="http://mydubbomysay.com">mydubbomysay.com</a> and Council's primary website <a href="http://dubbo.nsw.gov.au">dubbo.nsw.gov.au</a>
Dubbo Branch Library	Eumungerie Post Office	
	Wongarbon Post Office	

### EXHIBITION 8 May 2015 – 5 June 2015

The public exhibition period was promoted via the home page of Council's website, [dubbo.nsw.gov.au](http://dubbo.nsw.gov.au), with a link to Council's announcement in the Public Notices and Community Consultation section of [dubbo.nsw.gov.au](http://dubbo.nsw.gov.au).

- 522 views – [mydubbomysay.com.au](http://mydubbomysay.com.au) (Fit for the Future)
- 64 views – [dubbo.nsw.gov.au](http://dubbo.nsw.gov.au)
- 8 Online public submissions and 4 written submissions made

### ONLINE POLL

An online poll operated throughout the public exhibition period seeking specific feedback on the key issues of Council being part of an Orana Joint Organisation and not merging with any other Council. Specifically the community was asked to vote:

- Yes or No to an Orana Joint Organisation
- Yes or No to a merger with other Councils

The poll was a significant component of the promotion, advertising and social media campaign.

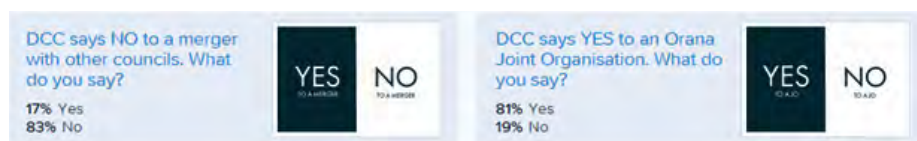
### Poll results:

Yes to an Orana Joint Organisation – 97 votes (*plus 2 from submissions*)

No to an Orana Joint Organisation – 23 votes

Yes to a merger with other Councils – 31 votes (*plus 2 from submissions*)

No to a merger with other Councils – 151 votes (*plus 8 from submissions*)





# Fit for the Future

A Blueprint for the future of Local Government

## Local Government Reform – Fit for the Future

### Putting Dubbo First



## PROACTIVE MEDIA PROMOTIONS

The draft Fit for the Future content was the subject of extensive media promotions and communication through Council's channels. Six media releases were distributed throughout the exhibition period.

## Proactive media releases: 6 May 2015 – 5 June 2015

DATE	RELEASE NAME
6 May 2015	Council to put Dubbo first in Fit for the Future
15 May 2015	Have your vote on Council reform
25 May 2015	Councillor united on Fit for the Future submission
29 May 2015	Why Dubbo should care about a Council merger
3 June 2015	Dubbo City Council Fit for the Future improvement projects
4 June 2015	Last chance to provide public comment on Council's Fit for the Future submission and Council priorities for 2015/2016

## Proactive articles/columns:

11 May	Council Column announcement (Daily Liberal)
14, 21 May, 4 June	City Connection articles (Dubbo Photo News)

## ADVERTISING CAMPAIGN 5 May 2015 – 23 May 2015

MEDIA OUTLET	DATE	DETAILS	READERSHIP/AUDIENCE*
Dubbo Photo News	Thurs 14 May 2015	½ page advertisement	27,600
Dubbo Photo News	Thurs 14 May 2015	Full page advertisement	27,600
Dubbo Weekender	Fri 15 May	½ page advertisement	4,900
Daily Liberal	Sat 16 May 2015	½ page advertisement	6,765
Daily Liberal	Mon 1 June 2015	½ page advertisement	8,530
Zoo FM	Mon 18 May – Fri 5 Jun 2015	90 x 30 second advertisements across Monday-Friday	60,000
2DU	Mon 18 May – Fri 5 Jun 2015	90 x 30 second advertisements across Monday -Friday	60,000
<b>TOTAL POTENTIAL REACH</b>			<b>195,395</b>

**COUNCIL IS SAYING**

**YES** to an Orana Joint Organisation (JO)

**NO** to a merger with any Council including Narrabri and Wilcannia

**INTRODUCTION**

Dubbo City Council is seeking Community Feedback on the draft content and direction of its Fit for the Future submission to the Office of Local Government.

**POSITIONING FOR THE FUTURE**

Fit for the Future is focused on ensuring Council's capital infrastructure can be maintained, replaced and renewed through sustainable financial management practices.

**FINANCIAL BENCHMARKS 2015/2016**

Dubbo is performing well in a number of key areas. However, there are some areas where we need to improve.

