

Template 2

Fit for the Future

Narrabri Shire Council Improvement Proposal

(Existing structure)



Office of
Local Government



Council name:

NARRABRI SHIRE COUNCIL

**Date of Council resolution endorsing
this submission:**

23rd JUNE 2015

1.1 Executive Summary

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

Narrabri Shire Council Improvement Plan: An Agenda for Fiscal Responsibility

An Improvement Plan has been prepared in consultation with the Narrabri Shire Council (NSC) community. The Plan was publicly exhibited with Council's IP & R documentation.

TCorp recommended that NSC, with a Moderate FSR and Negative Outlook, needs to investigate options to improve its sustainability position including:

- The need to source additional revenue such as a Special Rate Variation (SRV), to improve financial flexibility and to assist in reducing the Infrastructure Backlog;
- Reduce expenses;
- Devising programs and strategies to contain costs and improve efficiencies;

- Improve its Asset Management Plans and integration into the Long Term Financial Plan;
- Increasing spending on maintenance and infrastructure renewal, balancing this with the need for capital expenditure on new assets.

The ILGRP recommended that NSC was to remain a standalone Council and be a member of the Namoi JO.

Council is absolutely committed to finding solutions and implementing the necessary actions to becoming financially sustainable. Therefore, Council has put forward an Improvement Plan that directly addresses each of the TCorp options and importantly, is fundamentally driven by an agenda based on the principles of fiscal responsibility.

NSC's Improvement Plan at its core is driven by two key agendas:

1. modernising service delivery, governance and management; and
2. building and institutionalising fiscal responsibility to be business as usual.

NSC strongly believes that securing financial capacity and long term sustainability is the fundamental pre-requisite for all other moves to enhance our strength and effectiveness.

The commitment requires building technical knowledge and financial understanding of both staff and elected members. Council acknowledges that the quality of its decisions about service levels and revenue raising are critical factors in long term financial performance.

Building fiscal responsibility is focused on the following key elements:

- By developing technical knowledge and financial understanding.
- Focus on Core Business.
- Introduction of an Internal Audit Function.
- Introduction of a systematic and formal Efficiency and Service Review program.
- Investing in our Workforce and implementing a change management framework.
- Introduction of new guidance frameworks for the effective management of Capital Projects.

- Investing in good quality Financial and Corporate Performance Reporting Systems.
- Introduction of Smart Communication Strategies to improve interaction with the community.
- Strengthening the own source revenue base by considering a Special Rate Variation in 2017 and/or increases in fees for services subject to comprehensive community consultation and efficiency reviews.
- Completion of a comprehensive Surplus to Requirements Review of all Council owned assets and land including Council controlled Crown Lands.
- Adoption of a proactive role in the oversight and monitoring of compliance with the Fit for the Future Improvement Plan by committing to an Independent Performance Review in year 5.

A full copy of Council's Fit for the Future Improvement Plan: An Agenda for Fiscal Responsibility is attached.

Please refer to **Supporting Document No. 1**; being a full copy of Council's Fit for the Future Improvement Plan: An Agenda for Fiscal Responsibility.

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?

Yes

The Panel did not recommend Narrabri Shire Council needed to merge or become a Rural Council.

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).

Narrabri Shire covers approximately 13,000 square kilometres in north-western NSW and includes the towns of Narrabri, Boggabri and Wee Waa and the villages of Baan Baa, Bellata, Edgeroi, Gwabegar and Pilliga all surrounded by agricultural and natural resources rich land.

Narrabri Shire is positioned midway between Sydney and Brisbane, and its decentralised yet accessible location pays dividends for both residents and businesses. It is home to over 13,000 people. Approximately 57% of the Narrabri Shire population is centred around the main centre of Narrabri, with the majority of the remaining residents living in the outlying towns of Wee Waa and Boggabri. Aboriginal and Torres Strait Islander people make up 10.7% of the population compared to the NSW and Australia average of 2.5%.

