

"ROAD MAP" FIT FOR THE FUTURE TENTERFIELD SHIRE COUNCIL

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**COUNCIL RESOLUTION
NOV 2014**

**RE: JOINT ORGANISATIONS
AND SUPPORT LETTER
FROM HON THOMAS
GEORGE MP**

Motion Carried**(ITEM GMO119/14) FIT FOR THE FUTURE - JOINT ORGANISATIONS (NOROC)****SUMMARY**

The purpose of this report is to inform Council of the outcome of Tenterfield Shire's request to be considered to become a member of the future Northern Rivers Joint Organisation through the current Northern Rivers Regional Organisation of Councils (NOROC).

AMENDMENT

- (2) That if community consultation is positive that Council's position is to join the future Northern Rivers Joint Organisation within our Fit for the Future proposal to the Office of Local Government.
- (3) That if community consultation is positive the General Manager writes to the Member for Lismore requesting concurrence with Council to join the Northern Rivers Joint Organisation.

(Mary Leahy/Blair Maxwell)

Amendment Lost**417/14 Resolved that:**

- (1) The General Managers report "Fit for the Future - Joint Organisations (NOROC)" be received and noted, and further;
- (2) That Council's position is to join the future Northern Rivers Joint Organisation within our Fit for the Future proposal to the Office of Local Government.
- (3) That the General Manager writes to the Member for Lismore requesting concurrence with Council to join the Northern Rivers Joint Organisation.

(Mary Leahy/Michael Petrie)

Motion Carried

Cr Gary Verri registered a vote against the motion.

The meeting adjourned to allow a Citizenship Ceremony to be conducted for Mr Bernard Murray (Cr Brian Murray) followed by morning tea, the time being 10.47 am.

The meeting reconvened with the same members present and with the addition of Mr Geoff Allen from Forsyths Chartered Accountants (Council's Auditor), the time being 11.08 am.

(ITEM GMO120/14) QUARTERLY REVIEW - OPERATIONAL PLAN - 2014/15 - JULY TO SEPTEMBER 2014**SUMMARY**

The purpose of this report is to inform Council of the progress of activities as of 30 September 2014, within the Operational Plan 2014/15.

The Hon **Thomas George** MP

Deputy Speaker | Member for Lismore

Reference: 3389

12 June 2015

Mrs Lotta Jackson
General Manager
Tenterfield Shire Council
PO Box 214
TENTERFIELD NSW 2372

Dear Mrs Jackson

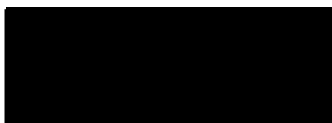
I write in acknowledgement of your correspondence dated 27 April 2015 seeking support of Council's Resolution to take the position to join the Northern Rivers Joint Organisation rather than the New England Joint Organisation as was recommended in the Independent Review Panel's Report.

Since the release of the Independent Review Panel Report, Tenterfield Shire Council has been located entirely in the seat of Lismore. I offer my full support for Tenterfield Shire Council to join the Northern Rivers Joint Organisation and not the New England Joint Organisation.

As all of LGA is now encompassed within the electorate, it would be beneficial for Tenterfield Shire to become a member of the Northern Rivers Joint Organisation to enable the Member be better support the Council and community.

I therefore offer my full support to Tenterfield Shire in their bid to join with the Northern Rivers Joint Organisation in the "Fit for the Future" Road Map.

Yours sincerely



THOMAS GEORGE MP

TG:BM



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**TCORP
RECOMMENDATIONS,
MARCH 2013, PAGE 34**



New South Wales
Treasury Corporation

Section 6 Conclusion and Recommendations

Based on our review of both the historic financial information and the 10 year financial forecast within Council's LTFP we consider Council to be currently in a weak position and likely to continue deteriorating.

We base our recommendation on the following key points:

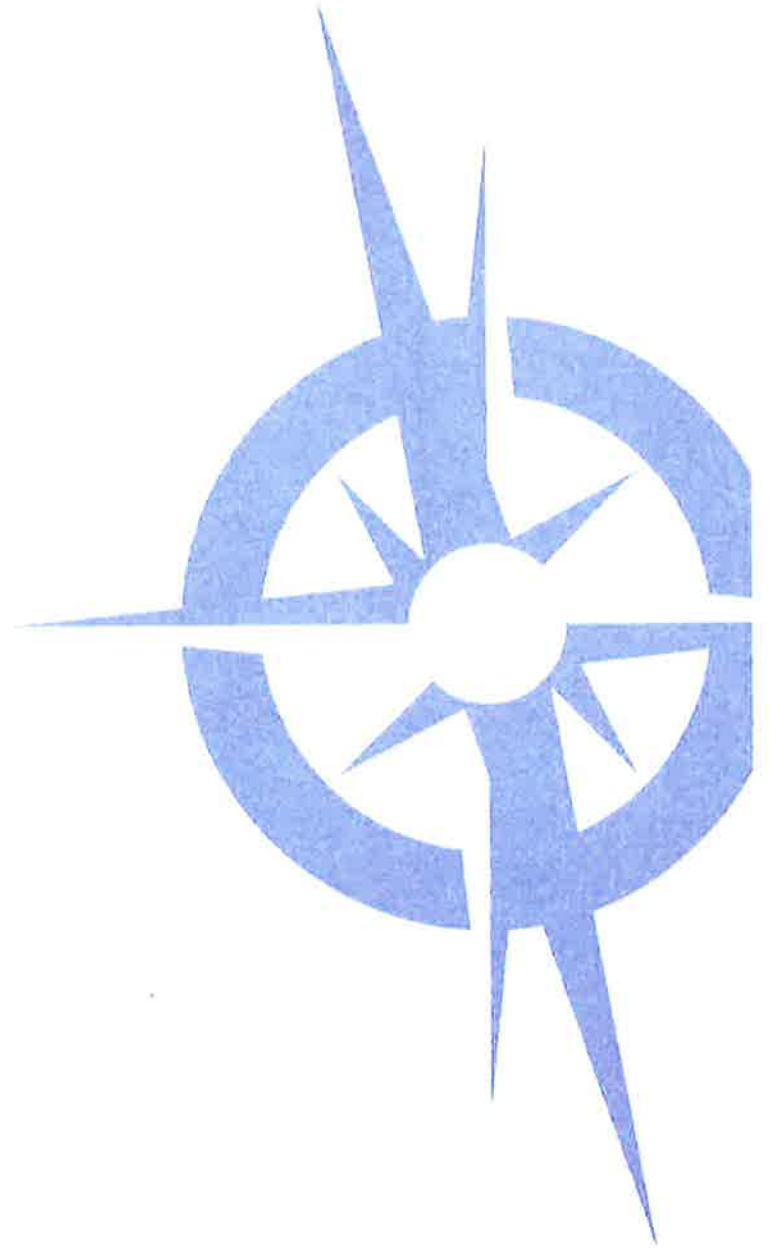
- Whilst some of Council's performance indicators were above benchmark between 2009 and 2012 Council's operating result has been in deficit and is forecast to remain in deficit for the entire forecast
- When investments are included Council's Cash Expense Ratio is above benchmark for the entire forecast period
- Based on their current level of borrowings, Council's DSCR and Interest Cover are above benchmark for the forecast period
- Council's Operating Ratio and Own Source Operating Revenue Ratio are both below benchmark for the entire forecast period
- Council has not completed its AMP to what it considers to be a reliable standard as yet and this may have further adverse impacts on Council's financial forecast

However we would also recommend that the following points be considered:

- Council is forecasting significant operating deficits and need to source additional funds and reduce expenses for it to return it to a breakeven position. Continuous operating deficits will impact Council's service delivery levels, and its ability to maintain its assets
- Council is very reliant on grants as a core source of revenue and for future capital expenditure. Council needs to find a way to increase their overall operating position either through increased revenue by way of an SRV or reduce expenses through cost cutting.

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CUSTOMER SATISFACTION SURVEY 2015 – KEY FINDINGS



Key Findings



Key Findings

Overview (Overall satisfaction)

Summary

40% of residents indicated they were 'Satisfied' with the overall performance of Council within the past 12 months – and a further 30% indicated they were 'Somewhat satisfied'. 3% committed to the top 'Very satisfied' rating. Tenterfield Shire Council's mean satisfaction score of 3.08 is significantly lower than our 'overall' NSW LGA Brand Scores – and whilst also lower than our Regional norm, this difference was not significant.

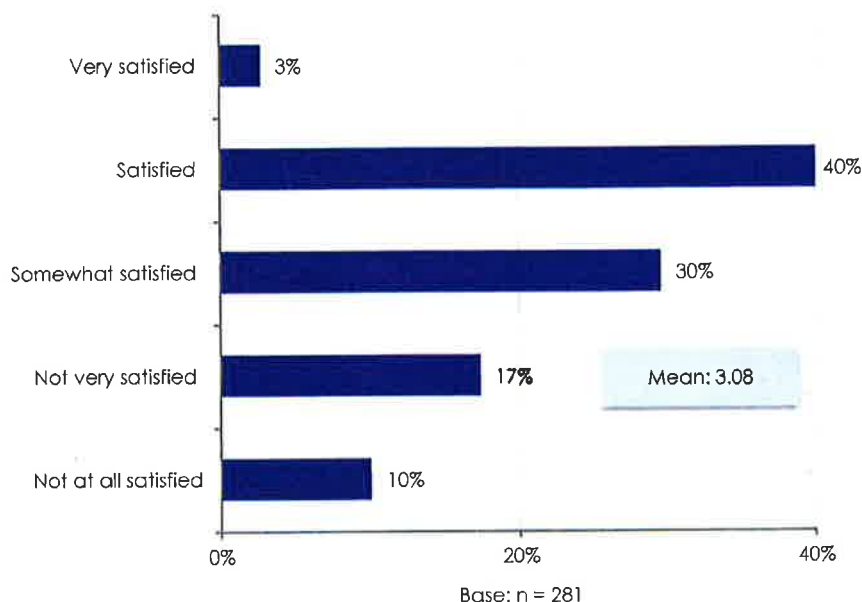
Q6. Overall, for the past 12 months, how satisfied are you with performance of Council, not just on one or two issues, but across all responsibility areas?