**IMPROVEMENT PROJECTS**

A number of improvement projects have been identified for the future:

- Water supply infrastructure
- Wastewater treatment plant
- Stormwater management
- Transport infrastructure
- Community facilities
- Public safety
- Healthcare
- Education
- Recreation
- Arts and culture
- Environment
- Community development
- Local government reform

**Do you support Dubbo standing alone? Tell us:**

**Yes or No to a merger?**

**Yes or No to a joint organisation?**

Read the draft content and make a submission at [mydubbomysay.com.au](http://mydubbomysay.com.au)

**HAVE YOUR SAY – MYDUBBOMYSAY.COM.AU**

Submissions close 5PM, Friday 5 June 2015

**Fit for the Future**

**Local Government Reform – Fit for the future**

**Putting Dubbo First**

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**MY DUBBO MY SAY**

**NOW ON PUBLIC EXHIBITION**

**FIT FOR THE FUTURE**

**DRAFT 2015/2016 OPERATIONAL PLAN & BUDGET**

The draft 2015/2016 Operational Plan and Budget is now on public exhibition.

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## Local Government Reform – Fit for the Future

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### OPEN LETTER FROM COUNCILLORS

An open letter to all residents was written and signed by all Councillors and printed across Dubbo's three main print media outlets. The letter was printed as a full page on: Daily Liberal 21 May 2015, Dubbo Photo News 21 May 2015, Dubbo Weekender Friday 22 May 2015.

MEDIA OUTLET	DATE	DETAILS	READERSHIP/ AUDIENCE*
Daily Liberal	Thursday 21 May 2015	Full page open letter	6,568
Dubbo Photo News	Thursday 21 May 2015	Full page open letter	27,600
Dubbo Weekender	Friday 22 May	Full page open letter	4,900
<b>TOTAL ESTIMATED READERSHIP</b>			<b>39,068</b>

The letter contained signatures of all 11 Councillors and explained Council's position in relation to Fit for the Future and encouraged community feedback.

The letter was also shared on the Mayor of Dubbo facebook page and supported by a media release supporting the community letter.

### OTHER PROMOTIONS

#### Social Media

Five posts specific to Fit for the Future were made to Council's Corporate Facebook account reaching 1074 people and recording 29 clicks. Another four unique posts were made to Council's Twitter account reaching 1524 people. All posts were targeted at driving traffic through to the mydubbomysay website or the online poll to maximise the opportunity for public feedback and comment.

From the Mayor of Dubbo's social media channels reaching 1922 people from Facebook and 1150 from Twitter.







## Local Government Reform – Fit for the Future



# Putting Dubbo First



### Dubbo Show

Hard copies of the Draft Fit for the Future content, Putting Dubbo First fact sheet and submission forms were incorporated in the City Development and Communications stand at the Dubbo Show, 15, 16 and 17 May 2015. The 2015 Dubbo Show attracted some 20,000 attendees.

### Dubbo City e-blast

Promotion and links to the draft Fit for the Future content on mydubbomysay was included in the 29 May 2015 issue of the Dubbo City e-blast. The e-blast is directly emailed to 917 subscribers.



### FIT FOR THE FUTURE MEDIA COVERAGE (SNAPSHOT)

The draft content of Council's Fit for the Future submission attracted media coverage from all local news outlets. Available readership/audience numbers have been included in the table below contributing to the total estimated reach media coverage. Interviews were also conducted by the ABC and 2DU with the Mayor and the General Manager in relation to Fit for the Future and aired during the Exhibition Period.

Date	Media	Article	Potential audience/Readership
6 May 2015	Daily Liberal	<i>Dubbo's 'uniqueness' at risk under amalgamations</i>	13,107
6 May 2015	Daily Liberal	<i>Opinion – Fight begins to retain council's status quo</i>	13,107
23 May 2015	Daily Liberal	<i>Community quiet over council mergers</i>	6,765
26 May 2015	Daily Liberal	<i>Peak body warning about amalgamation problems</i>	6,430
29 May 2015	Daily Liberal	<i>Grant opposed to council mergers</i>	10,045
18 May 2015	Prime News	IPART Fit for the Future discussion	34,209
19 May 2015	The Sydney News	Dubbo City Council rejects proposed mergers	Estimate not available
13 May 2015	Narromine News	<i>McAnally voices opposition to council mergers; wants service sharing instead</i>	Estimate not available
19 May 2015	ABC Online	<i>Dubbo City Council wants to remain independent</i>	Estimate not available
01 June 2015	Wellington Times	<i>Wellington Council tours to seek approval to be Fit for the Future</i>	Estimate not available
<b>TOTAL ESTIMATED READERSHIP</b>			<b>83,663</b>

**Please note: the above is a summary only of coverage and does not reflect all media coverage (ie. television / radio).**

\*Audience reach and readership have been calculated using figures supplied by media outlets.