

Template 2

Fit for the Future

Council Improvement Proposal

(Existing structure)



Office of
Local Government



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:

MURRAY SHIRE

**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.

Murray Shire is a vibrant, regional Shire experiencing continued and sustained growth. Nestled along the Murray River at the closest point to Melbourne, Murray shares a strong connection with Victoria. Most often Moama is recognised as part of the Echuca/Moama region. Murray Shire's communities, including Mathoura, Bunnaloo, Womboota and Cummeragunja, look to the twin towns for work, leisure, shopping and health services. Services not available in Echuca/Moama can often be accessed in larger towns and cities such as Bendigo or Melbourne.

With a current population in excess of 7000 and continuing growth Murray Shire is in a strong position of significant development, successful industries, including tourism, and access to services on both sides of the border.

In its 11 March 2013 report into Murray Shire NSW Treasury Corporation reported that the Shire had been reasonably well managed over the review period. Since the announcement of the Fit for the Future Reform package in October 2014 Murray Shire has aspired to remain a stand alone Council. With a recommendation that Murray Shire consider a merger with Deniliquin, Conargo and Wakool, Murray Shire engaged fully in the process of consultation with neighbouring Shires and the community around possible options going forward. When both Conargo and Wakool confirmed that they intended pursuing a rural shire model Murray was faced with two alternatives, a merger with Deniliquin or a stand alone proposal. At that point Council voted unanimously to pursue a stand alone proposal.

Murray Shire recognised that if it was to stand alone changes would need to be made. In particular, Murray needed to consider opportunities to increase its own source revenue and to decrease expenditure. A three platform reform program was developed.

The three main strands of reform are;

- Review organisation structure;
- Review elected representation;
- Review the rating strategy with a view to seeking a special rate variation.

The program of reform that has been established for Murray Shire is ambitious and will require extensive work, extensive collaboration and consultation, and a firm commitment to a future model that is different to what has occurred in the past. The program is designed to improve sustainability and efficiency, engage the community around service levels and deliver the services sought by the community. Murray Shire Councillors and staff are up for the challenge and believe that the reform program that has been developed is appropriate, achievable and will ensure that the Shire is Fit for the Future.

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).

No

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).

Murray Shire could not proceed with the voluntary merger as recommended by the Independent Local Government Review Panel (ILGRP) because;

- Conargo Shire opted out of the development merger business cases in favour of developing a stand alone rural shire proposal;
- Following the business case development phase, it was confirmed that Wakool Shire intended lodging a stand alone rural shire proposal.

The ILGRP identified Murray Shire Council (MSC) as a Group D council. The ILGRP recommended that Murray Shire merge with Deniliquin Council and Conargo Shire. Wakool Shire was also flagged as a possible inclusion in a four council merger but Wakool did not form part of the “**bolded**” primary recommendation of the ILGRP.

Attachment 1 provides;

- a summary of the steps undertaken by Murray Shire in exploring options for mergers;
- details of the scale and capacity of Murray Shire into the future.

NOTE: Attachment 1 refers to Attachment 2, 3 and 4 and Confidential Attachment 1

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.

Murray Shire is a vibrant and growing local government area located on the Murray River. The largest township in the Murray Shire is Moama. Moama is situated on the Murray River and forms a "twin city" with Echuca, located in the Victorian Shire of Campaspe.

Located 800 kilometres from Sydney but only 200 kilometres from Melbourne, and sharing many services and interests with its Victorian neighbours, Murray Shire is a unique south facing Shire.

Attachment 5 is a more detailed outline of the characteristics of the Murray Shire including;

- (i) Goals and priorities of the community include;
 - establishing strong government and regional networks;
 - protecting and enhancing the natural environment;
 - ensuring environmentally responsible development;
 - the provision of community, recreation and education facilities that promote the health and welfare of residents;
 - the provision of a range of services to promote the well being of children, youth, aged and disabled;
 - maintaining and enhancing the economic wellbeing of Murray Shire; and
 - maintaining the assets of the Shire for future generations.

