



Moree Plains Shire Council

Council Improvement Proposal (Existing structure)



	Table of Contents	Page
	Definitions	3
	List of Annexures	4
	Council Details	5
Section 1.1	Executive Summary	5
Section 1.2	Scale and Capacity	7
Section 2	Your council's current position	9
Section 2.1	About your local government area	9
Section 2.2	Key challenges and opportunities	11
Section 2.3	Performance against the Fit for the Future benchmarks - Sustainability	15
	Performance against the Fit for the Future benchmarks – Infrastructure and Service Management	17
	Performance against the Fit for the Future benchmarks – Efficiency	20
Section 2.4	Water utility performance	21
Section 3	How will your council become/remain Fit for the Future	29
Section 3.1	Sustainability	29
	Sustainability – Strategies and Outcomes	33
Section 3.2	Infrastructure and Service Management	47
	Infrastructure and Service Management – Strategies and Outcomes	52
Section 3.3	Efficiency	58
	Efficiency – Strategies and Outcomes	61
Section 3.4	Improvement Action Plan	77
Section 3.5	Other Actions Considered	85
Section 4	How will your plan improve performance	86
Section 4.1	Expected improvement in performance	86
Section 5	Putting your plan into action	88
Annexure 1	Section 1.2, Scale and Capacity: Scale	89
Annexure 2	Section 1.2, Scale and Capacity: Strategic Capacity	91
Annexure 3	Section 2.3, Extracts from the Delivery Program and Operational Plan	105
Annexure 4	Section 2.4, Water Utility Performance: Water and Waste Department 2015 Budget submission	109
Annexure 5	Section 2.4, Water Utility Performance: Proposed Moree Remote SCADA Network (Version 1.0) Stage 1 and Proposed Moree IT Network/Requirements (Version 1.1)	113
Annexure 6	Section 3.4, Improvement Action Plan (detailed) as extracted from the Delivery Program and Operational Plan	115
	Confidential Annexure provided under separate cover	

	Definitions
Assessment Methodology	means the Methodology for Assessment of Council Fit for the Future Proposal issued by IPART on 5 June 2015
Consultation Paper	means the Local Government – Consultation Paper April 2015 in relation to the Methodology for Assessment of Council Fit for the Future Proposals
Council or MPSC	means Moree Plains Shire Council
CSP	means the Community Strategic Plan of Moree Plains Shire Council
Delivery Program	means the current Delivery Program of Moree Plains Shire Council for the 2014 to 2017 financial years
FFTF	means Fit for the Future
KPI	means key performance indicator
ILGRP	means the Independent Local Government Review Panel
IPART	means the Independent Pricing and Regulatory Tribunal
MANEX	means the General Manager, Directors, the Executive Projects Manager, Human Resources Manager and Water and Waste Manager of MPSC
MPSC Submission	means MPSC's submission in respect of the Consultation Paper dated 25 May 2015
Namoi JO	means the pilot Namoi Joint Organisation of which Moree Plains Shire Council is a member
PLC	means programmable logic controllers
QBRS	means the Quarterly Budget Review Statement
SCADA	means supervisory control and data acquisition
Shire	means the shire of Moree Plains
SWOT	means the strengths, weaknesses, opportunities and threats identified in Section 2.2

	Annexures
1.	Section 1.2, Scale and Capacity: Scale
2.	Section 1.2, Scale and Capacity: Strategic Capacity
3.	Section 2.3, Extracts from the Delivery Program and Operational Plan
4.	Section 2.4, Water Utility Performance: Water and Waste Department 2015 Budget submission
5.	Section 2.4, Water Utility Performance: Proposed Moree Remote SCADA Network (Version 1.0) Stage 1 and Proposed Moree IT Network/Requirements (Version 1.1)
6.	Section 3.4, Improvement Action Plan (detailed) as extracted from the Delivery Program and Operational Plan
	Confidential Annexure (provided separately)

Council name: Moree Plains Shire Council

Date of Council resolution endorsing this submission: 25 June 2015

1.1 Executive Summary

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

Council's current performance against the FFTF benchmarks demonstrates that:

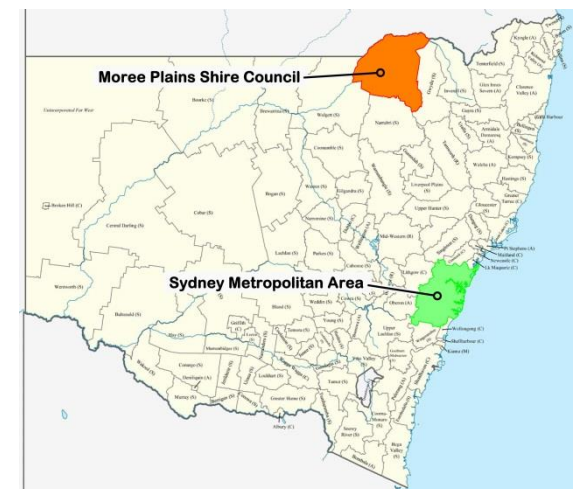
- we are achieving operational sustainability and becoming more efficient, apart from the Own Source Revenue benchmark and the Real Operating Expenditure per capita measure which have been adversely affected by flood damage funding; and
- we need to improve our performance against the Infrastructure Backlog Ratio and Asset Maintenance Ratio.

Notwithstanding the FFTF reforms, management of our unsealed road network will continue to be a major challenge.

Moree Plains Shire covers an area of approximately 17,930km², not dissimilar to the entire Sydney Metropolitan area (see map). Council is responsible for a local and regional road network consisting of 789km of sealed road and 2,084km of unsealed road. This road network underpins the agricultural productivity and social connectivity of the Shire.

In 2010, the Council successfully applied for a special rate variation to fund the sustainable maintenance of the sealed road network within the Shire.

Council, however, had insufficient resources to maintain a cyclical gravel resheeting program on the unsealed road network, with the estimated associated backlog being in the order of \$16.7million. Following community consultation as part of the special rate variation, the level of service on those roads was agreed to be basic routine maintenance, with resheeting only to occur on critical access routes and high priority floodways. This meant virtually the entire gravel network would revert to black soil over time and be dry weather access only. As such, no infrastructure backlog has been recognised for these roads as the current approach delivers an outcome that is consistent with community consultations in 2010.



Our forecast performance against the FFTF performance benchmarks for the 2016-2020 period is detailed in **Section 4.1**. Our overarching objective is to remain financially sound by making fiscally responsible decisions, within a framework of continuous review, allowing us to continue to provide essential services.

These forecasts show that MPSC satisfies all benchmarks for this period, other than the Asset Maintenance Ratio, where a trend of improvement is forecast until 2020 when the benchmark is satisfied. This demonstrates that MPSC has sufficient scale and capacity for the future without structural change.

The planned improvement strategies are fully detailed in **Section 3**. Limited financial modelling has been undertaken at this time however a program of data collection and analysis is planned to develop a comprehensive model. The strategies will, however, support improved performance against the benchmarks and will produce meaningful efficiency savings as set out in **Sections 3.1, 3.2 and 3.3**.

Notably, the improvement strategies in relation to Infrastructure and Service Management focus on gaining a greater understanding of the costs of current services, the agreed service levels and the costs associated with varying levels of service. As part of this a community engagement process will review service levels against willingness and capacity to pay.

This process may well generate a different matrix of services and service levels from those currently provided by Council, which would impact on our performance against the FFTF performance measures however the process would ensure that our ongoing performance would remain “fit for the future”.

1.2 Scale and Capacity

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

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

Yes, two (2) options were nominated for MPSC, one of which was “Council in Namoi JO”

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

The ILGRP recommended that MPSC (being part of Group G) be a “Council in Namoi JO” or “merge with Gwydir”, with neither of these options noted as being a preferred option¹.

The Assessment Methodology does not provide clear guidance for Group G councils where the ILGRP provided multiple options but did not express a preference².

As noted in MPSC’s Submission, notwithstanding the options identified for MPSC, we believe MPSC does have sufficient scale and capacity to remain a stand-alone council. It is felt that the two options presented by the ILGRP for MPSC largely reflect the fact that MPSC is in a position to demonstrate it has sufficient scale and capacity (and therefore, is in a position to complete a Council Improvement Proposal) however its neighbour, Gwydir Shire Council, is not. In relation to councils part of Group F (of which Gwydir Shire Council is one), the Assessment Methodology states that IPART considers that where a merger option is also identified for such a council, that option should at least be explored. The same advice is not explicitly provided to Group G councils but through use of the words “for councils...considered to have scale and capacity without merging...(eg, most but not all Group G non-metropolitan councils),...to stand alone will be considered the preferred

¹ ILGRP, *Revitalising Local Government – Final Report of the NSW Independent Local Government Review Panel*, October 2013, p116.

² Assessment Methodology, p35.

option” and therefore by implication, where a merger option is identified for a Group G council, there may be a similar obligation to explore the merger option. That being the case, refer to the **Confidential Annexure** for details of MPSC’s endeavours in this respect.

Following numerous discussions of Councillors and senior staff (at meetings of Council and in Committee), the Councillors approved MPSC’s participation in the Namoi JO and also proceeding with the completion of this template³.

In considering the optimal approach for MPSC in relation to the FFTF reforms, Council critically assessed its current position as well as potential opportunities and options for the future in evaluating whether it presently has appropriate scale and capacity to maintain its existing structure to demonstrate it is FFTF.

The Council considers it has sufficient **Scale** and **Strategic Capacity** to complete this Council Improvement Proposal. Refer to **Annexure 1** and **Annexure 2** for detailed commentary on this.

³ MPSC Committee Meeting, 23 October 2014, Resolution 14/10/14 (Price/von Drehnen), MPSC Council Meeting, 26 February 2015, Resolution 15/02/26 (Gall/von Drehnen) and MPSC Council Meeting, 12 March 2015, Resolution 15/03/05 (von Drehnen/Brazel).

2. Your council's current position

2.1 About your local government area

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

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

Moree Plains Shire is located 640km northwest of Sydney in the fertile Gwydir River and McIntyre River valleys in north-western New South Wales. It is home to a dynamic and progressive community, boasting strong agricultural industries in cotton, grain and oilseeds.

The Shire covers an area of approximately 17,930km² and has a population of 14,189⁴.

The Shire's indigenous residents make up approximately 21% of the total population. The indigenous people of the area belong to the second largest Aboriginal nation on the eastern coast of Australia, the Kamilaroi people.

Moree, with a population of 9,346 is Moree Plains Shire's largest centre. Other villages in the Shire include Ashley, Biniguy, Boggabilla, Boomi, Bullarah, Garah, Gurley, Mungindi, Pallamallawa, Terry Hie Hie and Weemelah. Aboriginal communities managed by Local Aboriginal Land Councils are located at Toomelah, near Boggabilla, and Mehi Crescent and Stanley Village in Moree.

In contrast to much of inland Australia, Moree Plains Shire has an abundant water supply. The area overlies a portion of the Great Artesian Basin and has access to extensive artesian and sub-artesian water resources. Surface water, flowing from the tableland region of northern New South Wales into the extensive inland river system crossing the plains, is also in reliable supply.

⁴ ILGRP, *Revitalising Local Government – Final Report of the NSW Independent Local Government Review Panel*, October 2013, p116.

Moree is a gateway to the outback and has been a transport hub for South Australia, New South Wales, Victoria and Queensland routes since the first European settlement.

Twelve high priority issues have been identified by our community:

- Condition of local road network/Maintaining local roads
- Provision of information to the community
- Parks and playgrounds
- Financial management
- Long-term planning for the Shire
- Support for volunteer programs
- Waste management/minimisation/recycling
- Advocacy on behalf of the community
- Supporting local jobs and businesses
- Flood protection and preparedness
- Swimming pools
- Community input into Council decision-making

The CSP identifies the ideas and aspirations of our community as being, firstly, an inclusive, caring community; a community which is safe, inclusive, connected and collaborative, supports and values local history culture and diversity and living a satisfying and productive life.

Secondly, the community would like to see a vibrant, regional economy; being a place that attracts and retains new businesses and residents, provides the infrastructure needed to support the economy and supports existing businesses, with community members having the skills and knowledge to undertake the work available.

Our community has also identified the importance of our Shire being an environmental role model by protecting and supporting the diversity of the natural environment, living sustainably and using our resources responsibly as well as ensuring our town and villages are desirable places to be.

Finally, the community is seeking coordinated, committed leadership by speaking out for the good of our community, demonstrating accountability, transparency and ethical conduct, being engaged and well informed, collaborative and managing our finances, assets and services effectively and demonstrating leadership in the face of natural disaster.

2.2 Key challenges and opportunities

Strengths	Weaknesses
<p>Workforce</p> <ul style="list-style-type: none"> - offers roles for a wide range of skill sets (indoor and outdoor) - some Departments are relatively small and are often characterised by streamlined and dynamic service delivery - MPSC is an Employer of Choice which has improved the pool of applicants and quality of employees - offers work experience (and in some cases, financial assistance) for university students and school-based traineeships - there is a commitment to learning and development including through new platforms (online) and in-house training is arranged in a manner to maximise the organisation's return on investment - staff are largely ratepayers/members of the community so are committed to, and personally invested in, the organisation's outcomes and bring added value due to an understanding of local issues (i.e. building on black soil) - for appropriate employees (having regard to their role and responsibilities), the organisation promotes and supports flexible work arrangements - our Planning and Development Department have a strong reputation 	<p>Workforce</p> <ul style="list-style-type: none"> - in certain parts of the organisation, there is an ageing workforce; limited staff with the appropriate qualifications, skills and experience; limited or no succession planning or back-up - at times, retention of staff is a challenging task (for example, the organisation's ability to keep trainees, cadets and apprentices after they are qualified) - a greater commitment to knowledge management and retention within the organisation is needed - it can be difficult to be competitive with private enterprise due to constraints of local government framework including the Local Government Award (for example, the organisation is unable to incentivise through monetary means (eg. bonuses) or promote high performers) - there is heavy reliance on contractors who can be costly and as a consequence, staff are not being developed and up-skilled for certain responsibilities and roles - a strategic approach is not always adopted in utilising skill sets across the organisation (for example, at times, the organisation will hire someone with the relevant skills rather than tapping into an existing employee who has those skills) - changes to legislation/government and regulation can increase or decrease work load
<p>Improvement, Productivity and Accountability</p> <ul style="list-style-type: none"> - there is a workforce which is highly customer service focussed, with the majority of employees largely fulfilling duties of roles with pride and commitment and high quality workmanship - with depots and offices in Mungindi and Boggabilla, there is significant experience with remote administration, service provision and depot sites - strategic planning has been a strong focus, including through the LEP and Growth Management Strategy as well as current initiatives including the South-West Moree Master Plan, the Strategic Transport Plan and Economic Development Strategy 	<p>Improvement, Productivity and Accountability</p> <ul style="list-style-type: none"> - there are time and cost implications for servicing such a large geographical area with unique features (i.e. black soil plains and flat topography) - the community's perception of the effectiveness and efficiency of Council is not always accurate, particularly outdoor staff as they are highly visible - poor management of overtime is a characteristic of some Departments - there is a tendency to work in silos with little or no collaboration so synergies across departments are infrequently identified and realised - at times, poor project management skills are exhibited including in the project planning, management of milestones and critical assessment of outcomes - meetings are not customarily outcomes-based so many are ineffective

Strengths	Weaknesses
	<ul style="list-style-type: none"> - there is a reluctance to undertake effective and timely performance management, resulting in costly grievances in relation to issues which should have been resolved much earlier - recommendations of consultants are not always rigorously reviewed, questioned or tested to ensure their those findings are appropriate for this Council
Asset Management <ul style="list-style-type: none"> - special rate variation successfully applied for in relation to the sealed road network - the condition of the unsealed road network benefited from effective use of flood repair funding - new assets such as the Melbourne to Brisbane Inland Rail, freight hubs, master plan developments and the Moree Water Ski Lakes will add to existing opportunities 	Asset Management <ul style="list-style-type: none"> - extensive sealed and unsealed road network to maintain across a large geographical area - limited gravel resources - backlog associated with the unsealed road network anticipated to increase following community consultation - recent works on road network (following flood repair work) potentially set unrealistic community expectations of levels of service since the community consultation undertaken for the special rate variations of 2009 and 2010 (community consultation in the 2015-2016 financial year is anticipated to identify a gap in funding in relation to the maintenance and backlog associated with the unsealed road network) - vague understanding of agreed levels of service and cost of service provision for some asset classes - little, if any, measurement of performance for some asset classes against indicators - asset management plans for most assets still being developed - for certain classes of assets (building/structures and pools), long term asset management plans cannot be developed in-house – limited staff skills and knowledge in this area - still developing a high level, strategic approach to asset management across the organisation
Track record of proactive fiscal responsibility <ul style="list-style-type: none"> - operating profit for the past 10 years - previous successful special rate variation in respect of the sealed road network of the Shire - a high level of competence within the Finance Department resulting in timely compliance and early intervention in problematic areas - obtained significant grant funding – Council and the community – demonstrating the organisation's commitment to seeking alternative 	Revenue base <ul style="list-style-type: none"> - weak financial control, budget management and accountability in certain Departments - constrained by rate pegging - far more assets to manage relative to income base - lack of external funding - wage increases are greater than rate increases, with no catch up

Strengths	Weaknesses
sources of income	
<p>Political leadership and good governance</p> <ul style="list-style-type: none"> - Aboriginal cultural recognition continues to be promoted - there is a commitment to integrated planning and reporting - good relationship with unions and employee associations - utilise a broad range of communication strategies and tools to inform community members and other stakeholders - good partnership with the Office of Local Government and strong relationships with State and Federal Government Agencies - good relationship with neighbouring Councils - strong relationship with key business and community leaders - successful collaboration and partnering for certain services - beginning to understand the real cost of service provision so we are in a position to go to the community regarding setting service levels - we are an Award-winning organisation 	<p>Political leadership and good governance</p> <ul style="list-style-type: none"> - being in a small community provides locals with easy access to staff - general reputation of local government (for example, soft target for community dissatisfaction) - organisational uncertainty due to Fit for the Future initiatives and our recent change of General Manager - a greater community understanding of Council and its role must be developed - management of Councillor expectations as compared to staff resource capabilities

Opportunities	Threats
<ul style="list-style-type: none"> - the average age of Shire residents is lower than the national average - many economic development opportunities are being pursued to maintain and grow the Shire's population - life in Moree Plains Shire offers a great affordable country lifestyle - our geographic location (including our proximity to the Newell, Carnarvon and Gwydir Highways) and direct air access to Sydney provides an opportunity to become a regional hub - in relation to the Melbourne to Brisbane Inland Rail project, Moree is a significant location on proposed route - in an online environment, there is greater access to more resources, even when remote from major metropolitan areas - we have a secure water supply – both artesian and drinking water - we are a highly productive agricultural shire, which does not presently have any mining or extraction of coal seam gas - in addition to tourism, we are looking at other ways to capitalise upon the artesian water of our Shire - a number of new projects are underway including the Moree Gateway, the solar farm and the Evergreen Precinct including the Moree Water Ski Lakes which will all contribute to the economic activity of the Shire - the region's existing asset base can be leveraged to further improve economic performance. Assets include Moree Regional Airport, Moree Gateway, medical facilities and TAFE college - there is available land in large tracts at relative low cost - there is a growing relationship between the Shire and the Asian market - potential to be a specialised service provider to smaller regional and rural councils in the areas of town planning, regulatory controls, development assessment and economic development 	<ul style="list-style-type: none"> - our community is engaged but only in relation to issues of local significance (for example, the grain harvest management scheme and the Moree-Sydney air service); there is otherwise poor community attendance and participation at community consultations - employment prospects and the Shire's economic stability is heavily influenced by weather conditions (for example, in a drought, there is a greater number of redundancies and less employment opportunities) because the local economy is highly reliant on agriculture - there is a need for new and diversified business investment in the Shire - there is a highly competitive labour market, competing with mines and other similar industry wages - the Shire is based on black soil and located in a floodplain - the Shire is geographically very large, comprising nearly 18,000km² - there is a considerable distance by car to other major centres (Tamworth, Sydney, Toowoomba and Brisbane) - image problems associated with Moree (including crime perception) outside the Shire - there are limited social activities and recreational activities - a large number of children/ teenagers attend school outside the Shire at boarding schools contributing to an education drain - limited access to tertiary education - rates are perceived to be too high - increasing electricity costs - exploration permits for land within the Shire for coal seam gas or other extractive industries may be granted - need to ensure cohesive and shared long-term vision within the region and with other levels of government

2.3 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.016	Yes	0.026	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	55.27%	No*	68.58%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	143.48%	Yes	133.37%	Yes

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

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

* In relation to the **Own Source Revenue** ratio, during the 2011-2012 financial year, Moree Plains Shire endured two (2) flood events. Funding provided to restore the Shire's extensive road network amounted to approximately \$40million. Work on the restoration commenced during the 2011-2012 financial year and was completed in the 2013-2014 financial year, with the bulk of the work undertaken during the intervening year. Excluding the flood damage funding, MPSC's Own Source Revenue ratio for the period would have been 74.60%; therefore achieving the benchmark of greater than 60%.