It is Council's vision that *"Narrabri Shire will be a strong and vibrant regional growth centre providing a quality living environment for the entire Shire community"*. (Source: NSC's Community Strategic Plan 2013)

In line with this vision and after applying a particular focus on the opportunities for growth while acknowledging the barriers, the following strategic objectives have been established:

1. Narrabri Shire to be a regional centre
2. Airport to be of regional quality (similar to Newcastle)
3. Regional standard Narrabri CBD
4. Regional standard industrial land/parks developments

5. Established and sustainable investment program in place
6. Adequate health services to meet the needs of a regional centre
7. Expanded tertiary educational facilities (agriculture, education, business, mining and health)
8. Adequate accommodation available to meet demand (residential, community, industrial, aged and itinerant)
9. Regional standard infrastructure
10. Revenue and income growth strategy in place
11. Sustainable land use
12. Ensure a clean, green environment for the future
13. A safe place to live, work and experience the diversity of cultural activities
14. Ensure Council is compliant with statutory regulations
15. Proactively engage with the community

Council's intention is to combine the above vision and strategic objectives with the ongoing input received from the community in order to create a unified and sustainable plan for the Shire.

To achieve the community's vision, the following strategic themes have been established to ensure that social, environmental, economic and civic leadership factors are implemented in an integrated way:

Theme 1: One community - valuing the contributions that everyone can make

Theme 2: A sustainable environment - respect for our whole living environment

Theme 3: A place to thrive - a strong, diverse economy that attracts and retains businesses, services and tourists

Theme 4: Proactive leadership and advocacy - managing for all and standing up for our shire

The community faces many challenges into the future and these are identified in Section 2.2 Key challenges and opportunities following.

2.2 Key challenges and opportunities

Strengths	Weaknesses
• Fertile agricultural land and good climate. • Well established and productive agricultural sector. • Extensive coal and gas reserves in the region. • Strong presence of agricultural and internationally recognised research institutions. • Suitable enabling infrastructure including transport, power, water, education and employment. • Tourism assets including natural attractions and The Crossing Theatre. • Secure water supply. • Strategic location. • Good quality of life. • Business friendly Council. • Stocks of social capital. • Focused and committed governing body and staff. • Major transport links. • Strong partnerships with government organisations and Namoi Joint Organisation. • New revenue sources generated by the resources section. • Strong stocks of regional leadership and strategic capability. • Effective and unified Regional Joint Organisation.	• Skilled workforce shortages. • Outflow of young residents. • Flooding of the Namoi River. • Accommodation shortages. • Lack of government services and offices in Narrabri. • Constrained regional rail infrastructure. • Shortage of available child care services. • Town centre amenity issues. • Black soils and challenge for infrastructure. • Aging population. • Flood prone land. • Limited range of TAFE courses. • Infrastructure gaps constraining economic development.

Opportunities	Threats
• Leveraging growth in the mining and resources sector. • Attracting value added manufacturing operations for agriculture and mining sectors. • Attract State and Commonwealth government agencies. • Airport expansion and masterplan. • Tourism and event based destination development. • Service population growth. • Leverage research institutions. • Aged care services and retirement homes. • Diversification of retail sector. • Development as a regional centre. • Private sector partnerships with research institutions. • Residential development, motels and other short term accommodation. • Increased medical and child care services. • Overseas markets for agricultural products. • Improved regional planning.	• Climate change including hotter temperatures and lower rainfall. • Reduced water availability. • New environmental legislation. • Decline in global demand and prices. • Reliance on mining and agriculture. • Residential land availability. • Outflow of young people. • Social challenges from temporary mining workforce. • Leakage of mining resources. • Ability to provide required services to the population. • Future population decline. • Cost shifting by Federal and State Governments. • Resistance to change. • Inferior telecommunications infrastructure. • Economic imperative of an ever increasing demand for efficiency and productivity by higher levels of government. • Natural disasters. • Water utility review. • Government decision making.

2.3 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.076	No	1.13	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	80.08%	Yes	71.79%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	32.24%	No	106.97%	Yes

2.3 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	3.32%	No	3.79%	No
Asset Maintenance Ratio (Greater than 100% average over 3 years)	108.49%	Yes	100.00%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	6.60%	Yes	7.51%	Yes

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

Infrastructure Backlog Ratio - Council has identified that to address its Infrastructure Backlog, without imposing a significant short-term burden on its ratepayers, it requires a 10 year timeframe and has prepared its LTFP accordingly.

Fiscal responsibility promotes an approach whereby significant adjustments to accommodate infrastructure sustainability ratios should be achieved by adopting medium to longer term pricing paths. The LTFP indicated the Backlog ratio (of less than 2%) will be achieved in 2020/21.

2.3 Performance against the Fit for the Future benchmarks

Efficiency

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	Decreasing	Yes	Decreasing	Yes

Please refer to **Supporting Document No. 2**; being Council's initial self assessment tool results.