Some of the challenges faced by Murray Shire include;

- ongoing management of the Murray Darling Basin and interaction/consultation with the Murray Darling Basin Authority around issues concerning agriculture and tourism;
- the sustainability and growth of communities within the Murray Shire;
- the critical and urgent need for a second bridge crossing of the Murray River between Moama and Echuca, and advocating to State and Federal Government;
- access to health and allied services
- managing, maintaining and upgrading significant infrastructure assets; and
- Local government reform and the need to maintain representation and identity.

(ii) a snapshot of statistical data for Murray Shire

(iii) a visual representation of the interconnectedness of Murray Shire and Campaspe Shire in terms of shared services and interests.

2.2 Key challenges and opportunities

Strengths	Weaknesses
<ul style="list-style-type: none"> • Modern and well maintained infrastructure and social assets. • Unique relationship with Campaspe Shire providing significant resources and facilities that are used by the populations of both Shires • Effective interaction at a regional level through active involvement in the Riverina and Murray Regional Organisation of Councils • Strong community leadership through effective 355 committees and extensive volunteerism • Proactive involvement in regional development and collaboration through involvement in regional initiatives and groups • Direct river access for social pursuits, community activities and housing • Large scale housing developments which incorporate open space facilities • Closest point on the Murray River to Melbourne • Well established tourism route for Echuca/Moama around the river, events and activities • Large network of road infrastructure servicing the far reaches of a large Shire • Delivery of core services within legislative timeframes and to customer expectations • Ongoing and steady population growth • Extensive existing networks of allied services 	<ul style="list-style-type: none"> • Challenges of managing significant open space assets • Challenge of matching resourcing to demand in operational areas such as planning and development • IT/software support to operations • Lack of (or obsolete) overarching internal processes, risk framework and community service level agreements

<ul style="list-style-type: none"> • Asset and infrastructure planning developed in conjunction with strategic planning and long term financial planning • Efficient management of planning and development processes 	
Opportunities	Threats
<ul style="list-style-type: none"> • Ageing low use neighbourhood parks and open spaces could be sold to reduce impacts to provide funding to improve other high use facilities • To further develop the Shire as a tourism and residential destination leveraging proximity to Melbourne and natural assets • The completion of the process to build the second Moama/Echuca bridge • Ability to increase private works element of business as further developments are approved and JO is established • Use data collected (including media monitoring) to leverage opportunities including funding and grants, trend analysis, social and population trends and policy development and to allow greater strategic planning and maximise opportunities for growth and development • To maintain pressure on State government to balance the needs of industries against the needs of national parks in the timber areas of Mathoura and surrounds 	<ul style="list-style-type: none"> • Continued push to deliver services that are outside the local government mandate • The shifting of service delivery to local government from other tiers of government without appropriate consultation or funding • Sudden shifts in funding levels without consultation, without appropriate lead times and without certainty of future funding (ie changes to FAGS) • Cross border anomalies that impact service delivery and competitive tensions • Distance from Sydney and safe NLP seat unlikely to gain a lot of attention at a State political level • Amalgamation and weakening of community, representation and financial position • Water management and agricultural sustainability • Matching infrastructure development with growth • Loss of market share of building certification business to private operators

<ul style="list-style-type: none"> • Changing service delivery of Commonwealth and State funded programs such as CHSP provide opportunities for growth of service delivery and acting as auspiced agency • Market the Shire further as a retirement destination • Monitoring and leveraging changes in government policy/priorities • • Improved management of data and records • Available residential and industrial land for immediate uptake • Upskilling existing stable staff group and explore the opportunity for longer term staff planning through development of a traineeship program • Expansion of programs to meet demands and to create opportunities to deliver shared services to neighbouring Councils as shared services/centres of excellence • Build on the existing innovations in the use of technologies to support service delivery 	<ul style="list-style-type: none"> • Ongoing impact of the conversion of forests to national parks on the towns such as Mathoura
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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)	0.001	Yes	0.60%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	71.52%	Yes	76.92%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	91.14%	No	100.17%	Yes

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

Building and Infrastructure Asset Renewal Ratio-in 2011/12 Roads depreciation was \$4.843m which was overstated. The roads were revalued and the depreciation in 2012/13 was \$3.278m. This difference of \$1.565m in 2011/12 has meant that council did not meet the benchmark. If this were adjusted council would meet the benchmark.