2.3 Performance against the Fit for the Future benchmarks

Infrastructure and service management

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	3.05%	No*	0.41%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	56.77%	No**	93.71%	No**
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	4.10%	Yes	7.13%	Yes

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

* The **Infrastructure Backlog Ratio** did not meet the benchmark of 2% in 2013-2014 financial year. During the intervening period, further data has been gathered in conjunction with an organisational review of previously agreed upon levels of service, arising from the community consultation process undertaken as part of Council's Special Rate Variation applications in 2009 and 2010. This is particularly relevant for the unsealed road network for which no backlog has been recognised in future years' calculations.

In 2010, the Council applied for a Special Rate Variation to fund the sustainable maintenance of the sealed road network within the Shire. At that time, it was established that Council did not have sufficient resources to maintain a cyclical gravel resheeting program on the 1,680km gravel road network; the estimated backlog at that time associated with this asset was \$16.7million. Following the consultation associated with the application for a Special Rate Variation, the revised level of service on these roads was agreed to be basic routine maintenance with resheeting only to occur on critical access routes and high priority floodways. As a consequence of this agreed level of service, the gravel network will revert to black soil over time and be dry weather access only.

As noted in **Section 3.2** of this Proposal, Council will again be going out to the community in the coming year to, among other matters, revisit levels of service across all services delivered by Council. This is foreshadowed in our Delivery Program and Operational Plan (refer to **Annexure 3**).

During the 2014-2015 financial year, we reported back to the community as to our progress in relation to the Delivery Program and Operational Plan through community meetings and information flyers. However, for many reasons, we did not undertake a community engagement process in respect of the FFTF reforms and the impact this may bring to bear on the organisation and, in turn, our community. Primarily, this was not undertaken as Council endorsed the preparation of a Council Improvement Proposal (Template 2) as MPSC is largely building upon, and applying across the organisation, existing strategies for improvement. Further, there is a significant amount of preparatory work which must be undertaken (as noted in the Strategies in **Section 3.2**) before a community engagement process can be sensibly and valuably undertaken.

It is difficult to anticipate what this engagement process may bring, but it may be the case that this process will result in the community seeking a higher level of service in respect of the unsealed road network.

This process may result in a revision of the backlog figures shown however, given current estimates to bring the entire gravel network up to Condition 2 "Good" are in the realm of \$20million, without significant increases to revenue, this is considered well beyond the capacity of Council's current rate revenue base.

Again, in our Delivery Program and Operational Plan (refer to **Annexure 3**), we have foreshadowed an intention to investigate the potential for Council to apply for a special rate variation commencing in the 2016-2017 rating year as a means of obtaining additional funding to enable the delivery by Council of services and infrastructure that are significant to the community (in particular, in respect of the unsealed road network

within the Shire) but that Council is unable to fund within the existing revenue structure.

** Council has not met the **Asset Maintenance Ratio** target of 100% during the periods shown above, however as shown in **Section 4.1**, Council's performance against this ratio continues to improve and reaches the benchmark target by the conclusion of the 2019-2020 financial year. As noted above, a review of previously agreed upon levels of service in respect of the unsealed roads identified that with the exception of resheeting on critical access routes and high priority floodways, only routine maintenance would be carried out on these roads. If these roads were to be maintained as all weather (gravel), the estimated annual cost in today's dollars to undertake a cyclical resheeting program would be approximately \$6.7million per annum.

In addition, the efficiency gains made as a direct result of the strategies identified in this Proposal will, among other things, be redirected to maintaining our existing asset base (for example, primarily the existing sealed local road network and improving drainage on the sealed and unsealed local road networks).

2.3 Performance against the Fit for the Future benchmarks

Efficiency

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

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

* Council did not achieve a decrease in **Real Operating Expenditure** over time for the period ended 30 June 2014. As noted in **Section 2.3** under Sustainability, MPSC received approximately \$40million in grant funding for flood damage works between the 2012 and 2014 financial years. This significant increase in operating expenditure, combined with a relatively stable population saw the expenditure per capita for 2012, 2013 and 2014 increase significantly over those years.

Future calculations assume a static population and an adjustment to expenditure based on the average of CPI and the IPART Local Government Cost Index provided in the Council Self Assessment Tool. Based on this and Council's current budget, there is a reduction in expenditure per capita for future years.

2.4 Water utility performance

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

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

Yes

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

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

Nil

MPSC's water and sewer assets are "run to fail".

Notwithstanding this, our Water and Waste Manager is cognisant of the implications this has for service delivery of core services for the community and, as part of the 2015-2016 budget preparations, sought approval from Council to implement a more pro-active approach to management of these assets (refer to **Annexure 4**).

2.4 Water utility performance

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

Capital works

Proposed works	Timeframe	Cost	Grants or external funding
Water supply connection to Toomelah Aboriginal community and upgrade river inlet works *	2015-16	\$4.57 million	Subject to successful application for a Water Security Grant
South Moree water supply upgrade and ring main to Evergreen precinct	2017-18	\$12.32 million	50% grant funding proposed
* Note: These are projects for the forthcoming financial year.			

2.4 Water utility performance

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

Yes

Whilst MPSC is required to separately report on our water and sewerage operations in this Proposal, it should be noted that in practically managing the organisation, these business units are not “separated” out from the rest of the organisation, even if they are for financial reporting purposes.

Our water utility business has reported surpluses from continuing operations for the previous two (2) financial years and is forecast to continue doing so into the future, allowing a dividend to be paid to the General Fund. The General Fund also provides administrative services to these operations and charges for this service.

The forecast financial position of these operations provides sufficient funds for the ongoing operation and maintenance of the existing networks in addition to resourcing future growth in the Shire’s water and sewer infrastructure.

In accordance with the Assessment Methodology, the impact of our water utility business’ performance should be considered in assessing MPSC’s scale and capacity criterion as well as the impact on the other three (3) criterion.

2.4 Water utility performance

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

Improvement strategies

Strategy	Timeframe	Anticipated outcome
WU1. Further enhance our existing operational relationship with nearby Goondiwindi Regional Council to support our Boggabilla-based water attendant on an "as needs basis" in the daily operation of the Boggabilla and Toomelah water supply and sewer schemes	2016-17 to 2019-20	<p>This strategy will:</p> <ul style="list-style-type: none"> • ensure that these services are provided in the most cost-efficient manner, leading to overall cost savings for the Council whilst maintaining the agreed level of service • improve cross-border communications which may lead to other mutually beneficial opportunities for resource sharing and skills development and identifying other synergies between the Council and Goondiwindi Regional Council • create opportunities for our existing employees to actually take recreational leave, resulting in a reduction in accumulated leave entitlements • assist in the management of overtime by, for example, reducing unproductive travelling time between Moree and Boggabilla (over 100km) • improve fatigue management • improve the Council's level of service in this area and in particular, the response time for after hours unplanned maintenance requests (call outs) <p>During the first three (3) years of operation, a significant reduction in travelling time between Moree and Boggabilla and the associated financial cost of such travel (generally at the applicable overtime rates) is anticipated. Further, staff who normally travel from Moree to Boggabilla to relieve the Boggabilla-based water attendant will be more effectively utilised by the organisation as such employees will then be available to work on projects and services at Moree within their usual working hours</p>
WU2. Introduce a systematic water reticulation leakage detection	2016-17 to 2019-20	A review of empirical data reveals that our water main breaks occur at a rate seven (7) times the State average. Largely, this is a consequence of the absence of a systematic maintenance program for these

Improvement strategies

Strategy	Timeframe	Anticipated outcome
program and sewer main television surveys to facilitate effective planned maintenance		<p>assets</p> <p>To address this, our work crews will be trained to develop new leak detection skills (including the recording and analysis of field data) and a program to assess all assets of this nature within the Shire will be implemented with a view to pre-emptively classifying the condition of these assets and identifying maintenance requirements and priorities accordingly. This will lead to a more strategic approach to maintenance and therefore, a reduction in unplanned maintenance requests including after hours call outs and the associated customer inconvenience</p> <p>During the first three (3) years of operation, it is expected that unplanned maintenance activities and call outs will be reduced. Further, by undertaking maintenance activities on a more strategic and planned basis, the overall annual maintenance cost of these assets over time will be reduced</p>
<p>Leverage the benefits arising from our informal alliance with Coffs Harbour City Council to facilitate the introduction of modern telemetry and SCADA technology and ongoing water and sewer systems' management *</p> <p>(See attached diagrams, Annexure 5)</p>	2015-16 to 2019-20	<p>The introduction of a modern telemetry system will provide real-time feedback of system operational information which will assist staff to manage our assets in an effective and efficient manner. By way of example, the new system will provide feedback on the actual flows in our sewer reticulation systems and this data will guide plans for capital improvements to support future economic development in the Shire</p> <p>The system will generate alerts if there is a problem detected at a sewer pump station, bore site or the water treatment plant and our response thereafter will assist in expeditiously discharging the Council's immediate environmental protection and public health obligations. Further, the data stored in the system will assist in reducing our environmental and public health risk exposure</p> <p>The alerts will also provide an early warning for system failures so issues can be addressed proactively and prior to the problem triggering major works and customer inconvenience</p> <p>Operationally, once our sewer pump stations are fully equipped with the telemetry system, it will be no longer be necessary to undertake daily inspections of these facilities. This will:</p> <ul style="list-style-type: none"> • release our staff from such tasks allowing them to be diverted to more pertinent and interesting work activities • create opportunities for our existing employees to actually take recreational leave, resulting in a reduction in accumulated leave entitlements

Improvement strategies

Strategy	Timeframe	Anticipated outcome
		<ul style="list-style-type: none"> assist in the management of overtime
Renewal of the PLCs at the Moree sewerage treatment works to improve operational efficiency *	2015-16 to 2019-20	<p>This project will renew the outdated PLCs and provide for the installation of dissolved oxygen monitoring. As a consequence, the reliability of Moree's sewerage treatment works will improve and the facility will be in a position to transfer its operational sequence from time-based to process-based, enabling optimisation of the quality of effluent produced</p> <p>This is also likely to reduce the quantity of electricity required to operate the plant. A 2% saving in electricity cost is assumed however, this will be confirmed once process tests have been undertaken</p>
Upgrade of systems at the water treatment plants and sewer treatment works to operate automatically on weekends	2016-17 to 2019-20	<p>Technology is now available to facilitate the automatic operation of water process facilities in the absence of a full-time operator</p> <p>This rollout will be implemented on a progressive basis and is expected to be fully operational by 2020-21. Such systems will not only bring savings in staff resources but will also provide employees with the opportunity to undertake other integral services</p>
Realisation of efficiencies following the implementation of a server-based water meter reading system	2016-17 to 2019-20	<p>During the forthcoming financial year (2015-16), the Council is implementing a server-based water meter reading system.</p> <p>The system will assist our staff in delivering water meter accounts with improved accuracy, effectiveness and efficiency. Further, management data will be available from the system to support statutory reporting</p>
Strategic workforce planning to improve succession planning, fatigue and management of overtime and accrued leave entitlements	2016-17 to 2019-20	<p>Some integral functions of this department are undertaken by a small number of staff having the appropriate qualifications, skills and experience. As a consequence, the Council pays a significant amount of overtime and several key staff have excessive accrued leave entitlements. With the organisation's duty of care to its employees, fatigue management is also a concern</p>

Improvement strategies

Strategy	Timeframe	Anticipated outcome
		<p>For many reasons, this situation is not tenable in the medium- to long-term. Operationally, overtime does not represent an efficient utilisation of staff time as depending on the rate of overtime (for example, time and a half or double time), the number of staff hours provided for each hour of overtime does not represent good value for the organisation. However, for this area of Council, there is insufficient skilled staff to cover all hours necessary for the current level of service</p> <p>To ensure that the agreed level of service is sustainable into the future, it is proposed that two (2) additional employees be engaged to help address these imbalances</p>
Improvement of water security in respect of the Boggabilla to Toomelah Aboriginal community water supply	2016-17 to 2019-20	A new water main is to be constructed from Boggabilla to the Toomelah Aboriginal community to provide a reliable water supply in times of failure of the Toomelah water supply. No such alternative supply exists as if there is a major water supply system failure with the current system, the community must be evacuated
Improvement of water security in respect of Moree and in particular, planning to increase Moree's sub-artesian bore field capacity and provide water access to developing areas south of Moree	2016-17 to 2019-20	This is an enabling project which will provide extra capacity to cater for the anticipated increase in population arising as a result of the additional manpower needed to support our new activities being pursued as part of economic development for the Shire
Strengthening the Council's Water and Sewer funds by identifying opportunities to provide services on a contractual basis including through arrangements to supply water and sewer services to Aboriginal communities	2016-17 to 2019-20	<p>The Council has signed a five (5) year contract to provide water supply and sewerage services to the Aboriginal communities of Toomelah, Mehi Crescent and Stanley Village</p> <p>Such an arrangement recognises the skills within the Council and identifies opportunities where such skills can be leveraged</p> <p>This provides extra resources to Council's Water and Sewer funds, further consolidating Council's position. In addition, negotiations are underway for funding to facilitate the employment of two (2)</p>

Improvement strategies

Strategy	Timeframe	Anticipated outcome
		Aboriginal water industry employees. This will assist us working with the Aboriginal communities in a culturally sensitive manner
Transfer of electricity supply arrangements to government contracts	2016-17 to 2019-20	Arrangements have been entered into to transfer all MPSC small electricity sites to a government contract which remains effective until 30 December 2016. The benefits will progressively accrue as sites are transferred over to these arrangements, with a significant reduction in electricity costs (in excess of \$110,000 per annum) anticipated
Investigation of applicability of fixed rate energy contracts for the supply of green energy	2016-17 to 2019-20	Investigations are to be carried out into fixed rate energy contracts for the supply of green electricity from Council sources, including roof mounted solar panels and/or synthetic diesel generators. In addition to the obvious environmental benefits, savings in electricity expenses are anticipated

** Note: These are projects commence in the forthcoming financial year.*

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

3.1 Sustainability

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

The following details the key strategies to be pursued by MPSC to improve our performance against the Sustainability benchmarks:

- **S1.1:** Undertake a thorough budget review process ahead of each financial year to critically analyse financial performance both at a Departmental level and as an organisation as a whole
***Outcome:** A more strategic approach to formulation of our annual budget*
- **S2.1:** Ensure continuous review and management of departmental budgets is prioritised for MANEX/ Management on a monthly basis
- **S2.2:** Report back to Council in a timely manner (at the earliest possible opportunity) where material variations have been identified or are anticipated
- **S2.3:** Reports to Council to ensure project alignment with the CSP and identify sources of funding where provision has not been made in the budget
***Outcome:** Imposition of a greater level of accountability and transparency in the management and control of budgets*
- **S3.1:** Development of a new general ledger structure
- **S3.2:** Consider implementation of a software system to report on progress against our Delivery Program and Operational Plan which integrates with our financial system
***Outcome:** A greater understanding of the cost of activities undertaken by Council to address our community's priorities and a reduction in duplication of reporting*
- **S4.1:** Undertake an organisation-wide review to uncover "hidden" income potentials
- **S4.2:** Undertake an organisation-wide review to identify areas where there is capacity to leverage current qualified staff to offer services on a fee for service basis within Council, to other councils within the Namoi JO and other organisations regionally
- **S4.3:** Pursue innovative revenue generation opportunities
- **S4.4:** Consider options for applying for a special rate variation
***Outcome:** Identify if the costs of some activities can sensibly be passed onto end users, understand if there is capacity to offer services to other members of the Namoi JO and explore opportunities to generate further revenue*

- **S5.1:** Develop policy parameters for asset disposal against which Council assets can be evaluated
- **S5.2:** Sale of surplus real property assets
***Outcome:** Ensures that assets are fully utilised and retained in accordance with the community's aspirations as articulated in the CSP*
- **S6.1:** Attracting and retaining employees and ensuring employees are qualified for their role or there is genuine up-skill potential
***Outcome:** To maintain adequate human resources to provide the community with the services required at the negotiated level of service*
- **S7.1:** Develop existing senior finance role to adopt more Chief Financial Officer attributes as part of role
***Outcome:** Enshrining some characteristics attributable to a chief financial officer within the existing organisational structure will, among other things, place a greater emphasis on financial management and control throughout the organisation*

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

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

The Sustainability benchmarks indicate how councils will **generate sufficient funds over the long-term to provide the agreed level and scope of services and infrastructure for communities** as identified through the Integrated Planning and Reporting process. These measures examine whether councils are financially sustainable, having regard to their agreed service and infrastructure commitments with their community.

The relevant benchmarks are as follows:

- 1) **Operating Performance Ratio** – Core measure of financial sustainability and indicates the capacity of a council to meet ongoing operating expenditure requirements.
- 2) **Own Source Operating Revenue Ratio** – Councils with higher own source revenue have greater ability to control their own operating performance and financial sustainability.
- 3) **Building and Asset Renewal Ratio** – Measures whether a council's assets are deteriorating faster than they are being renewed and also indicates whether a council's infrastructure backlog is likely to increase.

Based on MPSC's historical, current and forecast performance against these benchmarks, we have identified the key objectives and strategies below to either continue to satisfy these benchmarks or improve our performance for the 2016-2020 period. In putting forward these objectives and strategies, it should be noted that:

- Our approach is underpinned by our interpretation of the Sustainability benchmarks, as outlined above.
- Historically, MPSC's performance in respect of the Own Source Operating Revenue performance ratio has been affected by one-off or for-purpose grants, primarily funding for flood damage. Funding of this nature is provided in circumstances outside the control of the local government authority (in response to an event warranting such funding in order to restore the community's infrastructure and services). When such an event occurs and funding is forthcoming, receipt of the same cannot be forecast but must form part of this performance ratio. Receipt of such funding monies during the 2016-2020 period would materially affect our Own Source Operating Revenue performance ratio. However, given that this funding (in the case of flood damage) is provided to "make good" the local government area and return it to the state it was immediately prior to the relevant event, it would be appropriate for such funding to be excluded from this performance ratio going forwards.
- As foreshadowed in our Delivery Program and Operational Plan, MPSC intends to investigate the potential for Council to apply for a

special rate variation commencing in the 2016-2017 rating year as a means of obtaining additional funding in respect of the unsealed road network within the Shire. While this will potentially generate additional revenue for Council, it should be noted that these funds are earmarked for a specific purpose and the application for a special rate variation is subject to community consultation to be undertaken in the forthcoming financial year.

- For some services provided by Council, the fees structure is determined or capped by external forces including by regulation. This impedes Council's ability to determine fees on a cost recovery basis.
- It is anticipated that these strategies will deliver statistically significant improvement, with efficiency savings of at least 2%. It is anticipated that some of these initiatives will deliver greater efficiencies than 2% in some Departments, however, Council has adopted a modest view of the savings which can be realised across the organisation. Such gains will be redirected to, among other things, maintaining our existing asset base (for example, primarily the existing sealed local road network and improving drainage on the sealed and unsealed local road networks).

3.1 Sustainability

Outline your strategies and outcomes in the table below.