2.4 Water utility performance

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

No

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

Water (80% compliant) and Sewerage (78% compliant) are non-compliant due to a number of BPM requirements including Council's Strategic Business Plans (SBPs) being over four years old, IWCMP and tariff structures.

A consultant has been appointed to review the SBPs and to draft the Integrated Water Cycle Management Plan, Financial Plan, Developer Contributions, Headworks Charges, other fees and tariffs. The review/preparation of these plans will be completed by February 2016.

A workshop was held with the NSW Office of Water on 10th & 11th June 2015, in Narrabri, to ensure that Council is on the path to full compliance.

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

Council does not have any water or sewerage infrastructure backlogs listed within its current reporting. Condition assessments are however currently being undertaken in both water and sewerage that are uncovering renewal issues that will warrant attention in the short term.

Contractors are currently undertaking the cleaning, condition assessment by CCTV technology and relining (where required) of the sewer networks in Narrabri, Wee Waa and Boggabri. This work is scheduled for completion in March 2016.

Condition assessment of all Council operated water bores is presently in progress with final reports due by 31st July 2015.

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
Baan Baa Water Supply	2016/17	\$4.464M	\$2.232M Grant, \$2.232M VPA Contributions
Bore Replacement Program	2016/17 – 2017/18	\$2.66M	Nil
Water Meter Renewal Program	2016/17	\$1.24M	Nil
Narrabri Water Augmentation	2016/17 – 2017/18	\$14.1M	\$12.8M Grant
Water Mains Renewals	2016/17 – 2019/20	\$2.12M	Nil

Sewer Mains Renewals	2016/17 – 2019/20	\$2.45M	Nil
Boggabri Sewerage Treatment Plant Augmentation	2016/17 – 2017/18	\$4.5M	Nil
Narrabri Sewerage Treatment Plant Augmentation	2017/18 – 2019/20	\$1.45M	Nil
Water Reservoir Upgrades	2017/18 – 2019/20	\$1.452M	Nil

2.4 Water utility performance

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

Yes

Please refer to **Supporting Document No. 3**; being projected Income Statements for Water and Sewerage Funds.

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
Maintain membership of the Namoi Councils Regional Water Utilities Alliance and active involvement to maximize fiscal and operational benefits for water and sewerage supply funds.	Ongoing	Increased efficiency and optimum utilization of infrastructure and resources
Complete review and upgrade of Strategic Business Plans for Water Supply and Sewerage Services.	2015/16	Prudent long term management of assets and service delivery in accordance with regulatory standards
Undertake comprehensive condition assessments of all water and sewerage infrastructure assets.	2015/16	Prudent long term management of assets

Full Best Practice compliance.

2016/17

Fully compliant Best
Practice water and
sewer operations

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.

Narrabri Shire Council's Fit for the Future Improvement Plan is focussed around the following key sustainability elements:

- Investing in a program of Modernisation in service delivery, governance and management.
- Building Fiscal Responsibility.
- Focus on Core Business.
- Investing in good quality Financial and Corporate Performance Reporting Systems.
- Introduction of Smart Communication Strategies to improve interaction with the community.
- Strengthening the revenue base by considering a Special Rate Variation in 2017/18 subject to comprehensive community consultation and efficiency & productivity reviews.
- Effective management of capital expenditure.
- Building an organisational culture focussed on the fiscal responsibility agenda and 21st century challenges.

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

- The maximum allowable increase (2.4%) has been applied to Ordinary Rates with 3% increases factored into forward estimates. A Special Rate Variation has been incorporated into the 10 year plan commencing with an additional increase (over rate pegging) of 5% in 2017/18, 5% in 2018/19 and 5% in 2019/20. These increases have been applied permanently and are subject to comprehensive community consultation and completion of a number of efficiency & productivity reviews.
- Interest from Investments has been factored for in relation to forecasted cash balances.
- Other revenues have been reviewed for 2015/16 and 3% increases have been applied thereafter.
- The Financial Assistance Grant remains at the same level until 2017/18 (Federal Government Policy) with 2% increases applied thereafter. Specific Purpose Grant expectations have been reviewed for 2015/16 with those recurrent grants projected into forward estimates.
- Voluntary Planning Agreement contributions are as per current agreements.
- Additional income from mining tonnage (\$1.31m) and gravel tonnage (\$132k) contributions have been included for 2015/16 and beyond.
- Employee Costs have been increased by the current Award increase of 2.8% plus an allowance for grade creep. 2.8% has also been applied to future year's estimates.
- Materials & Contracts and Other Expenses for future years have also had 2% increases applied.
- Depreciation costs were completely reviewed as a part of asset revaluations undertaken last year. These figures have been applied for 2015/16 with a 1% increase factored into the remainder of the LTFP.