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%)	0.39%	Yes	0.16%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	83.80%	No	102.93%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	3.92%	Yes	2.28%	Yes

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

Asset Maintenance Ratio-In 2011/12 a different approach to the determination of required maintenance on roads was done for Special Schedule 7. The figures completed showed required maintenance on roads of \$2.39m compared to actual maintenance of \$1.145m. This was an overstatement that meant Council did not meet the 2013/14 performance benchmark. If the 2011/12 figures were corrected Council will meet the benchmark.

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	Increasing	No	1.59	Yes Figure decreased over the last 5 years

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

Real Operating Expenditure per Capita-the base data for this indicator is 2009/10. This was the year before the first revaluation of our roads under fair value. Depreciation in 2009/10 for General Fund was \$2.385m (21.62% of expenditure). In 2010/11 depreciation increased to \$6.385m (41.76% of expenditure). This increase of \$4m in depreciation has meant that Council did not meet the benchmark. So the benchmark is working off the very low base year (pre fair valuation of roads). For 2016/17 the indicator is decreasing for the fifth consecutive year.

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

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

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

NIL

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
NIL			

2.4 Water utility performance

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

Yes

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

2.4 Water utility performance

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

Improvement strategies

Strategy	Timeframe	Anticipated outcome
1. Install variable speed drives at raw water pump station. Repaint reservoir. Raw and filtered water mains extensions and replacements. Reline damaged sewer mains. Upgrade sewer pump stations. Refurbish filtration plant components.	15/16 Water \$717,299 Sewer \$478,576 (Already budgeted)	Electricity costs at raw water pump station are forecast to be reduced by 8%. Service life of reservoir is maintained. New development and existing users are provided with appropriate infrastructure to deliver water supply to World Health Standards.

		Sewer system to collect, transport and treat sewage operates in an efficient, cost effective and sustainable manner.
<p>2. Raw and filtered water mains extensions and replacements.</p> <p>Reline damaged sewer mains.</p> <p>Upgrade sewer pump stations.</p> <p>Refurbish filtration plant components.</p>	<p>16/17</p> <p>Water \$554,588</p> <p>Sewer \$253,593</p> <p>(Already budgeted)</p>	<p>New development and existing users are provided with appropriate infrastructure to deliver water supply to World Health Standards.</p> <p>Sewer system to collect, transport and treat sewage operates in an efficient, cost effective and sustainable Manner.</p>

<p>3. Install Variable speed drives at raw water reservoir, Moama.</p> <p>Raw and filtered water mains extensions and replacements.</p> <p>Reline damaged sewer mains.</p> <p>Upgrade sewer pump stations.</p>	<p>17/18</p> <p>Water \$659,626</p> <p>Sewer \$316,330</p> <p>(Already budgeted)</p>	<p>Increased pressure in the town raw water reticulation.</p> <p>New development and existing users are provided with appropriate infrastructure to deliver water supply to World Health Standards.</p> <p>Sewer system to collect, transport and treat sewage operates in an efficient, cost effective and sustainable manner.</p>
<p>4. Raw and filtered water mains extensions and replacements.</p> <p>Reline damaged sewer mains.</p> <p>Upgrade sewer pump stations.</p>	<p>18/19</p> <p>Water \$313,919</p> <p>Sewer \$167,090</p>	<p>New development and existing users are provided with appropriate infrastructure to deliver water supply to World</p>

	(Already budgeted)	Health Standards. Sewer system to collect, transport and treat sewage operates in an efficient, cost effective and sustainable manner.

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.