	Overall	18-34	35-49	50-64	65+	Male	Female	Ratepayer	Non-ratepayer
Satisfaction mean ratings	3.08	3.25	2.92	2.88	3.36	3.17	3.00	3.05	3.28

NSW LGA BRAND SCORES	Regional	All of NSW	Tenterfield Shire Council 2015
Mean ratings	3.22	3.31▲	3.08▼

Scale: 1= not at all satisfied, 5= very satisfied

▼▲= A significantly lower/higher level of satisfaction than the overall



Key Findings

Most Valued Aspects about Living in the Tenterfield area

Summary

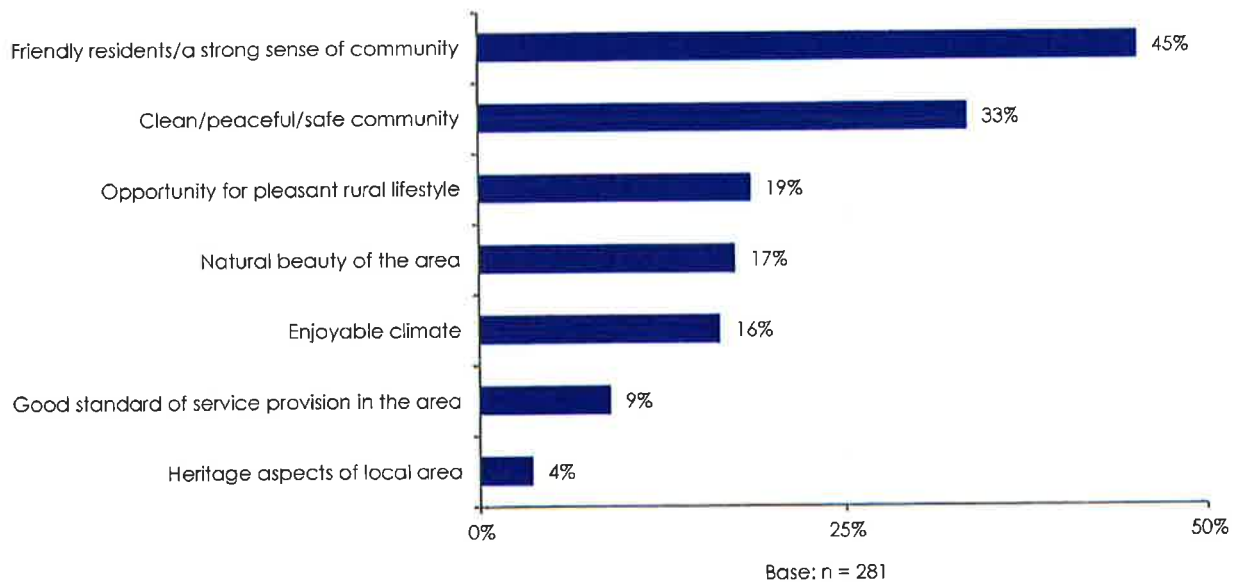
Residents' most valued aspects about living in the Tenterfield Shire area are the 'friendly residents/strong sense of community' (45%), followed by 'clean/peaceful/safe community' (33%).

Only 1% of residents could not nominate a most valued aspect, which is encouraging.

Q7a. What do you value most about living in the Tenterfield Shire area?

Word Frequency Tagging

Verbatim responses for this question were collated and entered into analytical software. This analysis 'counts' the number of times a particular word or phrase appears and, based on the frequency of that word or phrase, a font size is generated. The larger the font, the more frequently the word or sentiment is mentioned.



Key Findings

Things Least Valued about Living in the Tenterfield Area

Summary

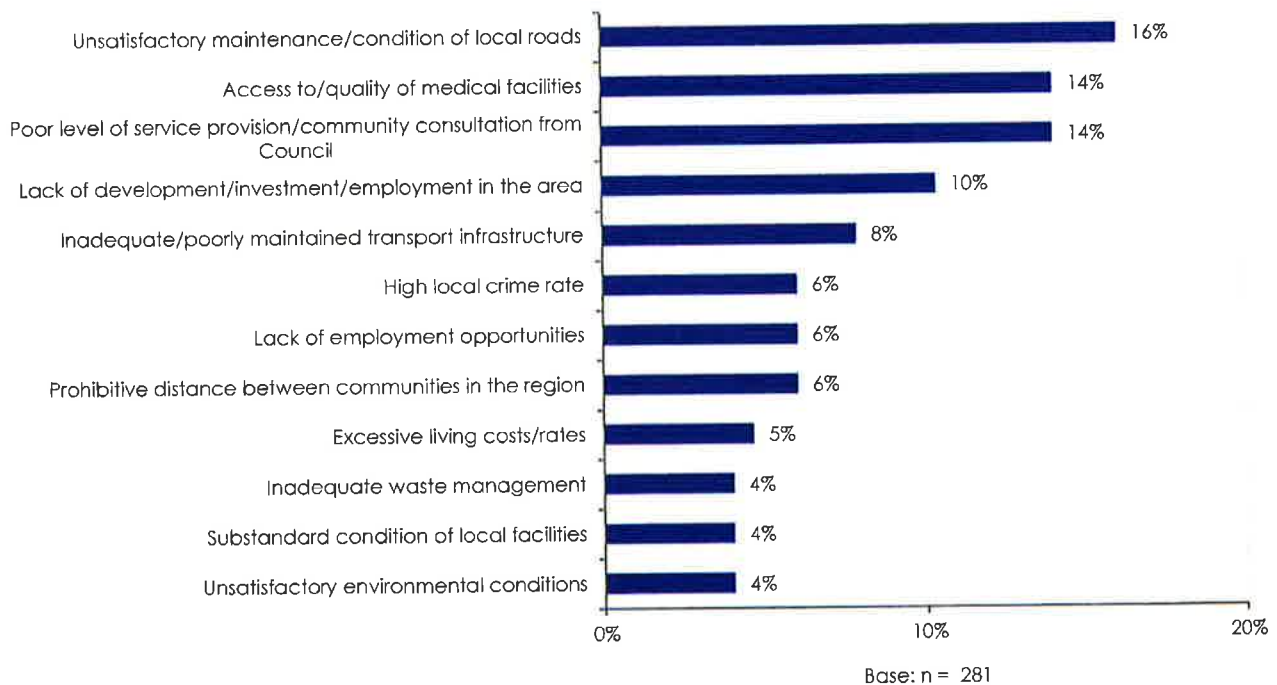
Encouragingly, 15% of residents could not nominate anything that they valued least about living in the Tenterfield area.

Residents indicated their least valued aspects/things they don't like about living in the Tenterfield Shire area are the 'unsatisfactory maintenance/condition of local roads' (16%), 'access to/quality of medical facilities' (14%), and 'poor level of service provision/community consultation from Council' (14%).

Q7b. And what do you value least (or what don't you like) about living in the Tenterfield Shire area?

Word Frequency Tagging

Verbatim responses for this question were collated and entered into analytical software. This analysis 'counts' the number of times a particular word or phrase appears and, based on the frequency of that word or phrase, a font size is generated. The larger the font, the more frequently the word or sentiment is mentioned.



Key Findings

Priority Issues for the Next 10 Years

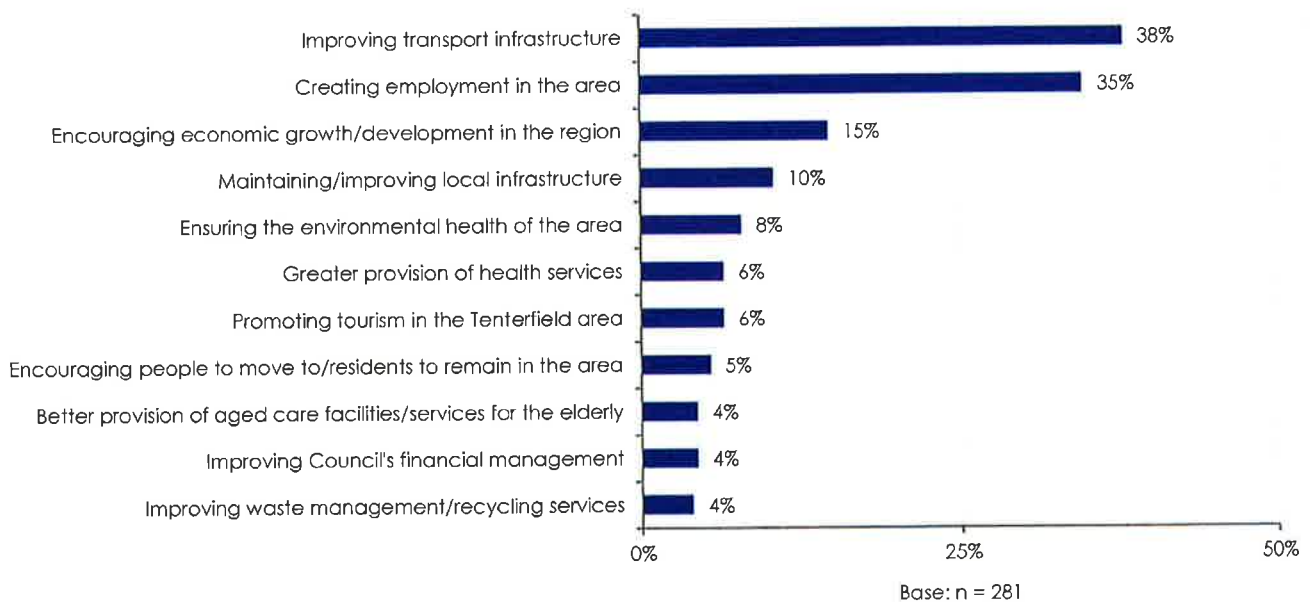
Summary

Residents believe Council's highest priority issues for the Tenterfield Shire area in the next 10 years should be 'improving transport infrastructure' (38%) and 'creating employment in the area' (35%). Only 4% could not nominate a priority issue.