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
S1. Continue to build our organisational capacity and skill for financial management and long-term planning	<p>1.1 Undertake a thorough budget review process ahead of each financial year to critically analyse financial performance both at a Departmental level and as an organisation as a whole</p> <p>a) Meetings between our Finance Department and each other Department to review the annual budget and determine where Departmental efficiencies have been realised in the current financial year and determine what increases (if any) should be applied to the budget. By way of example, instead of a blanket application of a CPI increase, each line item will be evaluated to determine if such an increase is needed. Further, any realised efficiencies can be recognised in the future budget</p> <p>b) Meetings between our Human Resources Department</p>	<p>a) Meeting of MANEX and Managers to formulate an organisational-wide budget proposal. This acknowledges that priorities for each particular Department may not always be consistent with the overarching financial performance and position of our organisation as a whole and it is the operational responsibility of Council management to critically evaluate this in formulating an appropriate budget for Council's deliberations</p> <p>b) MANEX presentations to Council on new projects/ existing projects which will have a significant budgetary impact</p> <p>c) Presentation of our budget for forthcoming financial year for consideration by Council</p>	<p>A more strategic approach to formulation of our annual budget is being pursued. Rather than applying an arbitrary financial increase across the budget, a process is being adopted for the organisation (as a whole) to critically evaluate expenditure needs</p> <p>Whilst the overriding aim of the organisation is to sustain an operating surplus, it is acknowledged that this may be hindered by currently unforeseeable events and matters which may have a material adverse effect on MPSC's ability to realise an operating surplus in each future financial year. However, it is anticipated that Council will be in a position to have a net operating surplus over a rolling three (3) financial year period, from time to time</p>	Positive impact on the Real Operating Expenditure benchmark

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>and each other Department to review Departmental staffing requirements to achieve the desired outcomes of the Delivery Program and Operational Plan and service level targets</p> <p>c) Following completion of a) and b), management review and evaluation of the outcomes of Department-level meetings to determine <u>organisational priorities</u> having regard to the desired outcomes of the Delivery Program and Operational Plan and agreed service level commitments</p> <p>d) Each Department to have a designated budget manager</p>	<p>d) Public exhibition of our budget to provide community members with the opportunity to make submissions</p>		
<p>S2. Promote continuous budget accountability and monitoring of financial position and performance throughout the financial year as an organisation-wide initiative</p>	<p>2.1 Ensure continuous review and management of departmental budgets is prioritised for MANEX/ Management on a monthly basis</p> <p>a) Each Department to have a designated budget manager</p>	<p>a) Departments (including their MANEX representative) will be responsible for monitoring budget performance in a more timely manner through continuous review. This will include obtaining MANEX/ management approval (as appropriate) prior to incurring expenditure outside</p>	<p>It is anticipated that these initiatives will impose a greater level of accountability and transparency in the management and control of budgets for the organisation as a whole</p> <p>It will also ensure that Managers, MANEX and Councillors are fully cognisant of all current and</p>	<p>Positive impact on the Real Operating Expenditure benchmark</p> <p>There may also be consequential effects on other benchmarks. For example, the Debt Service Ratio - if a material adverse variation is identified which cannot be funded through other</p>

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
		<p>budgeted provisions</p> <p>b) The General Manager will be in a position to seek monthly reports on the financial status of the organisation to identify key material variations (both positive and negative) in a timely manner</p>	<p>future financial implications when making decisions in relation to such matters</p> <p>This facilitates expedited consideration by Council of material variations so decision-making by Council on financial matters remains current and informed</p>	revenue sources and can only be funded by debt
	2.2 Report back to Council in a timely manner (at the earliest possible opportunity) where material variations have been identified or are anticipated	a) Where there is a reasonable expectation of a significant variation to the budget for a project/ program area, this would be brought to the attention of Council within the Monthly Financial Report or, if additional detail is needed, within a separate report to Council		
	<p>2.3 Reports to Council to ensure project alignment with the CSP and identify sources of funding where provision has not been made in the budget</p> <p>a) Embed a decision-making matrix to ensure that the aspirations of the community in</p>	a) Prior to undertaking work in relation to any new project, an assessment must be carried out to confirm the project is an activity identified in the current Delivery Program and Operational Plan or is consistent with the CSP. If		

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>the CSP are at the forefront of project development and MPSC's assessment of a project against the CSP is better entrenched in reporting to Council</p> <p>b) Financial implications of matters to be determined by Council to be included in reports (as applicable) including:</p> <p>i) Proposed source of funds or funding options, where no budget provision has been made or alternative sources of funding within the existing budget have been identified</p> <p>ii) Ongoing operational costs, if applicable</p> <p>iii) Future capital outlays required, if known</p> <p>iv) Impact to operating result in current and future years, as applicable</p> <p>v) Impact to cash in current and future years, if applicable</p>	<p>this is not the case, the project must be referred to MANEX before resources are committed, for example, in relation to a unique opportunity</p> <p>b) The responsible officer of any proposed report to Council which will affect the financial performance and/or position of the organisation must liaise with the Finance Department so appropriate details of the implications can be provided to Council (at the time the report is presented to Council)</p> <p>c) MANEX to approve any such report prior to its inclusion in the Business Paper</p> <p>d) The financial implications of any such report must be acknowledged when that report is presented to Council</p>		
S3. More fully understand the functions and activities	3.1 Development of a new general ledger structure	a) Monthly reporting to MANEX by department	Whilst a significant undertaking, this will ensure:	Positive impact on the Infrastructure Backlog

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
delivered by Council and their cost to better evaluate levels of service provided	<p>a) In order to better capture the net cost of functions carried out by Council each activity, program or project undertaken will be assigned a unique task number to capture all associated revenue and expenditure</p>	<p>managers on performance; actual versus projected</p> <p>b) Quarterly presentation by MANEX to Council on performance; actual versus projected in the form of the Quarterly Budget Review Statement (QBRs)</p> <p>c) Capturing the true cost of activities, programs and projects</p> <p>d) Access to a forensic tool to evaluate staff development and efficiencies</p>	<p>a) a greater understanding of the cost of activities undertaken by Council enabling a more informed allocation of resources</p> <p>b) consideration of the full cost of services when setting fees and charges</p> <p>c) the provision of information to Council to rationally review and set levels of service</p> <p>The review and reporting mechanism will promote early intervention where results are undesirable</p> <p>An important by-product is that the tool will allow managers to assess staff progress with repetitive tasks. By way of example, it is anticipated that this will reveal how quickly it may take a new employee to become competent in certain tasks. As for repetitive services, it is assumed that an employee will become better and more efficient with each successive task of that nature</p>	<p>Ratio and Asset Maintenance Ratio</p> <p>Potential impact on the Real Operating Expenditure benchmark</p> <p>Positive impact on development of the organisation's annual budget – Objective S1 above</p> <p>Supports Objective E1, Strategy 1.2 as restructuring the general ledger will permit recording of time against projects/work orders</p> <p>Supports Objectives ISM1 and ISM2</p>

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>3.2 Consider implementation of a software system to report on progress against our Delivery Program and Operational Plan which integrates with our financial system</p> <p>a) Investigate programs to track our progress on priorities and activities linking directly with the financial system. This will intrinsically tie the organisational budget to the desired outcomes of the Delivery Program and Operational Plan. As a key service provider to our community this will provide a clearer view on the allocation of resources to each of these service/program areas</p>	<p>a) Quarterly reporting to Council as part of the QBRS</p>	<p>This will enable Council to obtain a full understanding of the cost of activities undertaken to address our community's priorities and ensure Council is not allocating resources to activities/projects outside the scope of, or inconsistent with, those priorities. Additionally, it will significantly reduce duplication of reporting as currently we report on our IPR progress and financial performance separately</p>	
<p>S4. Strengthen our revenue base through the identification of new funding sources and revenue generation opportunities</p>	<p>4.1 Undertake an organisation-wide review to uncover "hidden" income potentials</p> <p>a) As a very connected community, some services have developed to a level where the Council service provider is widely known and contacted directly by</p>	<p>a) All departments to identify services delivered and determine if any such services go beyond the committed or an appropriate level of service</p> <p>As a starting point, this will include an analysis of activities undertaken at overtime rates to determine</p>	<p>This will build Council's understanding of the services provided and the associated cost of activities undertaken and potentially identify if the cost of some such activities can be sensibly passed onto the user to generate further revenue for Council</p>	<p>Positive impact on the Real Operating Expenditure benchmark</p> <p>Positive impact on the Infrastructure Backlog Ratio and Asset Maintenance Ratio</p> <p>Supports Objective ISM1</p>

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>community members. This results in delivery of a high level of service (and associated customer satisfaction) beyond the organisation's committed service level without true reflection on the cost to the organisation of that service, and whether that is the level of service desired once the additional cost is understood. By way of example, the provision of snake capture services by the ranger during the week and weekends</p>	<p>if those tasks warrant the overtime expenditure by the organisation. For some services (for example, water and sewer), the critical nature of the service may dictate the required service level and justify the associated costs. However, for other services (for example, catching wandering dogs on the weekend), the overtime cost is unlikely to justify the need for this service outside of usual business hours</p> <p>b) Where service provision goes beyond committed levels or is not an appropriate use of resources, MANEX and Council need to determine which level of service is the minimum technical level to discharge statutory obligations and mitigate risk and which level of service might be able to be provided under a user pays model (By way of example, the ranger might provide after hours assistance only</p>	<p>These services can still be provided by Council but costs can be recovered. Alternatively, such services might be appropriate to be provided by other partners in the Namoi JO given the full cost recovery proposition</p> <p>It will also facilitate a greater understanding of Council's core activities and functions and the levels of service for which commitment has been provided to the community and which are appropriate</p>	

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
		in the case of dangerous dogs. Should residents seek a snake capture, this service could be offered by Council as a fee for service only)		
	<p>4.2 Undertake an organisation-wide review to identify areas where there is capacity to leverage current qualified staff to offer services on a fee for service basis within Council, to other councils within the Namoi JO and other organisations regionally</p> <p>a) This would form the basis of an organisation-wide initiative to undertake ongoing role optimisation as demands change and emerge – internal reviews can create additional capacities. Such reviews will also identify gaps (for example, periods of extended employee leave) which may be better served through service provision on an “as needs basis” by partners in the Namoi JO</p> <p>b) By way of example, our</p>	<p>a) All departments to review utilisation levels of all staff to determine if additional capacity exists in certain areas</p> <p>b) Departments to evaluate areas of capacity to determine if it would be an appropriate opportunity for shared service provision</p> <p>c) Liaise with the Finance Department to model shared service provision to financially prove the potential value to the organisation</p> <p>d) Approach councils within the Namoi JO or other organisations regarding the shared service offer</p> <p>e) The General Manager can report back to the Namoi JO as to the progress of this shared</p>	<p>Where staff are not fully utilised in undertaking work for MPSC and there is value in providing those services within or outside Council to other members of the Namoi JO or other organisations (and a ready market for such services exists), there is a real opportunity for Council to generate additional revenue in providing those services in a manner outside the traditional model</p>	

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>Planning and Development Assessment team is currently finalising the arrangements for MPSC to provide building surveying services to Narrabri Shire Council on a fee for service basis</p> <p><i>Refer to Detailed Action Plan for modelling on this specific service example</i></p>	<p>service to determine if its operation can be extended or the model utilised by others in the Namoi JO</p>		
	<p>4.3 Pursue innovative revenue generation opportunities</p> <p>b) By way of example, our Water and Waste Department has Council approval in relation to the lease of land to a third party for a waste-to-energy enterprise. Rather than a set monthly lease payment, the tenant will be charged a fee for each tonne of waste processed</p>	<p>a) Identification of revenue generation opportunities</p>	<p>Council is exploring opportunities to generate revenue from new sources. Clearly, this will be undertaken on a case-by-case basis, with the example provided as regards the waste-to-energy project demonstrating circumstances where Council now has an opportunity to share in the financial benefits of the success of a project</p>	
	<p>4.4 Consider options for applying for a special rate variation</p> <p>a) As foreshadowed in our Delivery Program and</p>	<p>a) Early in the new financial year, a presentation will be made to Council by the Engineering Department in relation to the sustainability of the unsealed road</p>	<p>At present, it is not known if a special rate variation will be applied for as this will depend on Council's deliberations. However, if such application is made,</p>	

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Operational Plan, Council intends to investigate the potential to apply for a special rate variation commencing in the 2016-2017 rating year as a means of obtaining additional funding in respect of the unsealed roads network within the Shire	network b) Council wishes to undertake a community consultation process in the 2015-2016 financial year to, among other things, engage with the community to gauge its support for a special rate variation	this will be a means of acquiring additional funding to be able to deliver services and infrastructure that the community has requested and that Council is currently unable to fund within its existing revenue	
S5. Realise better value from assets through multi-criteria analysis	5.1 Develop policy parameters for asset disposal against which Council assets can be evaluated a) Whilst Council has recognised the need to dispose of some of its assets which are considered surplus to its needs, no strategy has been developed to define "surplus" assets and ensure this is undertaken in a measured and consistent way	a) Development of an asset disposal strategy, which may involve the sale of assets or hiving off appropriate assets, where feasible, into arms-length business service units with capacity to generate more commercial returns	This strategy will ensure that assets are fully utilised and retained in accordance with the community's aspirations as articulated in the CSP. Assets which are not meeting required service levels, are cost-prohibitive or are wholly or partially redundant can then be disposed of in the most appropriate way and on a consistent basis. This strategy also supports the emergence of non-asset service delivery By way of example, certain items of plant may not be fully utilised by the organisation. Such assets have a necessary and ongoing maintenance	Positive impact on the Asset Maintenance Ratio and Real Operating Expenditure benchmark

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
			requirement, so it may be more cost effective to dispose of such assets and hire the relevant plant as and when required	
	5.2 Sale of surplus real property assets a) Review Council's land stocks, identify land with future strategic significance in line with the Delivery Program and Operational Plan b) Reclassify surplus community land to operational and make application to remove all restrictions on title	a) Finalise land reclassification from community land to operational land and make application to remove all restrictions on title b) Compile a comprehensive list of surplus land for sale consideration and/ or future strategic purposes c) Offer land for disposal according to Council's procurement policy	These strategies will identify surplus land, reduce Council's unused land stocks, reduce open space maintenance costs, open up land for potential development and free up funds for investment in other strategic priorities	Positive impact on the Asset Maintenance Ratio and Real Operating Expenditure benchmark
S6. Maintain adequate human resources to provide the community with the services required at the negotiated level of service	6.1 Attracting and retaining employees and ensuring employees are qualified for their role or there is genuine up-skill potential a) Recruitment of adequately qualified staff is central to MPSC's ability to deliver services to the community	a) Prior to undertaking recruitment for a vacant existing role, the organisation must review the necessity of that role b) If the role is ascertained to be of continued value to the organisation, it is essential for a	Ensuring appropriately qualified staff are attracted to, and retained by, the organisation is vital to ensure that services are delivered by the most appropriately qualified personnel for each particular service in order for service delivery to be undertaken efficiently.	Positive impact on the Real Operating Expenditure benchmark

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>efficiently</p> <p>b) Retention of staff is equally vital given the significant cost of recruitment and integration of a new employee into the organisation. Implementing strategies such as mentoring, coaching and buddy arrangements aims to assist with achieving high staff retention rates</p> <p>c) Placement of highly skilled employees in appropriate positions maximises the organisation's ability to deliver relevant services in the most efficient and effective manner</p> <p>d) In the absence of an ability to recruit an employee for a particular position who possesses all requisite qualifications and experience, a more discerning evaluation of candidates should be undertaken to identify if any candidate has genuine up-skill potential and if the organisation is in a position to support the initiative to grow that candidate into the role. It is acknowledged that this may result in a role remaining</p>	<p>comprehensive position description review to be undertaken to ensure that the appropriate skills are . Further, if the position is an existing role, there is an opportunity to formally document additional responsibilities where efficiencies have been identified and realised</p> <p>c) As part of the recruitment process, the interview panel must have a clear mandate on the expectations of the role and decline to recruit if applicants do not possess adequate skills – up skilling “on the job” is not always preferred unless real potential exists</p> <p>d) Retention, and job satisfaction, of the employee</p>	<p>Further, if the right person is in the right job, service efficiencies are realised immediately as the need for external assistance to supplement that person's skill set is diminished</p> <p>Candidates who do not possess the requisite skills, qualifications and experience should not be recruited unless there is genuine up-skilling potential and the organisation is well placed to provide such support</p> <p>For certain services, we can avoid building excessive costs into the system by utilising expertise amongst the Namoi JO partners to have one “expert” who provides guidance and mentoring to more junior employees of other Namoi JO partners. Correctly managed, this would generate greater economies of scale for that service across the region, allowing our Council to plough back efficiency gains into other benefits for the community</p>	

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>unfilled</p> <p>e) Consider opportunities for regional cooperation through the Namoi JO in certain areas</p> <p>By way of example, certain services might be appropriately led on a regional basis under the auspice of a single highly-skilled employee of a Namoi JO partner, with other Namoi JO members utilising employees of lesser qualifications and experience but who can seek guidance from the regional “champion” under a fee for service model or as part of a mentoring program</p> <p>This is already effectively being undertaken for one (1) role in our Planning and Development Department at present</p> <p>f) Management of new employee performance during the probation period to ensure organisational outcomes for the position are realised</p>			

3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
S7. Improve financial focus at a strategic level	<p>7.1 Develop existing senior finance role to adopt more Chief Financial Officer (CFO) attributes as part of role</p> <p>a) To manage Council's financial risk holistically and act as an internal auditor of Council's commitment to financial management</p> <p>b) This person would be involved in all strategic decisions relating to budget management including review and analysis of proposed projects and new undertakings of Council</p>	<p>a) Monthly presentation to MANEX on key financial indicators</p> <p>b) Quarterly presentation of Council's financial position to Council in the form of the QBRS from a strategic perspective</p>	<p>Enshrining some characteristics attributable to a CFO within the existing organisational structure would:</p> <p>a) place a greater emphasis on financial management and control throughout the organisation</p> <p>b) promote a more rigorous and commercial evaluation of Council's operations and efficiency gains</p> <p>c) inform and encourage a more strategic financial focus of Councillors</p>	<p>Positive impact on the Real Operating Expenditure benchmark</p>

3.2 Infrastructure and Service Management

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

The following details the key strategies to be pursued by MPSC to improve our performance against the Infrastructure and Service Management benchmarks:

- **ISM1.1:** Audit services provided to the community and within the organisation and the current committed levels of service
Outcome: *A greater understanding of the services being provided to the community and those being sought by the community to evaluate if the organisation's resources are being utilised in a manner which best serves the aspirations of the community*
- **ISM2.1:** Engagement with the community regarding sought levels of service and willingness to pay
- **ISM 2.2:** Engagement with asset owners to determine technical levels of service (including in respect of the management of risk)
- **ISM 2.3:** Document levels of service for all key activity areas
Outcome: *Ascertain the level of service sought by the community, having regard to the community's willingness to be financially responsible for that level of service*
- **ISM 3.1:** Upgrade the asset management data system to include a mobile module to gather asset field data electronically
- **ISM 3.2:** Expand the infrastructure data in the asset management data system to cover the majority of the infrastructure assets
- **ISM 3.3:** Expand the workorder module in the corporate asset management system to include more infrastructure assets in addition to road network assets
Outcome: *Improved resource management*
- **ISM 4.1:** Analyse the performance data of infrastructure assets
Outcome: *Ability to quantify if Council is meeting service levels targets*
- **ISM 5.1:** Review, update and implement sound optimal decision-making processes for analysing the economic, social and environmental benefits associated with infrastructure asset planning
Outcome: *A transparent, accountable and auditable decision-making process to guide Council*
- **ISM 6.1:** Develop and implement a maintenance management plan to accommodate current and future asset maintenance requirements
- **ISM 6.2:** Review and update the capital works program (currently based in Long-Term Financial Plan) to include a more detailed project management program
Outcome: *More precise information on the long-term financial commitments associated with Council's assets*

- **ISM 7.1:** Continue to monitor a trial on a number of roads (sealed, gravel & black soil) using a polymer road stabilising product
- **ISM 7.2:** Continue to monitor the trial being conducted on a gravel road using lime as a road stabiliser

Outcome: *If trials are successful, there may be a reduction in maintenance costs associated with the unsealed road network*

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

A council that meets the Infrastructure and Service Management benchmarks seeks to maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities.

The relevant benchmarks are as follows:

- 1) **Infrastructure Backlog Ratio** – Measures how effectively a council is managing its infrastructure. Increasing backlogs may affect a council's ability to provide services and remain sustainable.
- 2) **Asset Maintenance Ratio** – Measures whether a council is spending enough on maintaining its assets to avoid increasing its infrastructure backlog.
- 3) **Debt Service Ratio** – Indicates whether a council is using debt wisely to share the life-long cost of assets and avoid excessive rate increases.

Based on MPSC's historical, current and forecast performance against these benchmarks, we have identified the key objectives and strategies below to either continue to satisfy these benchmarks or improve our performance for the 2016-2020 period. In putting forward these objectives and strategies, it should be noted that:

- Our approach is underpinned by our interpretation of these benchmarks, as outlined above.
- MPSC's Infrastructure Backlog and Maintenance commitments in relation to the Shire's unsealed road network has been determined in accordance with the following assumptions:
 - The **Infrastructure Backlog Ratio** did not meet the benchmark of 2% in 2013-2014 financial year. During the intervening period, further data has been gathered in conjunction with an organisational review of previously agreed upon levels of service, arising from the community consultation process undertaken as part of Council's Special Rate Variation applications in 2009 and 2010. This is particularly relevant for the unsealed road network for which no backlog has been recognised in future years' calculations.
 - In 2010, the Council applied for a Special Rate Variation to fund the sustainable maintenance of the sealed road network within the Shire. At that time, it was established that Council did not have sufficient resources to maintain a cyclical gravel resheeting program on the 1,680km gravel road network; the estimated backlog at that time associated with this asset was \$16.7million. Following the consultation associated with the application for a Special Rate Variation, the revised level of service on these roads was agreed to be basic routine maintenance with resheeting only to occur on critical access routes and high priority floodways. As a consequence of this level of service, the gravel network will revert to black soil over time and be dry weather access only.

- As noted in this Section, the Council intends on going out to the community in the coming year to, among other matters, revisit levels of service across all services delivered by Council. This is foreshadowed in our Delivery Program and Operational Plan (refer to **Annexure 3**).
- During the 2014-2015 financial year, we reported back to the community as to our progress in relation to the Delivery Program and Operational Plan through community meetings and information flyers. However, for many reasons, we did not undertake a community engagement process in respect of the FFTF reforms and the impact this may bring to bear on the organisation and, in turn, our community. Primarily, this was not undertaken as Council endorsed the preparation of a Council Improvement Proposal (Template 2) as MPSC is largely building upon, and applying across the organisation, existing strategies for improvement. Further, there is a significant amount of preparatory work which must be undertaken (as noted in the Strategies in this Section) before a community engagement process can be sensibly and valuably undertaken.
- It is difficult to anticipate what this engagement process may bring, but it may be the case that this process will result in the community seeking a higher level of service in respect of the unsealed road network. This process may result in a revision of the backlog figures shown however, given current estimates to bring the entire gravel network up to Condition 2 “Good” are in the realm of \$20million, without significant increases to revenue, this is considered well beyond the capacity of Council’s current rate revenue base.
- Again, in our Delivery Program and Operational Plan (refer to Annexure 3), we have foreshadowed an intention to investigate the potential for Council to apply for a special rate variation commencing in the 2016-2017 rating year as a means of obtaining additional funding to enable the delivery by Council of services and infrastructure that are significant to the community (in particular, in respect of the unsealed road network within the Shire) but that Council is unable to fund within the existing revenue structure.
- As shown in **Section 4.1**, Council’s performance against the **Asset Maintenance Ratio** continues to improve and reaches the benchmark target by the conclusion of the 2019-2020 financial year. As noted above, a review of previously agreed upon levels of service in respect of the unsealed roads identified that with the exception of resheeting on critical access routes and high priority floodways, only routine maintenance would be carried out on these roads. If these roads were to be maintained as all weather (gravel), the estimated annual cost in today’s dollars to undertake a cyclical resheeting program would be approximately \$6.7million per annum.
- Council has resolved to undertake consultation with our community to, amongst other things, determine the level of service the community seeks (and is willing to pay for) in relation to the unsealed road network. The outcome of such consultation will impact on the Council’s performance against the Infrastructure Backlog Ratio and the Asset Maintenance Ratio.
- It is anticipated that the Strategies set out in **Sections 3.1 and 3.3** will deliver efficiency savings of at least 2%. It is anticipated that some of these initiatives will deliver greater efficiencies than 2% in some Departments, however, Council has adopted a modest view of the

savings which can be realised across the organisation. Such gains will be redirected to, among other things, maintaining our existing asset base (for example, primarily the existing sealed local road network and improving drainage on the sealed and unsealed local road networks).

- Our performance as against the Debt Service Ratio is within the required parameters and is maintained at the current level in accordance with a long-held policy of our Council. This also provides MPSC with a source of funding to cope in times of unexpected change.

3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
ISM1. More fully understand the functions and activities delivered by Council and their cost to better evaluate levels of service provided	<p>1.1 Audit services provided to the community and within the organisation and the current committed levels of service</p> <p>a) To better understand the commitment of our employees to service and infrastructure delivery, an audit will be undertaken to capture all services provided both externally (for example, waste collection) and internally (for example, recruitment) and the current committed level of service</p>	<p>a) All Departments need to articulate the services provided both within the organisation and to the community</p> <p>b) For each service, the current level of service needs to be defined and the varying levels of service (for example, critical, core, optional/ value-add, aspirational) which could be provided need to be identified, subject to any minimum level required to discharge statutory obligations or mitigate risk (including, in respect of assets, operational, technical, financial, legal, social and environmental risks)</p> <p>c) An evaluation then needs to be undertaken to compare the level of service currently being provided and whether this accords with</p>	<p>It is timely for the organisation to obtain a greater understanding of the services being provided to the community and those being sought by the community</p> <p>By identifying all the services provided, the current level of service and evaluating if such level of service accords with commitments made to recipients, we can better understand how the organisation's resources are being utilised and if they are being utilised in a manner which serves the aspirations of the community. It will also highlight services which are provided by Council which may not be within its traditional domain</p> <p>This will provide a sound basis to proceed with a large scale community consultation on services, levels of service,</p>	<p>Positive impact on the Infrastructure Backlog Ratio and Asset Maintenance Ratio</p> <p>Potential impact on the Efficiency Performance Ratio</p> <p>Positive impact on development of the organisation's annual budget – Objective S1 above</p> <p>Supports Objective S3 above and Objective E1, Strategy 1.2</p>

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
		commitments made to service recipients (external and internal) and evaluate if that commitment remains sustainable	costs and gauging the community's willingness to pay for services	
ISM2. Establish satisfactory target levels of service that appropriately balance realistic community expectations, associated risks and financial sustainability	<p>2.1 Engagement with the community regarding sought levels of service and willingness to pay</p> <p>2.2 Engagement with asset owners to determine technical levels of service (including in respect of the management of risk) for infrastructure assets to achieve statutory requirements and minimum total costs of ownership</p> <p>2.3 Document levels of service for all key activity areas</p>	<p>a) Development of information resources to quantify key service areas</p> <p>b) Hold community engagement sessions on key service areas, including in respect of the unsealed road network</p> <p>c) Document levels of service within Asset Management Plans and incorporate an assessment of the risks associated with such assets and strategies to manage those risks</p> <p>b) Depending on the agreed level of service of infrastructure assets, re-evaluate the backlog and maintenance commitment of the organisation. This is likely to include re-forecasting MPSC's performance against the Infrastructure Backlog Ratio and Asset Maintenance</p>	<p>It is timely for Council to undertake a broad scale community engagement program to ascertain the level of service sought by the community for each service delivered, having regard to the community's willingness be financially responsible for that level of service</p> <p>This program will foster a better community understanding of:</p> <p>i) the services Council provides</p> <p>ii) service level and cost trade-offs</p> <p>iii) minimum requirements to mitigate risk</p> <p>iv) implications of various levels of service on overall budgets and rates;</p> <p>with the ultimate outcome being sustainable service levels that are acceptable to</p>	Potentially all measures

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
		Ratio	the community	
ISM3. Enhance the infrastructure asset data collection process to enable improved reporting, strategic planning, maintenance forecasting and financial management across the organisation	<p>3.1 Upgrade the asset management data system to include a mobile module to gather asset field data electronically</p> <p>3.2 Expand the infrastructure data in the asset management data system to cover the majority of the infrastructure assets</p> <p>3.3 Expand the workorder module in the corporate asset management system to include more infrastructure assets in addition to road network assets</p>	<p>a) MANEX and Managers (in consultation with Council staff) to analyse, select and implement the most appropriate mobile system for Council's current and future requirements</p> <p>b) Audit and update the asset management data system to accommodate new and existing assets in more in-depth detail</p> <p>c) Analyse, develop and implement the rollout of Council's workorder system for infrastructure assets across the organisation</p>	<p>These strategies will drive improved resource management leading to less double handling of data thus optimising operational efficiency</p> <p>It is anticipated that data errors will diminish, resulting in increased confidence in, and reliability of, the data</p> <p>An improved collection process will improve the data available for asset management analysis in regards to financial management, determination of useful lives, deterioration curves and the effects of preventative maintenance policies and procedures. This will also foster improved accountability and transparency of legal liability issues</p> <p>This will also improve Council's knowledge regarding the whole of life costs for infrastructure assets</p>	Positive impact on all measures

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
ISM4. Enhance the Council's performance management measures for service delivery in relation to the infrastructure assets	4.1 Analyse the performance data of infrastructure assets	<ul style="list-style-type: none"> a) Review policies and procedures for measuring performance of infrastructure assets b) Ensure that the performance indicators for both existing and proposed levels of service are defined in the Delivery Program 	The performance indicators for all infrastructure assets will be used to quantify if Council is meeting service levels targets (or the degree of under/over servicing) in the most effective way at the lowest cost over the life cycle of an asset	Positive impact on the Operating Performance Ratio and Building and Infrastructure Asset Renewal Ratio
ISM5. Review formal decision-making policies and procedures for the long-term management of the infrastructure assets	5.1 Review, update and implement sound optimal decision-making processes for analysing the economic, social and environmental benefits associated with infrastructure asset planning	a) MANEX and Managers in consultation with Council staff to review, update and implement a decision-making policy and procedures that utilise techniques such as Multi Criteria Analysis and Benefit Cost Ratio methods that can be applied to all infrastructure decision-making	This will promote a transparent, accountable and auditable decision-making process which will act as a framework to guide Council in making decisions to ensure that assets are being managed, upgraded and acquired to meet the demand requirements of the community	Positive impact on the Operating Performance Ratio
ISM6. Enhance the maintenance management and capital works planning practices for the long-term and short-term management of the infrastructure assets	6.1 Develop and implement a maintenance management plan to accommodate current and future asset maintenance requirements 6.2 Review and update the capital works program (currently based in Long-	<ul style="list-style-type: none"> a) Reviewing and updating the maintenance schedules for critical assets b) Developing predictive maintenance forecasting to plan long-term and short-term maintenance 	<p>This will deliver more precise financial information for the budgeting process and continue to improve our project management practices</p> <p>It is anticipated that further efficiency gains will be</p>	Positive impact on the Operating Performance Ratio, Building and Infrastructure Asset Renewal Ratio and the Real Operating Expenditure benchmark

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Term Financial Plan) to include a more detailed project management program	schedules	realised through improved resource planning and distribution including labour, contractors, materials and equipment	
ISM7. Invest and trial new and emerging technology in road stabilising products that may assist in reducing the whole of life costs for the road network particularly on gravel roads	<p>7.1 Continue to monitor a trial on a number of roads (sealed, gravel & black soil) using a polymer road stabilising product</p> <p>7.2 Continue to monitor the trial being conducted on a gravel road using lime as a road stabiliser</p>	<p>a) Monitor the current trial locations over the next 24 months to determine the suitability (social, environmental and economic) of the polymer road stabilising product for further application across the entire road network</p> <p>b) Monitor the current lime stabilisation trial locations over the next 24 months to determine the suitability of lime as a road stabiliser on gravel roads</p>	<p>If the trial is successful, it is predicted that the polymer road stabilising product will reduce maintenance costs. Early results from the trial are indicating that the polymer road stabilising product is not suitable for black soil roads as it causes the road to be too rigid, though there have been some positive results on gravel roads and even better results on sealed roads.</p> <p>If the trial of using lime for road stabilisation continues to be successful, it is predicted that there will be a decrease in the whole of lifecycle costs for the unsealed road network. Early results from the lime stabilisation trial are showing a dramatic reduction in maintenance required over the 500m trial section in comparison to the 500m gravel road being used as the</p>	Positive impact on the Real Operating Expenditure benchmark

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
			control road	

3.3 Efficiency

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

- **E1.1:** Development of Key Performance Indicators
- **E1.2:** Accurate recording of time
Outcome: Provide greater transparency of management expectations of roles
- **E2.1:** Continue to champion continuous review and optimisation across the organisation
- **E2.2:** Profile staff capabilities to understand skills available in-house
- **E3.1:** Improve succession planning and fatigue management
- **E3.2:** Improve management of overtime and accrued leave entitlements
Outcome: Delivery of services in the most efficient and effective manner and identification of areas of capacity and full utilisation which can be leveraged by other Namoi JO members
- **E4.1:** Maximise plant utilisation and value
- **E4.2:** Streamline the plant replacement process
- **E4.3:** Rationalise the organisation's light vehicle fleet
Outcome: Ensure that plant and equipment assets are utilised to generate the greatest value to internal and external customers
- **E5.1:** For existing systems, mandate usage to improve utilisation and the efficiencies associated with system adoption or, if the system is inadequate, cease usage
- **E5.2:** Undertake greater due diligence prior to the implementation of a new system
Outcome: Implementation of systems which add value to the organisation
- **E6.1:** Reduce duplication among the Namoi JO's members policies and procedures
Outcome: Better utilisation of staff resources
- **E7.1:** Implement a strategic project management framework that details the methodology, procedures, phases, activities and tasks required to undertake a project
- **E7.2:** Enable organisational learning to incorporate project management principles in the execution of projects
- **E7.3:** Develop strategic project coordination across Departments of Council
Outcome: Better management of projects

- **E8.1:** Ensure that an enterprise risk management framework is fully integrated into Council's strategic and operational processes
- **E8.2:** Monitor and review Risk in the context of "business strategy"
- **E8.3:** Increase risk awareness which facilitates better operational and strategic decision-making
- **E8.4:** Promote accountability for the proper and prudent management of assets in our control in order to minimise wastage, loss and damage
- **E8.5:** Review our critical infrastructure assets to ensure appropriate measures are in place to mitigate any identified risks (including operational, technical, financial, legal, social and environmental risks)
- **E8.6:** Review, update and implement preventative maintenance policies and procedures
Outcome: *Continue to embed Enterprise Risk Management into Council operations*

- **E9.1:** Identify technological advances and new means of service delivery compatible with Council's service offerings and the community's aspirations
Outcome: *Potentially transforming long-held practices and approaches*

- **E10.1** Utilisation of alternative operational models for more efficient service delivery
Outcome: *Greater organisational efficiencies and revenue generation opportunities where MPSC is the lead agency*

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

In order to meet the Efficiency Performance Benchmark, a council would seek to provide services and deliver infrastructure in a manner that achieves value for money for current and future ratepayers. The **Real Operating Expenditure** benchmark indicates how well a council is utilising economies of scale and managing service levels to achieve efficiencies.

Based on MPSC's historical, current and forecast performance against this benchmark, we have identified the key objectives and strategies below to continue to satisfy this benchmark for the 2016-2020 period. In putting forward these objectives and strategies, it should be noted that:

- Our approach is underpinned by our interpretation of the Real Operating Expenditure per capita benchmark, as outlined above.
- For the purposes of this measure, it has been assumed that the Shire's population will not increase or decrease over the period to 30 June 2020. This is a conservative stance based on projections undertaken within the organisation.
- The transfer of all MPSC small electricity sites to a government contract (as detailed in the Strategies in **Section 2.4**) is anticipated to deliver a further reduction in electricity costs (outside the water utility business) in the order of approximately \$50,000 per annum.
- It is anticipated that these strategies will deliver efficiency savings of at least 2%. It is anticipated that some of these initiatives will deliver greater efficiencies than 2% in some Departments, however, Council has adopted a modest view of the savings which can be realised across the organisation. Such gains will be redirected to, among other things, maintaining our existing asset base (for example, primarily the existing sealed local road network and improving drainage on the sealed and unsealed local road networks).

3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
E1. Maximise effectiveness of human resources through performance management	1.1 Development of Key Performance Indicators (KPIs) a) For each position within Council a set of KPIs would be developed as a management tool against which staff performance is measured	a) Development of KPIs for each position within Council by the relevant Manager and MANEX member in conjunction with each employee b) Annual performance reviews to be undertaken in which staff performance against KPIs will be measured c) More frequent reviews to be undertaken where performance issues have arisen d) KPIs to be regularly reviewed to ensure alignment with the objectives of the organisation	<p>The development of KPIs for employees will provide greater transparency of management expectations of roles and enshrine these into management of the employee's performance. For roles which are duplicated both within and across Departments (for example, labourers in various outdoor crews), this will ensure a greater level of consistency of performance</p> <p>This will improve accountability of employees for performance, thereby maximising staff effectiveness as well as explicitly providing standards of performance to be implemented by Managers when performance managing staff</p>	Positive impact on the Operating Performance Ratio

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>1.2 Accurate recording of time</p> <p>a) Administration staff to allocate their time to job numbers as outdoor staff currently do</p> <p>b) Investigate options for using time recording as a forensic tool to understand employee workflow, responsibilities and time/task commitments</p>	<p>a) Capturing the true cost of activities, programs and projects</p> <p>b) Access to a forensic tool to evaluate staff development and efficiencies</p>	<p>Whilst this represents a significant shift in thinking from the current manner of recording employee utilisation within the indoor staff, this will ensure:</p> <p>a) a greater understanding of the cost of activities undertaken by Council enabling a more informed allocation of resources and more accurate accounting of staff time against services and activities</p> <p>b) consideration of the full cost of services when setting of fees and charges</p>	<p>Supports Objective S3, Strategy 3.1 as it links with capturing of costs against our activities</p> <p>Likely to have a positive impact on the Operating Performance Ratio</p>
E2. Improved internal processes and operations	<p>2.1 Continue to champion continuous review and optimisation across the organisation</p> <p>a) Build on the organisation's culture of continuous improvement including:</p> <p>i) Reviewing processes to ensure that activities and services are undertaken in the most efficient manner</p> <p>ii) Investigating if some non-recurrent services could be</p>	<p>a) Undertaking annual performance reviews with all staff which accurately and completely reviews roles, performance against KPIs and utilisation</p> <p>b) Implementation of follow-up actions from annual performance reviews including regular performance management meetings, as needed</p> <p>c) Managing employees</p>	<p>MPSC has always championed continuous review and optimisation to ensure that the services delivered to our community are delivered in the most efficient and effective way. By putting in place analytical tools to ensure that MANEX and Managers are fully across the capabilities and utilisation levels of each employee, the organisation can improve usage of our</p>	<p>Positive impact on the Operating Performance Ratio and Own Source Revenue Ratio</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>provided regionally through the Namoi JO, with one Council providing the “expert” to oversee service delivery by more junior officers at other councils on a case-by-case basis. The cost of maintaining the “expert’s” specialised knowledge could be borne by the Namoi JO. This could be used in governance areas including compliance with <i>Government Information (Public Access) Act 2009 (NSW)</i>, <i>Public Interest Disclosures Act 2013 (NSW)</i> and administration of Councillor Code of Conduct matters</p> <p>iii) Ensure full utilisation of staff resources for purposes consistent with the Delivery Program and Operational Plan</p>	<p>during their probationary periods</p> <p>d) Identifying non-recurrent services which could be provided through the Namoi JO to maximise economies of scale</p> <p>e) Participating in benchmarking against local government and private enterprise equivalents more widely across organisational functions</p>	<p>human resources</p> <p>There are also areas of compliance applicable to councils which are called upon infrequently but which involve processes that are generally heavily prescribed by legislation. The cost for individual councils to remain “experts” in these areas is often not supported by the demand for these services. By centralising the provider of these “expert” services through the Namoi JO, all member councils will be in a position to discharge their statutory obligations by a far more economical means</p> <p>These measures will ensure that the organisation is deriving maximum benefit from its employees and delivering services to our community in the most effective way. It will also identify areas of capacity which can potentially be leveraged by other members of the Namoi JO</p> <p>For a practical example, please refer to Objective</p>	
	<p>2.2 Profile staff capabilities to understand skills available in-house</p> <p>a) Ensure staff capabilities (both within and outside their primary role) are understood so that in-house human</p>	<p>a) As part of annual performance reviews with all staff, ensure that a training and skills audit is undertaken to understand the capabilities of employees which may not be reflected in their role at</p>		Positive impact on the Operating Performance Ratio

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>resources can be fully leveraged by both MPSC and the Namoi JO</p> <p>For example, MPSC has a large number of employees who hold a Certificate III in Chemical Handling; depending on individual utilisation, some of these employees may be able to provide services to other JO members on a fee-for-service basis</p> <p>b) Maximise the return on investment of training by ensuring that:</p> <p>i) training opportunities are targeted to the most appropriate individuals (for example, only those employees who “require” a certain qualification for their position are to be offered the requisite training and maintenance of skills to retain such qualification or employees who reasonably require such training due to being part of a broader succession or fatigue management plan)</p> <p>ii) staff who receive high-level</p>	<p>Council</p> <p>b) All information gathered as part of the training and skills audit should be centralised and be the first place of reference prior to engagement of external consultants. A similar exercise across all councils of the Namoi JO should also be encouraged</p> <p>c) An analysis of the skills held within the organisation and the Namoi JO and utilisation of relevant employees will identify areas of strategic capacity where there are opportunities for MPSC to provide services to other members of the Namoi JO on a fee-for-service basis</p>	<p>S4, Strategy 4.2</p> <p>For employees, this will ensure that they are fully engaged, happy and productive as well as incentivised to invest in training</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>specialist training are utilised for that purpose within the organisation and the Namoi JO rather than external providers being engaged for such purpose</p> <p>By way of example, our Road Safety Officer holds certain qualifications to enable her to undertake high level safety audits. In our region, there is no-one similarly qualified. Provided she has adequate capacity (and this may involve siphoning off other services she provides that could be sensibly delivered by other persons), all members of the Namoi JO could access this expert and MPSC could potentially generate further revenue</p>			
E3. Strategic Workforce Planning	<p>3.1 Improve succession planning and fatigue management</p> <p>3.2 Improve management of overtime and accrued leave entitlements</p> <p>a) For some integral functions of Council, there is insufficient skilled staff to cover all hours</p>	<p>a) The organisation must determine the level of service being provided</p> <p>b) A review of the level of service should be undertaken to ensure this is aligned with the community's aspirations in the Delivery Program and</p>	<p>Certain services provided by Council are undertaken by a small number of staff having the appropriate qualifications, skills and experience. For many reasons, this is not a tenable situation in the medium- to long-term</p>	<p>Positive impact on the Operating Performance Ratio</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>necessary for the current level of service now and into the future. This is often as a result of difficulties in recruiting for specialised areas (for example, water and waste services and information services)</p> <p>b) Payment of overtime largely does not represent an efficient utilisation of staff time. Depending on the rate of overtime, the number of person hours provided for each hour of overtime does not represent good value for the organisation</p> <p>c) The organisation must determine the level of service being provided and consider if the level of service is required and/or sustainable</p> <p>d) Once the level of service is determined, consider alternative means of service provision including acquisition of human resources through the Namoi JO, additional MPSC staff or engagement of consultants, systems improvement and/or shared service arrangements to</p>	<p>Operational Plan and the nature of the service (for example, if it is an essential service)</p> <p>c) If the level of service being provided exceeds the service level targets, take steps to reduce the level of service which will also serve to manage the fatigue of those employees currently serving the elevated level of service</p> <p>d) If the level of service being provided is the agreed and necessary level of service, put in place the most efficient means of service delivery</p> <p>e) Reduction of overtime and accrued leave entitlements</p>	<p>By developing strategies to manage the fatigue of these employees and plan for the future, the organisation will realise greater efficiencies in the delivery of these services</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>manage fatigue of existing employees and develop depth of Council's capacity to deliver that service</p> <p>e) To address the ageing workforce in certain fields of service delivery, a formal in-house mentoring program needs to be developed for retaining corporate knowledge</p>			
E4. Maximise the value of Council's plant fleet and light fleet to the organisation	<p>4.1 Maximise plant utilisation and value</p> <p>a) Committing adequate resources to the ongoing monitoring and maintenance of Council's plant fleet ensures:</p> <p>i) accurate accounting of plant utilisation and expenditure</p> <p>ii) minimisation of down-time as a result of breakdowns</p> <p>iii) identification of the optimum replacement time for plant and equipment</p> <p>iv) disposal of obsolete/redundant assets/ assets which are not fully utilised and can be sourced</p>	<p>a) Ongoing review of key indicators</p> <p>b) Monthly report to MANEX on key plant utilisation statistics</p>	<p>Acquisition and maintenance of Council's plant fleet represents a significant expense. It is essential that utilisation of our plant and equipment assets is maximised to provide greatest value to our internal and external customers</p> <p>Associated costs can be minimised through effective monitoring and review processes</p>	<p>Positive impact on the Operating Performance Ratio</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>through alternative, more cost-effective means (including hire)</p> <p>b) GPS monitoring of heavy plant</p>			
	<p>4.2 Streamline the plant replacement process</p> <p>a) Commit adequate resources to purchasing plant and equipment to ensure the procurement process is undertaken in a timely manner</p>	<p>a) Delivery of plant and equipment within a specified timeframe</p>	<p>To effectively manage the plant replacement program, the time taken to procure replacement/new items of plant must be minimised to mitigate disruption to operations throughout the procurement process</p>	
	<p>4.3 Rationalise the organisation's light vehicle fleet</p> <p>a) Ensure the cost-effective operation of the light vehicle fleet based on an enhanced understanding of operational needs</p> <p>b) Optimise the use of the light fleet as part of providing employee benefits to assist in the attraction and retention of staff</p>	<p>a) Review staff motor vehicle policy</p> <p>b) Review entitlement to vehicles (for example, as a result of position within the organisation or as a term of employment)</p> <p>c) Encourage broader utilisation of essential light fleet</p>	<p>MPSC has a large light fleet. The policy will be reviewed to more accurately link the leaseback payment to the vehicle type so the payment will more accurately accord with the cost to the organisation. It will also ensure that where a light vehicle is provided in circumstances where it is not a term of employment but due to the position of the person within the organisation, there will be standardisation of vehicle</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
			<p>offering. Without wholesale review of the policy, it is felt that some employees have negotiated an improved salary package by virtue of their access to a leaseback vehicle arrangement at considerable cost to the organisation</p>	
<p>E5. Improvement in the implementation and ongoing usage of electronic systems</p>	<p>5.1 For existing systems, mandate usage to improve utilisation and the efficiencies associated with system adoption or, if the system is inadequate, cease usage</p> <p>5.2 Prior to the implementation of a new system:</p> <p>a) Undertake thorough due diligence to ensure the efficiencies promised by that system are realisable</p> <p>b) Ensure that system reporting delivers meaningful and desired reports</p> <p>c) Appoint an internal system champion</p>	<p>a) For existing systems, review and monitor the usefulness of each system</p> <p>b) If an existing system has no champion, MANEX must nominate a position within the organisation to have carriage and responsibility for that system</p>	<p>Systems should not be implemented for systems-sake. Before a new system is implemented, the organisation needs to fully understand how it works and how it will interact with other existing systems</p> <p>Experience suggests that the key to widespread system adoption is a systems champion together with MANEX buy-in for the system and its value to the organisation</p>	<p>Positive impact on the Operating Performance Ratio</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	d) Where possible, consult with Namoi JO partners to obtain advice on system adoption at other councils in the region and consider exploring consistency in software to enhance the Namoi JO's ability to provide cost-effective support			
E6. Investigate potential for centralisation of certain governance functions	<p>6.1 Reduce duplication arising from each member Council developing their own suite of policies and procedures through the development of a Namoi JO policy pool</p> <p>a) A large number of policies and procedures could be standardised for use across local government boundaries rather than every council developing their own version. Member councils could provide the Namoi JO with access to their statutorily compliant policies and procedures, with the Namoi JO identifying the "best practice" policies and procedures and standardising</p>	<p>a) All Councils in the Namoi JO to audit their current and draft policy collections to understand the status of each policy and its accompanying procedures</p> <p>b) Provide the Namoi JO with all current policies and procedures</p> <p>c) Following the release by the Namoi JO of the "best practice" policies and procedures across all members of the Namoi JO, MPSC will need to customise these for its operations (as required)</p>	<p>Policy development is a very labour intensive task which often results in the policy taking an inordinate amount of time to develop and finalise or being left in abeyance for a significant period of time, which may subject the organisation to unintended exposure to risk</p> <p>Whilst there are some classes of policies and procedures which naturally need to be prepared on an individual council basis (for example, the policy approach to coal seam gas), others could be developed under the auspice of the Namoi JO as a one-size-fits all policy, subject to minor</p>	Positive impact on the Operating Performance Ratio

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>the same for member councils to customise to their needs (as necessary)</p> <p>b) This approach could be pursued in other areas including in respect of breaches of the code of conduct</p>		customisation, as required	
E7. Enhance our capability to design, deliver and manage all projects to achieve cost-effective delivery of key priorities reflected in the Delivery Program and Operational Plan	7.1 Implement a strategic project management framework that details the methodology, procedures, phases, activities and tasks required to undertake a project	<p>a) A strategic project management framework is developed by the Executive Projects Manager and endorsed by MANEX</p> <p>b) Project implementation team appointed</p> <p>c) Strategic project management framework developed and implemented</p>	<p>Projects will be effectively managed within time, cost, scope and quality requirements</p> <p>Projects shall have appropriate authorisation, acceptance and budget established throughout the life of a project. Comfort is provided for the organisation that appropriate procedures have been satisfied and the implications of acceptance of the project and its effect on the organisation's operations and budget are fully understood</p>	<p>Only those projects assessed as contributing positively to Delivery Program and Operational Plan objectives will be considered in the budget review process, contributing to a more cohesive approach to budget preparation and management of project</p> <p>Positive impact on the Operating Performance Ratio</p>
	7.2 Enable organisational learning to incorporate project management principles in the execution	<p>a) Development of a staff communication and training package</p>	<p>Staff will be provided with an opportunity to become up-skilled with project management skills,</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	of projects	b) Implementation of the staff communication and training package	<p>increasing job satisfaction and having an overall positive effect on organisational culture. This positive effect on staff will enhance Council's performance management process</p> <p>Project managers are required to have experience, skills and available time to manage the project and their time is to be funded from the operational funds of the project so that the true cost of the project is captured</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>7.3 Develop strategic project coordination across Departments of Council</p> <p>a) This will include:</p> <p>i) Initial scoping and actor identification</p> <p>ii) Initial group review</p> <p>iii) Refinement of the project proposal by the project leader ensuring buy-in at key stages from “downstream” actors (for example, BCA check prior to DA plans locked down)</p> <p>iv) Ongoing regular, but brief consultations as required, including progressive change of the “project leader” as the project progresses through various stages</p>	<p>a) The strategic project management framework noted as part of Strategy 7.1 should accommodate this strategy</p>	<p>This would ensure that significant projects undertaken by Council are approached holistically so that the planning and execution of projects is undertaken in a sensible and cost effective sequence</p>	
<p>E8. Continue to embed Enterprise Risk Management into Council operations</p>	<p>8.1 Ensure that an enterprise risk management framework is fully integrated into Council’s strategic and operational processes</p> <p>8.2 Monitor and review Risk in the context of “business</p>	<p>a) Management to consult with employees and external stakeholders, to ensure that the risks associated with all Council services and facilities are formally identified, assessed and managed in</p>	<p>All Council activities are clearly linked to and support one or more of the strategic objectives identified in the CSP</p> <p>The provision of a safe and healthy operating environment for all</p>	<p>Positive impact on the Real Operating Expenditure benchmark and potentially the Infrastructure Backlog Ratio and Asset Maintenance Ratio</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	<p>strategy”</p> <p>8.3 Increase risk awareness which facilitates better operational and strategic decision-making</p> <p>8.4 Promote accountability for the proper and prudent management of assets in our control in order to minimise wastage, loss and damage. This includes observing “best practice” work health and safety and wider risk management processes</p> <p>8.5 Review our critical infrastructure assets to ensure appropriate measures are in place to mitigate any identified risks (including operational, technical, financial, legal, social and environmental risks)</p> <p>8.6 Review, update and implement preventative maintenance policies and procedures</p>	<p>accordance with the principles outlined in Australian Standard AS/NZS ISO 31000:2009</p> <p>b) Identify and report quarterly on the organisation’s strategic and operational risks</p> <p>c) Review and update the critical infrastructure assets register</p> <p>d) Ensure that Asset Management Plans identify asset service standards and incorporate an assessment of the risks associated with such assets and strategies to manage those risks</p> <p>e) Develop and implement a preventative and maintenance review schedule for the associated policies and procedures</p>	<p>employees, our community and other stakeholders involved with the provision and use of Council services and assets</p> <p>The prudent management of Council’s assets and resources on behalf of ratepayers</p>	

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
E9. Explore innovative technologies and approaches to maximise our assets' potential and realise further efficiencies	<p>9.1 Identify technological advances and new means of service delivery compatible with Council's service offerings and the community's aspirations</p> <p>a) By way of example, a half landfill cell was constructed at our Waste Management Facility (which was forecast to have capacity until 2012). With the successful introduction of a kerbside organics waste collection service and an improved recycling system, that same cell is now forecast to have capacity until 2020. This has deferred the expected capital expenditure (in the order of \$4 million) for the next stage of the landfill cell until at least 2020</p>	<p>a) Each Department must be responsible for keeping abreast of technological changes and innovation in their industry to identify opportunities for MPSC to better manage its assets for more effective service delivery</p>	<p>Advances in technology (including processes, electronic platforms and remote access) are challenging traditional service delivery methods. Some advances are not just creating efficiencies but are completely transforming long-held practices and approaches to asset management</p>	<p>Positive impact on the Real Operating Expenditure benchmark and potentially the Infrastructure Backlog Ratio and Asset Maintenance Ratio</p>
E10. Utilisation of alternative operational models for more efficient service delivery	<p>10.1 Leverage from existing models in reviewing Council's ability to roll-out with other functions</p> <p>a) Council provides certain services through alternative operational models (including Tourism Moree, the Moree</p>	<p>a) Consider if any services delivered to the community could be delivered through an alternate means</p> <p>By way of example, Big Sky Libraries provides a regional library service (administered by MPSC) to</p>	<p>Potential efficiency gains achieved due to a reduction in staff hours to deliver the service. Depending on the role played by MPSC, there are also revenue generation opportunities</p>	<p>Positive impact on the Real Operating Expenditure benchmark</p>

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
	Gallery and Big Sky Libraries)	<p>other Councils. The IT platform for the service has recently been updated and staff are currently receiving training, with a view to support being provided remotely thus minimising management travelling time (in some cases, at least 3 hours each way)</p> <p>b) Consider if there may be opportunities for members of the Namoi JO to deliver services through an alternate operational model</p>		

3.4 Improvement Action Plan

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

Action plan

Actions

Objective S1: The budget for the financial year ending 30 June 2017 will only be presented to Council for consideration following a measured Departmental and organisation-wide fiscal review

Objective S2: Management of the organisation's budget throughout the financial year (both at a Departmental and organisation-wide level) will be more regularly monitored and reported to identify material variations in a timely manner

Objective S2: Reports to Council which will affect the financial performance and/or position of the organisation must be aligned with the objectives of the CSP and identify sources of funding where budget provision has not been made

Objectives S3, S4, ISM1, ISM2 and E3: Council needs to more comprehensively understand:

- the full suite of services it delivers to the community
- for each service delivered, the current level of service provided (and whether this accords with service level commitments to the community)
- for each service delivered, the levels of service which could be provided (critical, core, optional/value-

Milestones

- a) Meeting of MANEX and Managers to undertake organisation-wide fiscal review
- b) MANEX presentation to Council on matters of significant budgetary impact

- a) Monthly status reports as to the financial performance and position of the organisation to serve as a tool for budget accountability and for early identification of variations

- a) Where provision has not been made in the budget for a project the subject of a report to Council, that report must include details of financial implications

- a) Council will have a clear understanding of the services it provides, the level of service provided in respect of each such service and whether the service

Action plan

Actions

add), subject to any minimum technical level required to discharge statutory obligations or mitigate risk

- the cost of delivering services to the community at varying service levels

to better evaluate the levels of service provided and ensure that such functions and activities are consistent with the aspirations of the community as articulated in the CSP.

This work needs to be undertaken prior to any community consultation regarding services, levels of service and the costs associated with the same.

Objective S4: Undertake a comprehensive review of opportunities to strengthen our revenue base by uncovering “hidden” income potentials, identifying revenue generation opportunities and locating new funding sources

Objective S4: Investigate the potential for Council to apply for a special rate variation commencing in the 2016-2017 rating year as a means of additional funding to support the services sought by the community, at agreed service levels following community consultation

Objective S5: Development of policy parameters for asset disposal against which Council assets can be evaluated and assets identified for disposal in accordance with same

Objective S6: Undertake recruitment sustainably

Milestones

levels accord with commitments and the associated costs

b) This will provide a platform to undertake a broad-scale community engagement process

a) Generation of new revenue and income

a) Undertake broad-scale community engagement process

b) Apply for a special rate variation, if this is supported by Council and the community

a) Identification of assets surplus to Council’s requirements

a) Prior to undertaking recruitment, review necessity of the role

b) Undertake comprehensive position description review

c) Appointments where up-skilling is required can only proceed if there is organisational capacity to manage same

Action plan

Actions

Milestones

Objective S7: Improve financial focus at a strategic level by developing an existing senior finance role to adopt more Chief Financial Officer attributes

a) Enshrine some characteristics attributable to a CFO within the existing organisational structure

Objective ISM3: Investigate the current available mobile data collection technology system that offers direct linkage to the corporate Authority system, the Exponare GIS or another system used by Council and determine which system will which has the best capabilities to meet the current and future demands of the organisation

a) Asset owners and the Asset team investigate and analyse the available systems and present the findings to MANEX and Managers
b) MANEX and Managers agree on a corporate asset management mobile data collection system

Objective ISM3: Review and update the transport infrastructure asset data in the corporate Authority system based on available information and field inspection data (where necessary). Developing these processes will enable Council to analyse financial management, useful lives, and deterioration curves which will help Council efficiently and effectively update preventative maintenance policies and procedures. This will improve Council's knowledge about the whole of life costs for our critical infrastructure assets

a) System is updated

Objectives ISM3 to 7: Undertake a comprehensive review of the unsealed road network to determine the most appropriate way to manage the asset through the whole lifecycle at the lowest cost while ensuring it still meets the community needs

a) Agreement on the community and technical level of service for the unsealed road network
b) Establishing the willingness of the community to pay for the agreed level of service
c) Performance measure as established and implemented to ensure level of service is

Action plan

Actions

Milestones

maintained

Objective ISM5: Review, update and implement sound optimal decision making (ODM) processes for analysing the economic, social and environmental benefits associated with infrastructure asset planning

a) MANEX and Managers in consultation with Council staff to review, update and implement a decision-making policy and procedures that describe techniques such as Multi Criteria Analysis and Benefit Cost Ratio methods that can be applied to all infrastructure decision-making

Objective ISM6: Commence development and implementation of a maintenance management plan, to accommodate current and future asset maintenance requirements. In pursuing this objective, human resources will be spent reviewing and updating maintenance schedules for Council's critical assets, which will provide an ability to accurately produce predictive maintenance forecasts. This will provide Council with true documentation on the resources and costings allocated to individual long-term and short-term capital work projects

a) Reviewing and updating the maintenance schedules for the critical assets
b) Developing predictive maintenance forecasting to plan long-term and short-term maintenance schedules

Objective ISM7: Continue to analyse and report on technological advancement on trial sections using lime and polymer stabilisation. These trial segments are currently situated on sealed, gravel and black soil roads within Council's road transport network. Conducting these trials may assist in reducing the whole of life cost for the road network assets, particularly on the unsealed gravel and black soil road network

a) Monitor the current trial locations over the next 24 months to determine the suitability (social, environmental and economic) of the product for further application across the entire road network

Action plan

Actions

Milestones

Objective E1: Maximise the effectiveness of the organisation's human resources through performance management

b) Monitor the current lime stabilisation trial locations over the next 24 months to determine the suitability of lime as a road stabiliser on gravel roads

a) Develop KPIs for all employees

Objective E2: Build on the organisation's culture of continuous review and optimisation by reviewing processes, employee utilisation and staff capabilities to ensure the organisation is fully maximising utilisation of employee time and skills

a) Undertake annual performance reviews with all staff which accurately and completely review roles, performance against KPIs and utilisation

Objective E3: Improve succession planning and fatigue management and improve the management of overtime and accrued leave entitlements

a) Review levels of service in areas where excessive overtime and accrued leave entitlements exist

Objective E4: Maximise the value of Council's plant and light fleet

a) Monitor utilisation of plant fleet more regularly
b) Review Motor Vehicle Policy

Objective E5: Improve system implementation and utilisation across the organisation

a) Appoint system champions across the organisation

Action plan

Actions

Milestones

Objective E6: Investigate potential for centralisation of certain governance functions across the Namoi JO

a) Discuss opportunities with Namoi JO members

Objective E7: Develop a strategic project management framework

a) Development and implementation of framework

Objective E8: Continue to embed risk management into Council operations

a) Provide a safe and healthy operating environment
b) Identify and report quarterly on the organisation's strategic and operational risks

Objective E9: Identify technological advances and new means of service delivery

a) Departments to take responsibility for advances in their area of expertise

* For MPSC's Improvement Action Plan (detailed), please refer to Annexure 6.

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

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

MPSC approached preparation of this Proposal (including the Action Plan) holistically. The following steps were undertaken:

1. An initial brainstorming session was carried out at a Managers' meeting to develop the SWOT analysis.
2. Managers were tasked to lead SWOT brainstorming sessions within their Departments so that the SWOT developed as a whole organisation undertaking. It was considered necessary to seek the contribution of all staff members so that all perspectives were offered. Although this involved employees of Council, such employees are also members of the community so this was a very effective way of gauging the sentiment of both the organisation and the wider community.
3. The Integrated Planning and Reporting team reviewed the draft recommendations of our internal audit to identify any additional strengths and weaknesses.
4. The SWOT analysis was consolidated by the Integrated Planning and Reporting team.
5. MANEX considered the consolidated SWOT analysis and tasked Managers with reviewing the full SWOT to identify priorities.
6. The consolidated SWOT was utilised to develop strategies to improve MPSC's performance against the benchmarks. This coincided with our budgetary preparations for the 2015-2016 financial year which provided a platform for Departments to put forward strategies which would have budgetary impacts for Council's consideration.
7. At a combined MANEX and Managers workshop, each of the strategies developed to improve MPSC's performance against the benchmarks was reviewed. The key milestones were used to develop actions for the forthcoming year, which are detailed in the Improvement Action Plan.
8. Two (2) workshops were run with Councillors in relation to this Proposal. The first such workshop focussed on the strategies (including milestones and outcomes) which had been developed to underpin our improved performance against the ratios. The second workshop took place the following week after Councillors had been provided an opportunity to consider the Proposal in its entirety. Whilst Councillors were provided an opportunity to consider the actions required to deliver the strategies, it was the view of MANEX that provided the strategic approach of the organisation was ultimately endorsed by Council, the underlying actions are operational matters.
9. The detailed Improvement Action Plan was endorsed by Council as an additional Program Area within the Delivery Program and Operational Plan so that progress in respect of these strategies is reported back to senior management, Councillors and the community in the same manner as other initiatives in the Operational Plan.

As foreshadowed in the MPSC Submission, we have undertaken limited community consultation as it is felt that the actions identified in this Proposal are not inconsistent with the CSP. In adopting this approach, we are comforted by IPART's guidance that generally, the nature and extent of consultation should be commensurate with the significance of changes involved in the Proposal and possible impacts on the community.

In addition, as noted in our Improvement Action Plan, it is our intention to undertake a full community consultation process in the forthcoming financial year (2015-2016). At the present time, it would be too premature for us to undertake a sensible engagement with the community as there is a significant amount of preparatory work to be undertaken in anticipation of that undertaking as detailed in our Improvement Action Plan.

We have identified (in the Threats of our SWOT analysis) that we have issues with poor attendance and participation at community consultations. In view of this, we have consciously decided not to undertake a broad-scale engagement process until we have all the information needed to hand (for example, all services provided and levels of service for each) to capitalise on this engagement opportunity.

3.5 Other actions considered

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

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

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

The following strategies/actions were considered but not included in our Proposal and Improvement Action Plan:

1. To improve the financial focus of the organisation, it had been suggested that a Chief Financial Officer be appointed. However, upon consideration it was felt that the size of the organisation did not justify the formal recruitment of this role. Alternatively, some of the qualities associated with a Chief Financial Officer will be incorporated into existing high level finance roles.
2. To obtain a better understanding of how staff utilise their time, investigations into an electronic timesheet software that 'talks' to our existing accounting software had been proposed. As well as understanding staff utilisation levels, it was felt this system would also help to assist in understanding how new staff were improving performance as they integrated into the organisation. After some discussion, it was felt that this could be achieved through simpler means – perhaps by asking staff to manually record their time in accordance with tasks for a period of time to identify capacity.
3. Whilst discussing the organisation's approach to project management, it was suggested that a Business Excellence Framework be pursued. Whilst it was acknowledged that some parts of the organisation were "ready" for this, many other parts were not so the focus should be on system improvements more generally.
4. The Asset Manager suggested that following community consultation (after which the services being provided and agreed service levels for these had been agreed) formal level of service agreements for the major asset groups would be prepared. It was felt that as long as the organisation documented this (together with appropriate performance measures against which service delivery could be assessed), there was no need to formalise these arrangements in contracts per se.

4. How will your plan improve performance?

4.1 Expected improvement in performance

Measure/ Benchmark	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.026	0.040	0.044	0.048	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	68.58%	69.20%	72.92%	72.84%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	133.37%	134.06%	108.81%	113.75%	Yes
Infrastructure Backlog Ratio (Less than 2%)	0.41%	0.42%	0.43%	0.44%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	93.71%	95.74%	99.02%	100.54%	No Yes in final year
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	7.13%	7.59%	7.59%	7.53%	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	2.19	2.16	2.13	2.12	Yes

4.1 Expected improvement in performance

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

5. Putting your plan into action

How will your council implement your Improvement Action Plan?

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

During the MANEX and Managers' meeting where the strategies which underpin MPSC's improved performance against the FFTF benchmarks were workshopped, the implementation of the Improvement Action Plan was discussed.

It was noted that in some cases, resources were needed to implement these actions; in other cases, it was a matter of improving systems already in place. The detailed Improvement Action Plan identifies the Responsible Officer for each action and, at this stage, the General Manager will be driving compliance with these strategies. We already report back to Councillors on our progress against the Delivery Program and Operational Plan on a quarterly basis; this will now also include reporting back on matters articulated in our Improvement Action Plan. Our Delivery Program and Operational Plan for the 2015-2016 financial year was endorsed by Council on 25 June 2015, including a new Program Area "Fit for the Future – Improvement Action Plan (detailed)" – refer to **Annexure 6**.

It is also noted that the Improvement Action Plan references the forthcoming financial year whereas our future forecast performance commences in the financial year thereafter so it is our belief that the Improvement Action Plan provides a window of opportunity to "get our house in order" to begin to realise the benefits of these strategies.

Annexure 1

Section 1.2, Scale and Capacity: Scale

Scale

The Assessment Methodology notes that in reviewing scale objectives, IPART will be guided by the population estimates for the particular LGA included with the ILGRP's recommended options¹.

The ILGRP notes Moree Plains has a population of 14,189 in 2011 and forecasts a declining population for the Shire in 2031 of 11,100.

We disagree with the ILGRP's assertion that our Shire's population will decline over this period. It is our firm belief that these projections have no regard for the proactive approach that MPSC and the wider community is taking to arrest and reverse population decline in our Shire. In fact, it is our belief that our population will continue to grow due to a number of factors as follows:

(a) MPSC is committed to supporting the economic diversification of the Shire and is playing an active role to enable investment and foster development. Our CSP has highlighted the importance of the Shire being a place that attracts and retains new businesses and residents to grow our population. Council is responding to this aspiration by developing a mix of medium- to long-term strategic responses and short- to medium-term direct action initiatives. These include, but are not limited to:

- development of a Forward Planning Team to ensure the Shire has developed long-term strategies to promote, facilitate and enable economic and community development;
- provision of an updated Economic Development Strategy and Community Development Strategy that links to the CSP and other forward planning documents;
- development of a Labour Resource Utilisation review for the Shire;
- construction of the Moree Gateway Project and Evergreen Precinct (including the Moree Water Ski Lakes) as discussed below; and
- provision of high level customer service to business clients with a focus on outcomes.

(b) There are a number of exciting new developments (and proposals) that will substantially improve the economic and social outlook for the Shire. These include but are not limited to:

- Moree Gateway Project

The Council has completed a substantial project in the Moree Gateway located on the southern outskirts of the town, next to the Moree Regional Airport. This is an initiative by Council to create a new bulky goods and commercial subdivision that will provide for a range of mixed business developments. The Moree Gateway will attract new business development from a range of new investments and the expansion of existing local enterprise. Once fully established, the project will provide for over \$200 million in new investment and support over 300 new jobs.

¹ Assessment Methodology, p31.

- Moree Solar Farm

Construction has commenced on the Moree Solar Farm by Fotowatio Renewable Ventures. Once completed in 2016, the Moree Solar Farm will generate sufficient power for the equivalent of 15,000 homes in New South Wales and abate nearly 95,000 tonnes of carbon pollution annually. The project represents an investment of \$165 million providing 70MWp and will establish Moree as a centre for green and renewable energy. During construction, 200 jobs have been created and once operational, six (6) full-time positions will be created.

- Melbourne to Brisbane Inland Rail (Inland Rail)

MPSC is a founding member of the Melbourne to Brisbane Inland Rail Alliance and plays an active role in the promotion and facilitation of the Inland Rail project. The Inland Rail project will see a nation-building rail line built to link the ports of Melbourne and Brisbane via Moree. The project has been endorsed by the Federal Government with \$300 million committed to finalise planning, engineering design and environmental assessments and will create enormous economic opportunity for the Shire both during the construction and operational phase. Tendering for numerous design elements has now been completed. The Inland Rail will build the capacity of Moree as an Inland Port and overcome some of the geographic disadvantages that have placed downward pressure on population growth.

- Moree Water Ski Lakes

The Moree Water Ski Lakes will further expand Moree's association with the artesian water industry which already attracts over 300,000 visitors per year. The development of the Water Ski Lakes is a Council-sponsored project that provides for the innovative reuse of spent artesian water. The lakes are built to international tournament standards and will provide for increased tourism activity, increased employment and improved recreation opportunities for our residents and visitors.

- Waste-to-Energy project

The Council has committed to a new waste-to-energy project through a leasehold arrangement utilising land forming part of Council's Waste Management Facility. The operator of this project also intends to operate a fish farm utilising a nearby site which will generate employment opportunities for several hundred people.

It is our resolute belief that the declining population base projected by the ILGRP is without basis, having regard to the significant economic development initiatives currently being undertaken and pursued.

Annexure 2

Section 1.2, Scale and Capacity: Strategic Capacity

Strategic Capacity

MPSC satisfies the key elements of strategic capacity¹ as follows:

Key Element	Explanation
More robust revenue base and increased discretionary spending	<p>A number of initiatives have been put in place (or are currently being put in place) to expand the revenue base for Council including:</p> <ul style="list-style-type: none"> In September 2013, Council transferred its traditional municipal pool operations for Moree (operated out of the newly redeveloped Moree Artesian Aquatic Centre) to a private company limited by guarantee, controlled by Council. The objective of this initiative was to place the traditional pool operations and the new business opportunities associated with that asset (including a wellness centre featuring a day spa, health and wellness centre and gymnasium) into a governance structure capable of delivering more commercial outcomes, with the view being that into the future, these operations would not be supported by a Community Service Obligation from Council but rather, would generate a commercial return which could be ploughed back into other infrastructure, services and benefits for the community. As noted above, the Council is leasing land (part of its Waste Management Facility) to an operator of a waste-to-energy business. Under the terms of the lease, a fee of \$22/tonne will be generated for every tonne of waste entering that part of the Facility, with no additional cost to Council. As noted in Section 3.1 of this Proposal (refer to Objective 4.2), MPSC is currently finalising arrangements with Narrabri Shire Council in relation to the provision of building inspection services on a fee-for-service basis. This is building upon other revenue generation activities within the Planning and Development Department. In 2011, the Assessment Manager undertook a review of MPSC's certification fees resulting in a reduction in fees for small scale projects (garden sheds and the like) but increasing fees for large dwellings and commercial/ industrial buildings. Whilst this increased the revenue generated by Council, it also spread the cost more equitably across the market.

¹ ILGRP, *Revitalising Local Government – Final Report of the NSW Independent Local Government Review Panel*, October 2013, Box 8: Key Elements of Strategic Capacity, p32.

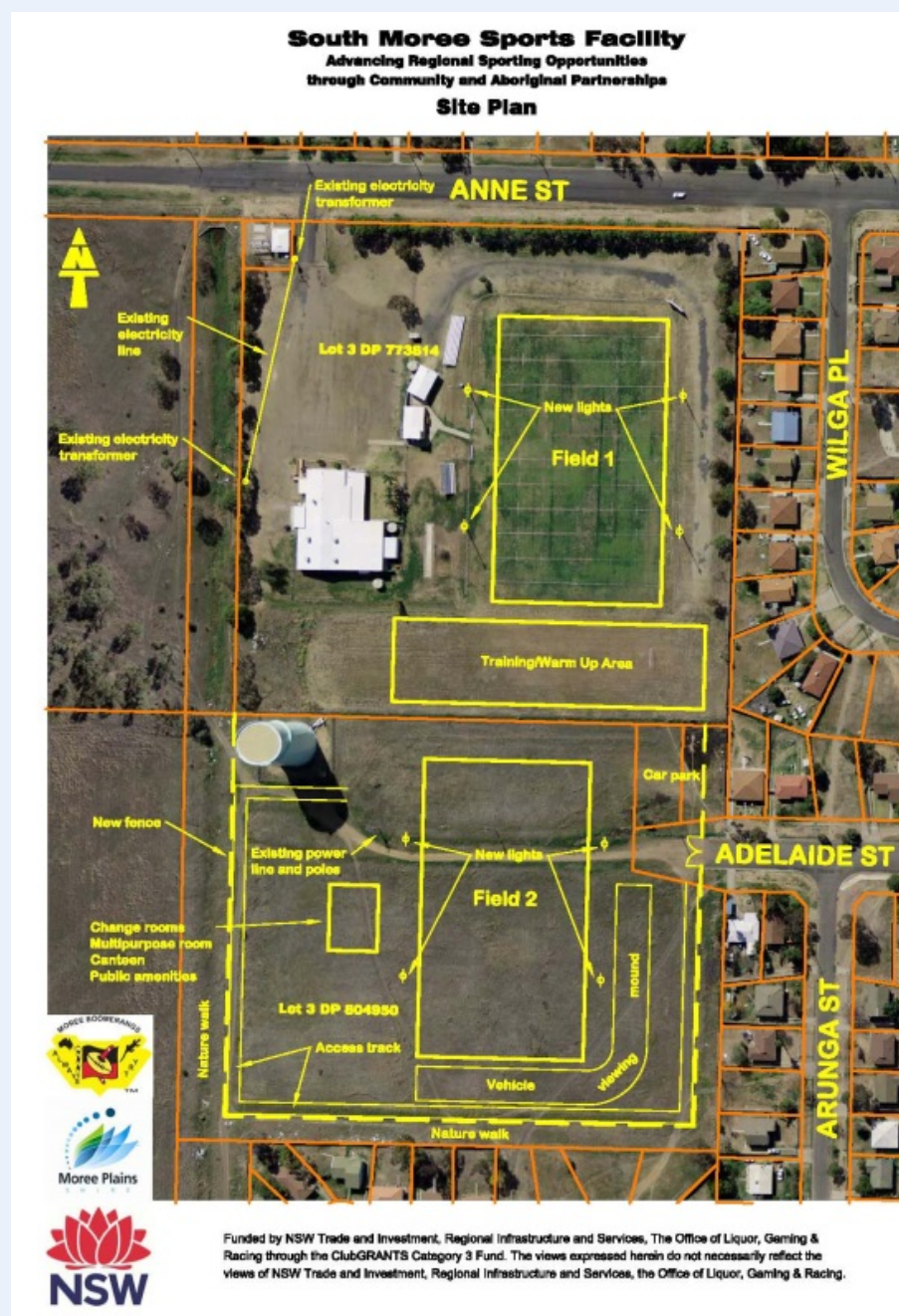
Key Element	Explanation
	<p>Presently, certification services are now self-funded with the community members who use this service paying for it rather than ratepayers subsidising it.</p> <ul style="list-style-type: none"> • In 2010, MPSC constructed a pipeline from the Moree Artesian Aquatic Centre (MAAC) located in the township of Moree to the Evergreen Precinct development approximately 7km south of Moree. The purpose of the pipeline was to redirect spent artesian water from the pools which was previously released into the Mehi River to an alternate location (see further detail regarding the Moree Water Ski Lakes Project under Key Element <i>“Knowledge, creativity and innovation”</i>). Currently this pipeline services the MAAC only, however the pipeline was designed to handle considerable capacity enabling the numerous other facilities in town offering a spa water experience an alternative means of disposing of spent artesian water (this is a requirement of the NSW Environment Protection Authority). The intent is to charge businesses connecting to the pipeline a discharge fee based on the quantity of water disposed of. The additional revenue generated will be used to service the loan taken to construct the pipeline and maintain the pipeline. Developers have also expressed interest in purchasing water with a recent sale of water to the Moree Solar Farm development. This additional revenue will free up funds to be utilised for other services of Council. • Centralisation of Council's administrative functions at the Max Centre (see further detail in Max Centre purchase discussed under Key Element <i>“Knowledge, creativity and innovation”</i>) allowed for additional revenue to be realised through commercial rental arrangements of the ground and first floors in addition to renting out the premises previously occupied by the Corporate Services and Planning Departments. <p>As part of managing its fiscal responsibilities, the Council allocates a pool of funds to be utilised for sponsorship and donations to community groups for purposes aligned with the CSP. In the 2013/2014 financial year, this amounted to over \$140,000.</p> <p>In the current financial year, the Executive Department reviewed its budget and identified available funds to work with a community group (the Moree Aero Club) to host a large-scale community air show to celebrate the opening of Council's major project, the Moree Gateway. This event was held on 20 June 2015, with in excess of 4,000 spectators.</p> <p>As noted in the strategies in Section 3.1 of this Proposal, MPSC is currently undertaking an organisation-wide review to identify areas where there is capacity to leverage current qualified staff to offer services on a fee for service basis within Council, to other councils within the Namoi JO and other organisations regionally. It is anticipated that savings will be identified, thus adding to the funds available for discretionary spending.</p>

Scope to undertake new functions and major projects

MPSC has a track record of undertaking major projects for the benefit of its community and has completed, or is in the process of completing, a number of large projects including:

- South Moree Sports Facility (currently being undertaken: \$1.787million)

This is a partnership between Council and the Moree Indigenous Boomerangs Rugby League Football Club to provide a multi-purpose sports and recreation facility in South Moree. The project includes development of a second sporting field, construction of new change rooms, a multi-purpose indoor training area, canteen and public amenities. The project is designed to improve greater community participation by providing access to a range of sport and recreational activities.



- Upgrade of the Dhiyaan Aboriginal Centre (currently being undertaken: \$0.498million)

The Dhiyaan Aboriginal Centre holds some of the more important Aboriginal family records in New South Wales and is currently being fully refurbished to provide purpose built archival rooms, a new common entrance, new offices and galleries as well as an upgrade for disability access and amenity.



- **Moree Evergreen Water Ski Lakes Project (2015: \$2.85million)**

In collaboration with the Moree Water Ski Club, MPSC has developed the Moree Evergreen Precinct Water Ski Lakes project. A water park, consisting of five water storage ponds will use spent water from the artesian spa industry. The health of the Mehi River will benefit and a drawcard sport and recreation amenity will be created.



- **Moree Gateway Project (2015: \$16million)**

The Moree Gateway Project is an initiative by MPSC to create a new, mixed-use precinct to serve as a regionally important hub in Australia's transport, logistics and tourism industries. It is located to the south of Moree, near the Moree Regional Airport.



- Redevelopment of the Moree Artesian Aquatic Centre (2012; \$7.5million)

The former hot artesian pools of the Moree Shire have undergone a significant redevelopment to revitalise the traditional municipal pool and hot artesian baths amenities as well as innovatively expanding its facilities and services. It is now a “Wellness Hub”, with the Moree Artesian Wellness and Day Spa offering beauty and therapeutic massage services, a gym (with a personal trainer), a function room, yoga and pilates classes, physical rehabilitation services and more.



- Purchase and development of the Max Centre (the council's current place of indoor administration operations) (2012: \$2.6million)

See further detail regarding the Max Centre under Key Element *"More robust revenue base and increased discretionary spending"*



- Redevelopment of the community library (2010: \$1.5million)

Construction of the Moree Community Library to adjoin the Moree Town Hall was undertaken to move the library and provide an opportunity to incorporate state-of-the-art facilities and technologies to engage the younger generation as well as housing traditional hard copies of reading resources.



- Construction of our award-winning Waste Management Facility (2010: \$7.4million)

In 2010, the construction of Moree's Waste Management Facility was completed, with the facility being one of the most environmentally and technologically sophisticated waste management facilities in the country, with Moree taking a lead on what every facility should eventually look like.



Going forward, the next major project proposed is a redevelopment of the Moree Memorial Hall and Banquet Hall to upgrade the facilities (including heating and air conditioning) and develop the Banquet Hall into a retractable seating cinema. The project is in its very early stages and is subject to community consultation and grant funding.

<p>Ability to employ wider range of skilled staff</p>	<p>The educational profile of MPSC's workforce has been found to be highly ranked when benchmarked against the Australian Centre of Excellence (Census 2013).</p> <p>Council has worked hard to become an employer of choice and is now seeing the benefits of ten years' work. We have successfully moved to online recruitment without disrupting the level of applications. MPSC also works by providing bi-monthly "applying for jobs with council" sessions to the community and with agencies as well as specific sessions for schools and indigenous groups. Consequently, we enjoy excellent pools of applicants of highly qualified individuals with real competition for roles amongst numerous candidates.</p> <p>We have strong relationships with several regional universities (including University of New England, Southern Cross University and University of Southern Queensland), having identified areas of local government skill shortage and provide four (4) scholarships/bursaries in these areas. By way of example, we have worked with the IPWEA, University of New England and the Regional Council Group to establish a bursary and trainee program to re-establish the Bachelor of Engineering Technology (Civil Engineering) as a course at University of New England which was not available locally.</p>
<p>Knowledge, creativity and innovation</p>	<p>MPSC prides itself on seeking alternative innovative solutions for service delivery and, in 2012, was recognised as being the most progressive rural/regional council in NSW by being awarded the AR Bluett Memorial Award.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Moree Plains status as the artesian water capital is well known. To build upon this, a redevelopment of the hot artesian pool complex was undertaken with Federal Government grant funding. MPSC recognised the opportunity to undertake a significant redevelopment to revitalise the traditional municipal pool and hot artesian baths facility as well as innovatively expand its facilities and services. It is now a "Wellness Hub". The Moree Artesian Wellness Centre offers beauty and therapeutic massage services, a gym (with a personal trainer), a function room, yoga and pilates classes, physical rehabilitation services and more. • In order to more effectively utilise the spent artesian water flowing from the Moree Artesian Aquatic Centre, MPSC has undertaken the Evergreen Precinct development, including the Moree Water Ski Lakes which will comprise two (2) water ski lakes (800m long and built in compliance with international and Australian water skiing standards) and a third lake designed as a circuit lake for a wide range of water sports. The lakes will be filled primarily with spent artesian water discharged from the Moree Artesian Aquatic Centre and other artesian baths within the Shire. • The purchase and refurbishment of the Max Centre; one of the cornerstone buildings of Moree's main street. This strategic acquisition enabled Council to demonstrate its commitment to regeneration of the main street, generate a commercial income stream through letting of the building's ground floor and provide a space to bring together the administrative functions of Council across its numerous departments.

	<ul style="list-style-type: none"> Over the past few years, Council (together with members of the business community) has been building relationships with a number of Chinese investors interested in industry in Moree. With a number of opportunities currently being explored, we believe that these will culminate in genuine opportunities for economic development and stimulus for our economy and region, bringing entry level employment opportunities and population growth. As we have learned from our Namoi JO partners, MPSC has been particularly proactive in addressing the perennial problem of dealing with municipal waste in a cost effective way. In 2010, we completed construction of our award winning Waste Management Facility and since its opening, we are continuing to investigate ways of reducing our community's contribution to landfill so as to extend the life of the cell at the Facility (thus, realising greater returns on this investment). Our latest project in this endeavour, the waste-to-energy business which will occupy land within our Waste Management Facility precinct, demonstrates the innovative solutions being explored to minimise our contribution to landfill. Whilst in the early stages of implementation and also confined to a particular waste stream, it is anticipated in time this business will be expanded to deal with a broader range of waste categories, which will generate significant revenue for Council and continue to extend the life of our existing Facility. Further, we believe there are regional opportunities to be pursued through the Namoi JO in relation to this initiative.
Advanced skills in strategic planning and policy development	<p>The projects and strategies set out in this Section of our Proposal demonstrate the high level of skill in strategic planning and policy development amongst our Councillors and senior management.</p> <p>Operationally, the senior management team have organised themselves into the MANEX team (comprising the General Manager, the Directors of Corporate Services, Engineering and Planning and Development, the Water and Waste Manager, the Human Resources Manager and Executive Projects Manager), with Managers directly reporting to a member of the MANEX team forming the Managers group.</p> <p>Managers have been mandated to address operational matters, with MANEX then freed up to deal with high level operational matters and strategic planning.</p>
Effective regional collaboration	<p>MPSC has pursued service provision through partnerships and collaboration in many initiatives including:</p> <ul style="list-style-type: none"> MPSC, together with Gwydir Shire Council and Narrabri Shire Council, has entered a Memorandum of Understanding to participate in a regional waste tender process. By working together, the three (3) councils have successfully secured waste collection and processing of recyclables and organics for their respective shires. This has enabled a new kerbside three (3) bin system to be introduced on a very competitive basis. If MPSC had acted alone, it is likely that the level of service for the community would have been reduced from a two (2) bin (waste and recycling) service to a waste service only. The contract governing these arrangements is in place until 30 September 2023, ensuring that our communities will have a reliable, affordable and environmentally appropriate waste collection service for many years to come.

	<ul style="list-style-type: none"> • This year marks sixty years of operation of the North West Slopes and Plains Cooperative Library Service, now known as “Big Sky Libraries”. The service is lead and administered by MPSC and provides collection development, cataloguing, interlibrary loan and document delivery and an online catalogue to the councils of Moree Plains, Brewarrina and Walgett, with libraries in those locations as well as Lightning Ridge and Mungindi, serving over 28,729 people over 68,905km². • MPSC is a founding member of the Australian Rural Roads Group, founded in June 2010 by a number of rural local governments. The group’s focus is on linking funding for road infrastructure to the productivity of such roads rather than population. • MPSC administers the North West Weight of Loads Committee (NWWOL) for the Shires of Moree Plains, Glen Innes Severn, Gunnedah, Gwydir Shire, Inverell, Narrabri, Warrumbungle and Dubbo City. The aim of the NWWOL is to improve public safety on rural roads and reduce the costs of maintaining rural roads by preventing road damage caused by overloaded heavy vehicles. • As noted earlier in this Section, MPSC is a founding member of the Melbourne to Brisbane Inland Rail Alliance and plays an active role in the promotion and facilitation of the Inland Rail project. • The Northern Inland Risk Management Group (NIRMG) comprises most of the shires in the region from Walgett to Tenterfield, and across to Liverpool Plains. The NIRMG supports each other in idea sharing to foster and create a positive risk culture in our respective councils. Ideas, policies and procedures are shared and it is a platform to update our knowledge through regular access to our workers compensation insurer, general insurance brokers and Statewide regional risk manager. Through the NIRMG, Narrabri Shire Council and Tamworth Shire Council have both requested to utilise our Risk Management Plan as a basis for their next plans. We have pooled resources to complete projects such as an Event Management Manual and templates and Section 355 Committee Management. These areas can be high risk, however may not be thoroughly undertaken by individual councils who are too time poor to be able to focus on these areas.
Credibility for more effective advocacy	<p>Given the geographical size, main industries and composition of the Shire, MPSC has long been invested in strategies to enhance our transport network to improve safety and productivity of the nation’s most important road corridor and sourcing the funding which underpins this. This commitment is supported by the aspirations of our community as detailed in the CSP. By way of example, in the past, we have applied for and been successful in being granted a special rate variation in respect of our sealed road network.</p> <p>Representatives have been involved in the National Roads Congress (since its inception), we are a founding member of both the Australian Rural Roads Group and the Melbourne to Brisbane Inland Rail Alliance.</p> <p>These commitments have added weight to our position within local government circles of our commitment to the transport</p>

	<p>network of the Shire, which has most recently been acknowledged by the Namoi JO with MPSC being the sponsor council for the JO's regional strategic transport plan.</p>
Capable partner for state and federal agencies	<p>As noted earlier in this table, MPSC has undertaken a number of significant projects and continues to develop large-scale projects.</p> <p>We have a history of identifying areas of significance and concern for our community and proactively pursuing those interests with vigour across all levels of government including, for example, recognising our transportation network as a fundamental driver of the economy in our Shire and our region. This has prompted Council to become heavily involved with the National Transport Congress, administer the NWWOL, be a founding member of the Australian Rural Roads Group and the Melbourne to Brisbane Inland Rail Alliance.</p> <p>MPSC, through representation via two (2) councillors, participates in the joint regional planning panel for our area. This panel comprises our representatives as well as three (3) ministerial nominees to provide independent, merit-based decision-making on regionally significant development.</p> <p>Against this background, MPSC has developed into a high capacity organisation which responds to the particular characteristics of our Shire and the broader regional economies.</p>
Resources to cope with complex and unexpected change	<p>As demonstrated by our response to the large flood events of 2011 and 2012 (for which flood damage funding of approximately \$40million was received), MPSC has a depth of resources to address complex and unanticipated change. We have pioneered a dynamic and responsive social media presence as a consequence of this event; this continues to be a very useful and effective platform for Council in reaching our community.</p> <p>Our performance against the Debt Service Ratio is within the required parameters and is maintained at the current level in accordance with a long-held policy of our Council. This also provides MPSC with a source of funding in times of unexpected change. This coupled with our performance against the Own Source Revenue target provides Council with a greater degree of fiscal flexibility.</p>
High quality political and managerial leadership	<p>Our Councillors are effective advocates for our community, with many Councillors being key members of other external organisations in addition to their immediate commitments with Council.</p> <ul style="list-style-type: none"> • Mayor Humphries is a board member of Tourism Moree, a member of the Gwydir Water Users Group and the Murray Darling Association and an alternate representative on the joint regional planning panel. • Deputy Mayor Price is the Deputy Chair of the Australian Rural Roads Group, Border Region Organisation of Councils and the Melbourne to Brisbane Inland Rail Alliance. She is also a Council-nominee on the joint regional planning panel and a board member of Moree Artesian Aquatic Centre Limited (MAAC Ltd), the entity which

operates the MAAC.

- Councillor Gall is a Council-nominee on the joint regional planning panel as well as being the Chairperson of Big Sky Libraries and a member of the Moree Bypass Committee.
- Councillor von Drehnen is a board member of MAAC Ltd and on the NWWOL Committee.
- Councillor Munn is on the NWWOL Committee.
- Councillor Tramby is an executive member of Big Sky Libraries and a member of the Moree Bypass Committee.

Within the organisation, there is a high level of managerial leadership, as demonstrated by many of the initiatives detailed in this Section.

One of the latest initiatives currently being pursued by Council, is the preparation of a social plan in respect of the South-West Moree Master Plan (an urban renewal project which will address issues such as local amenity, street design, social issues, illegal dumping and sharps management).

Please also refer to **Section 2.4** in relation to our Water Utility Business.

Annexure 3

Section 2.3, Extracts from the Delivery Program and Operational Plan

Program	Administration – Communication and Community Relations
Group Manager	Integrated Planning & Reporting Manager – Elizabeth Carter (IPRM)

Links to Community Strategic Plan

Community Priority/Core Service	Outcome	Council's Strategic Responses
2. Provision of information to the community	Outcome L3. We are engaged and well informed	L3.1 Target engagement activities to encourage stakeholder participation L3.2 Use a broad range of communication strategies and tools to inform community members and other stakeholders
4. Financial Management	Outcome L5. We manage our finances, assets and services effectively	L5.1 Manage our organisational resources, systems and processes responsibly L5.2 Foster a culture of continuous improvement across our organisation
5. Long-term planning for the shire	Outcome S3. Our local history, culture and diversity is valued and celebrated	S3.1 Honour and celebrate our Aboriginal, pioneering and multicultural heritage
12. Community input into Council decision-making	Outcome L2. We demonstrate accountability, transparency and ethical conduct	L2.2 Provide easy access to our information

Activities and Priorities

Communication and Engagement	Outcome	Responsible Officer	2013-2014	2014-2015	2015-2016	2016-2017
Ensure the community is informed about Council's decisions, services and positions, and are aware of the benefits Council provides to the community by:		IPRM	○	○	○	○
Publishing and distributing three (3) issues of the 'Council Focus' newsletter every year	L3.2	CommO	○	○	○	○
Writing and distributing media releases providing information on Moree Plains Shire Council's decisions, activities and associated benefits to the community	L3.2	IPRM	○	○	○	○
Publishing a minimum of 12 'Council Clipboards' in the Moree Champion	L3.2	CommO	○	○	○	○
Continuing to improve access to and content on Council's website	L2.2	WW	○	○	○	○
Report back to the community on outcomes and performance of Council in relation to each financial year	L3.2	IPRM	○	○	○	○
Managing and monitoring Council's Facebook and Twitter pages, responding to posts in a manner that fosters community engagement and enhances community understanding of: 1. The role of Council 2. The reasons for Council decisions/actions	L3.2	CO/WW	○	○	○	○
Monitoring public sentiment (via print and online platforms) on matters of concern to Council	L3.2	CO			○	○
Provide opportunities for community members to have input into Council's decision-making	L3.2	IPRM	○	○	○	○
Conduct surveys and community consultation meetings on issues of major importance to the community	L3.1	IPRM	○	○	○	○
Undertake an engagement process with the community on	L3.1	GM/			◆	

issues of identified significance, including: 1. The levels of service that the community are prepared to accept and prepared to pay for 2. The Moree Civic Precinct redevelopment 3. Sustainability of the unsealed road network 4. The East-west Connector 5. Cemetery upgrades and maintenance in the towns and villages		IPRM				
Manage issues which impact upon Council, and communicate Council's key messages consistently and effectively	L2.2	IPRM	○	○	○	○
Develop a Moree Plains Shire Council communications strategy, policies and procedures	L5.1	IPRM		◆	◆	
Continue to develop and extend the use of our Intranet to enhance the transfer of information throughout the organisation so that staff have access to the information they need to provide information to customers	L2.2	CommO	○	○	○	○
Conduct a Community Satisfaction Survey every two (2) years to determine levels of satisfaction with Council's services and facilities	L5.2	IPRM		◆		◆
Customer Service	Outcome	Responsible Officer	2013-2014	2014-2015	2015-2016	2016-2017
Provide a high level of customer service and information on Council's services through direct and telephone contact	L2.2	RA	○	○	○	○
Enhance the organisation's customer service culture	L5.2	RA	○	○	○	○
Continue to extend the capacity and use of the electronic Customer Request Management System	L5.2	RA	○	○	○	○
Investigate a mobile application that will enable customers to lodge customer requests directly into our electronic customer request system via their mobile telephones	L5.1	RA			◆	◆
Participate in a Customer Service Benchmarking Program to enable Council to measure its standard of customer service against the customer service provided by other local government organisations	L5.2	RA		◆	○	
Review the Customer Service Charter and implement improvements where appropriate	L5.2	RA		◆		
Audit Moree Cemetery gravesite locations and markers, and take photographs with the intention of making them available to the community via the Council's website	S3.1	CSC		◆		
Audit Village cemetery gravesite locations and markers, and take photographs with the intention of making them available to the community via the Council's website	S3.1	CSC		◆		

Indicators

- 5% increase in community engagement activities (surveys, community meetings, Council Meeting Forums, Facebook) annually
- Each time the Community Satisfaction Surveys are conducted, levels of overall satisfaction increase by a minimum of 2%, along with 2% increases in at least eight (8) of the twelve priority areas
- Each time the Community Satisfaction Surveys are conducted, levels of satisfaction with provision of information to the community and community input into Council decision-making increase by a minimum of 2%
- Six (6) monthly audits indicate that more than 95% of the information on Council's website is up-to-date

Program Budget

The budget for Administration covers all administration functions, including this Program Area.
Please refer to the Administration Budget contained in the Administration – Asset Management Program Area

Program	Administration – Finance
Director	Director of Corporate Services – Mitchell Johnson (DCS)

Links to Community Strategic Plan

Community Priority/Core Service	Outcome	Council's Strategic Responses
4. Financial Management	Outcome L2. We demonstrate accountability, transparency and ethical conduct	L2.1 Base our decisions on research, evidence and our responsibility to anticipate harm before it occurs L2.3 Behave ethically in all our dealings
5. Long-term planning for the Shire	Outcome L3. We are engaged and well informed	L3.1 Target engagement activities to encourage stakeholder participation
	Outcome L5. We manage our finances, assets and services effectively	L5.1 Manage our organisational resources, systems and processes responsibly L5.4 Maintain assets for their current purpose and for future generations
	Outcome Ec2. Our Shire has the infrastructure we need to support our economy	Ec2.2 Seek financial assistance to redress the current infrastructure backlog and provide funding for key regional projects

Activities and Priorities

Financial Planning and Reporting	Outcome	Responsible Officer	2013-2014	2014-2015	2015-2016	2016-2017
The provision of key financial information and advice to Council's decision makers to assist in maintaining Council's financial sustainability, including but not limited to:						
1. Monthly budget reports to Council staff	L2.1	BCA	◆	◆	◆	◆
2. Quarterly budget reports to Council	L2.1	BCA	◆	◆	◆	◆
3. Monthly cash and investment reports to Council	L2.1	BCA	◆	◆	◆	◆
4. Other reports as requested by staff and/or Council	L2.1	BCA	◆	◆	◆	◆
Ensure that all of Council's financial statutory reporting requirements are satisfied, including but not limited to:						
1. Annual Financial Statements	L5.1	FM	◆	◆	◆	◆
2. Annual budget for inclusion in the Operational Plan	L5.1	FM	◆	◆	◆	◆
3. Four year budget for inclusion in the Delivery Program	L5.1	FM	◆	◆	◆	◆
4. Ten year budget for inclusion in the Long Term Financial Plan	L5.1	FM	◆	◆	◆	◆
5. All Office of Local Government statutory returns i.e. Statement of Compliance and Financial Data Return	L5.1	FM	◆	◆	◆	◆
Financial Services	Outcome	Responsible Officer	2013-2014	2014-2015	2015-2016	2016-2017
Pursue and respond to grant funding opportunities	Ec2.2	FM	○	○	○	○
In accordance with Council's Investment Policy, maximise returns on investments whilst at the same time ensuring protection of capital	L2.3	FM	○	○	○	○
Ensure all Rates, Charges and other debtors are levied within required timeframes and according to all applicable statutory requirements	L5.1	RA	○	○	○	○
In conjunction with external collection agencies, pursue all overdue debts owed to Council through legal debt recovery processes	L5.1	RA	○	○	○	○
Investigate the potential for Council to apply for a Special Rate Variation (SRV) commencing in the 2016/2017 rating year as a means of obtaining additional funding to enable the delivery by Council of services and infrastructure that are significant to the community (in particular, in respect of the unsealed roads network within the Shire) but that Council is unable to fund within its existing revenue structure	L5.3	DCS/RA			◆	
Undertake an engagement process with the community to gauge the community's support for a SRV commencing in the 2016/2017 rating year for the purpose of raising additional revenue to be utilised in respect of the unsealed roads network within the Shire	L3.1	GM/DCS/IPRM			◆	

Manage Council's stores operations to optimise both financial and workforce outcomes	L5.4	FM	○	○	○	○
Construction of new machinery shed at the Moree Depot	L5.4	SS	P	◆		
Asset upgrades at Council depots in Moree, Boggabilla and Mungindi	L5.4	SS	P	P	P	P
Replacement of chain fence at Moree Depot with security fencing along James Street, Maude Street and Tycannah Street	L5.4	SS		P	P	P
Carry out structural repairs to Council's workshop	L5.4	FM			P	P
Rehabilitate the vehicle movement and car parking areas of the Moree Depot	L5.4	FM			P	
Financial Services	Outcome	Responsible Officer	2013-2014	2014-2015	2015-2016	2016-2017
Oversee and manage Council's purchasing and local supplier policies, procedures and processes	L2.3	FM	○	○	○	○
Review options for the centralisation of Council's purchasing	L5.1	FM			◆	
Investigate the increased use of purchasing cards to improve efficiencies and reduce costs	L5.1	FM			◆	
Ensure all Council creditors are processed and paid within agreed terms	L5.1	AO	○	○	○	○

Indicators

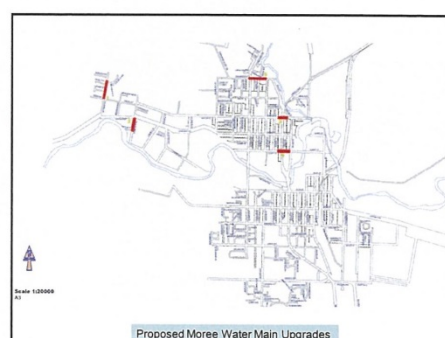
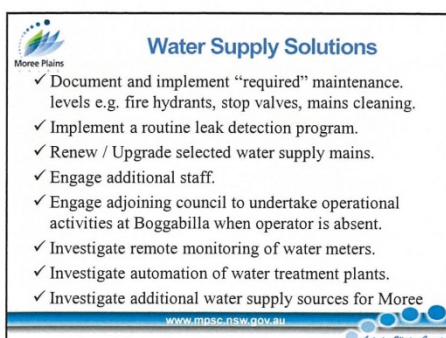
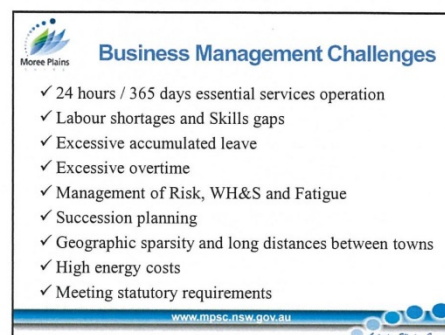
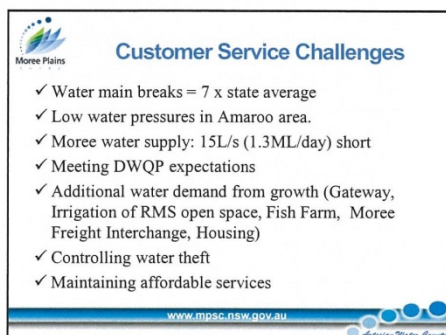
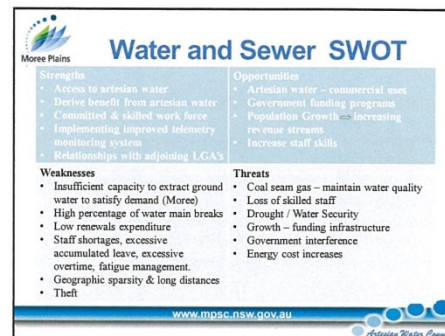
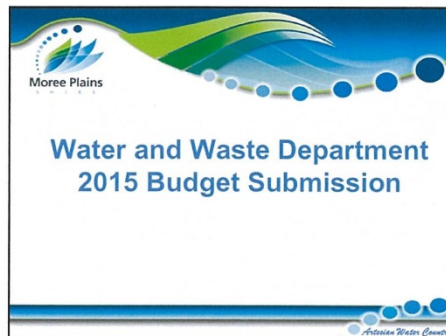
- That Council satisfies each of the Fit for the Future Criteria and Measures ("Performance Benchmarks") within the timeframe specified by the NSW State Government or, where such a Performance Benchmark is not met, that Council is able to demonstrate improvement or a plan towards improvement in such a Performance Benchmark with a view to satisfying all Performance Benchmarks (in accordance with the NSW State Government's Methodology for Assessment of Council Fit for the Future Proposals which may include "meeting" or "improving by 2019/2020" the Council's performance in a particular Performance Benchmark) within the timeframes so specified

Program Budget

The budget for Administration covers all administration functions, including this Program Area.
Please refer to the Administration Budget contained in the Administration – Asset Management Program Area.

Annexure 4

Section 2.4, Water Utility Performance: Water and Waste Department 2015 Budget submission



Sewerage System Solutions

- ✓ Document and implement "required" maintenance levels e.g. sewer mains cleaning.
- ✓ Implement a routine sewer main television survey and mains cleaning program.
- ✓ Install telemetry and new switchboards at sewer pump stations.
- ✓ Engage additional staff
- ✓ Engage adjoining council to undertake operational activities at Boggabilla when existing staff are take leave.
- ✓ Investigate automation of sewer treatment plants

www.mpsc.nsw.gov.au

Projected Capital Upgrade / New Plan

- Water Main Upgrades in Moree.
- Design – Replacement WTP and water reservoir for Mungindi
- Water security grant applications submitted for:
 - Biniguy Water Supply
 - Toomelah: Emergency water supply
- Investigate a new water source at Halls Creek
- Update our Integrated Water Cycle Management (IWCM) Plan


www.mpsc.nsw.gov.au

Boggabilla – Toomelah - \$4.57m



www.mpsc.nsw.gov.au

Halls Creek Water Source - \$12.32m




www.mpsc.nsw.gov.au

Renewal Plan

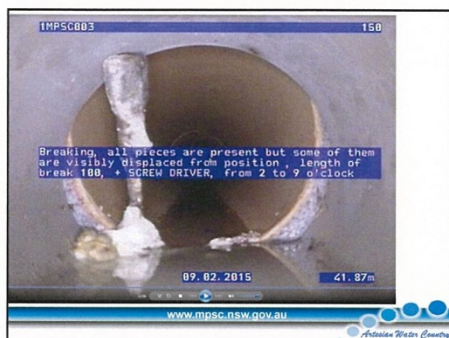
- Installation of replacement switch boards and telemetry at sewer pump stations.
- Construct new trade waste receival and treatment facility at Moree Sewer Treatment Works and decommission existing ponds.
- Sewer pump station renewal program.
- Sewer manhole renewal program.
- Sewer main renewal / relining program.

www.mpsc.nsw.gov.au

A Stitch in Time saves ?



www.mpsc.nsw.gov.au



Moree Plains **Required Maintenance Plan**


- Water reservoir painting program

www.mpsc.nsw.gov.au **Arden Water Country**

Moree Plains **Employee Benefits**

- ✓ Safer work place due to fatigue management.
- ✓ Improved work / life balance
- ✓ More interesting work
- ✓ Training opportunities
- ✓ Greater opportunity for succession
- ✓ Relatively good job security
- ✓ Reliable income stream



www.mpsc.nsw.gov.au **Arden Water Country**



Staff Training


- Sewer main CCTV inspection and condition rating.
- Water main leak detection and data analysis.
- Water main condition rating.
- Surveillance officer duties.
- Fire Hydrant and Stop Valve maintenance.
- Plastic pipe welding.
- Telemetry data analysis.
- Accessing GIS based water and sewer plans.
- Water meter renewals.
- CRM system works completion entry.

www.mpsc.nsw.gov.au



Questions?

www.mpsc.nsw.gov.au

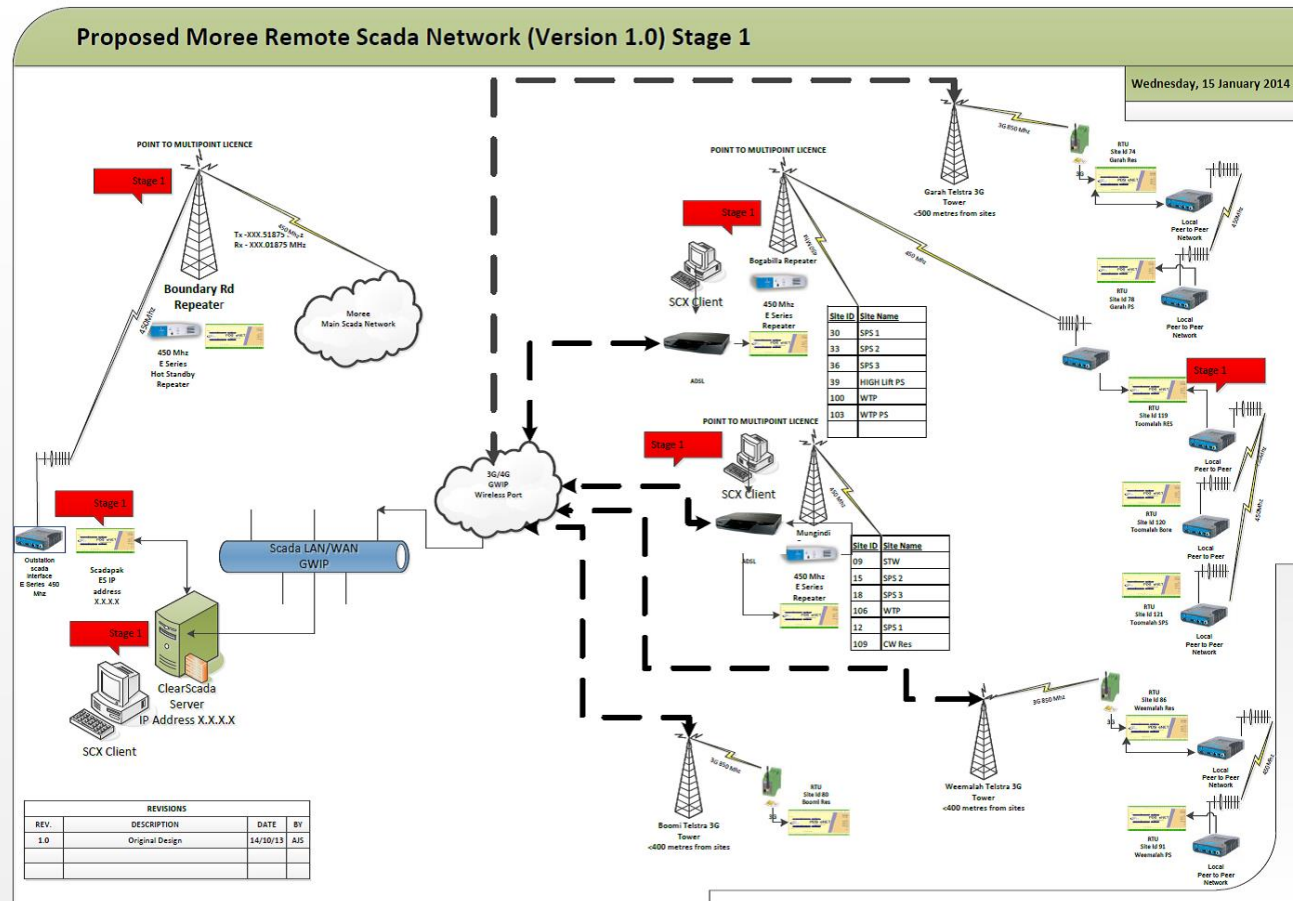


Annexure 5

Section 2.4, Water Utility Performance

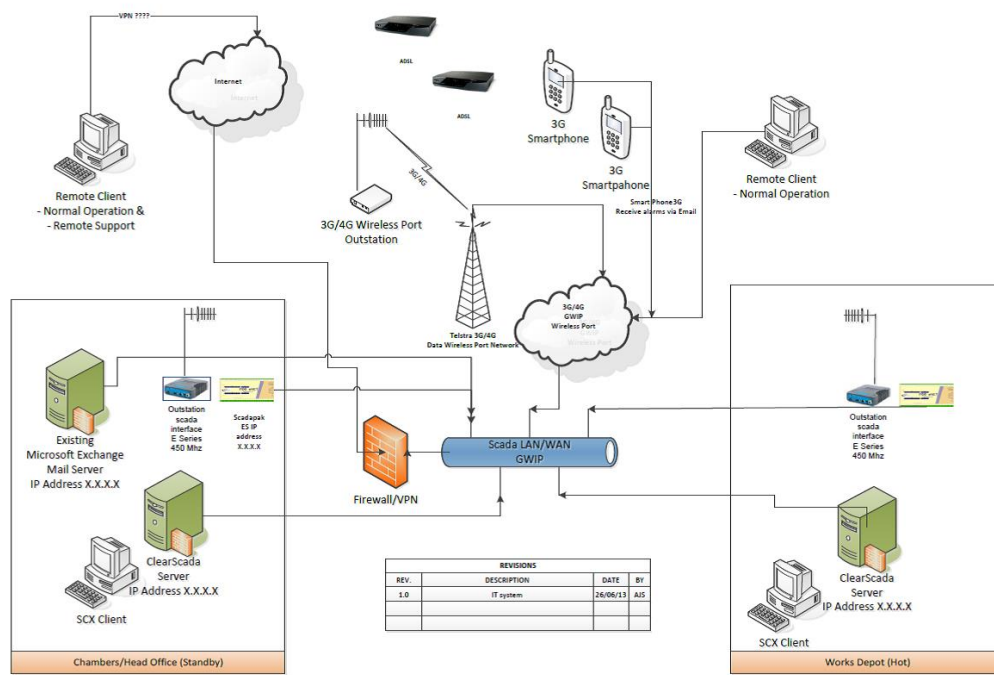
Proposed Moree Remote SCADA Network (Version 1.0) Stage 1

Proposed Moree IT Network/Requirements (Version 1.1)



Proposed Moree IT Network/Requirements (Version 1.1)

Wednesday, 15 January 2014



Annexure 6

Section 3.4, MPSC Improvement Action Plan (detailed) 2015-2016

	Extract from the Delivery Program 2014-2017 and Operational Plan 2015-2016
Program	Fit for the Future - Improvement Action Plan (detailed)
Director	General Manager – Lester Rodgers (GM)

Links to Community Strategic Plan

Community Priority/Core Service	Outcome	Council's Strategic Responses
4. Financial Management	Outcome S4. Our health and wellbeing provide for a satisfying and productive life	S4.2 Provide our communities with a range of sustainable services, facilities and amenities
5. Long-term planning for the Shire	Outcome Ec2. Our Shire has the infrastructure we need to support our economy	Ec2.1 Provide a local road network that meets the Shire's transport needs Ec2.2 Seek financial assistance to redress the current infrastructure backlog and provide funding for key regional projects
12. Community input into Council decision-making	Outcome L2. We demonstrate accountability, transparency and ethical conduct	L2.1 Base our decisions on research, evidence and our responsibility to anticipate harm before it occurs
	Outcome L5. We manage our finances, assets and services effectively	L5.1 Manage our organisational resources, systems and processes responsibly L5.2 Foster a culture of continuous improvement across our organisation L5.3 Implement good practice in planning for future infrastructure assets L5.4 Maintain assets for their current purpose and for future generations
	Outcome L3. We are engaged and well informed	L3.1 Target engagement activities to encourage stakeholder participation L3.2 Use a broad range of communication strategies and tools to inform community members and other stakeholders

Activities and Priorities

Objective S1 The budget for the financial year ending 30 June 2017 will only be presented to the Council for consideration following Departmental and organisation-wide fiscal review	Responsible Officer	2015-2016
For each Department, appoint a designated budget manager	All Departments	♦
Meetings between Finance Department and each other Department as part of Budget preparations	Finance Department, MANEX and all Managers	♦
Meetings between Human Resources Department and each other Department to review Departmental staffing requirements	Human Resources, MANEX and all Managers	♦
Meetings between Managers and MANEX to review and evaluate the outcomes of Department-level meetings to determine organisational priorities	MANEX and Managers	♦
MANEX presentations to Council	MANEX	♦
Objective S2 Management of the organisation's budget throughout the financial year (both at a Departmental and organisation-wide level) will be more regularly monitored and reported to identify material variations in a timely manner	Responsible Officer	2015-2016

Monthly Departmental meetings and MANEX meetings will include a standing agenda item in relation to budget performance. Managers and the relevant MANEX representative will be responsible for ensuring that their Department's budget is in good standing each month and any potential variations are identified and communicated to the Finance Department and MANEX	MANEX and Managers	◆
Monthly reporting to MANEX by Department managers on performance; actual versus projected	Managers	○
MANEX will be in a position to report back to Council when potential material variations to the budget have been identified so that Council is fully aware of, and can make informed decisions on the basis of, such circumstances	MANEX	◆
Quarterly presentation by MANEX to Council on performance; actual versus projected in the form of the QBRs and progress against the Delivery Program and Operational Plan	MANEX	○
Objective S2 Reports to Council which will affect the financial performance and/or position of the organisation must be aligned with the objectives of the Community Strategic Plan and identify sources of funding where budget provision has not been made	Responsible Officer	2015-2016
Prior to undertaking work in relation to any new project, an assessment must be carried to confirm the project is consistent with the Community Strategic Plan	Responsible Officer of Report	◆
The responsible officer of any proposed report to Council which will affect the financial performance and/or position of the organisation must liaise with the Finance Department so sufficient details of the implications can be provided to Councillors	Responsible Officer of Report	◆
Any report to Council which will affect the organisation's financial position and/or performance (outside of that already provided for in the budget) must be approved by MANEX prior to its inclusion in the Business Paper	MANEX	◆
Councillors must be made aware if a report to Council will affect the organisation's financial position and/or performance (outside of that already provided for in the budget)	Responsible Officer of Report	○
Objectives S3, S4, ISM1, ISM2 and E3 Council needs to more comprehensively understand: <ul style="list-style-type: none"> - the full suite of services it delivers to the community - for each service delivered, the current level of service provided (and whether this accords with service level commitments to the community) - for each service delivered, the levels of service which could be provided (critical, core, optional/value-add), subject to any minimum technical level required to discharge statutory obligations or mitigate risk - the cost of delivering services to the community at varying service levels to better evaluate the levels of service provided and ensure that such functions and activities are consistent with the aspirations of the community as articulated in the Community Strategic Plan. This work needs to be undertaken prior to any community consultation regarding services, levels of service and the costs associated with the same.	Responsible Officer	2015-2016
Each Department to:	All Departments	◆
Audit internal and external service provision by that Department	All Departments	◆
For each service delivered, define the levels of service which could be provided (critical, core, optional/value-add), subject to any minimum technical level required to discharge statutory obligations or mitigate risk	All Departments	◆
For each service, identify the current level of service being provided and evaluate whether current levels of service accord with commitments	All Departments	◆
Understand the costs associated with service delivery at varying levels of service	All Departments	◆
Through community consultation, revisit committed levels of service with the community to determine if that level of service is still desired, having regard to the associated costs and the community's willingness to pay for that level of service	MANEX, AssetM, IPRM	◆
Where service provision goes beyond committed levels or is not an appropriate level of service, either reduce levels of service or provide the service under an alternative model by passing on the additional cost for the elevated service level to the user, as appropriate	All Departments	◆
Investigate the development of a new general ledger structure	DCS	◆
Consider the implementation of a software system to report on progress against our Delivery Program and Operational Plan which integrates with our financial system	DCS, IPRM	◆
Objective S4 Undertake a comprehensive review of opportunities to strengthen our revenue base by uncovering "hidden" income potentials, identifying revenue generation opportunities and	Responsible Officer	2015-2016

locating new funding sources		
For each service delivered, MANEX and Council to determine which level of service is "required" by the community (as identified in the Community Strategic Plan and clarified through community consultation) and is therefore, to be satisfied by Council and which level of service might be provided to the community under a user pays model	MANEX (and Council)	◆
All departments to review utilisation levels of all staff and determine if additional capacity exists and, if so, determine if this is an area appropriate for shared service provision	MANEX and Managers	○
For areas of potential shared service provision, financially model the proposal to determine if true savings, efficiencies and additional revenue can be realised and if so, approach councils within the Namoi Joint Organisation and other external organisations with shared service offer	MANEX and Managers	◆
General Manager to report back to the Namoi Joint Organisation as to the progress of shared services involving MPSC so that others in the Namoi Joint Organisation can also benefit directly (by provision of such service by MPSC) or indirectly (by the model pioneered by MPSC being adopted more broadly by other members of the Namoi JO)	GM as member of GMAC Namoi JO	◆
Objective S5 Realise better value from Council assets	Responsible Officer	2015-2016
Develop policy parameters for asset disposal against which Council assets can be evaluated	Asset Managers and MANEX	◆
Identify surplus real property assets using asset disposal policy	DCS	◆
Objective S6 Undertake recruitment sustainably	Responsible Officer	2015-2016
For each recruitment project, review the necessity of the role and if of continuing value, undertake a comprehensive position description review	Relevant Department head and Manager	◆
Better manage new employee performance during the probation period	Relevant Department head and Manager	○
Objective S7 Improve financial focus at a strategic level by developing an existing senior finance role to adopt more Chief Financial Officer attributes as part of that role	Responsible Officer	2015-2016
Review position description of relevant member of the Finance Department	Human Resources Department and MANEX	◆
Objective ISM3 Enhance the infrastructure asset data collection process to enable improved reporting, strategic planning, maintenance forecasting and financial management across the organisation	Responsible Officer	2015-2016
MANEX and Managers in consultation with Council staff to analyse, determine and implement the most appropriate mobile system for Council's current and future requirements	MANEX and Managers	◆
Audit and update the asset management data system to accommodate new and existing assets in more in-depth detail	AssetM and Technical Officer – Assets	◆
To analyse, develop and implement the rollout of Council's work-order system for infrastructure assets across the organisation	Asset Manager and Finance Manager	◆
Objective ISM4 Enhance the Council's performance management measures for infrastructure assets	Responsible Officer	2015-2016
Review the policies and procedures for measuring performance of infrastructure assets	Managers and Asset Owners	◆
Objective ISM5 Review formal decision-making policies and procedures for the long-term management of the infrastructure assets	Responsible Officer	2015-2016
MANEX and Managers in consultation with Council staff to review, update and implement a decision-making policy and procedures that describe techniques such as Multi Criteria Analysis and Benefit Cost Ratio methods that can be applied to all infrastructure decision-making	MANEX and Managers	◆

Objective ISM6 Enhance the maintenance management and capital works planning practices for the long-term and short-term management of the infrastructure assets	Responsible Officer	2015-2016
Reviewing and updating the maintenance schedules for the critical assets	Asset Owners	◆
Developing predictive maintenance forecasting to plan long-term and short-term maintenance schedules	Asset Owners	◆
Objective ISM7 Invest and trial new and emerging technology in road stabilising products that may assist in reducing the whole of life costs for the road network particularly on gravel roads	Responsible Officer	2015-2016
Monitor the current trial locations over the next 24 months to determine the suitability (social, environmental and economic) of the product for further application across the entire road network	OM	◆
Monitor the current lime stabilisation trial locations over the next 24 months to determine the suitability of lime as a road stabiliser on gravel roads	OM	◆
Objective E1 Maximise the effectiveness of the organisation's human resources through performance management	Responsible Officer	2015-2016
Develop Key Performance Indicators for all staff	MANEX and Managers	◆
Investigate options for use of time recording as a forensic tool for the organisation (including time recording for a limited period)	MANEX and Managers	◆
Objective E2 Build on the organisation's culture of continuous review and optimisation by reviewing processes, employee utilisation and staff capabilities to ensure the organisation is fully maximising utilisation of employee time and skills	Responsible Officer	2015-2016
Undertake annual performance reviews with all staff (including training and skills audit)	Managers	◆
Implement follow-up actions from annual performance reviews	Managers	◆
Participate in benchmarking marketing against local government and private enterprise equivalents	MANEX	◆
Centralise findings of the training and skills audit of employees	Managers and Human Resources	◆
Prior to engagement of consultants, refer to training and skills audit register to determine if appropriate skills and experience exist within the organisation	Organisation	○
Objective E3 Improve succession planning and fatigue management and improve the management of overtime and accrued leave entitlements	Responsible Officer	2015-2016
Determine service levels in areas where excessive overtime and accrued leave entitlements exist	MANEX and Managers	◆
If the level of service being provided exceeds the agreed level of service, take steps to reduce the level of service	MANEX and Managers	◆
If the level of service being provided is the agreed and necessary level of service, determine the most efficient means of service delivery	MANEX and Managers	◆
Reduce overtime and accrued leave entitlements	MANEX	○
Objective E4 Maximise the value of Council's plant and light fleet	Responsible Officer	2015-2016
To maximise utilisation and value of heavy plant, continue to review key indicators and report back to MANEX on a monthly basis	Finance Department	○
Review Motor Vehicle Policy	MANEX and Managers	◆
Implementation of new Motor Vehicle Policy	MANEX and Managers	○
Objective E5 Improve system implementation and utilisation across the organisation	Responsible Officer	2015-2016

For existing systems, review and monitor usefulness of each system	MANEX and Managers	◆
Appoint system “champions” for systems within the organisation	MANEX and Managers	◆
Objective E6 Investigate potential for centralisation of certain governance functions across the Namoi JO	Responsible Officer	2015-2016
Discuss opportunities with Namoi Joint Organisation members	GM	○
Objective E7 Enhance our capability to design, deliver and manage all projects to achieve cost-effective delivery of key priorities reflected in the Delivery Program and Operational Plan	Responsible Officer	2015-2016
Strategic project management framework endorsed by MANEX	EPM	◆
Project implementation team appointed	All Departments	◆
Strategic project management framework developed and implemented	All Departments	◆
Development of a staff communication and training package	All Departments	◆
Implementation of the staff communication and training package	All Departments	◆
Objective E8 Continue to embed Enterprise Risk Management into Council operations	Responsible Officer	2015-2016
Identify and report quarterly on the organisation’s strategic and operational risks	DCS and CSM	◆
Review and update the critical infrastructure assets register	MANEX, RMAG and AssetM	○
Develop and implement a preventive and predictive maintenance review schedule for the associated policies and procedures	MANEX and Asset Owners	◆