Murray Shire has concentrated on opportunities to increase own source revenue. This will be achieved firstly through expanding the existing private works business. In addition, Murray Shire will look to ensuring that the organisation structure has sufficient flexibility to “scale up” should opportunities arise to deliver services to other Shires either within our regional JO or to rural Shires who are divesting operating functions.

In addition to the above Murray Shire will review its rating strategies and consider the implementation of a 3% Special Rate Variation to ensure that Murray Shire is underpinned by a sustainable rates strategy. This will be done in conjunction with the development of service level agreements that clearly define the expectations of the community against any rate increase.

The key outcome is an expected increase in own source revenue sufficient to secure the long term sustainability of the Shire.

Attachment 6 is a detailed Year 1 Action Plan that considers flow on actions and other sustainability measures.

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 key assumptions in relation to the above strategies are;

- Continued availability of private works;
- Development of a JO that fosters shared services and centres of excellence;
- Successful implementation of a SRV in the timeframes outlined.

3.1 Sustainability

Outline your strategies and outcomes in the table below.

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Grow Private Business Reference 3.1 A In Year 1 Action Plan	Continue to actively pursue private works.	Completion of development stages.	Project completion with a minimum of 10% profit margin.	Monitor plant and manpower resources to ensure works program remains as scheduled.
2. Focus on developing professional services to market to other Shires and the JO Reference 3.1B In Year 1 Action Plan	Position MSC as a centre of excellence to be able to market high level professional services to Jos and other Shires	Completion of internal skills and capacity analysis Development of JO model and shared service parameters Marketing of service offering	Development of a shared service business returning \$40k per annum. (Funds not included in forward projections)	Need to co-ordinate this deliverable with the structural review

<p>Development of a rating strategy that allows MSC to meet Fit for the Future sustainability criteria</p> <p>Reference 3.1C</p> <p>In Year 1 Action Plan</p>	<p>Explore options for a special rate variation</p>	<p>Review of Council's rating strategy</p> <p>Review of rating options</p> <p>Development of Special Rate Variation business case</p> <p>Community Consultation</p> <p>Lodgement of proposal with IPART</p> <p>Implementation</p>	<p>A 3% increase to rate base</p>	

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.

Infrastructure at Murray Shire is managed effectively for long term sustainability.

Key new strategies for infrastructure management are as follows;

- A programmed Lean 6 Sigma process review generally across the organisation that will look to developing more cost effective and efficient ways to do business;
- Development of effective service level agreements to enshrine standards of service and community expectations

It is expected that these measures will result in a more streamlined operating model that will provide efficiencies and increased community satisfaction. These strategies are covered in more detail under the **efficiency agenda**.

Attachment 6 provides a Year 1 Action Plan but indicates flow on actions from initial work completed.

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

That Murray Shire will be eligible for funding through the Fit for the Future Innovation Fund to complete a Lean 6 Sigma Review.

That service level agreements can be embedded in organisation operations.

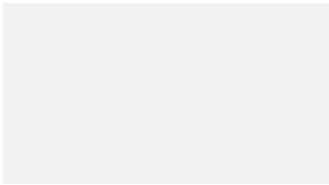
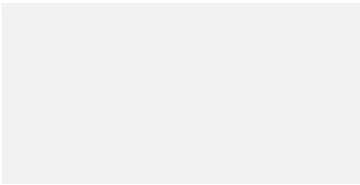
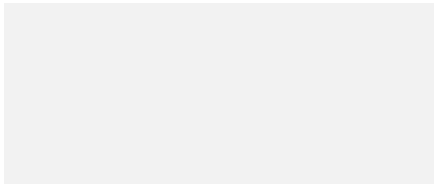
3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

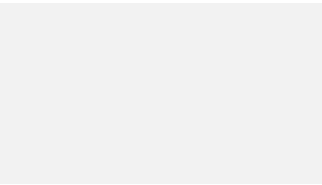
3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
<p>1. Keep current account of asset liability and performance</p> <p>Reference 3.2</p> <p>In Year 1 Action Plan</p>	Scheduled Asset Revaluations	Asset liability and Sustainability index generated	Detailed asset registers held and updated annually, generating annual capital renewal requirements	Will form part of the Lean 6 Sigma review process
2. Delivery of infrastructure services in a financially sustainable manner	Use of Asset specific asset management plans which detail information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective	Annual review and adoption of Asset Management Plans and Strategy	The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.	

	manner.			
3. Management of Infrastructure Maintenance	<p>Use of asset specific Management plans with specific maintenance requirements.</p> <p>Use of integrated electronic maintenance management programs for all asset classes</p>	<p>Periodical review and Adoption of asset specific plans</p> <p>Inspections undertaken at specified intervals on all asset classes</p>	<p>Service levels, risk rankings and intervention levels adopted by council and managed in a strategic way</p> <p>Detailed management of all existing asset classes with defects/renewals recorded and addressed according to adopted measures</p>	Will form part of the Service Level Agreement consultation
Remove the financial liability of developer required upgrades from Council/ratepayers	Section 64 and 94 contributions from developers and assets donated from developers	Periodical review of Section 64 and 94 Development Contribution Plans	<p>Developer fees and charges outlined with future income streams identified.</p> <p>Specific projects listed for funding under 94/64</p>	Feeds into the overall efficiency agenda



charges, removing
financial burden form
Council



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.

Council's efficiency strategies centre around the review of the organisation structure against deliverables and consideration of opportunities to streamline operations.

Council's key strategies against efficiency measures are contained in Attachment 6 Year 1 Action Plan and in Confidential Attachments 2, 3 and 4.

In addition, Murray Shire will review the structure of elected representation in the Shire.

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

Key assumptions underpinning efficiency strategies include;

- Legislative changes that allow for the immediate decrease of Councillor numbers;
- Confidential assumptions outlined in Confidential Attachments 2, 3 and 4.

3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Review and restructure operating model to maximise operational efficiencies Reference 3.3 A <ul style="list-style-type: none"> In Year 1 Action Plan and Reference 3.3 A1 to A4 In Year 1 Action Plan (Staffing) (Confidential) 	Review organisation structure including number of positions, locations, skill sets and succession plans -Establish new functional teams	See attached confidential document	See attached confidential document	Outcomes and benefits realised will feed into the overall efficiency agenda and financial sustainability outcomes
2. Review elected representation structure and numbers	Review current level of Councillor representation and benchmark to similar size Councils.	Desktop review of Councillor numbers benchmarked against similar size	Outcomes and benefits realised will feed into the overall efficiency agenda and	

<p>Reference 3.3 B</p> <p>In Year 1 Action Plan</p>		<p>Shires/communities</p> <p>Undertake community consultation</p> <p>Make application for change of Councillor numbers as appropriate</p>	<p>financial sustainability outcomes</p> <p>Financial benefits have been quantified at a saving of \$40,000 if the number of Councillors was decreased from 9 to 7</p>	
<p>3. Undertake a process review to improve efficiency in service delivery</p> <p>Reference 3.3 C</p> <p>In Year 1 Action Plan</p>	<p>Rationalise processes and minimise duplication to free up staff for front line service delivery and to gain operational efficiencies</p>	<p>Review all work processes and procedures using Lean 6 Sigma methodology</p> <p>Develop a suite of updated processes</p> <p>embed process improvements in organisation</p> <p>complete a benefits realisation analysis</p>		

		establish a continuous improvement regime		
Ensure that service deliverables meet customer expectations at a price that they are willing to meet Reference 3.3 D In Year 1 Action Plan	Assess current service delivery standards and consider a restructure	Complete an analysis of existing standards benchmark against similar size Councils Develop Service Level Agreements and consultant with community Implement		

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

Detailed actions including milestones, assumptions and financial modelling are contained in Attachment 6 Year 1 Action Plan, Attachment 7 General Fund Financial Statement and Budget, and Confidential Attachments 2, 3 and 4.

*** Please attach detailed action plan and supporting financial modelling**

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

The action plan was developed using the three platforms of reform;

- Review of organisation structure;
- Review of elected representation; and
- Review of ratings strategy.

The action plan was developed through a mix of internal and external consultation including;

- Consideration of the outcomes of facilitated workshops attended by Mid-Murray Councils ([Attachment 2](#))
- Consideration of the outcomes of the merger business cases prepared ([Confidential Attachment 1](#));
- Consideration of the stand alone business case prepared ([Confidential Attachment 1](#)) and the assumptions underpinning it;
- Consideration of community consultation outcomes;
- Review of available Fit for the Future submissions prepared by neighbouring Councils;
- Workshops with Council; and
- Input of professional staff of Murray Shire; and
- Consideration of Murray Shire IP&R documents, particularly the Community Strategic Plan.

It is considered that the proposed action plan will put Murray Shire in a strong position to deliver to community expectations whilst securing the long term sustainability and efficiency of the Shire.

In addition to the provision of a number of workshops with Council the final draft document was workshopped with Council on Monday 29 June 2015. A resolution to adopt the proposal was adopted by Council at an Extraordinary Meeting on Monday 29 June 2015.

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.

MSC considered a number of options before resolving to lodge a stand alone submission with an aggressive improvement action plan. As set out in 1.2 above, MSC has fully embraced the reform process and undertaken consultation with both surrounding Councils and the community to gauge the desire and the capacity to meet the ILGRP recommendations concerning the future direction for Murray Shire.

Community consultation confirmed that there was overwhelming support to lodge a stand alone proposal. The community was made aware that to meet the scale and capacity, sustainability, efficiency and infrastructure benchmarks there would need to be changes to the way Murray Shire operated. A reform program was formulated based on 3 platforms of reform;

- Review of elected representation
- Review of the ratings base
- Review of the organisation structure

The Murray Shire Improvement Action Plan has been based on this broad reform agenda with other actions logically flowing from the three main platforms.

Attachment 8 Provides details of other actions considered and community consultation undertaken

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)	-4.51%	2.90%	0.60%	2.89%	3.36%	3.98%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	71.79%	72.21%	76.92%	80.42%	80.44%	80.34%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	126.92%	100.14%	100.17%	100.10%	100.20%	100.19%	Yes
Infrastructure Backlog Ratio (Less than 2%)	0.38%	0.23%	0.16%	0.10%	0.03%	0.00%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	102.93%	102.93%	102.93%	102.93%	102.93%	102.93%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	3.24%	2.47%	2.28%	2.09%	1.98%	1.92%	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.73	1.64	1.59	1.51	1.47	1.43	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)	3.68%	4.35%	4.58%	4.95%	5.31%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	80.54%	80.52%	80.56%	80.58%	80.66%	Yes

*Includes councils in OLG groups 8,9, 10 and 11 only. See page 42 of IPART's [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.

All Fit for the Future Benchmarks will be achieved after implementing the Murray Shire plan.

5. Putting your plan into action

How will your council implement your Improvement Action Plan?

Attachment 9 outlines Murray Shires Fit for the Future implementation timeframes. It is acknowledged that the proposal is a multi-faceted and extensive piece of work, with aggressive time frames. The Councillors and staff feel confident that, provided the opportunity to stand alone, Murray Shire is up to the challenge of ensuring the path to a long and effective future.

The implementation document allocates responsibilities to the General Manager and the senior staff of the Shire. Should Murray Shire be successful in its bid to remain a stand alone Council the Management Executive Team (MANEX) of Council will hold a workshop to develop detailed project plans in relation to each piece of work required. The MANEX team will form a Steering Group to oversee the management of all aspects of the Fit for the Future Reforms.

Progress against outcomes will be documented and reported to Council at regular intervals and a report against progress and benefits realisation will be provided to Council as part of the Murray Shire quarterly reporting against Community Strategic Plan regime.

Using a Prince 2 Project Methodology the project planning will include a full risk and issues register and a communications and engagement strategy to ensure that the community and key stakeholders are consulted and informed as required.