Q7c. Thinking of the next 10 years, what do you believe will be the highest priority issues within the Tenterfield Shire area?

Word Frequency Tagging

Verbatim responses for this question were collated and entered into analytical software. This analysis 'counts' the number of times a particular word or phrase appears and, based on the frequency of that word or phrase, a font size is generated. The larger the font, the more frequently the word or sentiment is mentioned.



Key Findings

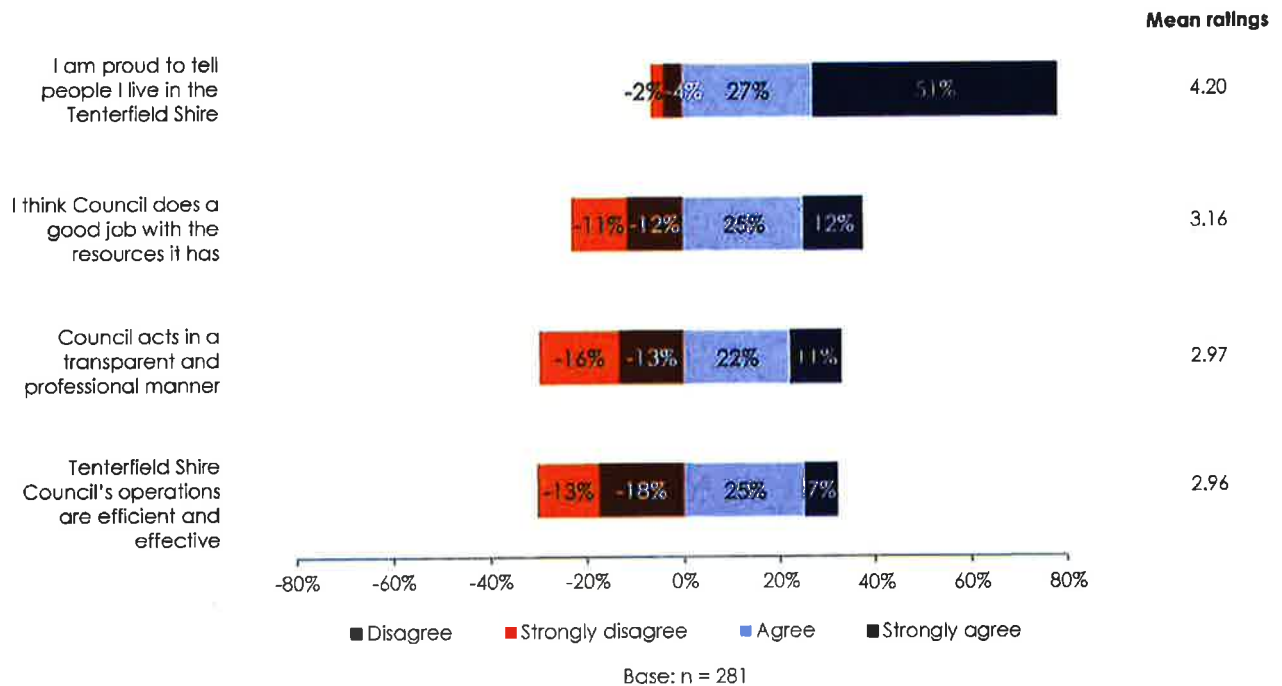
Agreement with Specific Statements – Perceptions of Area and Council

Residents largely agree with the statement 'I am proud to tell people I live in the Tenterfield Shire', with 78% 'agreeing' to 'strongly agreeing' with this statement.

In contrast, residents were more divided in terms of the statements about Council, particularly in terms of Council being 'transparent/professional' and its operations being 'efficient/effective', where approximately a third of respondents disagreed, a third were neutral, and a third agreed.

Residents aged 65+ were significantly more likely to be in agreement with all prompted statements.

Q8. How strongly do you agree or disagree with the following statements:



Key Findings

Comparison to LGA Benchmarks

Respondents were asked to rate 40 Council-provided services/facilities in terms of importance and satisfaction (plus contact satisfaction). Of the 41 attributes, Micromex has normative data for 27.

Tenterfield Shire Council residents are more satisfied than the LGA Benchmark score for 7 of the 27 comparable measures, 3 are equal to the Benchmark, and the remaining 17 fall below the Benchmark.

Service/Facility	Tenterfield Shire Council Satisfaction Scores	Satisfaction Benchmark
Above the Benchmark		
Library services	4.4	4.1
Overall satisfaction with the way contact was handled - Phone	4.0	3.9
Community buildings/halls	3.7	3.6
Heritage sites protected and maintained	3.6	3.5
Public amenities	3.4	3.1
Provision of bike paths	3.3	3.2
Overall condition of the local sealed road network	2.9	2.8
Equal to the Benchmark		
Ovals and sportsgrounds	3.7	3.7
Parks and playgrounds	3.7	3.7
Town streets and lanes	3.3	3.3
Below the Benchmark		
Overall satisfaction with the way contact was handled	3.8	3.9
Swimming pools	3.6	3.7
Overall satisfaction with the way contact was handled - In person	3.6	4.0
Public safety	3.4	3.5
Provision of Council information to the community	3.0	3.3
Availability of car parking	2.9	3.0
Stormwater drainage	2.9	3.3
Maintaining footpaths	2.9	3.0
Planning and development	2.8	3.1
Supporting local jobs and businesses	2.8	3.2
Long-term planning for the Shire	2.7	3.1
Economic development	2.7	3.2
Opportunity to participate in Council decision-making	2.7	3.0
Youth activities	2.5	3.2
Financial management	2.5	3.2
Maintaining local roads	2.5	2.8
Overall condition of the local unsealed road network	2.3	2.8

Scale: 1 = not at all satisfied, 5 = very satisfied



Key Findings

Based on this normative comparison, main issues for Council to consider include:

- Youth activities
- Financial management
- Economic development; Supporting local jobs and businesses
- Maintaining local roads; Unsealed roads; Stormwater drainage
- Long-term planning for the Shire; Planning and development
- Provision of Council information to the community; Opportunity to participate in Council decision making.

Identifying Priorities via Specialised Analysis (Explanation)

The specified research outcomes required us to measure both community importance and community satisfaction with a range of specific service delivery areas. In order to identify core priorities, we undertook a 2 step analysis process on the stated importance and rated satisfaction data, after which we conducted a third level of analysis – a Shapley Regression – in order to identify which facilities and services are the actual drivers of overall satisfaction with Council.

By examining both approaches to analysis we have been able to:

1. Identify and understand the hierarchy of community priorities
2. Inform the deployment of Council resources in line with community aspirations

Step 1. Performance Gap Analysis (PGA)

PGA establishes the gap between importance and satisfaction. This is calculated by subtracting the mean satisfaction score from the mean importance score. In order to measure performance gaps, respondents are asked to rate the importance of, and their satisfaction with, each of a range of different services or facilities on a scale of 1 to 5, where 1 = low importance or satisfaction and 5 = high importance or satisfaction. These scores are aggregated at a total community level.

The higher the differential between importance and satisfaction, the greater the difference is between the provision of that service by Tenterfield Shire Council and the expectation of the community for that service/facility.

In the table on the following page, we can see the 40 services and facilities that residents rated by importance and then by satisfaction.

When analysing the performance gaps, it is important to recognise that, for the most part, a gap of up to 1.0 is acceptable when the initial importance rating is 4.0+, as it indicates that residents consider the attribute to be of 'high' to 'very high' importance and that the satisfaction they have with Tenterfield Shire Council's performance on that same measure, is 'moderate' to 'moderately high'.

For example, 'Supporting community groups' was given an importance score of 4.22, which indicates that it is considered an area of 'very high' importance by residents. At the same time it was given a satisfaction score of 3.37, which indicates that residents are 'moderately' satisfied with Tenterfield Shire Council's performance and focus on that measure.

In the case of a performance gap such as for 'library services' (3.80 importance vs. 4.36 satisfaction), we can identify that the facility/service has only 'moderately high' importance to the broader community, but for residents who feel that this facility is important, it is providing a 'very high' level of satisfaction.



Key Findings

When analysing performance gap data, it is important to consider both stated satisfaction and the absolute size of the performance gap.

