

APPENDIX B

How Gloucester Council achieves Scale and Capacity

Gloucester Council can demonstrate that it has the scale and capacity to stand alone as a strong and sustainable council in the future of NSW local government. The Independent Local Government Review Panel (ILGRP) report included Gloucester in Group F as a council with a population between 5,000 and 10,000 that may be able to stand alone. However the Panel said that these councils

“ may need to consider a merger to improve their sustainability and build strategic capacity”.

Gloucester Council is an important service provider for strong tourism, service and agricultural sectors in the inland region between Armidale/Tamworth and the coastal cities of Newcastle and Taree. We are at least 1 hour travel to the coast and 2 hours to Armidale. This travel is over secondary roads. As a council we provide and support community enhancement services such as emergency services, education, social, community and economy among others.

Our population is 5,064 with a Gross Regional Product is \$255 million. (National Economic Indicator Series). The total proposed budget of Gloucester Council in 2015/16 is \$19 million.

Gloucester Council embraced the IP&R planning process as a logical extension of a well-established community and organisational strategic planning and advocacy, as a representative of its local community, as a regional stakeholder and as an effective partner for government.

Through this response to the FFTF requirements, Gloucester Council acknowledges and demonstrates its alignment to the scale and capacity criteria of the ILGRP. These have been addressed in detail as follows:

1. Robust revenue base and increased discretionary spending

- Council has enhanced its financial monitoring, budgeting and reporting to better understand discrete business unit costs.

- Revenues, albeit small, have been constant. The SRV increase effective from 1 July has placed Council in a stronger position. The planned application for a further SRV in 2018 will see OSR achieve 60%.
- The MidROC (8 councils) asset standardisation project is due for completion July 2015 and will detail the community “backlog” as opposed to the engineering assessed “backlog”. This will be based on risk and will flow into increased asset life and hence depreciation.
- We are moving toward costed long term community plans. The revised service levels will be aligned to Council’s LTFP
- Through the SRV discussions and information forums, we have obtained significant community input, information and feedback on service levels.
- As part of our planning for our future, we will be developing plans and strategies to enhance our current capacity to achieve more sustainable outcomes.
- These strategies will achieve greater capacity to leverage operational and administrative efficiencies, thereby improving service delivery and the potential to sustainably fund infrastructure renewal.
- Gloucester Shire is one of only 2 LGAs that have no state or federal roads. We do receive block grants as part only assistance. Further this also means that we cannot offset plant and resource costs. However despite our small revenue base, Council has maintained and renewed Thunderbolts Way and Bucketts Way, alternative New England to Coast routes for many years.
- Judicious and innovative management has seen our rural roads and bridges maintained and gradually improved over recent years. In the last 10 years our works program has seen Council construct and design several major and many smaller wooden and concrete bridges. As well as these many kilometres of seal extension, refurbishments and rehabilitation works have been funded and undertaken by Council.
- Council is working with the Business Chamber and Industrial sector to promote the opportunities and strengths of the region to new business entrants.
- This year Council will review its land use policy, one outcome of which will be consideration of changes to meet the growing demand for lifestyle and hobby farm type properties. In line with this review, an Agricultural Strategy has been developed to identify opportunities in growing the agricultural sector.
- Gloucester town, our villages and rural environs is a place that people want to move to, for business or to live.
- Council has been able to continue to meet community needs and expectations despite the impact the down turn in the timber and dairy industries have had on the local economy. Further

Council bears the impact of road impacts from large timber cartage despite the benefits now accruing outside the LGA. There is a significant portion of the LGA non-rateable.

Assessment: Council is part way through a financial review and a service unit/level review to align to community capacity/expectations. The changes to asset “backlog” definition will impact on depreciation and hence discretionary spending.

2. Scope to undertake new functions and major projects

- Council has introduced Project Management and Quality Management systems to provide appropriate methodology platforms for major or complex projects and enhance monitoring and outcomes.
- Council has a history of undertaking new functions and major projects such as joint road projects with Uralla, Great Lakes, Walcha and Taree Councils, Water Study, Enterprise Risk Management.
- We have a demonstrated ability to utilise community skills, for example Gloucester Business Prospectus, EIS responses to CSG and coal applications as well as this submission itself.
- Demonstrated capacity to develop strategic plans such as Recreation Management, Flood Study, Town Centre Study, IP&R plans and reports, Land Use Plans, S94 planning.
- Council has designed and implemented an extensive asset condition assessment system

Assessment: Council has demonstrated ability to scope and undertake new projects working with the suite of IP&R reports and strategies.

3. Able to employ wider range of skilled staff

- The resourcing constraint has resulted in a work force that from necessity, is multi skilled.
- Our organisational structure is framed to meet the most significant issues with positions introduced such as a Governance and Risk Manager, HR Resources and Performance Management Officer, Water Scientist and Asset Engineer.
- Council utilises appropriate skilled and experienced community members on expert panels and council committees to bolster gaps in skill sets.
- Council has been able to recruit well qualified and experienced staff. The lifestyle of the shire is a significant factor.

