

Template 3

GUNDAGAI SHIRE COUNCIL Rural Council Proposal



Getting Started

Before you commence this template, please check the following:



You have chosen the correct template – only councils in Group C in the final report of the Independent Panel or that meet the Rural Council characteristics (and do not wish to complete template 1 or 2) should complete Template 3.



You have read a copy of the guidance material for Template 3 and instructions for completing each question.



You have completed the self-assessment of your performance, using the tool provided.



You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.



Your Proposal has been endorsed by a resolution of your council.

Section 1: About your council's proposal

Council details

Council name:

Gundagai Shire Council

Date of Council resolution
endorsing this submission:

26 June 2015

1.1 Executive summary

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

Each council in NSW is being asked to prepare a plan to ensure it will be Fit for the Future.

To assist in IPARTS assessment, some contextual background of our council and its community, is provided (GSC Contextual Background is Attachment 1).

The Fit for the Future reform (FFTF) has made Gundagai Shire Council (GSC) focus strategically on 'our business' - where we can improve, how we can cut costs or increase revenue, how we can offer better and sustainable services and infrastructure to our community. GSC is a progressive, resilient and flexible organisation that will meet the challenges faced by Local Government.

GSC submits a Rural Council proposal, backed by the overwhelming support of the Gundagai community. GSC's proposal:

- provides a sound argument that our proposal is the best option to achieve Scale and Capacity,
- meets the characteristics of a Rural Council,
- has initiated real change and strategies to improve its capacity, and
- achieves all seven FFTF benchmarks.

GSC is able to demonstrate that it meets other criteria of Financial Sustainability, Effective provision of services and infrastructure, and Efficiency. Strategic Capacity of GSC is strengthened by collaboration with our partners in the Riverina Joint Organisation (JO).

GSC's operating results in the past were not always providing a surplus after depreciation. Nor was GSC able to meet all the FFTF assessment ratios.

To improve this situation there was a particular focus placed on reviewing and improving the financial and asset portfolios of Council. This builds upon a range of past actions undertaken by GSC to be more efficient and effective for the community.

A comprehensive Income and Expenditure review was undertaken, intentionally to avoid any Special Rate Variation (SRV) if possible. We looked at all areas where we could have influence and had the discretion to act. Specifics are listed further within this submission, but notable are the benefits gained from forming an Alliance Agreement with our neighboring council.

Detailed condition assessment reports were undertaken on our transport and building assets, by

specialist, experienced professional consultants. This was done to obtain accurate and auditable asset information upon which to manage the infrastructure program. The report results reflected that we are indeed managing our assets well, and are in a better position than previously recorded. However, we still needed to allocate sufficient funds to deal with our aging infrastructure. The benefits of investing significantly in asset renewals, by using our available resources, will control infrastructure funding gap, and produces a sustainable model.

We now have a budget model that provides the opportunity to undertake or facilitate major economic and infrastructure development for the benefit of ratepayers and future generations to come. The 10-year forecast position to \$13M in surplus cash across all our funds will allow us to be capable partner with government and industry, ready for investment where needed in the community.

GSC's plan and its underlying forecast assumptions are robust, and the associated Improvement Action Plan is credible and achievable, in moving forward.



See Guidance material page 10 for help completing this section.



See Guidance material page 10 for help completing this section.

1.2 Scale and capacity

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

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

Yes

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

(Group C Councils should answer 'NA')

Yes

See Section 3.3 for Gundagai Shire Council response on the preferred option as explored, and reasoning to take up second option as a Rural Council.



See Guidance material page 10-12 for help completing this section.

1.2 Scale and capacity

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

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	<p>2004 3754 2005 3762 2006 3771 2007 3750 2008 3749 2009 3759 2010 3766 2011 3762 2012 3767 2013 3746 2014 3755 Source: ABS Regional Population Growth 3218.0.</p> <p>Comment: Static or declining population.</p> <p>Gundagai Shire area covers 2,458 square kilometres.</p>
2. Local economies that are based on agricultural or resource industries.	<p>Gundagai's economy relies on its rural industries and more than 80% of the Shire is cleared for dryland cropping and grazing. This traditional farming area produces high quality lucerne hay, horticultural products and cereal crops on the rich alluvial river flats and from the rolling hills come wool, lambs, beef and forestry. Orchard fruits, vegetables and large amounts of honey are produced in the Shire and viticulture is becoming increasingly important.</p> <p>These rural industries employ almost a quarter of the Shire workforce (23% in 2011), followed by food and accommodation employing 12%, manufacturing 11%, construction 11%, retail 6.5% and health and social care 8% of local workers. Since the 2006 census, manufacturing and construction industries have both increased by 2% (2011).</p> <p>The major employer in the Council area is an abattoir (Gundagai Meat Processors - GMP), which currently processes 2850 lambs per day and employs 200'. GMP are set for an expansion to facilitate processing up to 4000 lambs per day with an additional 50-70 jobs to be created.</p> <p>1754 persons in total LGA workforce 19.1% of total workforce in LGA are employed on sheep, beef, cattle and grain farms Agriculture, construction and manufacturing are the largest employers of youth.</p> <p>Approx. 13% of the LGA is covered by Softwood Forest plantings used for local area timber and pulp and paper mills.</p> <p>Only 18% of natural vegetation cover remains in the Gundagai Shire</p>
3. High operating costs associated with a dispersed population and limited opportunities for return on investment.	<p>When staff are working at Council's outskirt boundaries, which may be up to 60-70 km from the Depot, their on site commencement time may be 8:00 am even though they "clocked on" at 6:30am. A similar situation applies for the return to the Depot in the afternoon. The time gap clearly represents an effectively unavoidable inefficiency.</p> <p>Further NSW Forest position on the payment of no rates means in effect it forest land generates no rate income for the lands and hence no return on investment. Council resources are used maintain the standard of these roads.</p>

	<p>Gundagai LGA has 1 town and 4 small villages within that all service their own communities needs. There is on public transport available, so Council required to provide necessary services.</p> <p>Council maintains some 780km of road network in the LGA.</p>
<p>4. High importance of retaining local identity, social capital and capacity for service delivery.</p>	<p>Gundagai has a strong local identity:</p> <ul style="list-style-type: none"> • Town established in 1838 as a river crossing for the Sydney – Melbourne route • Famous for floods particularly the 1852 flood which claimed 80+ lives, and the participation of two aboriginals in rescuing flood trapped persons in that flood • Strong in Australian folklore with poetry by A B Patterson and songs such as “The Road to Gundagai” and “The Dog Sits on the Tuckerbox 5 Miles from Gundagai” • Council is the second largest employer in the Shire area hence a major contributor to the economy. But in addition it performs a strong Community Service Obligation role through: <ul style="list-style-type: none"> – Assisting in the conduct and promotion of local events such as Snake Gully Cup, Battle on the Bidgee, Riverfest – Auditing the financial reports of many local volunteer clubs etc – Assisted in the construction of the Gundagai Medical Centre and the new neighbourhood centre, including project management – Generated the idea and facilitated the amalgamation of the golf, bowling and local RSL Club. Undertook an award winning effluent re-use scheme to create vibrant community resource in a sustainable fashion. – Role as developer in the creation of multi staged residential sub-division(Bourke Estate) for supporting future growth of the town, – undertook a major saleyards upgrade to support the local agricultural economy, – Supported an attempt utilise the old hospital as an aged care facility. – Emergency and restoration works following major natural disaster, including hosting welfare sessions (delivering 2010 and 2012 flood works restorations valued in excess \$15M)

5. Low rate base and high grant reliance.	<p>While Council has two Special Rate Variation (SRV's) in place, it does acknowledge it has a low rate base, particularly as both of these are in place for finite periods. Why? The answer lies in part in history where our predecessors considered they were doing rate payers a service by not increasing rates. The second rests with NSW Forests not being subject to rates and since 1986 13% of our rural land base is now owned by Forest NSW. Our second rate variation is specifically to fund our main street upgrade (95% supported by rate payers). These two positions effectively stymied Council with the introduction of rate pegging.</p> <p>IPART acknowledged this position and its inherent restrictions while assessing Council's application for its latest SRV.</p> <p>Usually the majority of grants are roads related FAG – roads component Roads to Recovery Block Grant Repair Cycleway Black Spot Flood In the last three financial years Grants and Contributions have represented:</p> <table><tr><th>Year</th><th>Total Revenue Excluding water & sewer</th><th>Total Grants and Contributions</th><th>%</th></tr><tr><td>2014</td><td>7,199</td><td>3,381</td><td>47%</td></tr><tr><td>2013</td><td>9,241</td><td>5,462</td><td>59%</td></tr><tr><td>2012</td><td>11,826</td><td>8,001</td><td>68%</td></tr></table> <p>Funding for flood restoration works have weighed heavily on Council's revenue in recent years.</p>	Year	Total Revenue Excluding water & sewer	Total Grants and Contributions	%	2014	7,199	3,381	47%	2013	9,241	5,462	59%	2012	11,826	8,001	68%
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2014	7,199	3,381	47%														
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2012	11,826	8,001	68%														
6. Difficulty in attracting and retaining skilled and experienced staff.	<p>Attracting and retaining skilled and experienced staff is an ongoing issue for Council and other businesses in the township. Examples confirming this position follow:</p> <ul style="list-style-type: none">• The immediate past General Manager worked in Gundagai during the week and returned to his families residence on the South Coast at weekends. His tenure lasted 12 months out of a 5 year contract.• In order to attempt to shore up engineering personnel in the future, Council sponsored a student through university (cadetship) but with no airtight guarantee this individual would remain at Council other than a “doing-the-right-thing” attitude.• Council was fortunate to obtain the service of another young engineer however he is also commuting to his residence in Wollongong at the weekends. How long will this last?																
7. Challenges in financial sustainability and provision of adequate services and infrastructure.	<p>T Corp stated in its assessment of Council “we consider Council to be moderately sustainable in the short term ... finding it increasingly difficult to fund infrastructure renewals in the medium to long term that will increase the pressure on Council's sustainability.”</p> <p>The position is exacerbated somewhat by the fact that for many years Forestry NSW only paid rates on leased land. These days the permissible income total for Council factors in rates on these lands but the payment for such is met by the ratepayers of the Council.</p>																