Performance Gap Ranking

Ranking 2015	Service/Facility	Importance Mean	Satisfaction Mean	Performance Gap
1	Maintaining local roads	4.61	2.49	2.12
2	Financial management	4.42	2.50	1.92
3	Council decision-making reflecting community opinion	4.19	2.35	1.84
4	Supporting local jobs and businesses	4.55	2.78	1.77
5	Overall condition of the local unsealed road network	3.98	2.27	1.71
6	Long-term planning for the Shire	4.38	2.72	1.66
7	Engaging the community in planning	4.32	2.75	1.57
8	Overall condition of the local sealed road network	4.43	2.94	1.49
9	Economic development	4.14	2.70	1.44
10	Planning and development	4.22	2.81	1.41
11	Provision of Council information to the community	4.31	2.99	1.32
12	Availability of car parking	4.16	2.90	1.26
13	Opportunity to participate in Council decision-making	3.93	2.68	1.25
14	Recycling/waste management/rural landfills	4.32	3.17	1.15
15	Maintaining footpaths	3.99	2.85	1.14
17	Public safety	4.51	3.38	1.13
18	Road safety	4.40	3.29	1.11
19	Industrial development	3.71	2.63	1.08
20	Stormwater drainage	3.86	2.87	0.99
21	Supporting community groups	4.22	3.37	0.85
22	Emergency management	4.41	3.57	0.84
23	Town streets and lanes	3.98	3.30	0.68
24	Public amenities	4.06	3.44	0.62
25	Water supply and service	3.92	3.41	0.51
26	Youth activities	3.01	2.53	0.48
27	Street lighting	4.03	3.57	0.46
28	Tourism/Visitor Information Centre	4.19	3.91	0.28
30	Companion animals/Stock control	3.85	3.57	0.28
31	Parks and playgrounds	3.93	3.67	0.26
32	Community buildings/halls	3.90	3.71	0.19
33	Heritage sites protected and maintained	3.67	3.62	0.05
34	Provision of bike paths	3.28	3.26	0.02
35	Festival and events programs	3.56	3.61	-0.05
37	Ovals and sportsgrounds	3.59	3.73	-0.14
38	Cemeteries	3.91	4.05	-0.14
39	Cultural opportunities and services	3.86	4.04	-0.18
40	Swimming pools	3.33	3.63	-0.30
	Sewerage services	3.71	4.02	-0.31
	Library services	3.80	4.36	-0.56

Scale: 1=not at all important/not at all satisfied, 5=very important/very satisfied



Key Findings

When we examine the 13 largest performance gaps, we identify that all of the services or facilities have been rated as 'high' to 'extremely high' in importance. Resident satisfaction for all of these areas is between 2.27 and 2.99, which indicates that resident satisfaction for these measures is 'low' to 'moderately low'.

Ranking	Service/ Facility	Importance Mean	Satisfaction Mean	Performance Gap
1	Maintaining local roads	4.61	2.49	2.12
2	Financial management	4.42	2.50	1.92
3	Council decision-making reflecting community opinion	4.19	2.35	1.84
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9	Economic development	4.14	2.70	1.44
10	Planning and development	4.22	2.81	1.41
11	Provision of Council information to the community	4.31	2.99	1.32
12	Availability of car parking	4.16	2.90	1.26
13	Opportunity to participate in Council decision-making	3.93	2.68	1.25

Perhaps not surprisingly, the above analysis highlights some of the same issues identified in the earlier comparison with normative data, namely:

- Maintaining local roads; Unsealed roads
- Financial management
- Economic development; Supporting local jobs and businesses
- Long-term planning for the Shire; Planning and development
- Provision of Council information to the community; Opportunity to participate in Council decision making; Council decision making reflecting community opinion; Engaging the community in planning.

Note: Performance gap is the first step in the process, we now need to identify comparative ratings across all services and facilities to get an understanding of relative importance and satisfaction at an LGA level. This is when we undertake step 2 of the analysis.

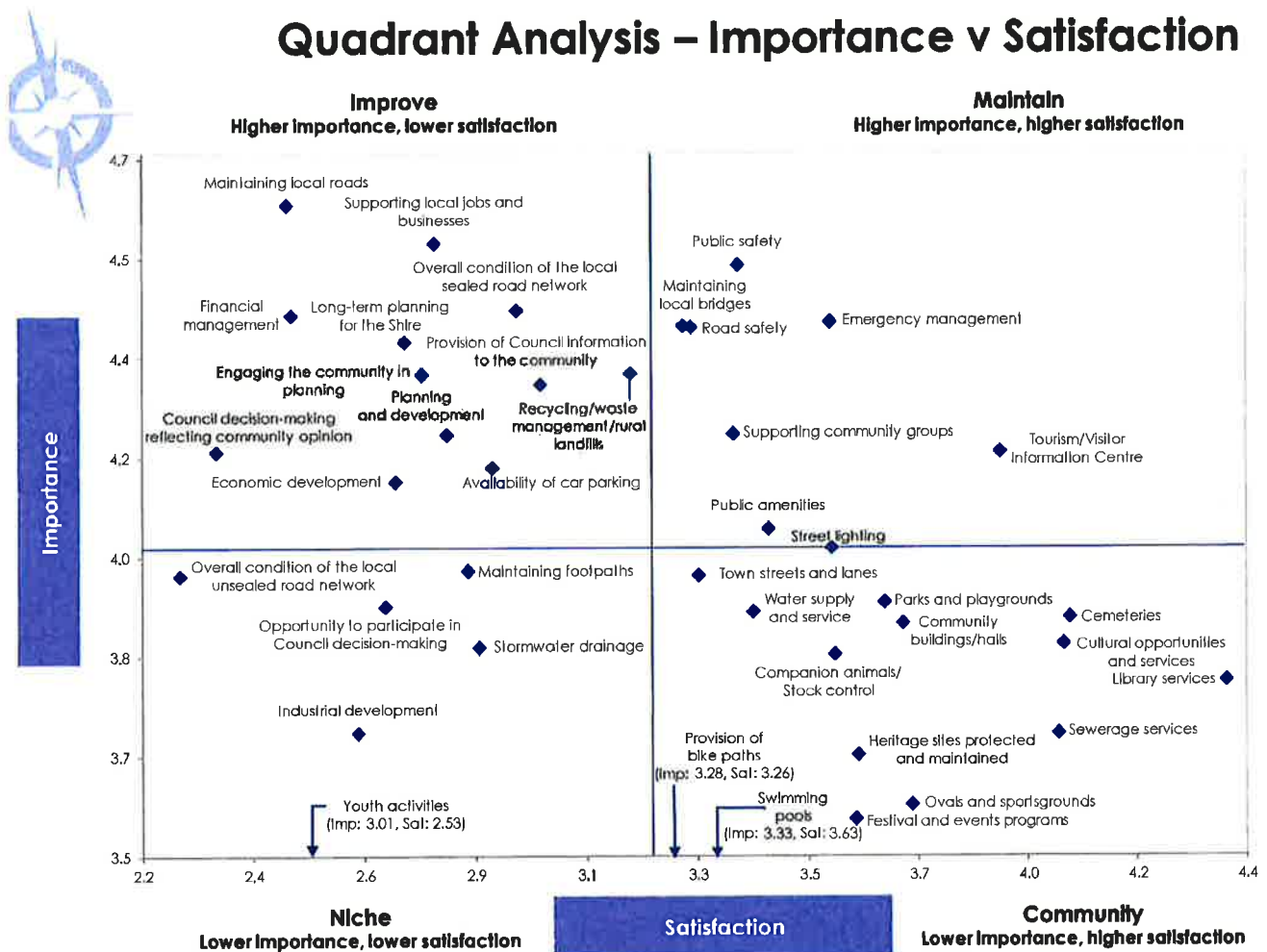


Key Findings

Step 2. Quadrant Analysis

Quadrant analysis is a useful tool for planning future directions. It combines the stated needs of the community and assesses Tenterfield Shire Council's performance in relation to these needs.

This analysis is completed by plotting the variables on x and y axes, defined by stated importance and rated satisfaction. We aggregate the mean scores for stated importance and rated satisfaction to identify where the facility or service should be plotted. For these criteria, the average stated importance score was 4.03 and the average rated satisfaction score was 3.22. Therefore, any facility or service that received a mean stated importance score of ≥ 4.03 would be plotted in the higher importance section and, conversely, any that scored < 4.03 would be plotted into the lower importance section. The same exercise is undertaken with the satisfaction ratings above, equal to or below 3.22. Each service or facility is then plotted in terms of satisfaction and importance, resulting in its placement in one of four quadrants.



Key Findings

Explaining the 4 quadrants

Attributes in the top right quadrant, **MAINTAIN**, such as 'emergency management', are Council's core strengths, and should be treated as such. Maintain, or even attempt to improve your position in these areas, as they are influential and address clear community needs.

Attributes in the top left quadrant, **IMPROVE**, such as 'Maintaining local roads', are areas where Council is perceived to be currently under-performing and are key concerns in the eyes of your residents. In the vast majority of cases you should aim to improve your performance in these areas to better meet the community's expectations. In addition to the themes already identified, other services/facilities in the 'Improve' quadrant include 'recycling/waste management/rural landfills' and 'availability of car parking'.

Attributes in the bottom left quadrant, **NICHE**, such as 'youth activities', are of a relatively lower priority (and the word 'relatively' should be stressed – they are still important). These areas tend to be important to a particular segment of the community.

Finally, attributes in the bottom right quadrant, **COMMUNITY**, such as 'swimming pools', are core strengths, but in relative terms they are deemed less overtly important than other directly obvious areas. However, the occupants of this quadrant tend to be the sort of services and facilities that deliver to community liveability i.e. make it a good place to live.

Recommendations based only on stated importance and satisfaction have major limitations, as the actual questionnaire process essentially 'silos' facilities and services as if they are independent variables, when they are in fact all part of the broader community perception of Council performance.