- Reallocation of less strategic resources will enable transition to higher level. Wages have been reduced over last 3 years. Down 7% from FY13 to FY14 and a further reduction of 9% from FY15 to FY16.
- Finance management and planning skills have been easily recruited.
- Council's actual training spend per FTE was \$1,194 for FY 14 compared to councils surveyed (n77) average of \$935. *(NSW local government operational and management effectiveness report –FY14, pwc and Local Government Professionals Australia)*
- As required, Council has easily sourced skilled contractors and consultants for complex studies.

Assessment: Council has a history of recruiting appropriate skilled staff and is gearing to realign structure to revised CSP.

4. Knowledge, creativity and innovation

- We have a demonstrated continuous improvement program in place
- Council has conducted a detailed asset condition and assessment with resultant works program
- The SRV process was completely conducted in-house
- The organisation has been restructured to generate efficiencies, reprioritise outcomes and gear for realignment to new CSP. The flatter structure promotes organisational learning.
- Key staff are professionally qualified.
- We have a functioning grants working group.
- An efficiency working group is in place
- Council assumed control and management of the Landfill with resultant optimisation of recycling, enhanced community education and significant savings in waste levy
- We have a competent and effective bridge construction processes.
- Senior staff actively network with peers through ROC groups and other professional affiliations such as MidWaste, Arts Hunter, IPWEA, Weeds, Weight of Loads and Newcastle City Library
- Professional staff maintain professional group membership
- Gloucester has over 100 community groups, from arts to sport, from social to economic, all adding value to the social, health and economic fabric. These groups are supported by council and link through the CSP process into planning and outcomes. Their voluntary and skilled community input makes a significant contribution to emergency services, Red Cross support, Helicopter Rescue, SES, RFS, hospital support, aged care social support amongst many others.

The benefits are felt over the wider surrounding areas between Armidale, Tamworth, Taree and Raymond Terrace.

Assessment: Although a small council, staff are well qualified, keep professional currency and are involved in improvement processes. Council support meshes with the volunteer community.

5. Advanced Skills in strategic planning and policy development

Council has developed in house and introduced many improvement processes including:

- Enterprise Risk Management process
- Project Management
- Quality Management
- Policy reviews
- Strategic and IP&R Plans
- Recreation Management Plan
- Asset Management Plan
- Water and Flood Study
- Business Continuity Plan
- Responses to several complex Environmental Impact Statements and Planning Documents on significant resource sector developments.
- Employee Performance Management
- Policy submissions as appropriate on state issues.
- Policy submissions to LG NSW and our ROC affiliations.
- Land Use plans.
- Service unit review.
- SRV community engagement, documentation and submission prepared entirely in house.
- Regular councillor workshops on strategic and complex issues

Assessment: Council has advanced skills in strategic planning and policy development

6. Regional collaboration

- We actively participate in MidROC (as potential JO) and Hunter ROC and its pilot JO. Although a small council we are actively involved in the higher level regional issues such as airports, highways, tertiary education etc. that impact on our community.
- The potential for JOs provides good opportunity however to enhance our input through meetings with agencies and on Regional Action Plans. This is reinforced through our CSP which identifies review and needs better alignment with state and federal partnerships
- Gloucester has been a board member of Hunter Councils for some years and utilise legal services, environmental programs, weed programs, waste services
- Regionally through the JO, we will work with other councils to improve our execution of projects and initiatives that span across councils and structure our future resourcing enabling greater capacity to engage with stakeholders, including communities, across councils, across government and with industry
- We have demonstrated experience in joint road projects as grants have been available. e.g. Greater Taree, Walcha, Great Lakes and Uralla Councils.
- Council is administrator for the Mid North Weight of Loads Group providing financial and day to day management. This service is committed to protecting the transport infrastructure from overloaded vehicles thus preventing premature deterioration of roads and bridges.
- We are involved in regional procurement and environmental initiatives.
- We are actively involved in the MidROC (8 councils) asset standardisation project.
- We are working with 3 other regional councils (MidGO) in a shared service delivery process, initially progressing IT, HR and Finance shared services.
- We are an active member of Mid Coast Water and MidWaste
- Participant in HCREMS and its regional environmental management strategy.
- We share training programs with MidROC
- Gloucester shares safety procedures and plant competency training with MidROC.
- We are a member of a contaminated land project with Hunter Councils
- We have strong working relationships with Trade and Investment – Mine Safety Division, WorkCover and EPA.

Assessment: Council has been an active member, effective partner and collaborator in two ROCs, Hunter and MidROC and their regional projects. With the advent of a JO we will be an active member of this also.

Council is at a distance from our larger towns and cities (Armidale, Tamworth, Taree and Newcastle) and is a community advocate and social and economic service provider for a large rural hinterland.