	<p>Council's response to the challenges has been, in part at least, to adopt technologies eg. Purchased a stabilizer which will:</p> <ul style="list-style-type: none"> • Reduce cost of road repairs • Provide longer life over standard repairs • Provide an opportunity for additional private works. <p>A further response by Council has been in the form of a comprehensive review of its staffing arrangements.</p> <p>The landholders adjoining forestry suffer the impost of poor noxious weeds management, meaning additional control costs are burdened upon them and Council along their road corridors. Council is currently looking at a pilot scheme to work with adjoining landowners to share the responsibility of weed control along our road corridors.</p>
8. Long distance to a major or sub-regional centre.	<p>Gundagai is located approx.</p> <ul style="list-style-type: none"> • 85 km to Wagga • 160 km to Canberra, <p>which are the two most significant centres for Gundagai purposes. They provide a wide range of services not available at/in Gundagai, particularly in the areas of specialist medical and financial services.</p> <p>The distance factor/position will deteriorate even further in the near future when Roads and Maritime Services closes Council's depot as a heavy vehicle testing site. Instead the bus operators and truck operators of Gundagai, including Council, will now have to drive each vehicle 40 km to the next available site at Tumut.</p>
9. Limited options for mergers.	<p>While there is no direct physical barrier to impede a merger with Tumut both distance and time would become influencing factors, particularly if Tumbarumba Council was included in any merger.</p> <p>If the latter was to eventuate the distance from Muttama in the north to the Murray River in the south is approximately 200km with a travel time in the order of two and a half hours, a situation which obviously presents efficiency challenges.</p> <p>Similarly there is a 300km trip around the boundaries of Tumut and Gundagai Shires.</p> <p>The community is not in favour of a merger as indicated in community survey results and public meeting minutes, Mergers will not reduce the road network nor the community's needs.</p>

Section 2: Your council's current position

2.1 Key challenges and opportunities

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

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

Strengths	Weaknesses
<ul style="list-style-type: none"> • Council is close to the community – seen as being both responsive and sensitive to the community's attitudes and expectations • It is prepared to make hard decisions eg. deciding to proceed with the main street redevelopment inclusive of a SRV • Has invested in engineering personnel (ie cadetship program) • Has a relatively low staff to ratepayer ratio, including on a per capita basis • Proximity of the township to the Hume Highway and access to major cities • Membership of REROC – tangible benefits of resource sharing and joint activities • Collaborative arrangement with existing councils (ie. RFS Emergency Operations, Library operations, Regional Landfill, Internal Audit) • Proximity to the Murrumbidgee River – provides for secure water and an attraction to industry and the community • Adequate Cash Reserves • Ability to deliver major projects including unexpected Natural Disaster recovery • Tourism facilities • Good sport and recreation facilities • Good Hospital/Medical facilities – including a thriving GP Register training centre for Rural GP's • Good community spirit • Dealing with service improvements – i.e plant rationalisation over time • Excellent Hospital and Medical facilities. With a thriving GP Register training facility promoting opportunities for retention of rural doctors. 	<ul style="list-style-type: none"> • Strong reliance on the decision making at State and Federal Governments eg.FAG's indexation decision • Disabilities identified by the Grants Commission • Small staff numbers exposes Council, particularly where replacements are concerned • Both a steady/declining and aging population • Distance to major centres when seeking urgent products • Exposure to significant natural disasters eg. floods, bushfires • Managing road works in difficult terrain • Managing naturally occurring asbestos in works • Managing declining gravel resources. • Limited Public Transport • Telecommunication infrastructure

Opportunities	Threats
<ul style="list-style-type: none"> • The move to adopt new technology (eg stabilizer) which over time will provide for an increase in revenue and a reduction in expenditures • Move to establish as an Internet Service Provider (ISP) • Further resource sharing and joint alliances • Increase in tourism • Business opportunities generated by proximity to the Hume Highway • Fully serviced residential blocks ready for sale (approx 1,000m² @ \$75k) • Reduction in red tape for LG is expected from the existing State review • Support local jobs and economic growth • Cultural activities and services • Mining potential • Ability to borrow money in the current economic environment • Since October 2010 to June 2014, major flooding restoration had occurred on the road network to a value of some \$15M. The Asset condition ratings are expected to be substantially better than pre-flood condition ratings particularly for our gravel road network. The future liability for gravel re-sheeting is expected to decrease in the short to medium term. 	<ul style="list-style-type: none"> • Predatory attitude of larger surrounding Councils • Rate pegging • Potential to loose specialist trained staff • Number of secondary school students who travel to Wagga on a daily basis • Increasing compliance/oversight of State Government • Natural disasters. • Further cost shifting by the State and Commonwealth Governments • Age of Infrastructure



See Guidance material page 13 for help completing this section.

2.2 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	(0.067)	(0.010)	(0.113)	(0.299)
Own Source Revenue Ratio (Greater than 60% average over 3 years)	57.5%	50.6%	60.6%	66.5%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	31.8%	33.8%	60.5%	51.1%



See Guidance material page 14-15 for help completing this section.

2.2 Performance against the Fit for the Future benchmarks

Sustainability			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	No	0.01	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	No	77.58%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	No	141.31%	Yes

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

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

2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Infrastructure Backlog Ratio (Less than 2%)	6.1%	4.0%	1.2%	5.0%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	100.0%	94.6%	97.5%	80.4%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.0%	0.03%	0.01%	0.03%



See Guidance material page 13-15 for help completing this section.

2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	No	1.23%	Yes
5.0et Maintenance Ratio (Greater than 100% average over 3 years)	No	100.41%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	No	2.34%	Yes

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

2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	2.34	2.75	2.24	1.98



See Guidance material page 13-15 for help completing this section.

2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2013/2014 performance	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	1.98	No	2.61	No (comparing only 13/14 and 16/17) Yes (reducing trend from 15/16 to 19/20)

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

Council's Real Operating ratio has varied overtime and while the figures for 2013/14 and 2016/17 suggest it does not reach the benchmark a perusal of the results from 2015/16 points to a "reducing" trend.

2013/14	1.98
2014/15	1.86
2015/16	2.28
2016/17	2.26
2017/18	2.23
2018/19	2.19
2019/20	2.18

Assumptions:

1. population remains static at 3747
2. the Local government Cost Index over time is 3.1 based on the average for 2011/12 to 2014/15
3. sales of assets provide a neutral result (ie. no profit or loss)

2.3 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?

No

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

GSC does not yet meet the Best Practice Management Guidelines.
From 13/14 Performance reporting:

SEWERAGE SYSTEM - GSC serves a population of 2,400 (820 connected properties) and has 1 sewage treatment works providing secondary treatment. The system comprises 3,500 EP treatment capacity (Trickling Filter), 5 pumping stations (400 ML/d), 3 km of rising mains and 70 km of gravity trunk mains and reticulation. 100% of effluent was recycled (Indicator 27). GSC has a Pollution Incident Response Management Plan (PIRMPs) for their sewage treatment works. No Trade Waste Policy is in place.

GSC achieved **67%** implementation of the NSW BMP requirement under performance reporting in 13/14.

WATER SUPPLY SYSTEM - GSC serves a population of 2,400 (980 connected properties). Water is drawn from Murrumbidgee River to supply Gundagai. The water supply network comprises 1 conventional treatment works (5 ML/d), 6 service reservoirs (5 ML), 2 pumping stations, 5 ML/d delivery capacity into the distribution system, 2 km of transfer and trunk mains and 34 km of reticulation. The water supply is fully treated.

GSC achieved 90% implementation of the NSW BMP requirement under performance reporting in 13/14. A Drinking Water Management System was implemented in 2015.

Integrated water cycle management strategy has not been implemented for Water and Sewer. Implementation of the requirements demonstrates effectiveness and sustainability of water supply business. 100% implementation is required for eligibility to pay an 'efficiency dividend' from the funds back to GSC General fund – a future goal.

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

\$185,000



See Guidance material page 16 for help completing this section.

2.3 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
<p>Council has no proposed significant capital works for sewer and water operations until 2020/21, at which stage expenditures on programs (a) and (b) will total \$4.18m. Program (a) is proposed to be fully self funded while (b) is supported by a 50% grant. An alternative to a grant is loan funding.</p> <p>a. Water reticulation - pipes</p> <p>b. Treatment Plant - replacement</p>	<p>20/21</p> <p>20/21</p>	<p>\$1.105m</p> <p>\$3.074m</p>	<p>Nil-self funded</p> <p>Proposal currently being developed. With anticipated 50% grant.</p>

2.3 Water utility performance

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

Yes

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

N/A

2.3 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.

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

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
Put in place a consultancy arrangement with a specialist sewer engineering firm for advice on the best way forward from both an operational and capital development perspective for the introduction of a new STP	18 months	A more efficient and cost effective approach for specialist assistance. Allows compliance with best practice.. Opens potential for grant funding.
As part of the Best Practice Program implemented by Council some years ago, it was established Council's pricing policy was inadequate for water and sewer. The move to Best Practice Pricing sees:- 1. Water approx 10% increase 2015/16 – 19/20, followed by 5% pa for 2020/21 – 21/22 and then to 3% for 22/23 – 24/25 2. Sewer - same	Ongoing	A soundly sustainable operation over time for both water and sewerage programs
Implementation of a Integrated water cycle management strategy, Financial Plan and Report. The Riverina JO has identified water and sewer as a regional priority and the work on our IWCM strategy will be undertaken collaboratively using the available skills within the region.	2017/18	Implementation of the requirements BPM framework demonstrates effectiveness and sustainability of water supply business. 100% implementation is required for eligibility to pay an 'efficiency dividend' from the funds back to GSC General fund
Implementation of a Trade Waste Policy. Council will be adopting a policy	2015/16	Implementation allows for new developments to comply and pay charges
Investigate the use of Variable speed pumps in the Water Treatment plant.	2015/16	To become more energy efficient leading to a reduction in recurrent costs.

Section 3: Towards Fit for the Future

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

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

Option 1: Resource sharing				
Proposal	Implementation	Proposed milestones	Costs	Risks
Regional Landfill at Bald Hill (Harden, Young, Cootamundra, Gundagai, Tumut and Tumbarumba.	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Membership of Riverina Regional Tourism	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Tourism membership with Tumut and Tumbarumba Councils. Riverina Highlands Snowy Valley's Way promotion	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Internal audit committees for committee external membership role and as part of such also development of a 3 year rolling plan (currently in year 6 of operation)	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Wagga Council assisted GSC with loan of a rates clerk for an extended period to address a specialist staffing	Past Strategy	Potential Strategy if the need arises again	On-going benefits being realised	None
Joint bridge construction with Junee Council which involved that Council expending money in GSC LGA for the benefit of its ratepayers and residents	Past Strategy	Potential Strategy if the need arises again	On-going benefits for the region being realised	None

Gundagai gave up their Repair Program allocation of \$70k to Tumbarumba Shire in 11/12 to allow their urgent landslip problem to be repaired. RMS recognised that when some unallocated REPAIR funding became available in 14/15 it was offered to GSC.	Past Strategy	Potential Strategy if the need arises again	On-going benefits in the region are being realised	None
Shared services of a Road Safety Officer between Tumut, Tumbarumba and Gundagai Councils	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
GIS and computer training provided to Tumut Council by GSC officer	Past Strategy	Potential Strategy if the need arises again	On-going benefits in the region are being realised	None
Membership of Softwoods Working Group - includes Councils and Forests NSW.	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised. Success in lobbying for funding for Gocup Road. Revised Roads Haulage Study being drafted to inform further lobbying – with northern roads complex within GSC a priority	None

<p>Riverina East Organisation of Council (REROC) founding member. Has brought with it many benefits with Councils saving \$45M over 20 years. Council has been involved in many items including:</p> <ul style="list-style-type: none"> •Joint street lighting contract •Joint electricity contract •Guidepost purchasing contract' •Bitumen supply contract •Metal and electronic waste contract •Development of a Regional Transport Plan 	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised \$200k	None
Formal Alliance Agreement formed with TSC to deliver Gocup Road work. (Private Works as a subcontractor in accordance with RMS prequalification requirements held by TSC.)	The Agreement sign off by both Councils in June 2015 is for operational purpose across common interests.	Attendance at Gocup Rd Steering Committee Meetings. Construction commencing September 2015	Generation of \$200k in own source revenue per annum.	RMS funding is committed. Steering Committee for project coordination is established. An established history of working well under a similar arrangement provides for minimal risk.
Resource Sharing- Environmental Services Staff	Council plan to investigate resource sharing benefits for the provision of services for noxious weed control and ranger responsibilities with TSC.	Initial meeting held with TSC June 2015. Establish strategy by April 2016.	Expected reduction in recurrent costs	None.
Riverina JO Working Parties	A Regional Planning and Environment Unit – this has been raised by a few councils. The Riverina JO will explore how this would actually work, how the staff	Initial discussions held at REROC Board Meeting June 2015 with nominations of interest confirmed	Expected reduction in recurrent costs	None

	<p>would be shared and resourced and how the work would be allocated. GSC will participate in this initiative during 2015/16.</p> <p>Regional Arts and Culture Programming Shared Staff – this came from discussions during the Eastern Riverina Arts Strategic Planning sessions with councils. A number of councils expressed concern that they had great arts and culture facilities that were under-utilised. This position would arrange for arts and cultural events to be programmed into these spaces. I would envisage the person being located at Eastern Riverina Arts to ensure that there was no duplication of effort. GSC will participate in this initiative during 2015/16.</p>			
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?

Efficiency	Infrastructure and Service Management	Sustainability
<p>Continuation of REROC Ongoing commitment as a member of REROC will see efficiencies of around \$200k delivered for the community via a range of collaboration. REROC has brought with it many benefits with Councils saving \$45M over 20 years. Council has been involved in many items arrangements.</p> <p>New JO Working Parties New arrangements with the JO will see development of a Regional Planning and Environment unit which will advantage GSC. Restructuring of GSC's existing portfolio within Council will see operational savings.</p> <p>Resource Sharing- Environmental Services Staff Council plan to investigate resource sharing benefits for the provision of services for noxious weed control and ranger responsibilities with TSC.by April 2016.</p>	<p>Continuation of Regional Landfill at Bald Hill (Harden, Young, Cootamundra, Gundagai, Tumut and Tumbarumba</p> <p>Continuation of Tourism membership with Tumut and Tumbarumba Councils. Riverina Highlands Snowy Valley's Way promotion Membership of Riverina Regional Tourism</p> <p>Joint bridge construction with Junee Council which involved that Council expending money in GSC LGA for the benefit of its ratepayers and residents</p> <p>Repair Program Collaboration Gundagai gave up their Repair Program allocation of \$70k to Tumbarumba Shire in 11/12 to allow their urgent landslip problem to be repaired. RMS recognised that when some unallocated REPAIR funding became available in 14/15 it was offered to GSC.We work well in the region.</p>	<p>New Alliance Agreement Formal Alliance Agreement formed with TSC to deliver Gocup Road work. (Private Works as a subcontractor in accordance with RMS prequalification requirements held by TSC.) The Agreement was signed off by both Councils in June 2015 is for operational purpose across common interests Generation of \$200k in own source revenue per annum in 15/16 and onwards for 5 years is an outcome.</p>



See Guidance material page 17-20 for help completing this section.

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

Option 2: Shared administration				
Proposal	Implementation	Proposed milestones	Costs	Risks
Shared Internal Audit	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Administration function for Riverina Highlands Zone RFS by Tumut Council on behalf of the three member Councils.	Existing Strategy	On-going monitoring of Strategy performance	On-going cost savings being realised	None
Gundagai Council had undertaken a training role on behalf of Tumut Council in the area of GIS and computer operations.	Past Strategy	Potential Strategy if the need arises again	On-going benefits in the region are being realised	None
Planning and Building Services Review	Trainee Health and Building appointed and undergoing technical training Reduction in Planner time by 1 day	December 2015 December 2015	Net saving of \$30k	Qualification not obtained
Council considers there is a strong possibility through REROC for the provision of a heritage function for its members	Advocate through REROC of need for Regional Heritage officer	Ongoing	Pay for service	None
Council believes theoretically it is possible for councils to share General Managers and Directors however it also believes that such a move simply provides a system of governance but not one of local government.	No further action	No further action	No further action	No further action

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Rationalisation of GSC's Planning and Building unit. The current annual cost of a planning consultant is \$120k. Council is implementing a succession plan where a trainee building inspector is becoming qualified to undertake accredited inspections in Dec 2015. The need for the consultant will reduce to around 1 day per week. This generates a saving of \$30k pa in 15/16. With a further saving of \$20k in 16/17.</p> <p>Maintain existing established share administration Maintain, Internal Audit, RFS Zone Admin.</p>	<p>Shared Heritage Officer Advocate through REROC of need for Regional Heritage Officer</p>	

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

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
Private Works Increase - Stabilizer	Promotion to hire and use of equipment	ongoing	Nil – Income source through hire	Low plant utilisation
Private Works Increase – Water Jetter	Promotion to hire and use of equipment	ongoing	Nil – Income source through hire	Low plant utilisation
Outsource skills and hire equipment in management of naturally occurring asbestos.	Introduce Fees and Charges for service	December 2015	Nil – revenue generating	None
	Promotion of service	Jan 2016		
Bourke Estate Sales	Sale of Lots to deliver return on investment	2015/16	Property transfer fees	No sales
Swimming Pool Operations	new lease	September 2015	Potential increase in revenue	Attracting Lessee
Infrastructure Depreciation / Asset Condition Assessment	The reports were adopted by Council as reference documents	June 2015.	\$30-40k	None.
Main Street Redevelopment Project	Main Street Project is under construction.	2015/16.	\$4M of which includes a \$3M loan paid by the community following a successful SRV.	Project Issues
Innovation Fund	Preparation of a proposal	December 2015	\$25k	Ineligibility

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Private Work Increase - Road Stabilizer Council has recently introduced a Road Stabilising Machinery into its fleet. This will cut down its reliance on high contract costs for this activity, and is the most cost effective way to manage poor pavement quality with the increase in heavy vehicle use. The machinery is in demand within the region and will be hired to neighbouring Council's in 2015/16 and beyond. Initial promotion has occurred. The unit has been hired by Tumut, Tumbarumba, and Cootamundra Shires.</p> <p>GSC's ability to carry out works quickly, economically and efficiently with its new Wirtgen Road Stabiliser, is benefiting road maintenance in the region – and this was recognised by RMS allocation to GSC of additional extra unspent funding in the 2014/15 Repair Program</p> <p>Innovation Fund Smaller rural councils will get additional help to explore new ways of working together through a new \$4 million Innovation Fund. – Gundagai has a specific issue that we may potentially target for the Innovation Fund to do with our Timber haulage routes – poor pavements, increasing b-doubles, distance for maintenance, hence high cost. So a detailed engineering analysis is required for the best long term solution. Preparation of a proposal by December 2015, to evaluate the potential benefits of investing in Primer Sealing on our remote gravel pavements, which are subjected to increasing heavy vehicle loading, immediately following pavement rehabilitation with our new stabilisation machinery. To save on ongoing and increasing maintenance</p>	<p>Outsourced IT In 2012 Council outsourced its IT services following the resignation of an employee, to its financial benefit.</p> <p>Bourke Estate Sales 28 lot fully serviced subdivision is established to accommodate the future expansion of Gundagai. Marketing plan is established. Sales are progressing. 3 Lots are estimated to be sold in 2015/16, delivering a return on our investment.</p> <p>Swimming Pool Operations Council is currently renewing its facilities to include a gymnasium and solar heating. Operational changes to reduce costs are being investigated for inclusion within a new lease.in September 2015</p> <p>Infrastructure Depreciation / Asset Condition Assessment Detailed condition assessment reports were undertaken on our transport and building assets, by specialist, experienced professional consultants. The reports were adopted by Council as reference documents in June 2015.</p>	<p>Naturally Occurring Asbestos Management Council has acquired proficiency and accredited skills in the management of naturally occurring asbestos on worksites. Further GSC has purchased monitoring devices. We aim to hire out personnel and equipment to generate additional revenue</p> <p>Jetta Council has also recently purchased a water jet device to dislodge tree roots in the sewer system, a move which has been calculated to provide substantial savings over time</p> <p>Main Street Redevelopment Project Main Street Project is under construction in 2015/16. This Project importantly reduces an infrastructure backlog to the tune of \$4M of which includes a \$3M loan paid by the community following a successful SRV.Council has contained project costs of all elements of the project by looking at alternate options through the planning phase, namely that the design was undertaken to minimize the adjustments to underground services, and the selection of materials provides for a modest cost compared to other options.</p>

costs, and preserve the investment in pavement recycling		
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3.1 How will your council become/remain Fit for the Future?

Option 4: Streamlined governance				
Proposal	Implementation	Proposed milestones	Costs	Risks
Management of LSL and AL entitlements to reduce GSC's current and future liability	Develop strategy in consultation with affected staff.	Report to Council August 2015 to adopt a strategy and any subsequent policy Outcome included within IPR framework reported on quarterly by General Manager	Within existing administration budget	Key staff downtime.
Opportune Investment Strategy	A decision was made to immediately take up loan for the Main Street Project	Completed April 2015	Generation of additional interest income to the tune of \$30k in 15/16.	None.
FBT Review	Review was undertaken It is a requirement for staff to maintain log books to assist in minimizing FBT liability.	April 2015. July 2015	Minimise Council expenditure	Log book management.
Communications and IT Systems	Council has moved to VOIP (digital) phone service Council will look to move our physical servers into the cloud system	15/16 April 2016.	providing savings of \$24k in 15/16. additional savings of around \$7k	Price changes. Internet security
Legal Fees	Council has reviewed its expenditure on legal expenses	July 2015	Reduction of \$10k	Unexpected legal expenses
General Fees and Charges Review	Comprehensive review of fees and charges for inclusion within 16/17.	By March 2016	Nil	None
Business Improvement Planning Sessions	Session to be held by December 2015.	December 2015	Within existing budget	None

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

Efficiency	Infrastructure and Service Management	Sustainability
<p>Management of LSL and AL entitlements to reduce GSC's current and future liability</p> <p>Council has recently revised its salary system and incorporated a performance based bonus system. Savings are expected to be generated through identification of better practice. The General Manager will drive this process through GSC's Consultative Committee. Identification in 2003/04 of an ageing staff, particularly in the executive area and a focus to put in place a succession plan, but at the same time be in a position to handle sudden substantial commitments in relation to ELE provisions. Council has for a number of years, and currently has in excess of 75% of its ELE commitment covered with a reserve. The provision of Council's current ELE liability is to be reviewed – Aim is to reduce excessive Long Service Leave and Annual Leave balances: This is an operational action that will enable reductions in salaries and wages expenditure whilst staff are on LSL or AL which is funded from Councils Employee Leave Entitlement Reserves. It also provides opportunities for succession planning and helps to cap the growing LSL and AL liabilities caused by salary creep.</p> <p>Opportunity Investment Strategy</p> <p>Council In assessing loan alternatives for the main street project the loan take up and repayment arrangements, in conjunction with Councils banker NAB, a decision was made to immediately take up loan with the driving factor being the generation of additional interest income to the tune of \$30k in 15/16.</p> <p>FBT Review</p> <p>To ensure we pay the legitimate</p>	<p>Our Cash Budget</p> <p>The 10 year cash budget indicates that in 10 year's time Council will have \$13M across all its funds. (Council's Workings and Reserve Funds Budgets and assumptions for the next 10 years is shown in attachment 2.)</p> <p>This needs to be compared to when Council embarked 10 years ago on some very important decisions and we had net cash funds of \$2.5million. What does this mean?</p> <p>In 2004/05 the then Council acknowledged the importance of making some strategic decisions across all Council affairs in an effort to increase Council's long term sustainability and over time increase the cash to allow it to embark on infrastructure upgrades and maintaining and continuing to improve the services to the community which it serves.</p> <p>Over that historical 10 year period the key decisions have had a substantial impact improving the overall sustainability of Gundagai Shire Council include:</p> <p>A look at its property investments and then a decision to sell property investments due to:</p> <p>The lack of return that those property developments were bringing to Council funds;</p> <p>Assets that were not working for the Gundagai community;</p> <p>Sale of 20% interest in a commercial property;</p> <p>The building was leased by Tumut Shire Council;</p> <p>Sale of the Medical Centre.</p>	<p>Council is serviced by 8 Councillors who meet on 11 occasions throughout the year at Ordinary Meetings and on numerous occasions at Committee Meetings, Special Meetings, presentations etc. Depending on the application and dedication of a Councillor the workload may range from minimal to extensive with most at the extensive end of the list. Can the Council operate just as effectively with say 7 instead of 8 Councillors for a financial savings \$8,130pa.? Councillors performance is such that it far outweighs the identified saving. As part of council's strategic plan the main street redevelopment project following some unsuccessful grant applications a decision was made in 2013 to apply for a special rate variation. 2 community meetings were held with an overwhelming 95%+ agreeance and Council made the historical decision to go out and borrow \$3 million and utilise \$1million of it's own funds which had been built up to develop the main street. The special rate variation that was applied for and later granted allowed Council to repay over a 10 year period the \$3 million. Subsequent to that Council has been fortunate to receive the LIRS Grant which effectively means after locking in the \$3 million at 4.08% means the council has borrowed money net of LIRS at a rate of 1.08% to upgrade the main street of Gundagai.</p> <p>Business Improvement Planning Sessions</p> <p>Council will incorporate regular Business Improvement Planning sessions. These sessions aim to empower Councillors and staff to focus on our business, strategically, where we can improve, how we can cut costs,</p>

<p>least amount as possible a review was undertaken in April 2015.</p> <p>It is a requirement for staff to maintain log books to assist in Minimizing FBT liability.</p> <p>Communications and IT Systems</p> <p>Council has moved to VOIP (digital) phone service providing savings of \$24k in 15/16. Council will look to move our physical servers into the cloud system with expected additional savings of around \$7,000 by April 2016.</p> <p>Legal Fees</p> <p>Council has reviewed its expenditure on legal expenses around past practice improvements seeing a reduction up to \$10k</p> <p>General Fees and Charges Review</p> <p>Council undertook a minor review of its fees and charges for implementation for 15/16. Council will undertake a comprehensive review of fees and charges by March 2016 for inclusion within 16/17..</p>	<p>It is important to note that with the sale of the Caravan Park it allowed Council to develop a 3 way partnership with State and Federal Governments and refurbish and develop the library being Mirrabooka, to where it is today. Without the sale of the Caravan Park, Council was not in a position to contribute to this development which has brought many long term benefits to the Gundagai community and surrounding areas.</p> <p>In 2005/06 when working through the budgetary process for 2 years before going to the community with a projected 10 year plan which indicated that we needed to apply for a special rate rise of 9.69% above the rate peg limit of 3.2% providing a total rise of 12.89%. This was to allow Council to continue to deliver services to the community and not have to cut services, and at the same time allow Council to catch up on some of the impacts that rate pegging has had, particularly given that 20 to 30 years ago, and prior to that, the Councillors were very focused on not having any rate rises which, when rate pegging came in, meant that the Gundagai Shire was on a very low rating base. This is substantiated when you compare the rates to adjoining shires. The multiplier for commercial and rural for the Gundagai Shire to our neighbouring shires. Of that special rate rise is shown in the ability of Council to maintain its services but also be in a position to strategically strengthen its balance sheet through a more focused infrastructure program.</p> <p>Today, the projected \$13 million is after: Upgrading the main street and paying back the loan.</p> <p>Upgrading our water plant in accordance with the recommendations for the long term water plan.</p> <p>Upgrade our sewerage plant in</p>	<p>how we can offer better services, and think about big picture improvements by looking outside the square. Real opportunities towards sustainability are an expected outcome. This will be driven by the General Manager with a session to be held by December 2015</p>
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	<p>accordance with the recommendations.</p> <p>Continue to build and improve our infrastructure, including the main link road between Tumut and Gundagai, being the Gocup Road, a project that will be undertaken in conjunction with RMS and Tumut Shire Council. Allocate an additional \$460k pa over next 10 years to fund infrastructure renewals per recommendations from the Moloney Report and the ratios identified in the FFTF reforms.</p> <p><u>Workforce planning</u> - An effective workforce strategy will ensure Council has the people, best able to inform its strategic direction, develop innovative approaches to complex issues, develop and maintain partnerships, deliver appropriate services effectively and efficiently, and engage productively with the local community in implementing the Community Strategic Plan and reporting back on its achievements. GSC has adopted an organisational structure which is appropriate to its needs. Workforce planning is a continuous process which will be evaluated in line with the Integrated Planning model. But further the structure will be reviewed looking at opportunities to become more efficient in the areas of:</p> <p>Health, Planning and development control, and Enforcement – shared resourcing with neighbouring towns, and upskilling our own resources in 2016</p> <p>Visitor Information Centre – Outsourced services by 2018</p> <p>Meeting the FFTF Benchmarks of 2015</p>	
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3.1 How will your council become/remain Fit for the Future?

Option 5: Streamlined planning, regulation and reporting

Proposal	Implementation	Proposed milestones	Costs	Risks
Road Royalties – payable by two existing quarry operators	Consultation with quarry operators Alteration of existing voluntary planning agreements Implement new charges	Has occurred in early 2015. By end of October 2015 January 2016	Within existing Administration budget	No Agreement, potential legal challenge
S94 Plan – Heavy vehicle usage local roads	Draft S94 Plan to be presented to Council in July 2015 for public exhibition. Adoption	July 2015 October 2015	Revenue source for future development	None
Lobby for State to pay rates on its land where used for a commercial activity	Council will participate in the 2015/16 Rating Review process	ongoing	Nil	None

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

Efficiency	Infrastructure and Service Management	Sustainability
	Council sees the JO as the body co-ordinating PR & R at a regional level which in turn would flow through to member Councils. However, Council believes the State Government should undertake a review of the regulatory burden it places on councils.	S94 Plan – Heavy vehicle usage local roads Introduction of a section 94 Plan for Development generating heavy vehicle usage of local roads will enable the contribution will offset the cost to Council of the accelerated deterioration of a local road caused by heavy vehicles associated with a particular development. Such developments include extractive industries and transport related industries, but can include any

		<p>development that generates a high number of heavy vehicle movements on local roads.</p> <p>Road Royalties – payable by two existing quarry operators</p> <p>Reestablishment of appropriate Voluntary Planning Agreements for extractive quarries to offset road maintenance costs.</p> <p>Lobby for State to pay rates on its land where used for a commercial activity</p> <p>Council will participate in the 2015/16 Rating Review process and seek an amendment to the LG Act to allow for additional rating revenue above the current notional rate income, to be paid by commercial entities of the State such as NSW Forestry. This additional money would offset high costs of maintaining timber haulage routes damaged by the very industry that use them. Gundagai has 13% of its land area that is currently not attracting rates.</p>
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3.1 How will your council become/remain Fit for the Future?

Option 6: Service review				
Proposal	Implementation	Proposed milestones	Costs	Risks
Street Sweeping and Toilet Cleaning	Reviewed the staffing and costing arrangements A contractual arrangement will be investigated implementation	May 2015. A 1 January 2016 16/17 with possible savings of +\$25k.	With possible savings of +\$25k	None
Staff Motor Vehicle Leases	Review undertaken. A new lease policy will be established.	May/April 2015 October 2015	Small Increase in revenue	Staff retention
Rationalisation of Visitor Information Centre	Investigation of commercial arrangement to deliver the service, thus reducing operational costs	2018	Unknown	Employee industrial repercussions
Service Reviews by all GSC staff	Performance appraisals	July 2016	Nil – efficiencies and cost reductions expected.	None

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service management	Sustainability

<p>Council has a lean operational workforce, compared with neighbouring Shires, yet continue to efficiently deliver workloads similar to neighbouring Shires, for the Gundagai community. Gundagai has been able to maintain low recurrent costs due to the availability of local skilled contractor resources. This has been due to the direct correlation with Councils position located on the Hume Highway half way between Melbourne and Sydney and its associated road maintenance activities.</p> <p>Our Workforce is trained in multi tasking to fully employ staff.</p> <p>In 2005/06 the finance committee requested Council employees to provide historical and current plant usage rates. This identified a number of strategic moves that could be made to enhance our plant fleet, increase efficiency but at the same time reduce costs. These included:</p> <ol style="list-style-type: none"> 1. Council owned a bulldozer that was being used less than 20% of time. It was decided to sell the bulldozer. 2. Mr Leon Patterson, engineer at the time, recommended that the 3 gravel trucks be sold and be replaced with 2 truck and dogs. This had the benefit of: <ol style="list-style-type: none"> a. Saving 1 labour unit; b. Allowing the 2 remaining labour units to cart 30% more gravel which in turn resulted in better utilisation of graders, rollers, water carts and allowed Council to drive down the cost. 3. With the sale of the bulldozer it was identified that Council needed an excavator on any given day 	<p>Council is currently considering rationalising the Visitor Information Centre operation. Savings have been identified following an audit report prepared by Tilman Management Services. Use of volunteers was targeted in that report to reduce operational costs however this has not been realised. Council is moving to investigate a commercial arrangement to achieve the same.</p> <p>An action that will further enhance financial performance is to undertake community consultation with regards to setting the level of service for each asset class.</p> <p>Street Sweeping and Toilet Cleaning</p> <p>Reviewed the staffing and costing arrangements May 2015. A contractual arrangement will be investigated by 1 January 2016 with implementation in 16/17 with possible savings of +\$25k.</p>	<p>Combining Councils Water and Sewer Teams together and Council are considering preparing documentation for application to become a RMS Accredited contractor for works. This will allow for the opportunity to pursue external works in the LGA and eventually the region to provide an alternate income stream.</p> <p>Cartage of gravel is important in road building but in the Gundagai Shire our gravel resources are becoming increasingly limited so being able to utilise the stabiliser, and re-use the material we already have, is a cost saving in road construction but at the end of the day it is going to delivery to the community a safer and better infrastructure.</p> <p>Staff Motor Vehicle Leases</p> <p>Review undertaken May/April 2015. A new lease policy will be established by October 2015 to increase contributions of existing and particularly new employees at market rates.</p> <p>Service Reviews by all GSC Staff</p> <p>Council has recently revised its salary system and incorporated a performance based bonus system. Savings are expected to be generated though efficiencies identified around better practice. This will be driven by the General Manager through GSC's Consultative Committee.</p>
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<p>In 2010 Council adopted a strategy to remove one grader from its fleet, and hire in on an 'as required' basis. It further undertook a change in the construction methodology in regards to its maintenance grading activities to deliver cost savings and better service. Indeed the cost per km reduced for not having to attend to additional repairs using the old methodology.</p> <p>In 2011 Council adopted a strategy to purchase a Bogie Water Tanker into its fleet. Council had one watercart, and over a review period had up to 3 more contract watercarts working simultaneously. Council further had ownership of a new Prime Mover. This vehicle is essential to be able to float machinery around the worksites, however it has a lot of downtime through the day which could be better utilised. The Prime Mover is suitable for towing a Bogie Watertanker as proposed. A business case was presented identifying savings and efficiencies and was subsequently adopted by Council.</p> <p>Since acquiring the stabiliser substantial sections of Council roads have been upgraded and it has allowed Council to further rationalise our plant fleet. Council at its June 2015 meeting accepted a tender to replace 2 truck and dogs with 1 truck and dog. Based on less gravel cartage requirements.</p> <p>Rationalisation of Visitor Information Centre</p> <p>Investigation of commercial arrangement to deliver the service, thus reducing operational costs</p>		
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3.1 How will your council become/remain Fit for the Future?

Option 7: Additional options identified by the council				
Proposal	How will it be achieved /Implemented	Proposed milestones	Costs	Risks
Environmental Waste Management Initiatives.	GSC is introducing an Organics collection system and processing facility in October 2015.	October 2015 – rollout	The net saving is \$9k	None – Organics trial undertaken previously
	GSC is replacing its two remaining village landfill sites with waste transfer stations. .	July 2015 – Rural waste charge applies	This is cost neutral to GSC but has huge environmental benefit and reduces future liabilities on landfill management.	None
Solar Panels and Energy Efficient Lighting to Council's Administration and Visitor Information Centre Buildings.	Adoption of Budget item in 14/15 Installation from an approved supplier	June 2015	\$30k	None
Procurement of Electricity through a Local Government Procurement Tender Process	LGP Tender participation in 14/15	Sept 2014	Savings of 20% realised	None
Property and Commercial Lease improvements	Review completed Realisation of lease rental increase: Caravan Park +\$3,000; Grazing leases +\$1.210; effective July 2015	April/May 2015.	Caravan Park +\$3,000; Grazing leases +\$1.210; effective July 2015	None
Sporting Ground – hire charges	Meet with sporting bodies Implement new charges from January 2016	By end of October 2015 From January 2016	Generation of \$5k revenue 15/16 and \$10k thereafter	Public Opinion

Cleaning Contract	The current contract expires on 30.06.2015 and it is proposed to streamline service under the new contract	July 2015	Estimated saving of \$16k	
Update Asset Management Plans.	AMP updates	September 2015	Nil	None

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

Efficiency	Infrastructure and Service management	Sustainability
<p>Solar Efficiencies Solar Panels and Energy Efficient Lighting to Council's Administration and Visitor Information Centre Buildings will reduce recurrent costs</p> <p>Cleaning Contract The current contract expires on 30.06.2015 and it is proposed to streamline service under the new contract, moving from 100% to around 60% (cleaning at 3 days per week with staff undertaking the balance). Estimated saving of \$16k</p>	<p>Environmental Waste Management Initiatives. GSC is introducing an Organics collection system and processing facility in October 2015 to provide a valuable community service and environmental benefit</p> <p>GSC is replacing its two remaining village landfill sites with waste transfer stations to provide a valuable community service and environmental benefit</p> <p>Update Asset Management Plans. The purpose of the asset management process is to account for both the ongoing maintenance and subsequent renewal of these infrastructure assets as they reach the end of their useful life. Following the work undertaken to meet FFTF benchmarks – those strategies, alterations and updated information from Condition Assessment Reports undertaken are to be reflected in revised AMP's. Further update data within the corporate CIVICA Authority system. Assets Engineer to update by September 2015.</p>	<p>Electricity Tender Procurement of Electricity through a Local Government Procurement Tender Process allows for a recurrent saving across Council.</p> <p>Sporting Ground – hire charges Introduction of user pay charges for Sporting Grounds. GSC have borne full operational costs for many years without a contribution towards lighting, mowing and line marking of its sports field. It is un-sustainable to continue. Council is proposing a very modest transition to user pays by seeking a contribution of \$5k that covers existing electricity usage</p> <p>Property and Commercial Lease improvements Realisation of lease rental increase: Caravan Park +\$3,000; Grazing leases +\$1.210; effective July 2015</p>

3.2 Rural Council Action Plan

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

Action plan	
Actions	Milestones
Management of LSL and AL entitlements to reduce GSC's current and future liability	<p>Report to Council August 2015 to adopt a strategy and any subsequent policy</p> <p>Outcome included within IPR framework reported on quarterly by General Manager</p>
Implementation of Alliance Agreement with TSC to deliver Gocup Road upgrade work. (Private Works)	<p>Attendance at Gocup Rd Steering Committee Meetings.</p> <p>Construction commencing September 2015</p>
Sporting Ground – hire charges	<p>Meet with sporting bodies by end of October 2015 and implement new charges from January 2016</p>
Road Royalties – payable by two existing quarry operators	<p>Consultation with quarry operators has occurred in early 2015.</p> <p>Alteration of existing voluntary planning agreements by end of October 2015 and implement new charges January 2016</p>
Introduce a Section 94 Plan for Development generating heavy vehicle usage of local roads	<p>The contribution will offset the cost to Council of the accelerated deterioration of a local road caused by heavy vehicles associated with a particular development. Such developments include extractive industries and transport related industries, but can include any development that generates a high number of heavy vehicle movements on local roads.</p> <p>Draft S94 Plan to be presented to Council in July 2015 for public exhibition.</p> <p>Adoption by October 2015</p>
Bourke Estate Sales (Council subdivision)	<p>28 lot fully serviced subdivision is established to accommodate the future expansion of Gundagai. Marketing plan is established. Sales are progressing. 3 Lots are estimated to be sold in 2015/16, delivering a return on our investment.</p>

Property and Commercial Lease improvements	<p>Review completed April/May 2015.</p> <p>Realisation of lease rental increase: Caravan Park +\$3,000; Grazing leases +\$1.210; effective July 2015</p>
Swimming Pool Operations	Council is currently renewing its facilities to include a gymnasium and solar heating. Operational changes to reduce costs are being investigated for inclusion within a new lease.in September 2015
Opportune Investment Strategy	Council In assessing loan alternatives for the main street project the loan take up and repayment arrangements, in conjunction with Councils banker NAB, a decision was made to immediately take up loan with the driving factor being the generation of additional interest income to the tune of \$30k in 15/16.
Insurance Review	In May/April Council undertook a review particularly in the area of property. The outcome was to remove a number of minor items from the property portfolio and also review all insurable values saving Council \$20,000
Cleaning Contract	The current contract expires on 30.06.2015 and it is proposed to streamline service under the new contract, moving from 100% to around 60% (cleaning at 3 days per week with staff undertaking the balance). Estimated saving of \$16k
Private Works Increase	Council has recently introduced a Road Stabilising Machinery into its fleet. This will cut down its reliance on high contract costs for this activity, and is the most cost effective way to manage poor pavement quality with the increase in heavy vehicle use. The machinery is in demand within the region and will be hired to neighbouring Council's in 2015/16. Initial promotion has occurred.
FBT Review	<p>To ensure we pay the legitimate least amount as possible a review was undertaken in April 2015.</p> <p>It is a requirement for staff to maintain log books to assist in minimizing FBT liability.</p>
Street Sweeping and Toilet Cleaning	Reviewed the staffing and costing arrangements May 2015. A contractual arrangement will be investigated by 1 January 2016 with implementation in 16/17 with possible savings of +\$25k.
Communications and IT Systems	Council has moved to VOIP (digital) phone service providing savings of \$24k in 15/16. Council will look to move our physical servers into the cloud system with expected additional savings of around \$7,000 by April 2016.
Legal Fees	Council has reviewed its expenditure on legal expenses around past practice improvements seeing a reduction up to \$10k.
Staff Motor Vehicle Leases	Review undertaken May/April 2015. A new lease policy will be established by October 2015 to increase contributions of existing and particularly new employees at market rates.

General Fees and Charges Review	Council undertook a minor review of its fees and charges for implementation for 15/16. Council will undertake a comprehensive review of fees and charges by March 2016 for inclusion within 16/17..
Planning and Building Services Review	The current annual cost of a planning consultant is \$120k. Council is implementing a succession plan where a trainee building inspector is becoming qualified to undertake accredited inspections in Dec 2015. The need for the consultant will reduce to around 1 day per week. This generates a saving of \$60k pa but the amount is offset by \$15k pa for the increase in the building inspector salary package upon becoming qualified. •Net saving \$45k pa
Infrastructure Depreciation / Asset Condition Assessment	Detailed condition assessment reports were undertaken on our transport and building assets, by specialist, experienced professional consultants. The reports were adopted by Council as reference documents in June 2015.
Resource Sharing- Environmental Services Staff	Council plan to investigate resource sharing benefits for the provision of services for noxious weed control and ranger responsibilities with TSC.by April 2016.
Main Street Redevelopment Project	Main Street Project is under construction in 215/16. This Project importantly reduces an infrastructure backlog to the tune of \$4M of which includes a \$3M loan paid by the community following a successful SRV.Council has contained project costs of all elements of the project by looking at alternate options through the planning phase, namely that the design was undertaken to minimize the adjustments to underground services, and the selection of materials provides for a modest cost compared to other options.
Environmental Waste Management Initiatives.	GSC is introducing an Organics collection system and processing facility in September 2015. GSC is replacing its two remaining village landfill sites with waste transfer stations in July 2015. Rural waste charges adopted .June 2015.
Riverina JO working parties	<p>A Regional Planning and Environment Unit – this has been raised by a few councils. The Riverina JO will explore how this would actually work, how the staff would be shared and resourced and how the work would be allocated. GSC will participate in this initiative during 2015/16.</p> <p>Regional Arts and Culture Programming Shared Staff – this came from discussions during the Eastern Riverina Arts Strategic Planning sessions with councils. A number of councils expressed concern that they had great arts and culture facilities that were under-utilised. This position would arrange for arts and cultural events to be programmed into these spaces. I would envisage the person being located at Eastern Riverina Arts to ensure that there was no duplication of effort. GSC will participate in this initiative during 2015/16.</p> <p>A network of video conferencing facilities in each council and maybe the REROC office. So that we could cut down on some of the travelling for meetings etc. GSC will participate in this initiative during 2015/16.</p> <p>The Riverina JO has identified water and sewer as a regional priority and the work on our IWCM strategy will be undertaken collaboratively using the available skills within</p>

	the region. GSC will participate in this initiative during 2015/16.
Innovation Fund proposal	<p>Smaller rural councils will get additional help to explore new ways of working together through a new \$4 million Innovation Fund. – Gundagai has a specific issue that we may potentially target for the Innovation Fund to do with our Timber haulage routes – poor pavements, increasing b-doubles, distance for maintenance, hence high cost. So a detailed engineering analysis is required for the best long term solution.</p> <p>Preparation of a proposal by December 2015, to evaluate the potential benefits of investing in Primer Sealing on our remote gravel pavements, which are subjected to increasing heavy vehicle loading, immediately following pavement rehabilitation with our new stabilisation machinery. To save on ongoing and increasing maintenance costs, and preserve the investment in pavement recycling..</p>
Business Improvement Planning Sessions	Council will incorporate regular Business Improvement Planning sessions. These sessions aim to empower Councillors and staff to focus on our business, strategically, where we can improve, how we can cut costs, how we can offer better services, and think about big picture improvements by looking outside the square. Real opportunities towards sustainability are an expected outcome. This will be driven by the General Manager with a session to be held by December 2015.
Service Reviews by all GSC staff	Council has recently revised its salary system and incorporated a performance based bonus system. Savings are expected to be generated through efficiencies identified around better practice. This will be driven by the General Manager through GSC's Consultative Committee.
Lobby for State to pay rates on its land where used for a commercial activity	Council will participate in the 2015/16 Rating Review process and seek an amendment to the LG Act to allow for additional rating revenue above the current notional rate income, to be paid by commercial entities of the State such as NSW Forestry. This additional money would offset high costs of maintaining timber haulage routes damaged by the very industry that use them. Gundagai has 13% of its land area that is currently not attracting rates.
Update Asset Management Plans.	The purpose of the asset management process is to account for both the ongoing maintenance and subsequent renewal of these infrastructure assets as they reach the end of their useful life. Following the work undertaken to meet FFTF benchmarks – those strategies, alterations and updated information from Condition Assessment Reports undertaken are to be reflected in revised Further update data within the corporate CIVICA Authority system. AMPS. Assets Engineer to update by September 2015.

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

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

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

The General Manager and Mayor have participated in the establishment of a JO Pilot through the RERO Board meetings, and reported back through Council on their actions.

Councillors and Council staff have attended nearly all available briefing sessions arranged by OLG in relation to the FFTF reform. Subsequently all Council and the community have been abridged on the process and requirements by inclusion of information with reports and minutes of Ordinary Council meetings. Media reports through local newspapers are documented.

Council utilised its adopted Community Engagement Strategy and used diverse and appropriate activities to encourage public participation including; a community survey, a public forum, meetings with elected Council representatives and key staff, use of the local newspaper, website and Social Media.

Council employees have been briefed on the FFTF reform process at organised staff meetings.

The General Manager initiated a FFTF team – by appointing an internal FFTF Coordinator from 1 January 2015 through to 30 June 2015 (Being our Director of Corporate and Community Services – and backfilled his substantive position internally during this time) an action endorsed by Council. Further Council's Assets Engineer was tasked with reviewing requirements of Infrastructure benchmarks.

The FFTF team members had various meetings with neighbouring Councils to share knowledge and peer review tasks and activities through the process.

Council formed a FFTF Committee consisting of our existing Senior Staff Review Committee, Mayor, Deputy Mayor, Cllr Gain, and further, Cllr Magnone attended the majority of meetings.

Council resolved to ask the former General Manager of Coolamon Shire, Mr Terrey Kiss to facilitate and provide specialist advice to the team.

The general aim was to:

- ensure a financial operating surplus;
- account for appropriate depreciation;
- undertake a robust review of income and expenditure;
- ensure that appropriate funding was allocated to maintaining Council's assets;
- implement operations and service changes to ensure benchmarks were achieved, without having significant adverse impact on the community, and
- target expenditure of reserves to maximise the benefit to the community.

Council also engaged consultants for their specialist services:

Assets

Mr Peter Moloney – Moloney Asset Management Systems, provided Asset Condition Surveys on Council's Transport Assets (namely roads and bridges, to get accurate data for Asset Planning and in turn Asset Management Plans depicting reality, particularly around values and depreciation.

Mr Moloney reported back to Council on his findings, and his reports were adopted by Council as reference documents.

CPE Associates Practising Civil Engineers – provided professional asset management and valuation support to Council's Assets Engineer, particularly in the area of asset useful lives.

Mr Glen Moore - former Health and Building professional - provided a condition survey report of our Building Assets, including componentization, and replacement values.

Financials

Ms Therese Boyd (nee Haley) – Consulting financial accountant – provided financial assistance in the preparation of financial operating statements incorporating the FFTF benchmarks.

At each regular meeting of the FFTF Committee, the FFTF Coordinator presented documented analysis of strategies against the FFTF requirements.

All items in the Action Plan have been subject to scrutiny and review by the FFTF Committee.

Assumptions were robustly tested, prior to inclusion within the Plan.

Action Plan items are consistent with 4 year strategic actions in Council's adopted Delivery Program.

Detailed Action Plan and supporting financial modelling are Attachment 10.



See Guidance material page 21 for help completing this section.

3.3 Community involvement

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

Community Involvement

Gundagai Shire has a proud history of planning its future. Whether in terms of its Community Plan, environmental plans, social plans, or economic development initiative, the Council and community have worked together in partnership to build a proud and prosperous Shire.

Gundagai Shire Council recognises the importance of engaging with its community and in its Community Plan, Outcome 2, under Leadership, states that the Community is engaged, informed, participates in decision making and contributes to the future of the Shire.

In response to the FFTF process, Council utilised its adopted Community Engagement Strategy and used diverse and appropriate activities to encourage public participation including:

- A short, sharp survey (5 questions) undertaken during April 2015, to encourage involvement on the key concerns and issues and options for reforms, most particularly addressing the key criterion of 'Scale and Capacity'. The survey was distributed by letter to every household in Gundagai LGA (approx. 2000 letters) in hardcopy and further an electronic version for submission on-line linked to Council's website. The survey was preceded with a Fact Sheet to inform on FFTF process. Council received 181 survey responses, providing for a statistically valid result. (Community Survey Data is Attachment 3). A copy of the survey results assisted in framing GSC's response to FFTF requirements. (Community Survey Data is Attachment 3)
- A Public Forum held on 18 June 2015, to share information and consult on what is proposed under FFTF process, and how Council may be determined fit moving forward. Attendance was by 65 LGA residents. An outcome was a unanimous show of hand vote for GSC to stand alone as a Rural Council in Riverina JO. (Public Minutes and Reports is Attachment 4)
- Meetings with elected Council representatives and key Council staff. A copy of all business paper reports and subsequent minutes and resolutions are published for the community. (Public Minutes and Reports are Attachment 4)
- Use of local newspaper (Gundagai Independent), Council's website and Face Book Page were used to inform the community of Council's FFTF activities and decision, and how the community could contribute.

All engagement processes (survey, public forum, meetings) were well publicised by the local print media and through Council's website (Local Print Media is Attachment 5)

There will always be resource and time constraints on Council's engagement activities. It was critical to develop a balanced approach between the demands for community consultation, resources available, significance of an issue for the community and level of influence the community has on a decision. Successful engagement with the community comes from having a clear understanding of the issues and how the information will be used. The tight timeframes presented by OLG and untimely release of information was not conducive to best practice from Council's perspective. However GSC remains comforted that the Community views are encapsulated and reflected in the submission.

3.4 Other strategies considered

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

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

1.2 Scale and Capacity

Using the Independent Panel's recommendations as a starting point, it is up to each council to decide what its Fit for the Future Proposal will be, in consultation with its community.

GSC is a Group B Council. – suggesting a preferred option to merge with Tumut or a second option to be a Rural Council in Riverina JO.

GSC has explored the merger proposal, and has not been convinced of the benefit. A Rural Council in Riverina JO is Councils chosen proposal for submission and assessment. This has been backed by the overwhelming support of the Gundagai community. GSC is able to demonstrate that it meets the requirements of Scale and Capacity through existing and proposed regional collaboration. GSC believe that there is a sound argument against a merger and has the characteristics of Rural Council as outlined in section 1.2 of the submission.

Mergers are not the path to real reform – changing the processes of Gundagai Shire Council and not the structure is the answer.

Costs of mergers are significant and unavoidable, but the savings they promise are uncertain.

The independent Parliamentary Budget Office has examined the cost of council mergers sighting that: "It will cost \$10.8 million to merge Gundagai, Tumut and Tumbarumba" The independent Parliamentary Budget Office's analysis is based on the Queensland Treasury's review of the cost of council amalgamations undertaken in Queensland in 2009. The inclusions sighted are the cost of IT and communications systems, employment transition, branding and other change management activities. Very little money from an \$11M as offered would be available for community facilities, such as roads and bridges. (Parliamentary Briefing Note is Attachment 6)

Extensive Australian and international experience with amalgamation, has repeatedly failed to generate financial sustainability, has shown that process change rather than structural change represents the best approach to successful local government reform.

Brian Dollery, a professor of economics and director of the centre for local government at the University of New England, has stated, "Anyone who still believes that compulsory council consolidation will somehow lead to financial sustainability in local government, with more efficient councils, lower costs and substantial scale economies, has not bothered to acquaint themselves with the vast empirical literature on amalgamation." In his book, *'Councils in Cooperation'*, he provides a detailed summary of the empirical evidence on amalgamation which makes for sobering reading.

The optimal method of fostering constructive process change is for state governments to provide sensible regulatory frameworks which oblige local authorities to closely consult with their communities, engage in careful planning and reporting processes, develop strategic plans and then monitor progress.

In NSW, these frameworks are already largely in place. The integrated planning and reporting framework, and the rate-pegging special variation processes administered by the Independent Pricing and Regulatory Tribunal, represent excellent examples of thoughtful regulation. They not only enhance local council financial viability but also encourage bottom-up community engagement and thorough planning by local authorities.

Shared services is the major structural alternative to municipal mergers. To that end Gundagai Shire Council has been working collaboratively with Riverina Eastern Regional Organisation of Councils (REROC) since 1994. GSC has a proven history of collaboration in the Riverina.

Achieving Strategic Capacity through Regional Collaboration

(Riverina Eastern Regional Organisation of Councils (REROC) – Achieving Strategic Capacity through Regional Collaboration, June 2015 is Attachment 7) This document has been prepared in response to the NSW Government's Fit for the Future program and to IPART's Assessment Methodology for Fit for the Future. In particular it responds to IPART's advice that where a council

elects to operate as a council within a JO that the council must provide robust evidence that regional collaboration will deliver strategic capacity.

This document reviews the over 15 years of REROC's operations to showcase the work it has undertaken in order to provide evidence about the ways in which the REROC member councils have achieved strategic capacity through regional collaboration.

REROC is part of the fabric of the way in which councils in the eastern Riverina do business. The REROC member councils established the organisation in order to create the strategic capacities that could be achieved through regional collaboration. REROC has for 20 years, worked with member councils to create the economies of scale and scope that assists councils to operate more efficiently and effectively.

GSC is a foundation member of REROC. Initially established with a focus on resource sharing activities which would save money for member councils, REROC's activities have grown to encompass regional planning, intergovernmental collaborations and advocacy and lobbying. Virtually every operational area of local government has been touched by the activities of the ROC with the purpose of delivering more efficient and effective outcomes by utilising both the number of members and their combined demands and resources to create scale and capacity.

The estimated financial benefit to Councils generated by collaborative activities totals \$45,277,195. GSC membership generates an estimated saving of \$200,000 annually for our communities benefit. Throughout this submission Council provides examples of resource sharing activities being undertaken or planned.

It is anticipated that REROC will make the conversion to a Joint Organisation in September 2016 and it is expected that the ROC's history of achievement will continue and expand under the new JO structure. Therefore GSC contends that there is ample evidence to demonstrate that by choosing to become a council in a JO, GSC will achieve strategic capacity.

Through the Fit for the Future program, the NSW Government is investing more than \$5 million to establish new Joint Organisations (JO) that will connect local councils and provide a forum for working to collaborate with State Government to deliver sustainable outcomes to regional communities.

Other Strategies Considered

Potential to Merge with Cootamundra and Harden Shire

Despite not being a recommendation of the ILGRP, Council General Managers and Mayors of Harden, Cootamundra, and Gundagai met informally on 28/10/14 to discuss the pros and cons of potential merger. It appeared that all parties would retain the same administrative and operation arrangements. The rating structure and mix, of the three Councils, is quite different presenting some difficulties that would need at least 10 years of integration.

There was no notable benefit to be achieved by structural reform, only by working collaboratively. Hardens Shire Council is outside of the Riverina JO area, which creates difficulties in engagement with State Government.

Our Community is not in favour of a merge with Cootamundra and Harden Shires (Community Survey Data is Attachment 3)

Potential to Merge with Tumut Shire Council (TSC)

Gundagai wrote to TSC regarding merger benefits for Gundagai and TSC responded saying that they could not provide specific benefits (Communication with TSC is Attachment 8).

Our Community is not in favour of a merge with TSC:

Council's community survey undertaken in April 2015 identified that 76% of residents opposed a merger. Of the 24% who did support a merge, only 50% favoured TSC as the choice. If Council was to merge with another, the survey indicated that a number of factors, from within Gundagai's Community Plan, would be expected decline, including Economic Growth, Strong sense of Community, Developing programs to support the community, Improved Infrastructure & Service Levels, and Financial Planning & Community Leadership. (Community Survey Data is Attachment 3)

A Public Forum held on 18 June 2015, to share information and consult on what is proposed under

FFTF process, in particular addressing the Scale and Capacity Criterion.. Attendance was by 65 LGA residents. An outcome was a unanimous show of hand vote for GSC to stand alone as a Rural Council in Riverina JO, as opposed to a Merge with TSC (Public Minutes and Reports are Attachment 4)

Our business and its employees form the fabric of our town – this is at risk. GSC is the second largest employer in the LGA. The Council has skilled professional employees whom settle into the community with their families and participate and/or are involved in the coordination of community activities as volunteers. History of mergers has shown that skilled professional employees tend to drift to the major centre of employment over time. The skills and make up of the original entity and their ability to assist in servicing the needs of those communities diminishes. Fewer services then become available to the smaller communities.

Worse representation – GSC has 8 Councillors per a population of 3747 – One Councillor per 468 residents. TSC is serviced by 7 Councillors with a population of 11,316 – One Councillor per 1,617 residents. In a new merged entity, representation per population decreases for both Shires but more so for the Gundagai community. In a new merged entity, it would be expected that elected representatives would be dominated by the larger centre, leading to a further decrease in representation for the Gundagai community.

Potential for increased land rates – GSC Average Residential Rates (13/14) for GSC were \$434.93, as opposed to TSC whom were \$697.47. Likewise the largest contributor to land rates in Gundagai is the farmland community whom pay approx. \$1 per acre less than TSC. It is expected that a new entity would overtime bring the rating structures to equilibrium. Gundagai community will be at a financial disadvantage.

Different priorities – GSC manages 779km of roads. TSC manages 635km of roads. Gundagai Community Plan identifies a key message in improving infrastructure especially local roads. GSC expenditure per capita on Roads, Bridges & Footpaths was \$425.67. TSC expenditure per capita was \$121.69.

From the amalgamation experience in VIC and SA, it is evident that small country towns are dying. No new infrastructure and lack of maintenance is the outcome for those communities. Gundagai is an iconic Australian town beautifully positioned on the Hume Highway half way between Sydney and Melbourne. We are a showcase town for travellers entering the Riverina and Snowy regions. GSC is currently undertaking a \$4M Main Street re-vitalisation project, fully funded by its community from \$1M savings and a SRV loan of \$3M. GSC is delivering, whereas a new entity may not have the same priority.

Evidence, in the form of newspaper reports, is available indicating that the communities of Batlow and Adelong, which currently reside within the Tumut Local Government Area and with Tumut as the town centre, have voiced a preference to merge with their neighbouring councils. This indicates a high level of dissatisfaction with the level of services provided to these small communities by TSC. This historical reasoning supports Gundagai's community's concerns that a merger would be detrimental to its own needs.

Tyranny of Distance – A merge would create a shire with a trip around a new boundary being some 300km and taking 4hrs. Distance and time would present some efficiency challenges.

However, as opposed to merging, GSC is very willing to work with TSC as a partner on finding efficiencies where there are areas of common interests.

To that end a successful meeting was held with Council General Managers, Deputy Mayors and Mayors of Gundagai and Tumut on 14/05/15. An outcome was the formation of a Formal Alliance Agreement (Alliance Agreement between Tumut Shire Council and Gundagai Shire Council June 2015 is Attachment 9) adopted by both Councils. The Agreement is for operational and other purposes that are in both Councils interest. It facilitates GSC working as a sub contractor to TSC on various civil type works associated with Gocup Road maintenance and/or upgrade in accordance with RMS prequalification requirements held by TSC. The meeting further discussed that there are numerous other activities that could be covered only limited by the ingenuity of the staff and the amount of resources and time available to carry them out. Sharing of resources will be further considered for areas of public health, planning and development control, and enforcement functions.

Section 4: Expected outcomes

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total improvement over period?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	(0.19)	(0.02)	(0.01)	0.00	0.00	0.02	0.21
Own Source Revenue Ratio (Greater than 60% average over 3 years)	57.17%	76.02%	78.55%	81.95%	88.52%	88.06%	30.89%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	62.21%	121.27%	141.31%	143.49%	98.09%	98.67%	36.46%
Infrastructure Backlog Ratio (Less than 2%)	5.65%	1.54%	1.23%	1.39%	1.10%	1.54%	4.11%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	92.63%	93.65%	100.41%	100.69%	100.43%	100.16%	7.53%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.01	1.16	2.34	3.46	3.39	3.27	3.26
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.98	2.30	2.30	2.28	2.24	2.23	0.25

4.1 Expected improvement in performance*

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Total improvement over period
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.03	0.03	0.03	0.03	0.04	0.01%
Own Source Revenue Ratio (Greater than 60% average over 3 years)	88.16%	87.43%	86.78%	86.96%	87.24%	(0.92%)

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



See Guidance material page 23 for help completing this section.

4.2 Factors influencing performance

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

A number of improvement strategies have been identified by Councillors Council staff, and the general public over the past few months. Some have been included in this submission and costed within Council's Long Term Financial Plan accordingly. However the benefits of all of those ideas are not yet fully realised and GSC is not duly relying on those efficiencies to better meet the benchmarks. For example, if the opportunity is dependent on other bodies of work, or may require more rigorous analysis, then it is not included within GSC budgets. GSC feels that once these items are substantiated, costed and implemented, then further improvement will only strengthen our overall position in the sector.

GSC is a significant employer in the area and as such plays a part in maintaining the economic stability of the community. With that context, strategies of efficiency

GSC is required to show leadership in contributing to the economic and social fabric of the local community. GSC clearly has an important function to foster a 'sense of place' in the development of social capital. With that context, then balancing this role with meeting FFTF benchmarks is a challenge.



See Guidance material page 23 for help completing this section.

Section 5: Implementation

5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

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

The application of the Key Strategies outlined in section 3 will enable GSC to meet the seven (7) FFTF criteria.

GSC will embed those key strategies into the existing Integrated Planning and Reporting Framework. The Key Strategies have already been incorporated into the Long Term Financial Plan and those identified to begin in 2015/16 have been incorporated into the Operational Plan. GSC's will further update its Delivery Program and Asset Management Plans, to reflect its newly adopted position.

The result of those Key Strategies and their financial assumptions will be monitored as part of the Quarterly Budget Review process. Progress of the Operational Plan Actions are also reported to Council on a quarterly basis

The General Manager will be the responsible person to monitor and report on the progress of all Key Strategies associated with implementing Council's FFTF Action Plan. The General Manager needs to ensure performance against the objectives of the Council.

The Director of Corporate and Community Services is responsible to monitor both and report to Council on how it is travelling against the adopted Annual Budget and Actions in the Operational Plan for 2015/16. Each month meetings are held with all Managers responsible for managing a budget, and any variations are reported to Council on a monthly basis.

But it's not just about stopping there...GSC plan to keep identifying strategies.

Council will incorporate regular Business Improvement Planning sessions. These sessions aim to empower Councilors and staff to focus on our business, strategically, where we can improve, how we can cut costs, how we can offer better services, and think about big picture improvements by looking outside the square. Real opportunities towards sustainability are an expected outcome. This will be driven by the General Manager.

Council has recently revised its salary system and incorporated a performance based bonus system. Savings are expected to be generated through efficiencies identified around better practice. This will be driven by the General Manager through GSC's Consultative Committee.



See Guidance material page 24 for help completing this section.