3.1 Sustainability

Outline your strategies and outcomes in the table below.

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Building the Fiscal Responsibility Agenda	Adopt a range of new financial policies, including Fiscal Responsibility Principles, Restricted Assets and Focus on Core Business.	2015/16	Policy framework to institutionalise fiscal responsibility.	Will assist infrastructure and service management by focusing Council's service delivery priorities
	Implement a Councillor professional development program.	Ongoing	Councillors having the information, skills and resources to undertake their roles and responsibilities effectively.	
Improve Corporate Performance	Identify and scope organisational requirements by active stakeholder engagement and	2015/16	Clearly identified and agreed project goals.	Will assist infrastructure and service management by fully scoping future

	validate project business case.			asset responsibilities
	Select and define tender process, select preferred supplier and implement new enterprise business solutions.	2016/17	Corporate systems installed on time and on budget.	Will assist efficiency and decision making as Council is able to better manage their assets
Smart Community Engagement	Review all current community consultation policies and practices and adopt a new communications strategy.	2015/16	Effective and smart communication strategies.	Improved infrastructure, service management & resource allocation decision making
Enhance Sister City Relationships	Identify relevant operational areas and establish key objectives to be achieved.	2015/16	Concise work plan to realise a wide range of operational benefits.	Will assist operational efficiencies

	Commence work exchange program.	2016/17	Improved operational benefits.	Will assist efficiency
Strengthening the Revenue Base	Commence SRV community conversation.	2015/16	Community fully informed of need to address infrastructure backlog.	
	Rating Structure Review.	2015/16	Equity and fairness in rating distribution.	
	Make a submission to the IPART review of NSW rating legislation.	2015/16	Exclusion of mines rating income from the notional general fund income yield calculation.	
	SRV application to IPART in accordance with prescribed timeframes and subject to community consultation.	2017/18	Additional funds directed to asset renewals.	Will assist infrastructure backlog and asset renewals

Future Reporting of FFTF
Performance

Commission TCorp to
review Council's
progress in achieving
the FFTF Improvement
Plan and establish new
sustainability
benchmarks.

2021/22

Independent analysis
of progress and
status of
sustainability.

Should also identify
efficiency gains

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.

Narrabri Shire Council's Fit for the Future Improvement Plan is focussed around the following key asset management elements:

- Building the Fiscal Responsibility Agenda including the need for asset management planning being prioritised and directly linked to the LTFP.
- The smart use of borrowings for infrastructure.
- Introduction of new guidance frameworks for the effective management of Capital Projects.
- Completion of a comprehensive Surplus to Requirements Review of all Council owned assets and land including Council controlled Crown Lands.

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

- Specific Purpose Grant expectations have been reviewed for 2015/16 with those recurrent grants projected into forward estimates.
- Voluntary Planning Agreement contributions are as per current agreements.
- Additional income from mining tonnage (\$1.31m) and gravel tonnage (\$132k) contributions have been included for 2015/16 and beyond.
- Employee Costs have been increased by the current Award increase of 2.8% plus an allowance for grade creep. 2.8% has also been applied to future year's estimates.
- Materials & Contracts and Other Expenses for future years have also had 2% increases applied.
- Depreciation costs were completely reviewed as a part of asset revaluations undertaken last year. These figures have

been applied for 2015/16 with a 1% increase factored into the remainder of the LTFP.

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
Building the Fiscal Responsibility Agenda	Asset management planning prioritised and directly linked to the LTFP including smart use of borrowings.	2015/16 and ongoing	Prudent management of assets.	Positive impact on asset management
Effective Management of Capital Projects	Introduce Major Capital Projects Policy and Guidance Procedures.	2015/16	Capital projects effectively managed and evaluated.	Will have sustainability and efficiency considerations built in
Surplus to Requirements Asset and Land Review	Undertake surplus land and assets review including Council controlled Crown Lands.	2015/16	Prudent disposal of all land and assets surplus to requirements.	Positive impact on asset management

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.

Narrabri Shire Council's Fit for the Future Improvement Plan is focussed around the following key efficiency elements:

- Introduction of an Internal Audit Function.
- Introduction of a systematic and formal Efficiency and Service Review program.
- Investing in our leadership capacity both at the governing body and management levels.
- Investing in our Workforce and implementing a change management framework.
- Adoption of a proactive role in the oversight and monitoring of compliance with the FFTF Improvement Plan by committing to an Independent Performance Review in year 5.

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

- Efficiency gains have been built into the 2015/16 Budget and LTFP. \$400k has been factored into 2015/16, with further gains of \$350k, \$300k and \$300k respectively over the next three years. These gains are expected to be permanently maintained to reflect cost savings of \$1.35m in total going forward.

3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Introduce an Internal Audit Function	Establish Internal Audit Committee.	2015/16	An effective and independent internal audit function.	Impacts all measures
Introduce Efficiency and Service Reviews	Establish Efficiency Review Group.	2015/16	ERG operational.	Impacts all measures
	Review a minimum of three operational areas per annum.	2015/16 and ongoing	Completed efficiency reviews that meet targets.	
Strengthen Workforce and Leadership	Develop and implement change management framework.	2015/16 and ongoing	Change management framework developed and	Impacts all measures

			implemented.	
	Review of Organisational Structure.	2015/16 and ongoing	Structure meets agreed service levels and achieves identified efficiencies.	Will assist in Council remaining fiscally sustainable and operationally effective
	Link strategic outcomes to performance objectives of senior staff and management positions.	2015/16 and ongoing	Management accountable for performance against strategic outcomes.	
	Develop a structured development program for leadership team enabling: • Fiscal responsibility • Lean management • Inspirational leadership.	2015/16 and ongoing	Program developed and implemented.	

	Review of Council's salary system.	2015/16	Salary System is Award compliant, market competitive and salary structure meets needs of Council.	
	Introduce systems for better information capture relating to the workforce.	2016/17 and ongoing	Systems identified and implemented.	
	Prepare a Local Youth Employment Strategy and identify opportunities for addressing skills shortage areas through offering traineeships and cadetships to the local community.	2016/17	Opportunities identified and implemented.	

	Investigate introduction of a Workplace Agreement.	2016/17	Effective workplace arrangements to promote the modernisation agenda and an Employer of Choice Workplace.	
Enhance Governance Structures	Review internal, external and Section 355 Committees to ensure they are relevant, effective and efficient in making decisions.	2016/17 and ongoing	Effective decision making committee system.	Impacts all measures
	Review policies and practices to promote greater participation of volunteers in the delivery of services.	2016/17	Empowerment of community to actively participate.	

3.4 Improvement Action Plan

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

Action plan

Actions	Milestones
Adopt a range of new financial policies, including Fiscal Responsibility Principles, Restricted Assets and Focus on Core Business.	2015/16
Implement a Councillor professional development program.	2015/16 and ongoing
Identify and scope organisational requirements for enterprise business solutions by active stakeholder engagement and validate project business case.	2015/16
Review all current community consultation policies and practices and adopt a new communications strategy.	2015/16
Identify relevant operational areas for Sister City relationships and establish key objectives to be achieved.	2015/16
Commence SRV community conversation.	2015/16

Rating Structure Review.	2015/16
Make a submission to the IPART review of NSW rating legislation.	2015/16
Asset management planning prioritised and directly linked to the LTFP including smart use of borrowings.	2015/16 and ongoing
Introduce Major Capital Projects Policy and Guidance Procedures.	2015/16
Undertake surplus land and assets review including Council controlled Crown Lands.	2015/16
Establish Internal Audit Committee.	2015/16
Establish Efficiency Review Group.	2015/16
Review a minimum of three operational areas per annum.	2015/16 and ongoing
Develop and implement change management framework.	2015/16 and ongoing
Review of Organisational Structure.	2015/16 and ongoing

Link strategic outcomes to performance objectives of senior staff and management positions.	2015/16 and ongoing
Develop and introduce structured development program for the leadership team enabling: • Fiscal responsibility • Lean management • Inspirational leadership.	2015/16 and ongoing
Review of Council's salary system.	2015/16
Maintain membership of the Namoi Councils Regional Water Utilities Alliance and active involvement to maximize fiscal and operational benefits for water and sewerage supply funds.	Ongoing
Complete review and upgrade of Strategic Business Plans for Water Supply and Sewerage Services.	2015/16
Undertake comprehensive condition assessments of all water and sewerage infrastructure assets.	2015/16
All of the above actions have been considered in Council's 2015/16 Operational Plan, with the specific assumptions that under pin this plan listed in sections 3.1 to 3.3 of Council's FFTF Improvement Plan. A copy Council's 2015/16 budget and long term financial plan going forward is attached to this Improvement Plan as supporting documentation (see reference below).	