The Shapley Value Regression

Residents' priorities identified in stated importance/satisfaction analysis often tend to be in areas that are problematic. No matter how much focus a Council dedicates to 'maintaining local roads', it will often be found in the **IMPROVE** quadrant. This is because, perceptually, the condition of local roads can always be better.

Furthermore, the outputs of stated importance and satisfaction analysis address the current dynamics of the community, they do not predict which focus areas are the most likely agents to change the community's perception of Council's overall performance.

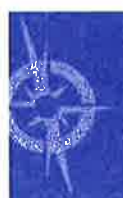
Therefore, in order to identify how Tenterfield Shire Council can actively drive overall community satisfaction, we conducted Shapley Value Regression analysis.

This model was developed by conducting specialised analysis from over 30,000 LGA interviews conducted since 2005. In essence, it proved that increasing resident satisfaction by actioning the priorities they stated as being important does not necessarily positively impact on overall satisfaction with the Council. This regression analysis is a statistical tool for investigating relationships between dependent variables and explanatory variables.

In 2014, we revised the Shapley Regression Analysis to identify the directional contribution of key services and facilities with regard to optimisers/barriers with Council's overall performance.

What Does This Mean?

The learning is that if we only rely on the stated community priorities, we will not be allocating the appropriate resources to the actual service attributes that will improve overall community satisfaction. Using regression analysis we can identify the attributes that essentially build overall satisfaction. We call the outcomes 'derived importance'.



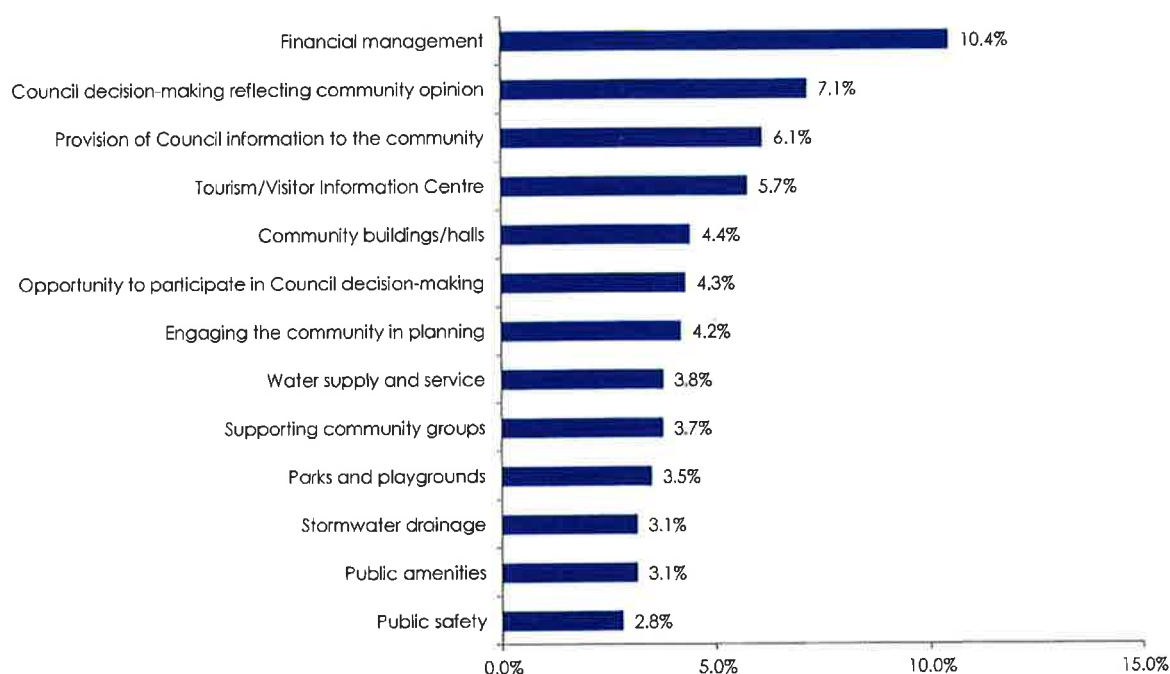
Key Findings

Key Drivers of Satisfaction with Tenterfield Shire Council

The results in the chart below provide Tenterfield Shire Council with a complete picture of both the extrinsic and intrinsic community priorities and motivations and identify what attributes are the key drivers of community satisfaction.

These top 13 services/facilities account for over 60% of overall satisfaction with Council. This indicates that the remaining 27 attributes we obtained measures on have only a limited impact on the community's satisfaction with Tenterfield Shire Council performance. Therefore, whilst all 40 service/facility areas are important, only a minority of them are significant drivers of the community's overall satisfaction with Council.

These Top 13 Indicators Contribute to Over 60% of Overall Satisfaction with Council



The contributors to satisfaction are not to be misinterpreted as an indication of current dissatisfaction

These 13 services/facilities are the key community priorities and by addressing these, Tenterfield Shire Council will improve overall community satisfaction. The score assigned to each area indicates the percentage of influence each attribute contributes to overall satisfaction with Council.

In the above chart, 'public safety' contributes 2.8% towards overall satisfaction, while 'financial management' (10.4%) is a far stronger driver, contributing almost four times as much to overall satisfaction with Council.

Key Findings

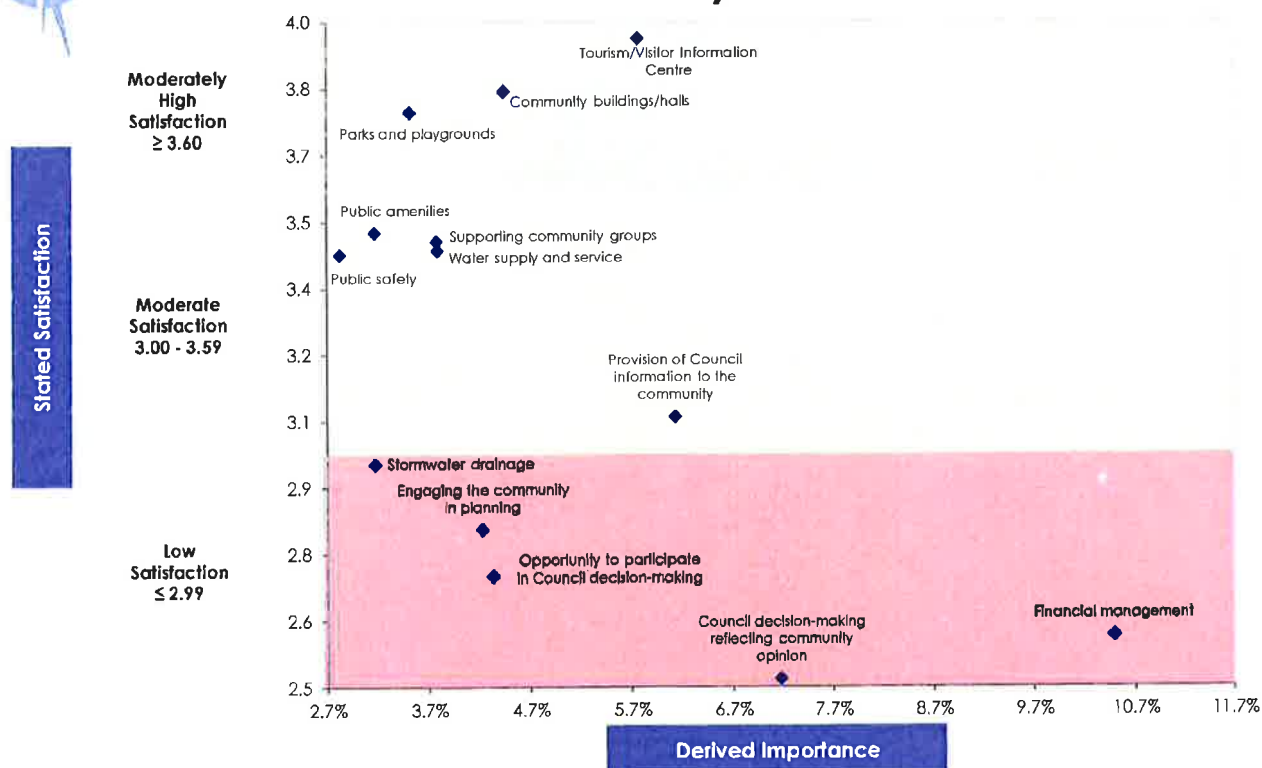
Clarifying Priorities

By mapping satisfaction against derived importance we can see for some of the core drivers, Council is already providing 'moderately high' or greater levels of satisfaction, i.e. 'community buildings/halls' and 'parks and playgrounds'. Council should look to maintain/consolidate their delivery in these areas.

It is also apparent that there is room to elevate satisfaction for those services/facilities that fall in the 'lower' and 'moderate satisfaction' regions of the chart. If Tenterfield Shire Council can address these core drivers, they will be able to improve resident satisfaction with their performance.



Mapping Stated Satisfaction and Derived Importance Identifies the Community Priority Areas



This analysis indicates that involvement/engagement areas such as 'Council decision-making reflecting community opinion', 'opportunity to participate in Council decision-making', 'engaging the community in planning' and even 'provision of Council information to the community' could possibly be targeted for optimisation.

Further to this, 'financial management' is an issue Council should be looking to either align their delivery with resident expectations or more actively inform/engage residents of Council's position and advocacy in this area.



Key Findings

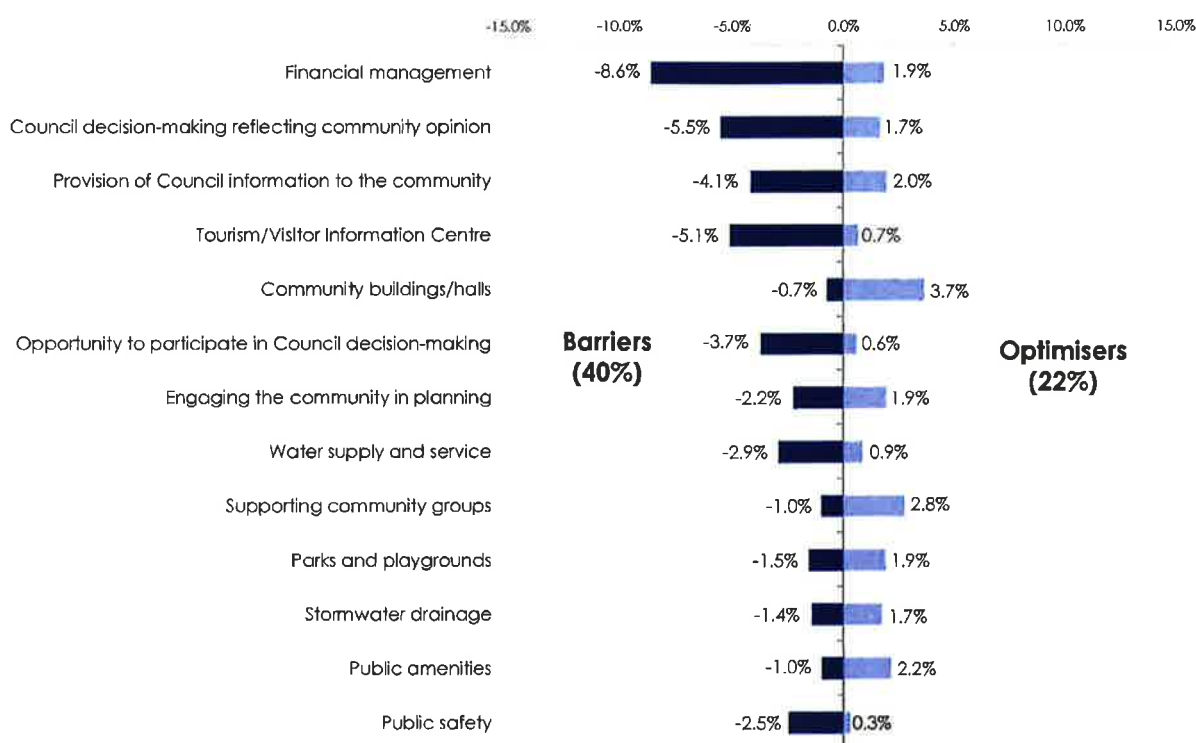
Advanced Shapley Outcomes

The chart below illustrates the positive/negative contribution the same 13 key drivers provide towards overall satisfaction. Some drivers can contribute both negatively and positively depending on the overall opinion of the residents.

The scores on the negative indicate the contribution the driver makes to impeding transition towards satisfaction. If we can address these areas we will see a lift in our future overall satisfaction results, as we will positively transition residents who are currently 'not at all satisfied' towards being at least 'somewhat satisfied' with Council's overall performance.

The scores on the positive indicate the contribution the driver makes towards optimising satisfaction. If we can address these areas we will see a lift in our future overall satisfaction results, as we will positively transition residents who are currently already 'somewhat satisfied', towards being more satisfied with Council's overall performance.

Key Contributors to Barriers/Optimisers



Different levers address the different levels of satisfaction across the community

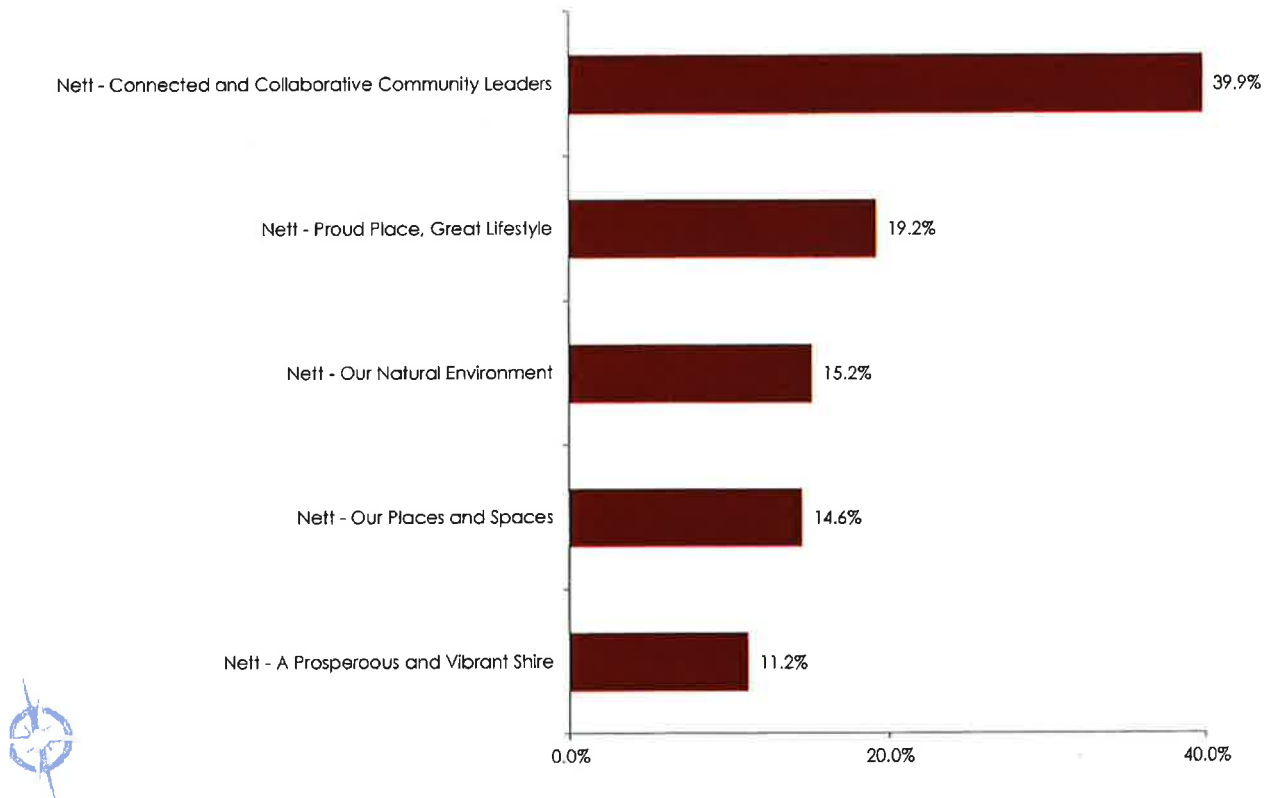


Key Findings

Key Service Areas' Contribution to Overall Satisfaction

By combining the outcomes of the regression data, we can identify the derived importance of the different Nett Priority Areas.

Contribution to Overall Satisfaction with Council's Performance



'Connected and Collaborative Community Leaders' (39.9%) is the key contributor toward overall satisfaction with Council performance.

The services and facilities grouped under this banner include:

- Supporting community groups
- Financial management
- Council decision-making reflecting community opinion
- Long-term planning for the Shire
- Engaging the community in planning
- Planning and development
- Provision of Council information to the community
- Opportunity to participate in Council decision-making

This is not to indicate that the other priority areas are less important, but rather that some of the services and facilities grouped under the banner of 'Connected and Collaborative Community Leaders' are core drivers of resident satisfaction.



A4

SPECIAL RATES APPLICATION WORKSHEET 6

WORKSHEET 6

PROPOSED ADDITIONAL SPECIAL VARIATION INCOME AND EXPENDITURE

This sheet shows how the council proposes to use the additional income from the special variation.
Enter the change in operating balance (excluding capital items) and proposed spending over 10 years under each of the headings as relevant.
Add or delete rows if necessary.
For additional SRV income in years beyond the period of the special variation, use the same level of income as in the final year of the variation.

Proposed Additional Special Variation Income and Expenditure											
	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 2023/24	Sum of 10 years
INCOME											
SRV income above the rate peg	355,423	594,704	884,024	1,166,572	1,166,572	1,166,572	1,166,572	1,166,572	1,166,572	1,166,572	9,980,155
OPERATING BALANCE											
Change in Operating Balance											0
OPERATING EXPENSES											
Change in Operating Expenses (includes loan interest costs)											0
Main Street Renewal Loan Interest	36,000	67,941	62,254	56,221	49,821	43,031	35,827	28,184	20,077	11,475	410,831
											0
											0
											0
											0
CAPITAL EXPENDITURE											
Buildings Renewal	132,000	232,000	140,000			80,000					584,000
Road Construction				70,000							70,000
Roads Resheeting	245,020	405,940				149,420	530,600	475,760	71,680	225,000	2,103,420
Roads Resealing				327,000	327,000					225,000	879,000
Drainage Improvements					40,000	40,000	40,000				120,000
Bridge Renewal Program			440,000	640,000	670,000	710,000	140,000	330,000	430,000	380,000	3,740,000
Saleyards Renewal	15,000	16,500	33,150	19,965	141,982	24,156					250,735
Recreation Facilities Renewal		195,000	255,000								450,000
Cemeteries Improvements		58,000		220,000		12,000					290,000
OTHER USES OF SV INCOME eg loan principal repayments, transfers to reserves											
Main Street Renewal Principal Repayment	44,659	93,377	99,064	105,087	111,497	118,287	125,431	133,134	141,241	149,843	1,121,690
											0
											0
											0
											0
											0
											0
											0
											0
Total use of special variation income	472,679	1,068,758	1,029,468	1,438,283	1,340,280	1,176,896	871,916	967,076	662,998	991,318	10,019,676

A5

**IPART ASSESSMENT
REPORT, NEED & PURPOSE
FOR SRV, PAGE 6**

3.1 Need for and purpose of the special variation

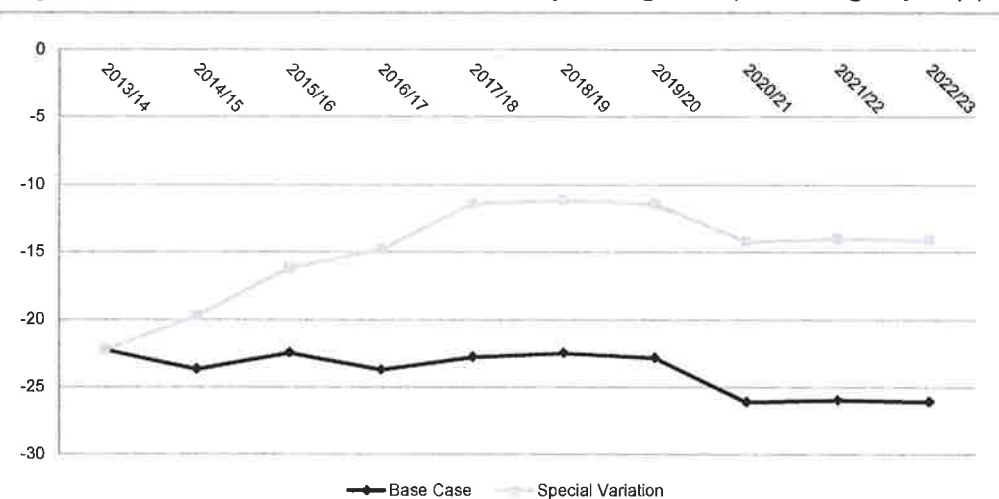
The need for and purpose of the requested special variation is set out in the council's IP&R documents. The special variation will help improve the long term financial sustainability of the council and at the same time fund a program of infrastructure renewal.⁴ The council estimates the special variation will raise \$10.0m over 10 years, of which \$9.6m will be spent on asset renewal and \$0.4m on operating expenditure (interest expenditure).

Improved financial sustainability

The council has ongoing operating deficits that will be larger without the special variation. The LTFP forecasts that if the special variation is approved the council's operating deficits will be less by \$9.1m over 9 years.⁵ Even with the special variation the operating deficit will remain close to \$2.0m a year, or 14% of operating income.

Figure 3.1 below illustrates the improvement in the council's operating deficits resulting from the special variation increase.

Figure 3.1 Tenterfield Shire Council – operating ratio (excluding capital) (%)



Data source: Tenterfield Shire Council Application Part B, Attachment 8, *Long Term Financial Plan 2013 to 2023*, and IPART calculations.

⁴ Tenterfield Shire Council, *Special Variation Application Form – Part B*, 24 February 2014, (Tenterfield Shire Council Application Part B), pp 20-21.

⁵ Tenterfield Shire Council Application Part B, Attachment 8, *Long Term Financial Plan 2013 to 2023*, and IPART calculations.

A6

**COUNCIL RESOLUTION MAY
2015, RE: FURTHER SRV 3%
EACH YEAR OVER 7 YEARS**

(ITEM GMO53/15) FIT FOR THE FUTURE**SUMMARY**

The purpose of this report is for Council to consider the best scenario for Council to become Fit for the Future and to consider lodging a submission to IPART regarding their Consultation Paper "*Methodology and Assessment of Council Fit for the Future Proposals*".

141/15 Resolved that:

- (1) The General Manager's and Manager of Finance Report "Fit for the Future" be received and noted; and further
- (2) That the General Manager lodge a submission to IPART's "*Methodology for Assessment of Council Fit for the Future Proposals – Consultation Paper*" including the following:
 - a) That Rural Councils in group F that are submitting Template 2, be provided with a longer time-frame to meet the Operating Performance Ratio by 2024/25;
 - b) That Rural Councils in group F that are submitting Template 2, be able to include the Financial Assistance Grant (FAG) in their calculation of their Own Source Revenue Ratio; and
- (3) That Council adopts Scenario 3 - Fit for the Future – SRV 3% + Rate Peg (Average Result over 3 Years) as discussed within the body of this report because this Scenario shows achievement of all Fit for the Future benchmarks in 2024/25 other than the own source revenue ratio. This model presents the highest level of sustainability and an increased capacity to absorb financial fluctuations.

(Mary Leahy/Donald Forbes)

Motion Carried

The meeting adjourned for morning tea, the time being 10.50 am.

The meeting reconvened with the same members present, the time being 11.05 am.

DIRECTOR OF CORPORATE SERVICES**(ITEM COR12/15) FINANCE AND ACCOUNTS****SUMMARY**

The purpose of this report is to inform Council of the reconciliation of cash as of 30 April, 2015, and investments as of 30 April 2015.

- 142/15 Resolved** that the Manager Finance's Report "Finance and Accounts" be received and noted.

(Brian Murray/Toni Hull)

Motion Carried

A7

**IPART APPLICATION FOR
SRV – PRODUCTIVITY
IMPROVEMENTS AND
COST CONTAINMENT
STRATEGIES,
PAGES 51 & 52**

where no recent historical rates could be sourced. The same methodology was also used for valuation of Council's road assets and formally scrutinized by Council's auditors.

8 Assessment criterion 5: Productivity improvements and cost containment strategies

The DLG Guidelines state this criterion as follows:

An explanation of the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.

In this section, provide details of any productivity improvements and cost containment strategies that you have implemented in the last 2 years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation. These plans, capital or recurrent in nature, must be aimed at reducing costs. Please also indicate any initiatives to increase revenue eg, user charges. Identify how and where the proposed initiatives have been factored into the council's resourcing strategy (eg, LTFP and AMP).

Where possible, quantify in dollar terms the past and future productivity improvements and savings.

You may also use indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and the DLG Group data provided to us.

Council Response

Council conducted community consultation (Attachments 21) in October/November 2012 to set service levels as part of the IP&R Asset Management Plans and Community Strategic Plan update. In order to align Council's business with the community's expectations, Council's Engineering Department undertook a review and restructure to ensure the department's focus aligned with the community's priorities.

The Asset Management planning process and community engagement made it clear that Council's infrastructure efforts must be directed at maintenance and renewal rather than the construction of new infrastructure unless there was a clear and well established business case for a new asset.

Council's Engineering Department responded by reducing management staff through the reallocation of asset management functions to individual department heads in preference to a dedicated asset management department. Departmental supervision was streamlined with personnel instead allocated to key frontline services. Crews previously focussed on new asset construction (Construction Grader Crew) were reallocated maintenance responsibilities thus reducing expenditure on contract resources.

New Organisational Structure in line with Community Strategic Plan and also with the view of multi-functions of individual staff in other departments: Strategic Planning and Environmental Services and also in Corporate Services

All staff have multi-functions and assist other staff. For example The Manager Finance also does Information Technology and Public Liability Insurance; the Executive Assistant to the Mayor and General Manager is also the media officer and general administration assistant for the Corporate Services team; the Operational Supervisor is also a Ranger, supervises the Parks and Gardens team and the position is also responsible for the saleyards and the swimming pool. The General Manager coordinates the Integrated Planning and Reporting Framework each year including the Community Forums for the draft Operational Plan and the Annual Report outcomes, and all the Directors are also involved in day to day operations as well as strategic matters.

9 Other information

9.1 Previous Instruments of Approval

If you have a special variation which is due to expire at the end of this financial year or during the period of the proposed special variation, when was it approved and what was its purpose?

Please attach a copy of the Instrument of Approval that has been signed by the Minister or IPART Chairman.

NOT APPLICABLE

9.2 Reporting to your community

The *Guidelines* set out reporting mechanisms that show your accountability to your community. Please tell us how you will go about transparently reporting to the community on the proposed special variation, should it be approved. Also indicate the performance measures you will use to demonstrate how you have used the additional funds (above the rate peg) generated by the special variation.

Council Response

Council and the community will receive (as they are now) monthly progress reports for the Engineering Department and the Department of Strategic Planning and Environmental Services as well as quarterly reviews against the Operational Plan and Delivery Program and in the Annual Report. Council will also communicate the special rates variation in the rates notices issued in July 2014, in the Council Communication newsletter and through Media Releases.

Council will also continue to annually hold at least two (2) community forums in each of the 8 locations across the Shire in May/June for the draft Operational Plan (including budget) inviting submissions and for the results in the Annual Report (including financials) in Nov/Dec.

A8

**TENTERFIELD SHIRE
COUNCIL – COMMUNITY
STRATEGIC PLAN, PAGE 5**

1.3 General Manager's Message

I am pleased to present the revised Community Strategic Plan 2013-2023, which is a strategic document that reflects our community's priorities and aspirations. It will guide and co-ordinate all Council's activities over a 10 year period. Together with our Long-Term Financial Plan, Workforce Plan and Asset Management Plans it ensures we have a coordinated and focussed way forward.

Specifically, in response to the extensive community engagement for the Community Strategic Plan, Council will aim to meet the needs and aspirations of the Tenterfield Shire community over the next 10 years by encouraging:

- Population growth;
- Prospering business district;
- Prospering economic development across the Shire;
- Prospering tourism industry.

By providing in partnership with the community:

- Well maintained roads, parks and gardens;
- Best practice water and sewer services;
- Balance of heritage, environmental constraints and development.

In partnership with the community and state agencies we will have:

- A community built on friendliness, culture and lifestyle;
- Adequate health, transport and community services;
- Waste to land fill will be reduced by 40%.

Financial sustainability is fundamental and Council is committed to ensure sound financial responsibility that is shared respectfully across the Shire and amongst the community. The 10 year Financial Plan is linked to Asset Management Plans and updated annually to ensure that we are on target. Special rates variations and loan funding will also be required to meet financial sustainability into the future.

The challenge into the future is how our Shire in partnership with all stakeholders, not the least being the community itself, will use our combined strength to remain a unique place and therefore be sustainable for generations to come.

Lotta Jackson
General Manager

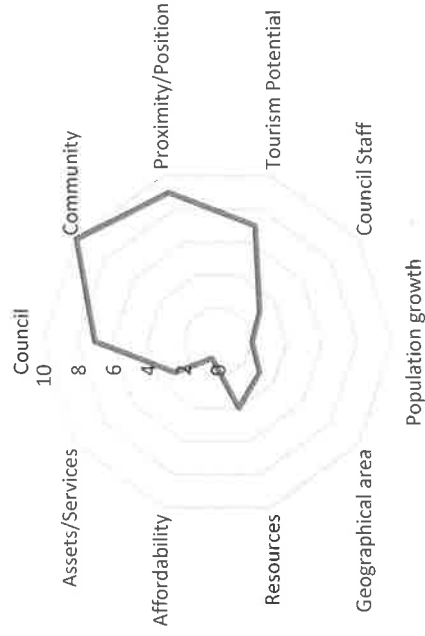
A9

**SWOT ANALYSIS
(COMMUNITY, STAFF,
COUNCILLORS)**

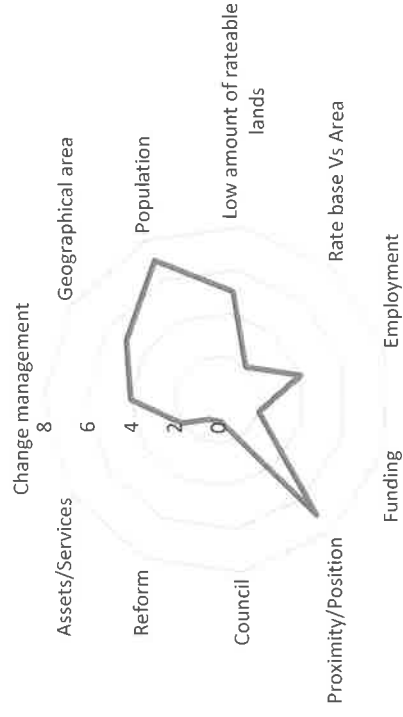
Fit for the Future

COMMUNITY SWOT ANALYSIS 2014

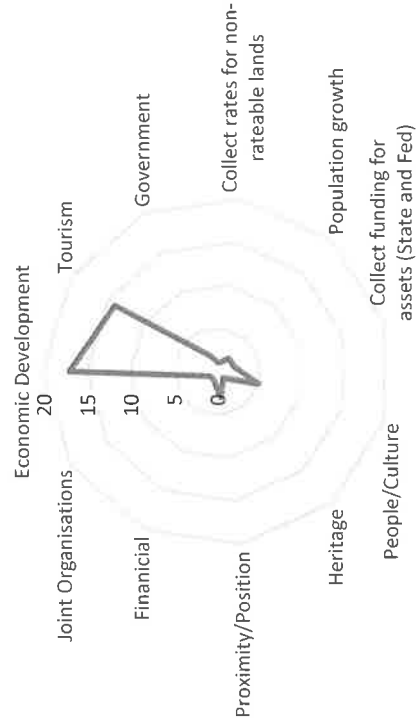
STRENGTHS



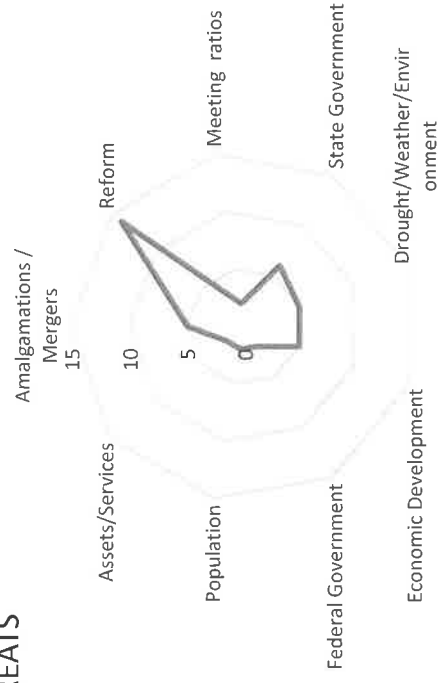
WEAKNESSES



OPPORTUNITIES

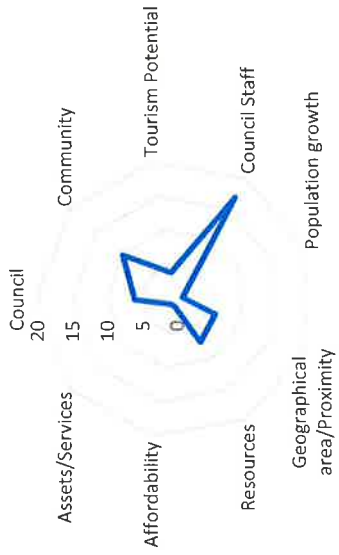


THREATS

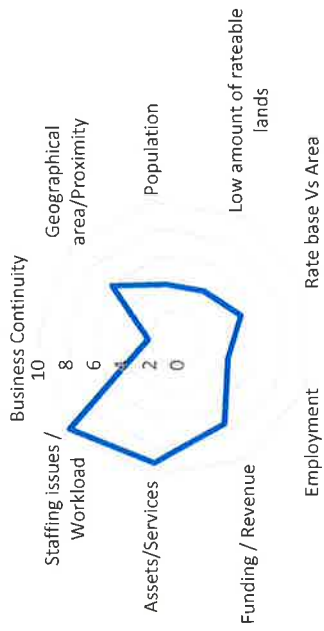


Staff SWOT

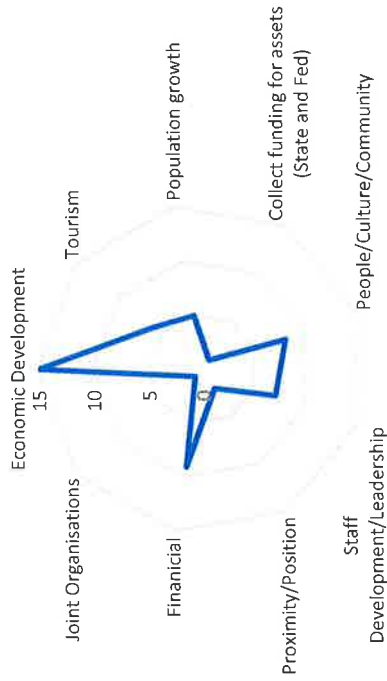
STRENGTHS



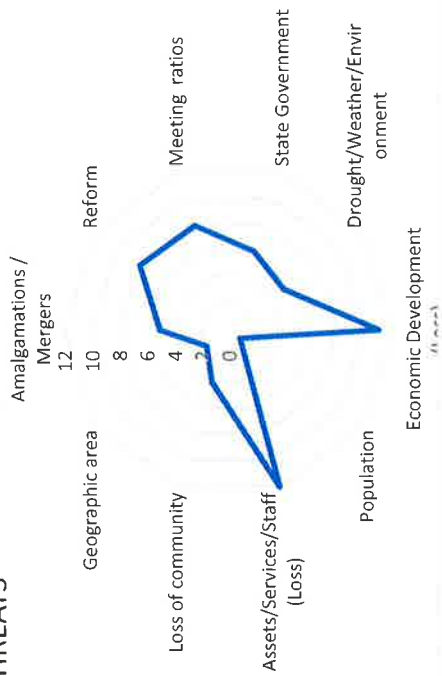
WEAKNESSES



OPPORTUNITIES



THREATS



Strengths

Water resource availability (Rivers) – Altitude – Weather and Climate – Geographic proximity/position – Talented staff team – Shire on the intersection of several national and state transport routes – Unique environment (4 seasons and Autumn colours) – Teamwork – Transparency – Council manages within its means – Affordable housing – Low staff turnover (resultant in retaining corporate knowledge) – Outcomes focused – Ability to move forward – Strong strategic planning and decision making – Community.

Weaknesses

Low rate base – Employment opportunities – Geographical area versus Population density – Tourism (not a broad focus including through visitors) – Assets base versus population – No State Government offices in Shire – Amount of non-rateable lands (National Parks) – Distance from Sydney – Large geographical areas to manage with small staff numbers – Low staff turnover – Lack of hospital and other essential services – Staff resources tied up in state regulation and reporting requirements.

Opportunities

Our LEP (facilitating economic development, employment and growth) – Water resources (Clarence diversions, New Dams) – Tourism and our unique attractions – Town Bypass (heavy vehicle detour) – Industrial estate (facilitating population growth and employment) – Affordability (housing, lands, rates) – Our communities – Northern Growth Corridor (Mt Lindsay Rd upgrade).

Threats

Amalgamations/Mergers – Privatisation of utilities – Downsizing via the **FitfortheFuture** reform process – Increased regulation and reporting by state government – State Government acting unilaterally through the **FitfortheFuture** process – Joint Organisations – