

Template 3

Fit for the Future



URANA SHIRE COUNCIL

In the middle of everywhere

Rural Council Proposal



Office of
Local Government

GOING FORWARD WITH PRIDE

Section 1: About your council's proposal

Council details

Council name:

URANA SHIRE COUNCIL

Date of Council resolution
endorsing this submission:

30 June 2015

1.1 Executive summary

Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and how adopting the Rural Council and other options in your Proposal will improve your council's performance against the Fit for the Future measures.

Urana Shire Council has welcomed the opportunity to review all aspects of its operations in response to the Fit for Future process. Refer to **Attachment A** for general information on the Urana Shire Council.

Council's current performance under the Fit for the Future ratios shows that it does not meet all seven as required, with the Debt Service and Operating Costs ratios being the only two that are met, based on the past 4 years financial results. The issues facing Council prior to the last few years were essentially a lack of strategic capacity to holistically and strategically examine the Council's entire operations, combined with the impacts/workload associated with two major floods in recent years. Council's small staff complement were not adequately equipped to meet the ever increasing demands of Planning, Reporting, Regulation and the constant change required to be efficient and effective in modern Local Government. Even as far back as Council's 2004 Promoting Better Practice Review, see

<http://www.olg.nsw.gov.au/sites/default/files/PBP%20Review%20Report%20-%20Urana%20Shire%20Council.pdf>

undertaken on behalf of the then Department of Local Government, it found that on the whole, Council works well with its Community, and addresses all local service delivery requirements. However even at that time, it was highlighted that Strategic Longer Term, including Financial, planning was necessary.

A number of factors including –

- 1) the introduction of the Integrated Planning and Reporting (IP & R) Framework,
- 2) the new Council elected in 2012,
- 3) new senior Management in 2013 and support staff,
- 4) implementing the recommendations from a subsequent Organisational Review,

- 5) a major investment in training, technology and system improvements, and
- 6) the finalisation of years of additional flood damage works,

places Council in a very strong position towards addressing its longer term Financial Sustainability (evidenced by the work already done, as shown in [section 2.4](#)). The issues facing Council are summarised in detail in [section 1.2](#), Scale and Capacity, Addressing the Rural Council characteristics, and a summary is also contained in [Attachment B](#), the Executive Summary by IAB, who prepared the Business Case for Urana Shire Councils stand-alone application.

After a thorough review of its entire options, Council can meet all seven indicators in a fair, realistic and achievable manner, within the prescribed timeframes. Key initiatives to Councils ability to meet the ratios, and become Fit for the Future are –

- Identifying cost-effective options through service reviews (planning & delivering services in a more sustainable manner)
- Improved infrastructure planning, including identification of critical and non-critical assets (disposal/rationalisation)
- Acquiring additional revenue (including a rating variation and external loan)
- Strengthening financial/asset information to enable more strategic decisions

Many actions are proposed in the application to allow this improvement to occur, whilst many actions have already been initiated in recent years that will also have a positive impact on Councils future financial sustainability. Refer to [section 2.4](#), page 32, for more details, and also [Attachment A](#), pages 62 – 63 for some examples of recent Council resolutions as evidence of this approach.

Although Councils 2013 TCORP rating (not yet reviewed) was classified as Weak, the outlook was Neutral. A neutral outlook essentially means that there are no factors in the short to medium term that would impact negatively on Councils liquidity. TCORP stated that Councils EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) improved over the previous four year period. The initiatives proposed in this application, coupled with the work already undertaken by Council in the past two years, including –

- 1) Reviewing all of Councils Asset Management Plans, including justifying more realistic backlog amounts, and required maintenance levels;
- 2) spending an additional \$9 million dollars (almost 10% of total replacement value) on its assets
- 3) selling surplus assets
- 4) service reviews

will see Council gain a far more favourable TCORP rating when re-assessed. John Comrie made a point on page 13 of his report to LG NSW Reviewing the TCORP work that many Councils may not be as bad as the TCOPR reports suggest.

TCORP noted that Council needs to control its operating expenditure creep, (actions proposed for this) along with increasing its Own Source Revenue (actions undertaken/some further proposed) and utilising borrowing (actions undertaken).

After analysing the two structural options of a merger with Corowa Shire or

submitting a Rural Council application, including after extensive consideration, Council, strongly supported by its Community, has chosen to submit a Rural Council application. Council easily meets the characteristics of a Rural Council. This application proposes a clear, credible and achievable pathway to achieve long term financial sustainability. The information in this application proves how remaining as a stand-alone Council, and working within the Riverina Joint Organisation, will ensure its Communities are well supported, by a system of Local Government that is close to the people, whilst still achieving greater strategic capacity and scale to continue to strengthen the region. Council is confident that this proposal is as good, or better, than the merger with Corowa, in terms of assisting the organisation to meet the scale and capacity requirements. This is particularly given the costs and upheaval and uncertainty associated with mergers, and the very likely longer term negative impacts that such a move would likely bring.

Council looks forward to the future benefits from the Governments ultimate implementation of the other non-structural reform measures proposed, particularly around improving revenues and streamlining reporting arrangements, to continue to deliver to its Communities.

1.2 Scale and capacity

Did the Independent Local Government Review Panel identify the option that your council become a Rural Council?

(i.e. your council was identified in Group C or B of the Panel's final report)

Yes – Council was identified as a Group B Council, giving it two options, to merge with Corowa, or become a Rural Council in the Upper Murray Joint Organisation (JO).

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

Yes – Council has undertaken significant analysis of the two options presented to it. Of the Panels preferred option, neither the merger with Corowa, nor becoming a Rural Council in a proposed Upper Murray Joint Organisation, were found to be acceptable proposals.

Possible merger with Corowa Shire Council

Prior to the Fit for the Future package announcement was made, Council attended meetings with Corowa Shire to discuss possible merger options. These discussions were initiated in response to the Independent Local Government Review Panel's (the Panel) preliminary report (proposing a possible merger of Urana/Corowa/Berrigan and Jerilderie), and the final report, where one of the two options presented for Urana Shire, was to merge with only Corowa Shire.

Both Corowa and Urana Councils made the assumption that the Government would give serious attention to the panel's options, noting that Urana Shire Council was given two options and needed to analyse both options.

In meetings with Corowa Council, there has been amicable and robust discussions, and a genuine willingness by both Councils to actively explore a merger option. However it emerged from those meetings that there appeared to be little or no commonalities between the two Shires, and these barriers appear to be insurmountable, despite the willingness by Corowa to pursue this further. Professors Sansom's submission to IPART on the proposed methodology, page 5, states that mergers should not be 'marriages of convenience' and in this sense, it appears given the overall lack of commonalities between the two Councils, that it could be just that. Professor Sansom states that mergers should achieve 'big picture' longer term strategic goals, and as an example, in the information in [Attachment E](#), it is hard to envisage how the new entity would efficiently manage the northern part of the new Shire (former Urana) as well as is now by the closer distance to Wagga. The area has intrinsic strategic links to Wagga, including Water reticulation, requiring significant staff commitments, and the current Corowa Shire staff would have far less reasons to travel to Wagga for business. It would be reasonable to think that the bulk of the staff will be located in the current Corowa Shire offices, hence travelling increases significantly.

In exploring the merger option with the Communities of Urana and Corowa Shire, the stand-alone option has been strongly supported by the Communities within the

Urana Shire. The majority of the respondents to Corowa's engagement also did not support a merger with Urana.

The lack of commonalities include a large disproportionate population density, and over 90% of the Urana Shire rates being generated by farmland, whilst Corowa enjoys a much more diverse range of industry, including manufacturing. Corowa Shire has 11,455 residents living in 2329 square kilometres, giving a population density of 4.9 people per square kilometre, where Urana has 1147 residents living in 3356 square kilometres, resulting in a population density of 0.34 people per square kilometre. Refer to [Attachment A, page 3](#), for a map outlining this. Council, and the Community of Urana Shire, consider this will result in a severe loss of Councillor representation in a new Local Government entity. It was estimated that the residents in the Northern part of the new Shire, entire former Urana Shire, would only have one Councillor at best, to represent their interests and maintain support to the five small towns/villages in the current Urana Shire boundaries.

To ensure there was a logical process followed in reaching this position, including Community engagement, Council resolved at its February 2015 meeting to proceed with obtaining the services of an independent facilitator, to workshop the option of merging with Corowa Shire. The outcomes of this report are contained in the confidential [Attachment C](#), **'Becoming Fit for the Future: Workshop with Councillors and Senior Management - 28 March 2015 - Outcomes Paper'**. This is considered to be a key document that underpins Council's assessment of the risk of any merger with Corowa Shire Council, having regard to the medium to longer term social and economic impacts.

Had the delays in timing of the roll out of the Rural Council model not occurred, initially flagged to be announced in December/January 2015, Council could have fully analysed both the merger and stand-alone option simultaneously. Corowa Shire also required decisions to be made in March/April 2015, to allow them to initiate their own consultation and planning, at which time, the Rural Council model was only just being finalised. In terms of analysing the merger option with Corowa Shire Council, Council was therefore not able to further consider undertaking the Office of Local Government funded two-day workshop.

Council had no clear direction from the NSW Government if the Rural Council model was to be a legislated, as indicated in the panel's report and would be operating 'under' a Joint Organisation. Since then, the NSW Government has advised that all Councils will essentially be still the same. However the Rural Councils different characteristics and challenges allow for a different treatment in the Fit for the Future assessment.

It is highly unlikely that even if the two day facilitated workshop had occurred, that Council would have accepted that a merger would be better off for their Communities, given the outcomes of the report referred to in the confidential [Attachment C](#), and given the decision by the Government that the Rural Council, would not be a legislated, board style Council under a JO, (as flagged by the Panel) but remain an ordinary Council. Council, with the strong support of the Community, resolved to not take up the offer of the funded two day merger discussion workshop with Corowa Shire.

Regardless, Council is of the view that there has been extensive consideration given to this proposal, as follows.

a) Meetings with Corowa Shire Council

Three formal meetings have been held with Corowa Shire Council. Details of which are below.

Meeting 1 – Friday 7th February 2014 – Meeting at Corowa Shire Council Offices – Attended by Urana Shire Mayor Cr Pat Bourke, Deputy Mayor Cr David Fahey OAM, Cr Margaret Buntin, Cr Peter Day, Cr Barry McFarlane, Cr Alan Urquhart, along with the General Manager, Adrian Butler, meeting with the Corowa Shire Council Mayor, Deputy Mayor, and General Manager.

Meeting 2 – Wednesday 26th March 2014, Meeting in Sydney – Attended by Urana Shire Mayor and Deputy Mayor, and the General Manager, and the Corowa Shire Council Mayor and General Manager, with the then Chief Executive of the Office of Local Government, Ross Woodward and senior staff member Keith Baxter.

Meeting 3 – Monday 20 April 2015 – Meeting at Urana Shire Council Offices – Attended by Urana Shire Mayor Cr Pat Bourke, Deputy Mayor Cr David Fahey OAM, Cr Peter Day, Cr John Doyle, Cr Barry McFarlane, Cr Alan Urquhart, along with the General Manager, Adrian Butler, meeting with the Corowa Shire Council Mayor, Deputy Mayor, and General Manager.

b) Councillor and Senior Staff Workshop – 28th March 2015

Council contracted an independent facilitator to conduct a workshop to systematically consider the choice of a merge with Corowa, or to remain as a stand-alone Rural Council. See confidential [Attachment C](#).

The workshop outcomes reached the conclusion that a merger with Corowa Shire Council should not proceed. This was due to the significant differences in the population, town sizes, and industry make up, of the Council areas, and an associated lack of representation for Urana Shire in a new Council. The outcomes of the workshop identified that this merger would pose unacceptable risks to the Shires Community, especially over the medium to longer term, despite any assumed improvement (not quantified) in the longer term financial performance of the new merged Council.

This was considered critical in key areas including accelerating the current population decline, and this would compound social and economic impacts to the five Communities within the Urana Shire. . These concerns have been echoed repeatedly to Council in surveys and other forms of feedback that Council has received. Refer to [Attachment D, Becoming Fit for the Future – Putting our Communities First - Community Engagement Outcomes – Summary Report](#).

Many of the resident's responses clearly indicate that the link between maintaining the Council as its own identity is paramount to being able to continue to maintain and progress the Communities. Whilst the long term effects were identified as being critical, there is also evidence to suggest that there is likely to be some immediate to short term emotional 'knee jerk' reactions to 'sell out' by some residents and businesses. There are many examples of where this has already occurred even with just the threat of mergers. Council has formed the view that any further loss to the population, driven by the reform process, is simply not acceptable. The accompanying loss of confidence for the Community in their future is not justified.

c) Matters considered at Council meetings

Council has received detailed reports at each monthly meeting since February 2013, and prior to the Facilitated workshop on 28 March 2015. It has also held a number of extraordinary meetings, and workshops. Details of some of these meetings are summarised below.

- 1) Extraordinary Meeting on 25 March 2014, specifically to address FFF, and endorse a submission, by resolution, to the NSW Government on the Independent Panel report, and the Local Government Act Taskforce report.
- 2) Extraordinary Meeting on 30 September 2014, specifically to address FFF, and committing by resolution, to be in the Riverina Joint Organisation (JO) Pilot.
- 3) Strategic Workshop 24 February 2015, specifically to address FFF, and consider Rural Council or Corowa merger options
- 4) All monthly meetings since the reform process commenced.

d) Council hearing the views of its residents

Urana Shire Councillors are very connected with their Community. With a small population ideas and activities are easily communicated.

The early public consultation on the Fit for the Future process was highlighted by an audience of over 80 Urana Shire residents who attended a meeting in Corowa, on a cold and wet winter's night on 30 May 2013. This meeting included an address by the Local Government Independent Review Panel Chair, Professor Graham Sansom. Despite the residents from numerous other Councils including Corowa being invited, only 100 people attended this meeting, with approximately 80% being Urana Shire residents. The Urana Shire residents who attended, included 6 speakers from various Communities spread across the Shire, made public representations to Professor Sansom, on the strong need for the Urana Shire to remain an independent identity to continue to support the Communities it represents. Refer to Media Articles attached to [Attachment D, \(pages 48, 50 and 51 of that Attachment\)](#).

e) Examples of other merger proposals where savings have not been found to be apparent

Council is aware of Business Cases that have proven there is no strong evidence that merging two Shires will be any better off, in the longer term. These include Berrigan/Jerilderie, Leeton/Narrandera, and Bombala, Cooma-Monaro and Snowy River. In some of these cases, despite showing some savings, the new entities can still not reach the required asset ratios within the required timelines.

f) Costs of Merger

Figures released prior to the last NSW State Election, by the NSW Parliamentary Budget Office, estimated that it would cost \$5.4 million for a voluntary merger of Corowa and Urana Shires. Council fully appreciates the incentive funding on offer, however considers that the cost versus benefit is not there, in weighing up the longer terms risks of social and economic decline of the Communities in the current Urana Shire.

g) Possible Rural Council in the Upper Murray Joint Organisation

Council has serious concerns with being in a proposed Upper Murray Joint Organisation, that contained only four Councils – Albury, Greater Hume, Corowa and Urana, for various reasons, most notably, the existing stronger strategic links to Wagga/Riverina. (Note - Greater Hume Shire Council are also in REROC and the Riverina JO).

During Councils one on one discussions with the Panel Chair, Professor Sansom, at a meeting in Berrigan, on the 31st May 2014, and also echoed in comments made by Keith Baxter from the OLG at the meeting in Sydney on 26 March, revealed that the Panel, and subsequently the Government, are 'not sure' what to do with the Councils in the current RAMOC (Murray/Murrumbidgee and Western/Southern Riverina area). Whilst Council has dual membership with both REROC and RAMROC, refer to [Attachment E, Councils submission to be included in the Riverina JO](#), for further information on Councils far greater strategic and other links, to REROC/Riverina/Wagga area. With the unfortunate closing of the Upper Murray Regional Library in 2014, as a result of it no longer being financial after the withdrawal of firstly Wodonga and then Albury Council, this effectively ended any strategic/sharing links to the Albury/Murray region. Council does not share many of the issues that the river Councils share, such as cross border anomalies, are not as impacted as heavily by Murray Darling Basin issues, and other matters of most relevance to that region.

Council has since been accepted into the Riverina JO, following strong advice by the Office of Local Government, that provided it is within the same planning regions, Councils could apply to be in a different JO's to that proposed by the Panel. Considering the Riverina JO is now a funded pilot JO, Council is now heavily involved in the pilot projects under this model.

h) Consideration of Local Board option, to assist in loss of representation/identity in a new larger Council

As outlined in the IPART methodology, Council also considered the possible concept suggested in the Panels report, of former Council areas retaining the status of a Local Board, to assist in ensuring the identity and issues of the area are still able to be considered in the larger Council. Considering Council currently already has five active Section 355 Committees operating in each of the five towns across the Shire with specifically that role (Progress/Town Improvement Committees – in addition to 13 other specific facility Committees) Council did not envisage how also having a holistic Board/Section 355 Committee, could effectively be able represent the issues that are diverse as they are in the Shire, to a larger body being the new Council. Council notes in researching the supporting material provided by the Panel, titled Community Level Governance – July 2013 – Mckinlay Douglas Limited that essentially they were to take the form of Rural Councils under a Joint Organisation. Further, the Government's decision to then not continue with the Panels concept of a Rural Council meant this was no longer worth considering.

1.2 Scale and capacity

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

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	<p>Council has an estimated resident population of 1147 in 2014 as per the latest ABS release. Therefore Urana Shire is the lowest populated Council in NSW. It has an area of land of 3356 sq. kms, and a population density of 0.3. This is approximately the 8th lowest population density for Councils in NSW, just higher than the larger Western Councils. Council's population has been in consistent moderate decline, losing a total of 13.5% over the past ten years.</p> <p>Council has 5 distinct towns that are spread across the Shire, with Urana being in the most central position geographically. For this reason, Urana has always been the base for the Council Office administration and Works Depot operations. Being centralised has allowed for greater efficiencies with staff and plant more efficiently able to move to all areas within the Shire.</p> <p>In terms of servicing and access to the dispersed population of the Shire, it is one of the key reasons that Urana Shire remains as an independent Council. These vulnerable Communities have already experienced panic in the past, where people have sold houses, due to fears of mergers, knowing the confidence that would further erode, should the Council be merged. Any merger now, would do untold damage on the social fabric of the towns, including by the significant loss over time of local employment, higher costs of services to individual members of the Shire, and an accelerated population decline.</p> <p>Council strongly meets this criterion.</p>
2. Local economies that are based on agricultural or resource industries.	<p>The local economy is extremely reliant on the dry-land agricultural (rural) sector. Changes in farming methods, including larger cropping equipment, along with a general shift away from livestock (sheep in particular) into broad-acre, dry land cropping, over the past ten years, has been the predominant reason for population decline. Sheep and to a lesser extent cattle, are very labour intensive as opposed to cropping, hence the fall in workers required for these operations directly correlates to the population decline. Other factors influencing the population decline include the worst drought in over 100 years between 2002 and 2012. There has also been a move into more corporate owned farms in the past few years, resulting in the average size of farms growing significantly.</p> <p>Council commissioned 'The Public Practice Pty Ltd' to prepare an Economic Portrait of the Urana Shire. This is based on an analysis of the ABS stats for Urana Shire in key areas. This report indicates that the largest industries in 2011 were rural production (180 jobs), transport, post & storage (73), education & training (39), and public service & safety (34). The private sector engaged 84% of Urana Shire's workforce in 2011, with 8% employed by the State Government, 8% employed by Local Government and no Commonwealth Government employees. Refer to Attachment A, page 8 – 22</p>

	<p>for an extract of that report for more details.</p> <p>The total Land Value for the Shire increased from \$302,492,680 to \$331,144,796 (\$28,652,116) in the 2013 revaluation. 98% of this increase in value has occurred in the Farmland category and this shows the value as well as the continued importance of the farming sector to sustain the economy of the Shire.</p> <p>Rural Councils need to exist. They have significant value in supporting rural areas and small settlements. They directly assist in maintaining and developing strong Communities, in order for farming enterprises to feed the nation and export to the rest of the world. It is not accepted that the 'regions' need stronger 'Regional Based' Councils, when in fact, this would only be to the benefit of the larger towns/cities, and to the detriment of the many smaller 'non regional' villages and towns within the smallest Rural Councils. The Panel's decision to select Corowa as the merger partner with Urana, was not supported by any evidence based research as to why this arrangement would be a good fit. The only indication of the Panels position on mergers in this example was to strengthen regional centres. i.e. the reasonable and possibly the Panel's assumption is that Corowa as a town, or certainly as a new Council, in that area, would naturally become stronger, and better for the region. It is highly likely then, that more and more services and amenities would gradually be withdrawn from the towns within the current Urana Shire, thus drawing what little remaining population there is in the Shire, into the larger towns, against the wishes of the residents, who value their small Council, and the support it gives to its Agricultural base. It is not clear that by simply strengthening a new bigger Council, this new strength would ensure that the smaller Communities would be as adequately supported as they are now.</p> <p>Council strongly meets this criterion.</p>
<p>3. High operating costs associated with a dispersed population and limited opportunities for return on investment.</p>	<p>Distances across large Local Government areas add to the cost of service delivery, however from experience, Councils can still deliver these services, such as Planning, Engineering, Building and Environmental Health Surveying, in rural areas, far more cost effectively and efficiently than Private Building Certifiers for example, who have to travel mostly from the larger regional towns and cities. Operational costs represent a real issue, and are an example of why the Urana Shire Council believes there will not be any 'real' longer term savings in a merger with Corowa Shire. These operational distances would become greater, with more staff in the future preferring to live in the higher populated areas, further from the current Urana Shire Communities. Any possible savings would be more than lost in additional travel times and vehicle movements. The savings would be lost when weighed up against those things that are sometimes impossible to measure in just dollar terms, and often cannot be measured in any way until it is too late - that is the negative social and economic effects it would have on the five Communities within the Shire.</p> <p>Council does understand and respect the fact that the NSW Government has a focus to reduce operational costs across the sector and Council has finalised several major internal reviews that realise significant savings over the medium to longer term. These are outlined further in the Action Plan section.</p> <p>More-so than the higher operational costs, the real issue is the bottom line results faced in service delivery budgets. Operational costs are not a major factor on their own, but combined with a lack of revenue (e.g. low user numbers/fee revenue) to offset these costs, in areas such as Swimming Pools, Waste Management, Recreation Grounds, Halls, and Building Surveying, this is where many rural Councils experience pressure to balance their operational budgets. Council</p>

	<p>also has to consider 'equity' in where services are provided. Council would happily invite a comparative study to be undertaken on the efficiency in the way the services are delivered in this Council. It has always operated on minimum staff numbers, due to a low revenue base, and as a result a vast array of innovative things occur, including multi skilling, sharing resources across Councils, and in some cases, across industries, such as sharing a Depot Office/Amenities building with external parties such as Essential Energy. Similarly Council has taken steps to rationalise services, such as closing landfills in less populated areas, and only having Swimming Pools in the two highest populated centres. Unfortunately, reducing services is often a 'loss lead' approach before it clearly becomes evident that a service can't be justified. Another example of rationalising staff is that Council does not have 'Back Office' only staff, as in fact, the 4 people maximum that work in the Back Office, are also the front Office/Customer Service staff as well. Operating costs are also influenced by levels of service rather than just service delivery. This is a key argument in terms of recognising that levels of service are significantly different in rural areas as opposed to urban Communities.</p> <p>Council meets this criterion.</p>
<p>4. High importance of retaining local identity, social capital and capacity for service delivery.</p>	<p><i>Local Identity</i> – Urana Shire has been a Council since 1906 providing very effective and respected Local Government Services. Council does not see its role as protecting the 'brand' or 'identity' of the Shire itself, moreover it considers its role is supporting and retaining the identity of five Communities, and being able to assist in determining their future. That is essentially in terms of delivering services to those areas. Within the Shire Communities the protection of the quality of life is important to these Communities. Council believes that the sense of Community ownership would be lost or at least under severe threat in a merged Council. Such a merger would also place in great jeopardy, the enormous financial benefits provided by Councils Section 355 Committees. These Committees continue to demonstrate real ownership through voluntary work to maintain and improve a range of facilities. See Attachment A, page 4, for the estimated value of the 18 Section 355 Committees of Council, and their financial capacity.</p> <p><i>Social Capital</i> – Rural Councils play a far greater role in maintaining social capital, and the economic progression of their areas, than their metropolitan and regional counterparts. In a larger entity such as in a Corowa and Urana merger, new staff would most likely prefer to live in areas where there are a greater range of services, and where the main office would need to be located. These greater services including higher order retail shopping; more choices for schools and lifestyle pursuits. This will result in a decline in social capital. See Attachment A, page 6, for current staff travel patterns. This Attachment identifies that that a very large percentage of staff live and work within the Shire. These people contribute to many other facets of the social/Community and economic strengths of these small villages, including often bringing partners and children into these areas.</p> <p>Under a merger, the towns in the Urana Shire could not be expected to compete with the towns within the current Corowa Shire. For example, attracting new General Managers and other senior staff to reside in or near towns within the existing Urana Shire would be unlikely in a Corowa and Urana Shire merger. These staff also bring other skills that contribute in other ways to the local community by for example being on organisations and boards in non-work related roles. They also sometimes bring families and generate business that all contribute to these small towns. Smaller Councils are also proven to be a breeding ground for fast tracking experience and skills in staff, due to the wider exposure of a range of tasks and accountability that they experience, in comparison to being in more specialist roles in larger Councils. As a real</p>

	<p>example, the current Urana Shire General Manager, is the chair of the Local Health Advisory Committee, attends many other Community meetings in the Shire, and also has a wife and four young children who contribute to the area.</p> <p>Urana Shire Council has, in terms of maintaining social capital, continued to support the role and function of the farming community by closely supporting the five key settlements across the Shire. These settlements are essential in maintaining service industries, employment, transport and community services to the agricultural sector.</p> <p>There needs to be significant recognition of the fact that rural Councils are also one of the major employers in small Communities and offer opportunities for full/part time employment, traineeships etc. Urana Shire Council has a strong record of offering employment to young locals who have then been able to stay within, and contribute in many other ways to, their own Communities.</p> <p>Capacity for Service Delivery – In rural Communities Councils are often required to provide assistance for non-core services that larger Regional and Urban Councils are not required to supply. This includes local doctors, preschools, and aged care facilities. The connections between local representatives and their Communities are also closer than those found in metropolitan areas. Many if not all rural Councils have a great ability to do their local core service delivery works efficiently and effectively, and Urana Shire Council is no exception.</p> <p>In terms of scale and capacity, just one example of where Council has efficiently and effectively managed over \$9 million dollars of flood damage funding over the past three years, in addition to carrying out its ordinary road and other funding programs. Roads and Maritime Services staff were very satisfied with Councils performance being able to manage this significant additional workload with limited staff numbers, including employment of a new General Manager, Director of Engineering and Director of Corporate Services through this period.</p> <p>Council strongly meets this criterion.</p>
<p>5. Low rate base and high grant reliance.</p>	<p>Many rural Councils have a low rate base when compared to the assets they are required to maintain. Urana Shire's rate income for example is approximately \$1.7 million dollars, against an asset base of approximately \$100 million dollars. These assets are required to support the huge contributions to the nation's economy that is made by the agricultural industry. Part of the issue in terms of the initial FFF targets, was for example, requiring Councils to reach the target of 60% own source revenue without including the Financial Assistance Grants (FAGs). It is pleasing to note that Rural Councils can now include FAGs in the own source revenue calculations. FAGs are essentially the Federal Government returning a share of the nation's taxes paid back to the areas from where they were derived. It is not reasonable to assume that this would ever be 'taken away' without some other form of income being required to manage billions of dollars of assets across the country; assets such as roads and bridges that have little or no sale value, and no ability to raise income on. It is worth noting that the objects of the Local Government (Financial Assistance) Act 1995 include -</p> <p><i>(2) The Parliament wishes to provide financial assistance to the States for the purposes of improving:</i></p> <p><i>(a) the financial capacity of local governing bodies; and</i></p> <p><i>(b) the capacity of local governing bodies to provide their residents with an equitable level of services; and</i></p>

	<p>(c) <i>the certainty of funding for local governing bodies; and</i></p> <p>(d) <i>the efficiency and effectiveness of local governing bodies;</i></p> <p>Council believes there are further operational savings that can be made irrespective of the Rural Council model, and will be actively progressing these. Council has taken a number of important steps toward operational savings, including completing a full organisational review over the last 18 months. This review led to a restructure that has greatly improved the capacity of the staff of Council to undertake more strategic work including in long term financial management Community development and planning. Recommendations from the Organisational review are also being implemented through service reviews of all areas, and further work is underway on improving internal systems and technology. Council has made great progress in recent years in technology. This has significantly reduced costs and given Council an ability to more effectively engage with each other, and its Communities and with State and Federal Government. Other work completed to date includes a full review of Councils Plant operations, and also work is underway on a 'Zero Budget' approach to all operational expenditure. More of this detail is explained in Section 2.4.</p> <p>Council strongly meets this criterion.</p>
6. Difficulty in attracting and retaining skilled and experienced staff.	<p>Council believes that this is not entirely correct. Council believes that this issue has been directed at the smaller Rural Councils, with particular emphasis in the Panel's work. The more remote parts of the State experience major difficulties in this area, but it is incorrect to lump all smaller NSW rural Councils in this category. The financial and governance record of this Council, and the number of staff who have served long terms of employment, is testament to the fact that skilled people will stay in rural areas, especially if they are from rural areas. Recent proof of skill shortages not being an issue for this Council. Council received strong professional applicants in Director positions advertised in the last two years in Corporate and Financial Services, Planning and Development, and Engineering. Also administrative and officer positions in Finance and Engineering have been filled. Council has also sourced high quality, Degree qualified cadet engineering and finance staff. It is considered that this issue is an industry wide concern, including regional Councils, in the fields of Engineering, I/T, Asset Management, and Building/Environmental Health and Planning.</p> <p>Council meets this criterion to a certain extent but would argue that as do all Regional Councils.</p>
7. Challenges in financial sustainability and provision of adequate services and infrastructure.	<p>Whilst this Council received a negative report from TCORP, these reports are considered as nothing more than a first pass at the state of play. Until such time as a benchmark is created and agreed upon, to create consistency across asset measurement and recording, including factors such as condition ratings, estimates of costs to return to acceptable standards they should not be relied upon to make statements that paint Local Government in a worse position than it is. Accepted community service levels need to be agreed upon, including the 'needs' rather than 'wants' philosophy, after taking into account safety and technical levels required. This in itself is evident in the example of unsealed natural surface roads. , Adopting a benchmark and standard of service would have the ability to greatly improve the financial outlook for many rural Councils, by way of significantly lowering currently overstated backlogs, and overstated levels of assumed maintenance. .</p> <p>This Council faces pressures, like many, in maintaining an extensive sealed and unsealed road network. However most</p>

	<p>other community assets are well maintained and improved, thanks in a large part, to enormous volunteer efforts, and Councils and State and Federal Government grants. Council would welcome a fair and accurate assessment of our sealed and unsealed road network against any other similar sized Council. The key issue remains is that there is insufficient funding from traditional streams to fund road networks and other services. The Communities will need to be made aware, that the main source for future increased funding is likely to be from increasing rates, most will only require one off fixes over three to four years, as a catch-up, for years of Councils who have not applied for special variations, where the rate peg has not kept up with other costs. John Comrie makes a very valid point in one of his reports, outlining (not quoted) along the lines that is not good enough for Councils to merely 'blame' rate pegging for all of the woes, and that Councils always had an ability to apply for increase, yet many, in rural areas haven't done so. Council has learnt from its recent Community engagement, where it was made very clear, that the FFF application would contain a proposal for 4 x 10% rate increases, that this is acceptable to the Community. Particularly so when the neighbouring Councils have all had, or are applying for similar increases. Of course, ongoing work always need to be undertaken in conjunction, to find further efficiencies to ensure the rate increase is the minimum possible. Rate increases will be the outcome for merged Councils or those who remain in their current form in rural areas with such large asset bases.</p> <p>Council does incur additional costs when procuring service delivery from a regional centre. Either additional charges are generated when services or materials are required within the Shire, or costs are incurred when we are required to access services at a regional centre. This in effect unfairly penalises the rural population. This Council has in the past endeavoured to offset this issue by requiring staff to be 'more rounded' or 'diverse' in their approach to local service delivery. Contractors are rarely used and staff skills have been developed to offset these costs, or the Council subsidises local delivery.</p> <p>Council meets this criterion.</p>
<p>8. Long distance to a major or sub-regional centre.</p>	<p>The town of Urana is approximately 110 kilometres from both Regional Cities of Albury/Wodonga and Wagga. The Urana Shire is also close to other local service towns, such as Lockhart, Jerilderie, Corowa and Narrandera. Council considers it was established in 1906 as a stand-alone Council, due to its proximity, mid-way between the Murray and Murrumbidgee Rivers, and far enough away from the larger regional centres. Historically this occurred to requiring local Councils to more efficiently deliver the essential services. There doesn't appear to be any reason to change boundaries, where significant changes have not occurred to warrant it. The continuation of the five Communities in the Shire, where other similar Communities in areas within the Corowa Shire for example have declined further, is testament to the fact that a local Rural Council delivery model is still the best mechanism to support Community efforts and development. See Attachment A, page 7, for an indicative map outlining the many varying Communities of interest, within Urana Shire, highlighting the many differing larger centres that the Communities within the Urana Shire utilise, based on where they live within the Shire.</p> <p>The Urana Shire is home to extremely important productive farming land. Farming is becoming increasingly important not only for Australia's food needs, but to also meet the growing demands of the international market. Farms require good, responsive services including roads and related infrastructure. Local service delivery is also paramount to ensuring this continues. Councils like Urana, not located closer to the larger centre, needs to be assisted to deliver more services such</p>

	<p>as State and Federal services, to continue to support the sustainability of farming.</p> <p>Council meets this criterion.</p>
9. Limited options for mergers.	<p>Urana Shire has an area of 3356 square kilometres, with five diverse Communities, all who share the same Council boundary. In many other respects, these Communities also operate individually. They are all supported by Council in the form of Section 355 Committees, and by provision of other services such as mobile libraries and preschool. Yet due to their geographical location, all have varying Communities of interest, and larger centres that they rely on for higher order services and other requirements. These centres include Wagga, Narrandera, Griffith and Leeton, Corowa and Albury. The smaller surrounding towns of Jerilderie, Mulwala, Berrigan, Walbundrie and Lockhart are also important as they also offer various levels of services to Urana Shire residents.</p> <p>Urana Shire Council prides itself on the track record of continuing to support the smaller villages and their Communities. These settlements are critical for social interaction and basic services, and to support people's sense of local connection and place. This is particularly relevant in areas such as Mental Health and resilience, during droughts. In many other Councils there are examples of where this support has not occurred. Council cannot envisage, due to the complex relationships of these towns to other centres, how a merger into a larger entity would allow for the same sort of representation that each of these five Communities currently enjoy.</p> <p>If the merger with Corowa was to occur as recommended by the Panel as Councils first option, a disproportionate population balance would occur, i.e. 11,000 approximate residents located in the former Corowa Shire, versus the 1100 or so residents in Urana Shire. This would not allow for the current community priorities to continue to be advanced to the same effect. Council does not believe there is any evidence of any financial gain from a merger with Corowa Shire. Council believes that much of the 'incentive to merge funds', would be required to be spent on setting up the new Council, as evidenced by the NSW Parliamentary Budget Office report, mentioned earlier, estimating that a Urana and Corowa merger, would cost \$5.4 million (\$400,000 above the funding on offer).</p> <p>Given the unique situation where Urana Council has been in existence and supported its vulnerable (in population Communities) based on the social context of the Council, Council is considered to meet this criterion.</p>

Section 2: Your council's current position

2.1 Key challenges and opportunities

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

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

Strengths Sustainability <ul style="list-style-type: none">• Closely linked to local Communities – (refer to Attachment D - Community Engagement Outcomes on FFF and initial I P & R consultation to develop current Community Strategic Plan achieved direct engagement of over 30% of the residents)• Very strong Community Groups, Sporting Clubs, Progress Associations, Town Improvement Committees, Hall/Recreation Ground and Swimming Pool Committees• Recent minor population growth/regeneration in some areas (Morundah, Oaklands is also stable and not declining in population)• Extensive successful primary production area• Strong sense of Community ownership, individual Communities are quiet passionate, self-reliant and capable• Council has a very close working relationship with Community• There is evidence of strong Community participation and input with the Councillor to resident ratio• History of the Shire is strong and sound, respected• Each of the five Communities have strong, distinctive identities and Community drive and passion• Morundah Hotel and Opera are iconic• Generational change is occurring on some properties, allowing for younger demographic	Weaknesses Sustainability <ul style="list-style-type: none">• Need to address population decline• Vacant shops in all towns, unsightly• Business viability• Lack of industry diversity• Housing shortage in some areas• Lack of appeal for new residents when compared to larger centres that offer more services such as greater retails• Ageing population• Reliance on larger centres becomes the norm for more and more retail needs, and can stifle opportunities for any micro business development• Loss of secondary school in Urana Efficiency <ul style="list-style-type: none">• Farm mechanisation and consolidation has negative effects on population• Lack of business entrepreneurs – need to reinvent ourselves• Community amenities such as Caravan Parks and Lakes, Recreation Grounds have similar costs to larger centres, yet with less users• Smaller Councils tend to be required to strongly support and subsidise areas such as Medical Centres whereas larger Councils are not required to• Limited rate base due and low village land values
---	---

<ul style="list-style-type: none"> • The Council area has excellent/substantial grain facilities = employment, especially at Oaklands and Boree Creek • Rail link to Victoria (from Oaklands) • Schooling facilities are well respected • Council is looked upon as a strong lobbyist to maintain and improve where possible essential State and Federal Services, such as Health, Education and Police <p>Environmental</p> <ul style="list-style-type: none"> • Ability to handle emergencies – Councils response to the 2010 and 2012 floods was noted by the Community and other agencies • The Urana Caravan Park is developing as an enormous significant tourism asset to the region • Urana Aquatic Centre is experienced unrivalled high utilisation rates, water skiing, kayaking, fishing • Natural waterways are an asset <p>Efficiency</p> <ul style="list-style-type: none"> • Centrally located administration and depot means efficiencies are gained • Midway from Murray and Murrumbidgee Rivers, and 100kms from Wagga and Albury means Communities are required to service farming sector • Ability to partner with State Government and Industry despite small staff numbers, for example recently gaining Fixing Country Roads competitive grant for \$1.3 million to improve freight links • Local knowledge and skilled staff and Councillors • Very satisfactory and focussed service provider – e.g. Preschool, Roads, Parks and Gardens, Waste Management, Swimming Pools, Building and Planning, Companion Animals • Highly skilled and efficient in road design and construction works • <p>Infrastructure and Service Management</p>	<ul style="list-style-type: none"> • Limited ability under current revenue to handle financial shocks and undertake discretionary spending on Community Building aspirational projects
---	---

- | | |
|--|--|
| <ul style="list-style-type: none">• Council Plant and Equipment is in good order• Council assets are generally in good order• Hospital, Doctor, Aged care, Chemist are all very strong in Urana• Council offices are well equipped and functional• Capacity to undertake works – ability to expend efficiently and with due diligence, approximately \$9 million in flood damage grants, over and above ordinary operating programs, with staff numbers of approximately 32 is testament to this | |
|--|--|

<p>Opportunities</p> <p>Sustainability</p> <ul style="list-style-type: none"> • Commencing “Community Gold” Regeneration micro facilitation program has significant Community and Economic development potential • Council now attends Country NSW Expo in Sydney, potential movers are wanting to know that land is available, cheap and ready • Opportunities for Rand to increase population as prices in Albury and Jindera become unaffordable • Newell Highway runs through Shire – potential for Morundah to take advantage • Federation Way runs through Urana, experiencing significant truck and tourist traffic – opportunity for development in Urana such as a 24 Hour Service Station • Boree Creek has been announced as one of Graincorp’ s Super Receival Centre for grain • Further strengthen the Grain and transport industries at Oaklands • Population Strategy – target tradesmen, rent a farmhouse opportunities, <p>Environmental</p> <ul style="list-style-type: none"> • Lake Urana has enormous potential to underpin the area in terms of tourism, cultural/educational experiences, birdlife and other flora and fauna, and ultimately water storage for development such as irrigation • Further development of the Urana Aquatic Centre • Permanent water for Urana Aquatic Centre <p>Efficiency</p> <ul style="list-style-type: none"> • Once Fit for Future, increased scale and capacity (from increased revenue and JO) – able to assist to deliver opportunities above and address weaknesses and threats • Fit for Future bringing increase revenue raising abilities, and 	<p>Threats</p> <p>Sustainability</p> <ul style="list-style-type: none"> • Continued population decline • Merger of Shire will accelerate population decline and social and economic impacts will occur • Loss of Hospital at Urana <p>Environmental</p> <ul style="list-style-type: none"> • Harsher climate conditions making farming less viable • Apathy or she’ll be right attitude towards decline • Increase in number of larger farms, e.g. corporate farms buying out smaller farms and workers travel in, exacerbates population decline • Recent examples of younger farmers leaving before retirement age due to prices being offered by Corporate farm businesses <p>Efficiency</p> <ul style="list-style-type: none"> • More work being done by contractors • Continued push for regionalisation of services, especially State, to gain efficiencies, results in more and more of the population being required to travel for services, thus exacerbating retail leakage and ultimate relocation out of the Shire • Merger of Councils resulting in less representation and ultimately less resources being spent in these areas, decline in amenity resulting in acceleration of population drift to larger centres • Increased costs of being in the Joint Organisation cost versus benefits, with projects still mostly likely to favour the larger centres etc.
---	---

<p>financial sustainability, to continue to improve the areas for the Communities</p> <ul style="list-style-type: none"> • Further improve strategic capacity and be a willing partner with the State Government, including largely through the Joint Organisation model possibly, to more actively seek grants and programs to improve infrastructure and programs in rural areas • Possible reallocation of Financial Assistance Grants to give smaller Communities a fairer share of the Federal Revenue, where there are limited other opportunities to raise own source revenue other than rates. – e.g. recognition by State and Federal Governments that small Communities are important and should be allowed to continue • Strong opportunities to do more Resource Sharing, particularly with Greater Hume, Jerilderie and Lockhart Shires • We need to value add to our raw products we produce <p>Infrastructure and Service Management</p> <ul style="list-style-type: none"> • Opportunity for Council to sell land to encourage development • Further strengthen the aged care service provision in Urana and Oaklands • Development of a Caravan Park at Oaklands – increase tourism and keep seasonal workers in the town over harvest = money spent in the town • Low cost Development of light industrial/commercial subdivision for Urana and Oaklands to expand existing Business and attract new Business, • Heavy vehicle parking and 24 hour fuel at Urana • Use of vacant housing and shops for possible tree changers 	
--	--

2.2 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-5.40%	-3.98%	-6.25%	-5.21%
Own Source Revenue Ratio (Greater than 60% average over 3 years)	76%	57%	46%	44%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	57%	56%	40%	82%

2.2 Performance against the Fit for the Future benchmarks

Sustainability			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	No	-3.11%	No
Own Source Revenue Ratio (Greater than 60% average over 3 years)	No	67%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	No	101%	Yes

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

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

Urana Councils performance over the past four years has been impacted by remedial works that had to be carried out following severe floods in 2010-12 (four events) and an earlier once-in-a-century drought. As a consequence, Urana Council received significant financial support under natural disaster relief funding from Governments.

Natural disaster grant support from Governments has helped to ensure that the adverse impact of the weather events on Council's financials was muted somewhat. Removing the one-off impact of these events on operations would show that Council was operating at close to financial break-even.

Disaster recovery grants (natural disaster grants) received by the Council to carry out remedial works on its infrastructure assets has had the effect of lowering the own source revenue ratio for the Council.

Further, a time lag between weather event damage, planning and commencing remediation work on infrastructure assets has resulted in expenditure lumping in some years and little expenditure being incurred in 2012/13 followed by a large volume of work being carried out in the following year.

Urana Council is now coming towards the end of these special works and funding support. The Council has examined its operations closely over the past year and has projected performance that is fair, balanced and reflects the future based on past performance after removing the impacts of severe weather events of the past decade. This shows that the Council can expect to report:

- A surplus in 2017/18 year and beyond (On a moving three-year average basis as required by the Fit for the Future submission guidelines, Urana Council will report positive operating performance from 2018/19).
- Own source revenue will be above 60% in 2014/15 year (on annual basis) and will be over 60% on a moving three-year average basis from 2015/16.
- Building and asset renewal ratio has been high on an annual basis since 2013/14 (over 175%), however the impact of low renewal expenditure in earlier years resulted in reporting a three-year average to 2013/14 less than 100%. Going forward Urana Council expects to maintain a steady rate of renewals that reflect on-going requirements for renewals/refurbishment.

General comment

Urana is a rural Council that depreciates fairly and realistically. The Council has historically budgeted for and achieved break even budgets.

Council's depreciation expense increased significantly in 2010 as a result of the required revaluation of its roads and associated assets. The methods used whilst being the best available under limited resources (lack of strategic/staff capacity) they are not considered sufficient to accurately report the true financial position of Council, including the real backlog position. This was a first sustained effort in this area and was based on thumb rules and standards that did not reflect the use standards and conditions in the Council. Asset management practices are now being strengthened and the assets have been re-valued again on account of weather damage as well as taking into account usage (community levels of service), newer more efficient ways of reconstruction of roads, such as stabilisation, resulting in more realistic values now stated for maintenance and renewal/replacement.

Historically Urana Council has averaged between 40 and 50% own-source revenue (assuming Financial Assistance Grants are treated as own-source revenue). This ratio is also the subject of substantial variation in the amount received from Governments (Commonwealth and State).

Some other actions planned to make Council revenues more stable are:

- Review services and to progressively recover an increasing share of service costs to adjust from users on an equitable basis. Service reviews undertaken to date suggest that there are opportunities to recover operating costs going forward. The reviews all show that in some instances Council facilities had been provided at low or no cost for use.
- Increase its Private works income. A review of this shows that there are

opportunities and it will be a focus for Senior Management (there was only approximately \$8,000 received in 14/15). It is worth noting that the Council will not be competing with local businesses as there are few if any other similar service providers within the Urana Council area.

- The Council proposes to seek four 10% special rate variations applicable from 2016-17 year onwards. This would greatly assist Council operating budgets as well as bringing the rates paid by the Urana community in-line with those in neighbouring Councils. This aspect is going to be the subject of stakeholder/community consultation in the 2015-16 year
- The measures above will lift Councils Own Source Revenue to 72.58% by 2019/20 being satisfactory under the criteria benchmark for Rural Councils.

2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Infrastructure Backlog Ratio (Less than 2%)	19%	13%	15%	13%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	82%	88%	94%	99%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.36%	0.26%	0.25%	0.20%

2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	No	2%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	No	102%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	Yes	0.97%	Yes

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

As noted earlier, Urana Council's recent financial results reflect the impact of severe weather events on the Council's infrastructure assets. As a result (supported by natural disaster funding by Governments) the Council has managed a substantially enhanced asset related activity in recent years. This activity is expected to taper off by 2015/16 year and will follow a more stable/steady-state levels into the future (barring repeat of floods/drought episodes).

As a result of the recent weather experience, the Council carried a significantly higher level of infrastructure backlog on account of weather damage. Addressing infrastructure remediation has been a Council priority in recent years and the corresponding asset maintenance expenditure has been below planned levels. Going forward the Council expects its maintenance expenditure to match its maintenance plans that reflect recent asset renewal/refurbishment activity.

It should be noted that:

- Council carried out a major review of Councils assets during 2014/15. This included revised condition assessments and associated backlog estimates for the roads and related assets and revised Asset Management Plans for all asset classes.
- By way of comparison, please note that instead of a normal spend of between \$4 – 5 million over a three-year period on infrastructure assets Urana Council has spent over \$9 million dollars on account of flood damage.

Urana Council has historically operated with very low levels of debt. A loan was taken out in the 1995/96 to fund the installation of the sewerage scheme to Urana and Oaklands. This loan will mature in 2015/16.

The Council has recently adopted a more mature approach to external loans and is fully aware of its inter-generational equity responsibilities. Accordingly, it is considering a loan of approximately \$200,000 to ensure that its program of capital renewal proceeds smoothly and builds a level of resilience in the Council's finances in the face of continuing uncertainty in the operating environment. This will also help to ensure Council achieves its asset stewardship responsibilities effectively.

2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	\$5.16	\$6.93	\$7.58	\$5.19

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)	\$5.19	YES	\$4.54	YES

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

As noted earlier, past financial results have been impacted adversely by recent weather events. A number of strategic actions undertaken over the past three years are now coming online as well as the enhanced asset management (renewal/repair/upgrade) activity following natural disasters is tapering off. Consequently, the Council is projecting declining real operating expenditure per capital, which is essentially a continuation of the trend from 2012/13 onwards.

2.3 Water/Sewer 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.

Council is not the Water Authority, with this being undertaken by the Riverina Water County.

Council is the local Sewerage Authority. The 2013-14 TBL Sewerage Performance report, indicates that Council is 67% through implementation of all requirements.

Areas to improve are –

- i) As Councils Strategic Business Plan and Financial Plan are over 4 years old, it needs to be renewed in accordance with the July 2014 IWCM checklist. Response - This has been worked on extensively in 2014/15 and is 90% complete, with plans to finalise in early 2015/16.
- ii) Council also needs to implement appropriate non-residential, Trade Waste and Liquid Trade Waste Charges and Approvals Policy. Plans are in place to finalise in 2015/16, for implementation in 2016/17.
- iii) Council has increased its connection service charge by \$100 for 15/16, to increase from \$385 per annum, to \$485 per annum. This greatly assists Council in ensuring it is fully cost recovering its Sewerage operations.
- iv) Councils system was only installed in 1995/96, and hence does not require any major renewal works of mains, nevertheless Council is managing the Sewer Reserve and System in order to be able to adequately meet these costs when needed. Pumps and other associated infrastructure are on detailed replacement programs.

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

\$ Nil

2.3 Sewer utility performance

Identify any significant capital works (>\$1m) proposed for your council's 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
Plant and Equipment Replacement (pumps)	2016-17	24,982	Sewer Reserve
Plant and Equipment Replacement (pumps)	2017/18	26,231	Sewer Reserve
Plant and Equipment Replacement (pumps)	2018/19	27,542	Sewer Reserve
Plant and Equipment Replacement (pumps)	2019/20	28,919	Sewer Reserve

Refer extract below from Sewer Bus.

Pump Station	Component	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
PS1	Structure repair												\$16,603	\$16,603	\$16,603	\$16,603	\$16,603	\$16,603	\$16,603	\$16,603	\$16,603
	Plant and equipment replacement			\$24,982	\$24,982	\$24,982	\$24,982						\$9,992	\$9,992	\$9,992	\$9,992	\$9,992	\$9,992	\$9,992	\$9,992	\$9,992
PS2	Structure repair												\$11,038	\$11,038	\$11,038	\$11,038	\$11,038	\$11,038	\$11,038	\$11,038	\$11,038
	Plant and equipment replacement			\$19,570	\$19,570	\$19,570	\$19,570						\$7,828	\$7,828	\$7,828	\$7,828	\$7,828	\$7,828	\$7,828	\$7,828	\$7,828
PS3	Structure repair												\$9,990	\$9,990	\$9,990	\$9,990	\$9,990	\$9,990	\$9,990	\$9,990	\$9,990
	Plant and equipment replacement			\$17,100	\$17,100	\$17,100	\$17,100						\$6,840	\$6,840	\$6,840	\$6,840	\$6,840	\$6,840	\$6,840	\$6,840	\$6,840
PS4	Structure repair												\$10,074	\$10,074	\$10,074	\$10,074	\$10,074	\$10,074	\$10,074	\$10,074	\$10,074
	Plant and equipment replacement			\$18,300	\$18,300	\$18,300	\$18,300						\$7,320	\$7,320	\$7,320	\$7,320	\$7,320	\$7,320	\$7,320	\$7,320	\$7,320
PS5	Structure repair												\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920
	Plant and equipment replacement			\$4,250	\$4,250	\$4,250	\$4,250						\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700
PS6	Structure repair												\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920
	Plant and equipment replacement			\$4,250	\$4,250	\$4,250	\$4,250						\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700
PS7	Structure repair												\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920
	Plant and equipment replacement			\$2,500	\$2,500	\$2,500	\$2,500						\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Other	Treatment Works ponds												\$48,238	\$48,238	\$48,238	\$48,238	\$48,238	\$48,238	\$48,238	\$48,238	\$48,238
	Treatment Works building																				
	Gravity Mains																				
	Rising Mains																				
	Guards on man holes																				
Total Cost				\$90,952	\$90,952	\$90,952	\$90,952						\$141,083	\$141,083	\$141,083	\$141,083	\$141,083	\$141,083	\$141,083	\$141,083	\$141,083

2.3 Sewer utility performance

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

Yes, Councils operating results for the Sewer Fund for 2013/14 showed an overall operating surplus of \$9,000.

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

2.3 Sewer utility performance

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

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

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
1. Finalise updated Strategic Business Plan and Financial Plan in accordance with IWCM	July – December 2015	Completed on time and relevant actions included in Operating Plan for 2016/17.
2. Implement appropriate non-residential, Trade Waste and Liquid Trade Waste Charges and Approvals Policy.	Plans to finalise in 2015/16 for implementation in 2016/17	Project plan completed 2015/16 for implementation from 2016/17.
3. Audit on Oaklands and Urana Sewerage Systems in 2015/16 for unlicensed inflows and mains integrity	2015/16	Capture additional fees from any currently unlicensed users.

Council is extremely confident of meeting all Best Practice requirements for Sewer in 2015/16. With a very small and new system, and now with adequate cost recovery in place, Council can easily ensure its effective management of these assets. Council has allocated tasks to a Project Manager (external) who will work with other neighbouring Councils, and the Riverina JO, to ensure the works are undertaken in a timely and cost effective manner.

2.4 What has Council done already, to become Fit for the Future?

Below are some real examples of the Councils ability to deliver to its Communities, with the first few initiatives, being in place for many years, whilst most of the later ones, are as a result of 2012-2016 Councils commitment to change, to drive improvement. Like any newly elected Council, there is a drive for continuance improvement, and change. This was particularly relevant for their Council, given within 5 months of its election in September 2012, it had experienced the retirement of the former long serving (10 years) General Manager, and resignation of the long serving Senior Engineer (8 years). The change in senior staff, along with the new Council, and a general resurgence in the Community after the ten year drought (2000 – 2010) and the major floods (2012/2012) had passed, was the real impetus for many new initiatives, all directly aimed at creating efficiencies and improving Councils ability to services its Communities.

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
Section 355 Committees/Volunteer Efforts	Since the inception of Council	Council would easily have one of the strongest examples per capita, of volunteer contributions towards provision and maintenance, upgrade of Community facilities. Council has 18 active and effective Section 355 (Local Gov. Act) delegated Committees, containing a total of approximately 144 volunteers in total, that are responsible for the day to day management of facilities such as Swimming Pools, Halls, Recreation Grounds, along with General Town Improvement/Progress Committees.	The Council would not be able to operate with such a low level of staff numbers, if it wasn't for the effectiveness of the voluntary Committees. Council has a very strong model, where the Committees receive a small monetary allocation each year. All Committees fund-raise, and source grants and undertake other initiatives to ensure the facilities are maintained and improved. See Attachment A, page 3 , for a summary estimating the contributions made by each Committee.	\$321,720 in in-kind labour estimated per annum. \$50,000 estimated in grants sourced annually by Committees, \$100,000 estimated in fund raising per annum by Committees.
Strategic Region of Council Alliances	REROC – 1994 RAMROC – 2007 (Member of Murray ROC prior)	Urana Shire is a founding member of REROC, with the REROC members now being part of a Pilot Joint Organisation (JO) known as the Riverina JO. Urana has also been a member of Murray ROC for many	This dual ROC membership, is essentially due to the central position of the Council area in relation to the Riverina/Murray/Murrumbidgee region, therefore having an interest in both areas, and the dual membership shows Councils long-term historic commitment to regional collaboration.	Estimated direct wage savings of at least \$50,000 per annum. Increased grant revenue is estimated at

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
		years, which merged with RIVROC to become RAMROC in 2007.	Council has benefited greatly from being in both ROC's, with each having different strengths and focuses at times, that allows Council the 'best of both worlds'. Refer to Attachment E , REROC Achieving Strategic Capacity through Collaboration, for more information on Councils Strategic Alliances, Partnerships and Resource Sharing activities. Council also gains valuable benefits from its long standing participation in RAMROC. This includes sharing in some substantial grants delivered across both ROC areas. Recent examples include shared tendering, assessment and contract document, and strategic transport and waste planning. REROC is now moving into Asset Management Planning and is co-ordinating applications by Councils under the Rural Council Innovation Fund for such projects.	\$50,000 per annum estimated grant revenue, including recently being successful in the REROC Waste Recycling Centre grant that will allow a facility to be installed at Urana. Refer to Appendix 1 of Attachment E , for entire estimated REROC savings to member Councils based on projects/areas.
Existing formal staff sharing arrangements	Many years	The Councils of Urana, Greater Hume and Lockhart, all share a Road Safety Officer, and Youth Services Officer.	Council is able to have access to skilled professionals in these area, in functions that do not demand a full time position in the smaller Councils, but are still critical services.	\$75,000 savings per annum.
Federal Government Agency at Council	2004	Council hosts a Government Access Centre for a wide range of Federal Government Human Services, including Centrelink.	Provides a service to the residents, and also improves Councils revenue streams, for little if no staff costs.	\$4,500 per annum revenue.
Shared Depot Office with Essential Energy	2000	Council and Essential Energy share the Depot Office/Amenities Block in Urana.	Reduced costs and duplication associated with shared building, allows for increased relationships considering Essential Energy are a very important service provider also.	\$20,000 per year savings.
Organisational Review	March 2013 - June 2014	The newly elected Council, as part of the LG Act requirement to adopt the same or a revised organisational structure within 12 months of the election, resolved to undertake a Full Organisational review.	Restructure to better address gaps and align functions. Recruitment of Strategic Positions in Corporate/Finance and Development. Initial one off increase in wages was budgeted for in 14/15. In future years, savings of approximately \$10,000 per annum are expected, by the reduction in	Savings starting to be realised through Council making more strategic decisions, after being given more

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
			contractor/consultant payments and reduced casual wages in the medium to longer term. The Gap analysis identified many areas for improvement, to reduce liability, for example in areas such as Human resources/return to work functions, Risk and Asset Management, and Strategic Planning that will ultimately result in savings, due to lessening the costs associated with poor systems, errors, and claims for example.	strategic reports, for example in asset management including disposal of some dwellings for example. Estimated longer term savings of \$20,000 per annum.
Improved Governance – Code of Meeting Practice	July 2013	Council adopted an updated Code of Meeting Practice, to reflect the latest Practice Note from the Office of Local Government, and added local provisions to address issues such as dress standards and mobile phone use.	Council meetings on average are much shorter, with meetings typically taking a whole day, now reduced to a half day or ¾ of a day at most.	Estimated savings in staff time of \$8,250 per annum
Introduction of IPADS for Crs and Senior Staff	July 2013	IPADS and Electronic Business Papers were introduced shortly after the commencement of the current General Manager. Previously, Council were receiving all correspondence and Council and Committee Meeting Business Papers in hard copy, including the Business Papers being delivered to their homes each month by staff.	Councillors can now access much more information, including important emails, circulars and training opportunities. The initial outlay of approximately \$15,000 was 2/3 recouped in the first year with savings to paper/printing costs, and staff time in production and delivery of the hard copy papers.	Estimated savings of \$10,000 per annum
Improved Governance – Electronic Minutes	October 2013	Minutes at Council meetings were not displayed 'live' on a projector.	Minutes are now done electronically and live so that Councillors and the Public Gallery can clearly see what is being resolved. There were also risks of mis-interpretation and the process was inefficient. More quickly become publicly available.	The minutes are now done in the meeting and not in the week after. \$3,000 per annum in staff time estimated savings.
Contract Ranger Services	October 2013	The Council had no Ranger Services for many years. The new General Manager (commenced Feb 2013)	Council greatly reduced its risk by now being able to enforce the Companion Animals Act, and importantly, is able to provide a high quality	\$30,000 per annum estimated savings from not having to

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
		found this to be unacceptable. Through a strong existing relationship with Greater Hume Shire (all neighbouring Councils were advised of the service we were seeking) a contract ranger service is provided to Council at a minimal rate.	service, by trained professionals to assist with Community Safety and responsible pet ownership.	employ or utilise part time, an existing staff member, plus unknown savings in Councils now having a far less risk in managing its Companion Animal responsibilities effectively safely.
Shared Mobile Library Services	July 2014	Riverina Regional Library from July 2014, and prior, was a founding member of the Upper Murray Regional Library Service (formerly Albury based)	Council is able to, by collaboration, offer its residents, including school children and the elderly, access to high quality learning/library experiences, including e-books and other online products.	\$75,000 per annum
Waste Management	July 2014 and July 2015	25% increase to fees for 14/15 and 15/16.	By having additional skills and capacity in staff, it was noted that Council was severely under charging and not covering its Waste expenses, thus draining funds from General Revenue.	\$30,000 per annum
Plant Review – Light Fleet	October 2014	Council initiated review into vehicle leaseback arrangements, including vehicle types and lease payments.	Resulted in a new policy and procedure, and significant increases to leaseback charges, and some changes to vehicle types/changeover rates.	\$20,000 per annum
Solar Panels Rand Recreation Ground	April 2015	Initiated entirely by the Section 355 Committee with the grant application supported by Council, the new Solar installation is the first installation on a Council/Community facility in the Shire.	Improves Councils image as an Environmental Friendly and Sustainable entity, along with improving the Financial Sustainability of this operation.	\$5,000 per annum
Solar Panels Council chambers	May 2015 – tender awarded.	Initiated due to the Org. Review restructure allows for staff capacity. Was a long overdue project that was never implemented. For installation in early 2015/16.	Refer above.	\$10,000 per annum
Installation of Bank Agency to Council Offices	Proposed for September 2015	Approval has been granted by the bank concerned, and by September 2015, it is proposed to install a bank	There is no bank in Urana, and the subject bank, is a growing Community based model, that already has a large % of customers from Urana	\$5,000 per annum

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
		agency in the Council Offices.	Shire. It is also expected to generate modest additional own source revenue.	
Sewer Fees	July 2015	25% increase to fees for 15/16.	Council were well below benchmark in the charges for the sewerage scheme. This allows for more substantial transfers to the Sewerage Reserve to allow for future Capital works.	\$30,000 per annum
Other Strategic Alliances	Various, many have been in place for years	Riverina Water County Council, Riverina Regional Tourism, Eastern Riverina Arts, Riverina Zone Rural Fire Service, Eastern Riverina Noxious Weeds Advisory Group, (all common with REROC/Riverina JO/Wagga), Murrumbidgee Water Users Association, Murray Darling Association, Yanco Creek and Tributaries Association, Billabong Creek Floodplain Management Committee, Alliance of Councils for Rail Freight Development, Inland Rail Food Bowl Route Alliance.	Efficiencies, shared services, resource sharing, advocacy and lobbying, scale and capacity	Immeasurable, but would be very significant
Improved Community Engagement – Website and Social Media	June 2013 – Ongoing	Council website was out dated and contained errors, and did not include Business Papers and Minutes, nor regular Council updates.	The website was stripped back and slightly restructured, with the content gradually and continually being updated. Council minutes and Business Papers are now uploaded soon after production, along with regular updates including the Mayors Update from each monthly newsletter. Council also adopted a Social Media Policy and commenced using Facebook as another way to reach to a wider section of its Community.	No direct savings
Improved Community Engagement – Moving Council meetings around the Shire, Public Forum Policy, and Budget and other Road show meetings	June 2013 – Ongoing	Council adopted a calendar of Council meetings whereby the other 4 towns in the Shire have the chance to host a Council meeting over the 4 year term. This also involves the schools in each Community making a presentation to Council prior to the meeting.	Increasing awareness of the Council, and improving the Councils Community Engagement skills and allow for residents to feel more connected to Council. Allows for the Council to hear the views of residents.	No direct savings

Action	Date implemented	Details	Improvement	Savings/ Increased revenue
<i>LG Professionals Operational Effectiveness Survey</i>		Survey ran by Price Water House Coopers for LG Professionals.	Council is one of approximately 80 Councils who participate in this survey, to benchmark current performance in all operational areas, and work on strategies so improve efficiencies and effectiveness.	Savings unknown at this stage.
<i>Improved Governance – Restructure of Standing/Functional Committees</i>	June 2013 – Ongoing	Previously Council had some advisory Committees, such as 1) Plant, 2) Housing, 3) Policy and 4) Economic Development. They were widened out, to include 1) Policy Productivity and Finance, 2) Plant, 3) Buildings, and 4) Tourism and Development.	Council Committees now effectively cover the full range of Council functions. Improved Governance – Restructure of Standing/Functional Committees.	No savings gained, only more effective governance.
			Total Estimated Savings per annum	\$917,470

Other reviews recently undertaken, and not fully finalised in some aspects, include sale of land and buildings, review of all plant and equipment. The expected savings/additional revenue from this work, is expected to be in the order of \$50,000 per annum.

Some of the savings from many of the above changes, given they have only been implemented in the last two years; will not directly impact on the financial performance directly until 3 – 4 years. The Long Term Financial Plan incorporates the savings as outlined above. Other non-monetary benefits are significant, including an increased ability for scale and capacity, education and learning, and efficiency.

Section 3: Towards Fit for the Future

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

Outline your council's key strategies to improve performance against the benchmarks in the 2016-20 period, considering the six options available to Rural Councils and any additional options.

Option 1: Resource sharing

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
1) Riverina Joint Organisation – strengthening and further formalising resource sharing initiatives.	Council is a member of the Riverina JO. Actively participating in all dialogue to progress this.	Pilot JO has commenced. All new arrangements expected to be bedded down in 2015 – 2016.	Senior management time from like-minded Councils/JOs members. Innovation fund projects are now being sought and coordinated by Riv JO/REROC – they include Asset Management, Regional Planning and Environment Unit, regional arts and Programming Staff, all with strong support and potential.	Joint Organisation structure, business objectives and method of operation have not yet been fully finalised. Delays in bedding down JOs will result in delays in implementing resource sharing initiatives. Council gets locked into a service agreement that does not provide for flexibility to respond to changing community needs and expectations. Extra costs than planned.

Proposal	Implementation	Proposed milestones	Costs	Risks
2) Shared administration services such as Human Resources, including Return to Work matters, IT infrastructure including website and social media, policy, procedure and system development, records management and asset maintenance.	As noted above, these initiatives will need to be progressed with like-minded Councils in the Murray, Riverina and Murrumbidgee regions. The JO presents a unique vehicle for progressing these initiatives over a period of time where a Council agree to host nominated services for partner Councils.	See comment above with respect to Riverina JO.	As above – Riverina JO comment	As above.
3) MOU with neighbouring Councils to consult when staff vacancies arise and share information on	Urana and Greater Hume Councils most likely, plus likely to be additional other Councils	July – October 2015	Nil	<p>Pressure on Councils to not fill positions to wait for other Councils to be ready etc.</p> <p>Confusion amongst staff/Councillors/Community</p> <p>Some Councillors ending up with getting staff in, but not sending many out, leaving them light on for staff numbers/local employment suffers.</p>

Proposal	Implementation	Proposed milestones	Costs	Risks
current existing capacity and gaps in staff				
4) Strategic planning and economic development at a regional/sub-regional level	Work with JO in the first instance to consider issues that impact the region as a whole, such as economic development (eg tourism), freight infrastructure, water infrastructure (impact of the Murray Darling Basin Plan)	Work with the JO on opportunities in the context of Regional Action Plans developed by the NSW Government.	Strategic planning and economic development at a regional/sub-regional level	Costs of implementation, gaining agreement on priorities, political (local) influences

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Proposals 1 – 4)</p> <p>Resource sharing with like-minded Councils will lead to efficient service outcomes – principally in terms of reduced operating costs. Where there is a significant improvement in service levels, operating costs may not increase at a rate that they would in the event Urana Council was to take up the improvements on its own.</p>	<p>The ROC/JO model is very important in providing specialist services and more strategic services, as an example, the REROC transport Plan and Waste Management Plans. There is a further ability to improve Councils service delivery and being able to be a more strategic partner with State Government through the JO model.</p> <p>Regardless of increased capacity through the JOs and or neighbouring Councils resource sharing or specialising, additional funds will still be needed, to provide this increased level of service. Principal benefit will be in the quality of services delivered to the community.</p>	<p>Through resource sharing initiatives Council expects to be able to lower service costs over the medium term while maintaining or improving service levels. This will lead to building operational resilience in the event of changes in the operating environment that lead to adverse impacts (e.g. weather events) on the Council. These benefits include business continuity as well as an ability to meet unforeseen expenditure that may be required.</p> <p>Urana Council also believes that resource sharing benefits include change to accommodate or take</p>

Efficiency	Infrastructure and Service Management	Sustainability
		<p>advantage of new technologies, community expectations, economic development opportunities etc.</p> <p>Council has budgeted for a conservative 2% productivity improvement in our projections, and believes that this will be met as increasing resource sharing initiatives are bedded down.</p>

Council is a member of the pilot Riverina Joint Organisation (JO) and already shares staff with Greater Hume and Lockhart Shire in areas of Road

Option 2: Shared administration

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
1) Shared Development Services Directorate	Council has entered into a joint agreement for delivery of planning and building services with Jerilderie Shire Council,	Effective July 1, 2015. (review 12 months)	Nil – Possible Innovation fund project to develop shared software for Development/Planning Building Certification, will assist in not having to travel to remote office each time, with most to be done from base office.	<p>Initiatives relating to shared administration pose some risk because of:</p> <p>Conflicts of interest</p> <p>Equitable outcomes not achieved for each partnering Council leading potential duplication and overall higher costs.</p> <p>More Councils become susceptible to succession planning risk as they are now reliant on a smaller strategic/executive leadership group.</p> <p>Owing to differing strategic objectives, councils need to make up for gaps in shared administration with own resources (and possibly at additional expense).</p> <p>Community perceptions of not getting value for money (rates)</p> <p>Differences in organisational cultures and work practices may work against effective joint administration.</p>
2) Joint administration with other nearby Councils.	Urana Council will continue to be active in exploring service efficiencies and effectiveness in partnership with neighbouring	Ongoing	To be determined on a project-by-project basis	Risk of creating more negatives than benefits, e.g. outsourcing functions, and then local knowledge is lost, hence things take longer to resolve.

Proposal	Implementation	Proposed milestones	Costs	Risks
Council would commit to outsourcing/sharing administrative functions in many areas including asset management, human resource (including recruitment/return to work administration), Policy review, Work Health and Safety, Local Emergency Management, Risk Management, Environmental Services, IP&R	councils. Recently several neighbouring Councils including Urana, all purchased the same IP & R software for this reason.			
How will your Shared Administration proposal allow your council to become/remain Fit for the Future against the criteria?				
Efficiency	Infrastructure and Service Management	Sustainability		
1) Proposal 1 - Direct savings from current wages, of \$30,000, factored into 2015/16 Operational Plan.	Increased expertise will assist in better asset/facility management. Asset Management ratios improve by allowing more expenditure, that was spent on wages, to be channelled towards Backlog and maintenance funding.	Refer to efficiency, bottom line improves by minimum \$30,000 per annum.		
2) Proposal 2 – Unknown until further arrangements are realised.	Refer left.	Refer left.		

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

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<p>1) Engineering survey and design.</p> <p><i>(Council has in-house best-practice service capability in Engineering design. Council could take further steps to be a local centre of excellence for other smaller Councils in the region delivering localised solutions across nominated functions).</i></p>	<p>Identify service/service groups that are amenable to a localised centre of excellence approach.</p> <p>Enter into mutual service agreements that cover cost sharing, service levels, location and mechanisms for coordination and reporting to respective Councils.</p> <p>Pilot initiatives and evaluate within a two-year time-frame.</p>	<p>November 2015 – February 2016</p> <p>February 2016 – June 2016</p> <p>June 2016 – June 2018</p>	Nil	<p>Commitment from partnering Councils to procure services,</p> <p>Ensure retaining and attracting staff with required skills as well as to support their professional development.</p>

How will your Speciality Services proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
Over the medium term partnering Councils will realise lower operating costs relating to their core business.	Superior levels of service overall, but impact on Fit for the Future infrastructure and service management measures will depend on asset-related Centre of Excellence service functions being put in place.	Benefits on sustainability will be realised over the medium term as coordination, monitoring and reporting processes are streamlined. Principal benefit is going to be superior service quality through functional skill specialisation.

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

Option 4: Streamlined governance

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
1) Reduce admin. costs related to governance through a considered reduction in number of Councillors, from 9 to 6	Workshopped with Council Consult Community	November 2015 – March 2016	Not significant other than senior management and Councillor time resources.	Reduced Community representation as Urana local Government area consists of five distinct population agglomerations (of differing sizes). Adverse impact on the social fabric that impacts volunteering in the LGA. Longer term impact through potentially reduced networking and advocacy activity on behalf of Urana LGA.

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

Efficiency	Infrastructure and Service Management	Sustainability
1) Council has budgeted for a direct saving of \$45,000 per year with the reduction from 9 Councillors to 6 Councillors. This is currently in the forward budget projections.	Improvement to asset management ratios due to freeing up \$450,000 over 10 years to be injected into assets.	Considered that the \$450,000 over ten years in savings would be used in other areas to shore up Councils assets.

Council has already made significant progress in the last two years in streamlining its governance. Some initiatives include electronic business papers (and use of iPads) and changes to the way Committees and ordinary Council meetings are conducted that save significant staff and Councillor time. Council has assisted some Committees to 'merge' their section 355 Committees (Boree Creek and Morundah – resulted in 6 Committees being merged into 2). Council has also disband two other no longer valid Committees, and 4 Auxiliaries who were placed under this Committee (Preschool).

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

Option 5: Streamlined planning, regulation and reporting

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
1) Reduce admin. overhead associated with numerous reporting obligations that all Councils have in NSW (IP&R, stakeholder consultation, annual reports, state of the environment etc.)	Explore with neighbouring Councils specific opportunities to help alleviate some of the administrative burden associates with legislative reporting. Urana Council will employ a process very similar to the one it implemented with partner Councils in the acquisition and use of IP&R software.	November 2015 – March 2016 - Develop options for identified planning, regulation and reporting obligations of Councils. Jul 2016 – Implement agreed administrative process simplification, sharing or joint acquisition of resources etc.	Yes, this project is a key area for consideration of an innovation fund project for shared software and other installation costs.	Failure to arrive at an agreed model to take advantage of potential opportunities through poor negotiation or planning. Costs of coordination and communication (internal costs) outweigh potential gains.
2) Environmental planning: development of LEPs, joint planning panels, development controls, consent and oversight.	Sharing environmental planning and assessment of proposals with interested nearby Councils.	Entering into an agreement with larger more (staff) resourced Councils, to assist with EP&A work, eg preparation/amendment of LEPs, assessing development applications etc.	Detailed costs to be determined. It will provide Urana Council with enhanced planning, development and assessment skill sets leading to better outcomes for the community.	Agreement on appropriate costs for various elements of sub-contracted work.

How will your streamlined planning, regulation and reporting proposal allow your council to become/remain Fit for the Future against the criteria?

Efficiency	Infrastructure and Service Management	Sustainability
Minor impact on efficiency through reduced administrative overhead expended on reporting obligations.	Minimal – unlikely to have an observable impact on infrastructure and service management measures in the Fit for the Future reforms.	Improved service effectiveness. Potential for time resources to be freed up that can be devoted to increasing own source revenue, service efficiency through changed work practices etc.

Urana Council has taken a number of actions to help it cope with the administrative processes associated with reporting under various elements of legislation applicable to local Government. This includes acquisition of Integrated Planning and Reporting (IP&R) software (with the ability to add modules to cover many other corporate needs) in partnership with a number of neighbouring Councils. This has significantly reduced the cost of administrative IP&R processes. Notwithstanding this, Council needs to do far more work on its Asset Management systems, and would be very willing to submit a project under the 'Rural Councils innovations fund' in conjunction with willing neighbouring Councils, to purchase and fully implement, including new data capture, of all assets. A shared electronic records management system would also be a possible funding project that could result in operational savings into the future.

This Council does not have the function of water reticulation (served very well by Riverina Water County Council) and the sewer system is relatively new. Consequently the water and sewer reporting requirements are not a major concern for Urana Shire. Reducing red tape in planning and regulation through specialisation would be beneficial (e.g. swimming pool work, administering the Companion Animals legislation etc.) has been covered elsewhere in options 1, 2 and 3.

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

Option 6: Service review				
Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
Continue a rolling program of service reviews to ensure community expectations are met and service efficiencies are improved.	Continue service reviews. Actively pursue partnering options with neighbouring Councils when conducting service reviews.	Initiate discussion with neighbouring Councils to undertake service reviews to a similar time-table so that joint initiatives can be properly assessed and progressed if they hold operational advantages.	Managed from within existing resources.	As this is a continuous improvement initiative, risks can be managed in the development of the actions to improve services and service efficiencies.
Review of Council's Asset Management Plan for Buildings and Recreational Services	<p>Strategic and operational review of existing Asset Management Plan re-examining and implementing recommendations, identifying technical maintenance service levels appropriate for asset management/service levels and establishing key facility maintenance budgets to reflect real costs of managing those facilities.</p> <p>Endorsement by Council for budget allocation for Asset Management Plan review. Endorsement by Council at its meeting 9 June 2015 of the following key principles to inform this review.</p> <ul style="list-style-type: none"> There is a need to change how community facilities operate and Council should take the necessary steps to implement those changes and time and 	<p>September 2014 – June 2015 (Completed)</p> <p>June 2016 – (To be completed) - Prepare brief for Asset Management Plan review, facility revaluation and service level identification. Clearly identify timeframe for implementation of recommendations. Engage suitable consultant to commence review work.</p>	Costs of Asset Management Plan review estimated at \$50,000. Possible project under innovation fund. Costs of implementation are included in Council budget .	<p>No action may lead to unnecessary reduction in service levels.</p> <p>Council will need to become proactive rather than reactive.</p> <p>The further reduction in service levels may impact directly on community aspirations.</p> <p>There may be closure or consolidation of assets and contracting of services from outside Urana Shire.</p>

	<p>with consultation.</p> <ul style="list-style-type: none"> • Council should make decisions in the future that include the closure and/or consolidation of facilities and/or reductions in service levels unless additional revenue is found. • Council will manage and control all future capital projects associated with community assets that it owns or manages. • Council should not support grant applications that duplicate buildings or recreational facilities within the area and will require Council endorsement for any grant applications. • Council will focus on those projects that demonstrate a return on investment, reduce the costs of running a facility, and provide wider savings to the community. • Council will continue to support its 355 Committees in delegating the day to day operations of relevant facilities, including minor maintenance, cleaning, bookings, fundraising, assisting with prioritising major works, seeking grants, and managing their operating accounts where practicable. <p>Complete review, Council adoption of findings and incorporation into Council operational plan and budget review.</p> <p>Implement initial findings.</p>	<p>June – December 2016 – (To be completed)</p> <p>June 2017 – June 2018 – (To be completed) -</p>		
--	---	--	--	--

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

Efficiency	Infrastructure and Service management	Sustainability
Expect to realise continual gains on real per capita operating expenditure over time as services are reviewed and processes re-engineered.	<p>Establishing critical surplus Council asset disposal timelines. Planning has already commenced in relation to surplus Council owned residential dwellings, Billabidgee Aged Care units, Council owned residential land.</p> <p>Ensuring that asset maintenance levels reflect real asset and service value. Council would seek to reach relevant industry benchmarks for asset maintenance of 3% of asset value.</p> <p>Identifying critical service functions (legislative and other) of Council and critical to safety and use of buildings and infrastructure. Initial service agreements in place for 2015-2017 with fixed costs for those 2 years for the delivery of essential management services. This includes halls, recreation grounds and publicly accessible buildings.</p>	<p>Service costs are expected to reduce progressively as work practices as well as new technologies are adopted leading to significant reductions in operating expenses.</p> <p>Focusing capital expenditure in annual budgets to reduce long term operating costs, improving efficiencies for essential building and recreational services, and improving Council's ability to provide relevant services to the community.</p> <p>Establishing a hierarchy of facilities across the Shire to redefine facility capacity to service the wider community. These would be clearly identified, prioritised and funded.</p> <p>Changing operational and management structures to realise financial savings and to increase social sustainability of key facilities that reflect climatic and geographic isolation – i.e. public swimming pools.</p> <p>Closing and/or consolidating facilities that are unsustainable.</p> <p>Funding those Council assets that provide a return on investment. The savings that Council makes with these returns will be established in a financial reserve to continue similar projects aimed at improving the long term sustainability.</p>

As outlined earlier, as a result of the organisational review, service reviews are being conducted in all areas. This exercise is running alongside a zero budget process to ensure relevance of services to the community strategic objectives. Outcomes of some of these reviews have already been adopted for 2015/16 budget and have informed Urana Council's Fit for the Future application. For example service level agreements are now in place for Fire Safety Services, Pest Control, Electrical Works, and Building Maintenance Services. Contracts are also now in place for Swimming Pool Maintenance. By ensuring such works are now carried out under agreement, this reduces costs of ad hoc procurements, and time taken to source suppliers including quotes, and risks associated with no undertaking such work regularly.

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

Option 7: Additional options identified by the council

Proposal	How will it be achieved /Implemented	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.
<p>1) Install Asset management system with several or more nearby Councils.</p> <p><i>(Having an effective asset management system is critical for Council to be able to more easily report on its asset condition, and to more efficiently allow for future works/budget projections. By working up a joint solution that services many Councils in a JO, there is potential for a step jump in the quality of asset management spanning strategic and operational asset planning, condition and maintenance activity monitoring and undertaking asset renewals, refurbishment, replacement and upgrades.)</i></p>	<p>Work with REROC/Riv JO to create a group of interested contiguous councils in the Riverina, Murray and Murrumbidgee regions.</p> <p>Purchase and install a system – following tender guidelines.</p> <p>Train staff and progressively roll out the system to cover all assets under management by a member Council</p> <p>Review implementation and take corrective steps to enhance effectiveness within two years of initial roll-out of the system.</p>	<p>August – November</p> <p>Await outcomes of Innovation fund application</p> <p>June – November 2016</p>	<p>To be identified.</p> <p><i>(This project would be an ideal candidate for the Innovation Fund as it is anticipated that it will lead to a major enhancement in asset management in a broad regional area.</i></p> <p><i>REROC/Riv JO are co-ordinating Councils responses to this at the moment. The cost of implementation is linked to scale and availability of skill sets to run a modern asset management system)</i></p>	<p>Availability of funding.</p> <p>Uncertainty regarding how the Fit for the Future reforms, including the operation of JOs, will play out. Any proposed mergers will take a while to implement leading to significant uncertainty that in turn may adversely impact progress of such an initiative.</p>
<p>2) REROC/ JO – Urana Shire Regional Participation</p> <p>To engage and participate in regional strategic planning across the Riverina.</p>	<p>Actively participate in relevant REROC projects and programs relevant to Urana Shire</p> <p>Contribute ideas and projects that have local benefit at a regional scale</p>	Ongoing	<p>Staff resourcing and in-kind contributions</p> <p>Annual contribution by Council to REROC (subject to change)</p>	<p>Risks of non-participation include reducing opportunities for regional engagement and participation</p>

			pending bedding down of final JO model)	
3) Strategic projects in the area of environmental planning.	<p>Engage and participate in regional strategic planning across the Riverina to identify and access regional funding sources</p> <p>Provide a platform for regional Council co-operation and dialogue</p> <p>Identify the key regional strategic contribution of Urana Shire</p> <p>Actively seek regional support to initiate change</p>	<p>Identify pilot project and partners.</p> <p>Seek funding/resource commitment from partnering councils</p> <p>Develop initiative project plan with clear time-lines and resource requirements, and report to council on project progress</p>	<p>To be determined on the basis of each initiative/piece of work that emerges from joint deliberations.</p>	<p>Ongoing demands on regional engagement reducing local focus.</p> <p>Limitations on Council financial capacity to engage on all regional outcomes – need to prioritise relevant projects in the short-term.</p> <p>Effort versus outcomes, e.g. cost of participating in 'regional' forums if little or no direct benefit/projects are delivered to local areas.</p>

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

Efficiency	Infrastructure and Service management	Sustainability
<p><u>Contaminated Land Management</u></p> <p>The contaminated land management project facilitated by REROC and RAMROC will increase the efficiencies in the clear identification of contaminated sites across the Shire but also develop supporting policies and procedures adapted for the region which can be adopted and utilised by Council.</p> <p><u>Regional land use planning</u></p> <p>Council is currently participating in the JO Regional Planning Technical Committee to investigate regional approaches to address land use planning. This provides Council with resource efficiencies as demonstrated in the current industrial land supply project. Council has contributed technical and mapping expertise within the regional group to engage in this regional project with State Government.</p> <p><u>Waste management</u></p> <p>Council has actively engaged with REROC on regional waste delivery outcomes including the introduction of Community Recycling within waste management operations in the Shire. This project was co-ordinated through REROC and Council committed resources to improve the efficiency of waste collection and recycling at the Urana Waste Management Facility. The anticipated efficiencies will include reduced staff</p>	<p><u>Contaminated Land management</u></p> <p>Participation in the contaminated land management project will provide clear directions for infrastructure management.</p> <p><u>Regional Land use planning</u></p> <p>The opportunity for Council in continuing to engage with REROC includes clear engagement with State Government to identify Council's contribution to regional infrastructure development and future regional land use demands. This is evidenced through the REROC Freight Strategy and the engagement on the Draft Regional Growth Infrastructure Plan for the Murray and Riverina region.</p> <p><u>Waste management</u></p> <p>Council has actively pursued the opportunity to engage with Wagga and Lockhart Councils through the REROC forum to investigate the opportunities for joint domestic and recycling waste services. This will enable Council to reassess its waste infrastructure requirements and service delivery.</p>	<p><u>Contaminated Land management</u></p> <p>Council is participating in a Contaminated Land Management Project facilitated by REROC and RAMROC. This project will deliver sustainable outcomes in the management of contaminated lands across the Shire.</p> <p><u>Regional Land use planning</u></p> <p>The ability for Council to engage at a regional scale represents significant sustainable outcomes for the organisation and local community. The current Industrial land supply project initiated by REROC provides Council an opportunity to bring forward its land development options. This presents opportunities to increase both social and economic sustainability.</p> <p><u>Waste management</u></p> <p>REROC produced a <i>Draft Rural and Regional Landfill Strategy 2010-2020</i> which provided the platform for Council to review its landfill waste management operations. Council is in the process of preparing the <i>Draft Urana Local Waste Strategy 2015</i> to be presented to Council in July 2015. This strategy seeks to increase the sustainability of Council landfill operations and supports the regional outcomes facilitated by REROC.</p>

Efficiency	Infrastructure and Service management	Sustainability
<p>resources to undertake initial waste separation activities and reduced landfill management issues.</p> <p>The Community recycling project will require initial infrastructure development through REROC managed regional tendering process. This represents significant savings to Council and regional efficiencies.</p>		

3.2 Rural Council Action Plan

Giving consideration to the Rural Council options, summarise the key actions that will be achieved in the first year of your plan.

Action plan	
Actions	Milestones
<p>1. Continue service reviews & zero-based budgeting exercise.</p> <p>a) Waste Services – Commenced in March</p> <p>b) Swimming Pools – to commence July</p>	<p>At least four service reviews completed in the first year. Refer to Attachment A, Page 64 for example.</p> <p>Waste - July – December 2015 (is being presented to July 2015 Council for adoption and implementation) \$30,000 savings per annum</p> <p>Swimming Pools – July – October – Plans to be in place prior to 2015/16 season</p> <p>\$20,000 savings per annum – changing Section 355 Committees to incorporated club, reduction in staff supervision – current duplication.</p>

2. Revise asset management plan for Buildings/Facilities infrastructure assets and Roads Transport.	<p>By 31/12/2015: Reviews of all asset plans are completed, with only the community level of service to be completed.</p> <p>By 31/12/2015: Asset maintenance plans (cyclic) documented and rolled out for implementation.</p>
3. Lodge application with IPART for SRV.	<p>30 November 2015 - Lodge intention to apply for an SRV with IPART (based on 2014 time-line).</p> <p>31 January 2016: Have SRV application considered by Council following community consultation.</p>
4. Obtain loan for \$200,000	By 31 September 2015.
5. Resource sharing: environmental planning and assessment; & building survey activities	By 06/7/2015 Arrangement with Jerilderie Shire Council is place, signed and ready for commencement.
6. Sell 49 Chapman Street and units and various vacant land (redundant Council House and units and residential land)	By June 2016 – Council has already resolved to sell, Contracts in place, property advertised, expected to reach \$210,000, and funds to reserve for Building Asset Plan.

2015 – 2025 Projections

Historical performance of Urana Shire Council on the Fit for the Future benchmark ratios is shown below. It clearly demonstrates the impact of recent events and the changed priorities that the Council had to adopt to ensure the community had access to safe functioning infrastructure.

Assumptions that are modelled in the projections using 2014/15 year as the base year are:

- Successful application for four 10% special rate variations that then become part of the base.

- Employee cost productivity gains of 3% a year tapering steadily down to 0.5% towards the end of the projection period. This is considered in addition to a projected increase in employee related costs of 2.5% per annum. This saving projection includes expected savings from streamline governance arrangement of about \$45,000 per annum.
- Financial Assistance Grants, road maintenance block grants and other government assistance reflecting CPI/LGCI indices over the projection period.
- No additional expenses on account of severe weather events. If such events arise, the Council has the ability to meet the challenges through a combination of internal resources and support from government under the natural disaster relief arrangements.
- Maintenance backlog will be addressed progressively over the project period with a third of the 2015 backlog being addressed in 2015/16 and then progressively reduced by 25%, 20% and 15% a year. It is assumed that asset management will not add to the current backlog.
- Material and contract costs reduced by a nominal 3% initially reducing progressively through strategic procurement initiatives.
- Economic development actions, that include active strategies to maintain base population, for example as has been done successfully in one of the Shire villages where a new family is actively encouraged to settle down whenever a family unit leaves the village.

Note : Refer to [Attachment F](#) for all actions modelled into summary financial data.

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

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

The Urana Shire Council has developed its action plan with the close involvement of the Councillors, Council Senior Management, all Council staff. External expertise was acquired from IAB Services who were on the Technical Advisory panel established by OLG. IAB services helped Urana Shire Council to develop the Business Case for the Council to become a Fit for the Future Rural Council. The Executive Summary of their report is included as [Attachment B](#) for information.

1) Consultations with neighbouring councils

Council has consulted with Jerilderie Shire Council specifically, to reach agreement on the Shared Director Development Services/Environmental Health and Building/Planning works. Council has also consulted with Lockhart and Greater Hume Shire, who have both expressed a desire to not only maintain existing resource sharing arrangement with staff, but to actively instigate new ones where available.

2) Consultation with Riverina JO/REROC

Council has had 'Rural Council' and 'Template Two' Specific Workshops with REROC/Riverina JO members, so that each Council is aware of each other's intentions with respect to the actions proposed. Again, as is the norm, REROC have already taken a strong lead in facilitating/co-ordinating resource sharing discussions, and it is expected that pending the outcome, and prior possible, of the Fit for Future process, they will be the key vehicle to more effectively formalise any new arrangements between more and two Councils for example.

3) Consultations with the community

As outlined earlier in the application, and in the supporting documents, the Community have been extensively consulted, even to the point of flagging the

proposed shared services arrangements with Jerilderie Shire. Council has also instigated already, irrespective of the Fit for the Future process, a Waste Strategy Working group, to ensure the Waste targets are realised, and a similar meetings have been held with the Swimming Pool Committees, see attached Swimming Pool consultation framework document at [page 64 of Attachment A](#). Council has also commenced discussions with its 5 Hall Committees, and has led the process of detailed asset inspections occurring, to further prioritise and fund renewal works, and to limit ad-hoc spending such as on upgrades when other more urgent works were needed on safety and maintenance/renewal.

4) Consultation with relevant Unions

Council keeps in regular contact with the Unions as required.

3.3 Community involvement

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

Council is extremely confident its Community is aware of the challenges facing Council, and the performance against the benchmarks currently, and the solutions that Council is proposing to address these longer term financial issues. Council deliberately included information in the Community engagement packages, and highlighted at each meeting, the fact that Council were going to propose 4 x 10% rate increases, from 2016/17. This was done to gauge an understanding of the willingness or otherwise, to pay increased rates. It became apparent that this was an acceptable solution. In general, and as shown by the comments made in the Community Engagement Outcomes report, [Attachment D](#), it is clear that people are prepared to pay higher rates, rather than face the risks of the likely decline of their Communities if merged into a larger entity, or continuing as is, with reductions in services. It is also likely that even in a merged entity, rate increases would be a firm possibility. The Community are well aware that the neighbouring Shires of Jerilderie, Greater Hume and Corowa, have all had increases in the order of 7 – 10% over 2 – 4 years, approved. Refer to [Attachment D](#) for a full summary of the Community Engagement process undertaken by Council, and [Attachment G](#), for a copy of the Presentation delivered at the Community Meetings, also made available on Council's website.

3.4 Other strategies considered

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

Eg. Council sought to pursue a merger but could not reach agreement.

Urana Shire Council actively considered merger options with similar sized councils in the region. These merger options were not fruitful as the shared belief was that proposed benefits could be realised through a range of partnering arrangements (that could ideally be mediated by the JO) while retaining local Council strategic priorities, and without the cost and upheaval that mergers create. Given the relative size of all Councils, the costs of mergers were considered to be well in excess of the potential value that these mergers would create for the community. Council were also aware that the Government had at times stated that whilst it would not support boundary realignments in the Fit for the Future process, if Councils A and B were to merge as per the panel's report, but couldn't reach agreement, the Government would also consider mergers of Councils A and C for example.

In response to this, Council has also met with Jerilderie, Lockhart and Greater Hume Shires separately, along with correspondence to Narrandera Shire Council to discuss merger options. Whilst positive, no mergers were able to be progressed, however far more commonalities were found, including some which have resulted in even more recent significant resource sharing initiatives that will result in substantial cost savings and increased efficiencies. Jerilderie and Urana Councils will, (from 1 July 2015) share building/planning resources, bringing immediate savings to Urana of approximately \$30,000 per year, and corresponding increase in revenue to Jerilderie Shire (estimated). Even as early as June 2013, Council hosted a combined meeting with its neighbouring Shires of Greater Hume, Corowa, Urana Lockhart and Jerilderie.

Council investigated the shared General Manager/Director proposals, including discussing these options with nearby smaller Councils, but concluded that the cost savings, whilst some could be realised initially, may be in part taken up with the definite need to have additional 'Line Managers' to pick up the non GM/Director work done by those in current positions, and also the issues creating with conflict of interest/political views about favouritism/where time is spent etc.

Urana Shire has much more in common with its less populated Council neighbours, than Corowa Shire, often due to its central location, highlighted through its strong strategic links to Wagga and REROC/Riverina Pilot JO. This includes existing and formal, resource/staff sharing arrangements with most of the other neighbouring Councils; (Greater Hume/Jerilderie/Lockhart - none with Corowa).

Council also due to its location, has many shared and strong strategic links to Wagga and REROC/Riverina Pilot JO.

Other common issues include:

- the large reliance on the dry land agricultural industry,

- Councils that contain many small towns and villages below 2000 in population
- Councils have similar funding requirements, including supporting Doctors/Medical Centres, Preschools and Childcare, and in some cases, to supply staff housing.

Council considers that this entire reform process has been very positive. Commencing with the initial impetus provided by the Local Government Industry, calling for change, supported by the State Government with the work of the Independent Local Government Review Panel (Panel), through the Fit for Future package, and ultimately, the implementation of the Panel's recommendations. This has been the process and assistance that Councils have needed as a collective, to address the longer term issues in a collaborative manner, without the need for any undue disruption in the day to day business of Councils working in their Communities by way of any forced mergers.

Redistribution of Financial Assistance Grants

Council initially modelled a forecast increase in FAG grant, of \$500,000 as a one off, to reflect the Panels recommendations that FAGS be progressively withdrawn from those metropolitan Councils that are already down to the minimum grant. This is considering that it is hoped that the Government will implement the other recommendations of the Panel, most notably changes to the rating system to allow multi-units to be rated higher. This would result in any loss of FAG income being more than compensated by the Councils increase in rates (most if not all metro Councils would benefit greatly from increased rating to multi-unit properties). The Business Case risk analysis found that this would be 'too high' a risk to 'assume' that such an increase would be forthcoming (would represent an estimated increase to this Council of 30%. Instead, the 4 x 10% rate increases were modelled. Should the FAG redistribution ever occur, and if it is prior to Councils rate applications, this could be remodelled, and for example, Council may be able to satisfactorily meet the ratios with an increased FAG amount, and 2 x 10% rate increases.

Section 4: Expected outcomes

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total improvement over period?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-6.56%	-4.23%	-3.11%	-1.51%	3.98%	8.96%	Also complete years 2020/21 – 2024/25 on following page
Own Source Revenue Ratio (Greater than 60% average over 3 years)	51%	59%	67%	70%	72%	73%	Also complete years 2020/21 – 2024/25 on following page
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	100%	132%	104%	101%	101%	101%	Nil % Change
Infrastructure Backlog Ratio (Less than 2%)	4%	2.6%	2.0%	1.6%	1.3%	1.2%	2.8% improvement
Asset Maintenance Ratio (Greater than 100% average over 3 years)	97%	99%	102%	103%	104%	105%	8% improvement
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.37%	0.62%	0.97%	0.77%	0.54%	0.23%	Negligible change
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	\$4.75	\$4.59	\$4.54	\$4.49	\$4.44	\$4.36	8.2% reduction

4.1 Expected improvement in performance*

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Total improvement over period
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	12.53%	14.90%	16.31%	17.64%	18.94%	25.5% Change
Own Source Revenue Ratio (Greater than 60% average over 3 years)	73%	73%	73%	73%	73%	22% Change

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

The assumptions and supporting information to support the above modelling is shown in [Attachment B](#).

4.2 Factors influencing performance

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

Principal factors that were assessed in the development of the action plan were:

- Access to appropriately qualified and skilled professional staff, especially in engineering, asset management, environmental planning and assessment roles
- Diversifying income sources: both rates and charges, as well as private sourced income (work done for private parties on cost plus basis)
- Demographic profile of staff requiring robust professional and career development strategies as part of staff retention & succession planning and knowledge management.
- Emphasis on economic development (at a regional/sub-regional level) to help retain younger members of the community by providing them career options within or near to their place of residence.
- Taking advantage of broadband technologies and to continue advocacy for continued upgrade infrastructure investment in the LGA by the Commonwealth Government/NBN Co.
- Building on the great work done by Urana Shire Council's s355 committees and volunteering efforts of the shire community.
- Continuation of service reviews and zero-based budgeting initiative that focus on service improvement, reduced service costs and increased contribution from users keeping in view community equity concerns.

Impact of new technologies on asset management (asset monitoring, work practices etc.) will be developed over coming years. It is expected that savings will be achieved through these initiatives though such savings have not been factored into the financial modelling and projected results.

Section 5: Implementation

5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

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

The initiatives that the Council has considered will require commitment and resources from the councillors (especially the Mayor) and the senior executive team lead by the General Manager. Advocacy of initiatives that require partnering with other Councils will be progressed at multiple levels: political (Councillors), executive (General Manager and senior executive team) and operations staff and their teams, to progress and implement the approved initiatives.

These initiatives will be included the Council delivery and resourcing plan, and modelled into council budgets through the four year delivery programs and long-term financial plan.

Monitoring of individual initiatives to Councillors and Staff will occur through enhanced operations reporting that includes budget variances and reporting on individual change project and initiatives, whilst Community reporting will be undertaken through the I P & R process.

Getting partnering arrangements off the ground will require sustained effort with individual potential partner Councils as well as through REROC/RAMROC and Riverina JO. Council expects that this aspect to be most time-intensive and it will be important to get some small wins initially as a way of building confidence in the approach and support of all staff. Council is very fortunate that there is both a high level of capacity, and willingness to further increase performance in this area, within the member Councils of the Riverina JO.

All initiatives will be reviewed within two years of being launched so that arrangements can be fine-tuned and improved further with learnings transferred to the management of similar initiatives.

Continued reporting under the IP&R framework will also be an integral part of monitoring and evaluating progress. These public documents will also serve to inform the community on progress.

An essential component of progressing change is taking our Community and our staff along the change and innovation journey. Community consultation and staff consultation will feature prominently in the change management process.

Council would have no hesitation in being placed under a monitoring program for implementation of these initiatives, including benchmarking performance against assumptions made in the modelling for this application.

Council has a modern and effective I P & R software system, and regularly updates its plans. Once the Final Fit for the Future application is adopted by Council (30/06/15) Council will then commence updating its 15/16 Operational Plan actions (many are already

in it). The first quarter review, will contain any new initiatives developed over the last few months, including proposals as a result of the work by IAB on the Business Case.

Urana Shire Council – Becoming Fit for the Future – Rural Council

Attachments Schedule

Attachment A – *General information on Urana Shire Council*

Attachment B – *IAB – Executive Summary*

Attachment C – *Becoming Fit for the Future: Workshop with Councillors and Senior Management - 28 March 2015 - Outcomes Paper – CONFIDENTIAL - Not for Public Release – uploaded to Confidential Section of Portal*

Attachment D – *Community Engagement Outcomes Report*

Attachment E – *Submission for Urana Shire Council to be included Riverina Pilot Joint Organisation & REROC/RIVERINA JO – Achieving Strategic Capacity through Collaboration*

Attachment F – *Budget Worksheet and Fit for Future Ratios*

Attachment G – *Presentation given to Community Meetings on Fit for the Future*



The above photo shows an aerial view of the enormity of Lake Urana, with the town of Urana in the foreground. Council is working with Crown Lands to further develop this Lake, given the enormous potential it has for the area.

Contacting Council

If you have any questions about any aspects of the “Fit for the Future” Application, and require any additional information, please contact Councils General Manager, Mr Adrian Butler, on 6930 9100 or via email mail@urana.nsw.gov.au