Please refer to **Supporting Document No. 4**; being projected Income Statement, Balance Sheet and Cash Flow Statement for Council's General Fund.

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

Council's Action Plan and entire FFTF Improvement Plan has been developed in-house by Council staff in consultation with the Office of Local Government, elected members and the community.

Council conducted eight Community Consultation meetings throughout the Shire, had several Councillor/Staff workshops, placed the draft Improvement Plan out for public exhibition for 28 days and provided real time interaction on Council's Facebook page. All community submissions on the Operational Plan and Fit for the Future Improvement Plan were reported to Council at its meeting in adopting this plan on 23rd June 2015.

Methods for advertising all meetings include Council papers, Councillor communication, Max FM radio, Council website newsreel and Narrabri weather station webpage, Council Facebook page, posters in various locations at each town, LED signage (Boggabri), communication to Chamber of Commerce, Advancing Baan Baa and Boggabri Business Promotions Group.

Council and staff are proud of their FFTF Improvement Plan: An Agenda for Fiscal Responsibility and look forward to institutionalising its benefits.

In-house development encourages greater ownership of the Agenda and the process of learnings and cultural change commences immediately.

Let the journey of fiscal responsibility begin.

3.5 Other actions considered

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

Council was initially assessed as having the scale and capacity to remain a standalone Council and forming part of the Namoi Joint Organisation. On this basis, Council has not considered any other structural reform strategies that would change its standalone status.

4. How will your plan improve performance?

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-4.39	-1.73	1.13	3.02	4.34	6.94	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	72.63%	69.27%	71.79%	80.46%	84.09%	85.67%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	63.68%	91.78%	106.97%	91.06%	89.72%	95.97%	No
Infrastructure Backlog Ratio (Less than 2%)	4.39%	3.82%	3.79%	3.56%	2.98%	2.42%	No
Asset Maintenance Ratio (Greater than 100% average over 3 years)	123.67%	105.53%	100.00%	100.00%	100.00%	100.00%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	9.22%	8.55%	7.51%	4.71%	4.51%	4.16%	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	\$2,200 per capita	\$2,170 per capita	\$2,130 per capita	\$2,100 per capita	\$2,050 per capita	\$2,040 per capita	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?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	8.58	9.34	9.49	9.98	10.30	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	86.99%	87.47%	87.77%	88.02%	88.27%	Yes

*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](#)

Please refer to **Supporting Document No. 5**; being FFTF Ratio Calculations.

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.

Council, on behalf of its community and taking account of the community feedback, has taken a structured and ordered approach to achievement of the FFTF benchmarks.

The current 10 year LTFP, as adopted in the 2015/16 Operational Plan, has been strategised to allow the implementation of a timeline to fully achieve all the sustainability ratios.

Building and Infrastructure Asset Renewals is forecast to hover around the benchmark figure of 100%. From 2021/22 there is financial capacity within the forecast long term financial plan to step up the capital renewals program.

Infrastructure Backlog Ratio is forecast to meet the benchmark in 2020/21, and be eliminated altogether in 2024/25 based on the long term financial predictions.

5. Putting your plan into action

How will your council implement your Improvement Action Plan?

Council is proposing to set up an “FFTF Taskforce” to drive the Action Plan. This Taskforce will include both Councillor and Senior Staff representation, with sectional officers seconded to the group as related actions are being undertaken. It is considered important to spread the responsibility across the organisation to give the Action Plan operational ownership and therefore the best chance to achieve its objectives.

A dedicated champion will be appointed to provide administrative support to the group. A section of Council's intranet will be established to keep all staff informed, invite ideas and suggestions, and provide updates on milestones achieved.

General Manager and other Senior staff Performance Agreements will be amended to incorporate respective departmental FFTF action responsibilities.

Progress on Council's Improvement Plan will form part of Council's Annual Reporting regime and updates will be included on Council's website.

TCorp will be engaged to provide an external review of Council's progress in achieving the FFTF Improvement Plan and establish new sustainability benchmarks in 2021/22.