7. Credible advocacy

- We operate a council committee structure based on our CSP with external community membership
- The importance of Gloucester as a centre for its region – emergency services, health, education, social, youth, economy, etc. – is an important factor in local advocacy
- Council has prepared detailed response submissions on coal and CSG resource projects on behalf of the community including utilising the high level skills of local residents.
- Council drove the formation of the Gloucester Dialogue, formed to facilitate community information and understanding of the CSG issue, and is actively involved in its performance. The Dialogue is a very important and innovative approach to the development of CSG in NSW. It is a forum that has and will influence long term policy and created a process to assimilate, understand and influence the CSG debate. We are told by the government representative that it is of great benefit to them. In addition Council is actively represented on local resource CCCs and the LLS.
- Council makes submissions to OLG draft plans, we are members of Country Mayors and have input to Australian and NSW Local Government Associations motions and discussion.
- We contribute to regional plans (Regional Growth Plan, Upper Hunter SLURP), the NSW Gas Plan and Contribution plans.
- Council is represented on the group to advance local trade skills, Enhancing Skills Gloucester, with successes such as the building of a new Trade Training Centre.
- Council representatives hold regular meetings with State Ministers and Agencies.
- Councillors and Council staff are represented on many local organisations.
- Council business is transparent and actions and outcomes of these well reported.

Assessment: Council is an active participant in regional forums and holds regular meetings with Ministers and Agencies. Council committees and its engagement plan ensure that community views, opportunities and threats are duly promoted and followed through.

8. Capable partner to state and federal agencies

- Council acts as Chair and Secretary of Weight of Loads (17 councils)
- We work closely with Road Safety
- We are a leader on the Local Emergency Management Committee
- Council has developed a Weeds program with indigenous and skills based training
- Council manages community Youth Officer and leads the youth coordination group.
- We partner with EPA on waste management and with EPA and HC on RID Squad
- Council is involved in regional tourism projects
- We have been the impetus for the development of an Aged Care Facility with HNEH and Federal Government.
- Council chairs Local Health Advisory Committee.
- Council has managed joint council road projects funded by state and federal government.
- We were the main driver in implementation of the Gloucester Dialogue (CSG) with a wide range of state agencies such as DRE, EPA, OCSG, NOW, Planning and distribution of periodic community communique.

Assessment: Council is a capable partner with state and federal agencies

9. High quality political and managerial leadership

- New GM has moved Council operations to be more proactive rather than reactive. Examples are Enterprise Risk Management, Project Management, Quality Management processes. Budget and Operational Plan driven by CSP.
- Introduction of committees of council aligned to the 5 CSP elements with community members.
- Demonstrated good community consultation through the SRV application process
- Shared long term vision on the CSP corporate and community goals.
- Council operates with no management silos and with a flat structure.

- Council commitment to quality and project management in road and bridge works programs based on a pre-set hierarchy of usage and risk
- Good mix of representation including gender, age, social and background in both councillors and staff.
- We are the driver in implementation of the Gloucester Dialogue (CSG) with a wide range of state agencies such as DRE, EPA, OCSG, NOW, Planning and distribution of periodic community communique.
- Detailed response submissions on coal and CSG resource projects on behalf of the community including utilising skills of local residents.
- Adherence to the principle of CSP targets and reports and process in place for its review
- Community Engagement Strategy in operation
- The community is strongly engaged in the selection of councillors, being very interested and active in key issues and special forums.
- Gloucester Council has a history of councillors nonaligned to parties or factions. They are approachable for all community members to make known issues and views to better shape good policy decisions.
- Property portfolio and sale of surplus land
- With the demise of the local Dairy Factory, Council obtained funding to re-skill and re-train redundant workers to maintain employment in the region.
- Council identified the problem in trying to maintain its water and sewer schemes, negotiated membership of Mid Coast Water and hand over of assets. The position now is one of significant investment in backlog water and sewer infrastructure in the Gloucester LGA, and plans for significant new investment in recycled effluent use and off-river water storage. Council maintains a strong influence through our Board representation.

Assessment: Council has high quality political and managerial leadership.

10. Resources to cope with complex and unexpected change

- We have an Enterprise Risk Management Strategy that regularly reviews risk and opportunity.
- Project and Quality Management is embedded in major works

- Implementation of a Business Continuity Plan
- Demonstrated ability to utilise appropriate skill sets of our community.
- Well embedded IP&R process that identifies future challenges and opportunities
- Demonstrated capacity to deal with emergencies such as recent floods.
- New general manager has introduced change which has been well managed and received.
- There is a shared vision for the future.
- Position of large asset backlog responsibly and appropriately addressed through community engagement, service level discussion and redesigned LTFP leading to SRV.
- Discussion on SRV demonstrated Council's focus on strategy and analysis of social and economic environment.
- Council has successfully met many complex and unexpected demands such as responses to resource sector EIS reports as well as the submission for F4F. Some of these have been concurrently.

Assessment: Council has resources to cope with complex and unexpected change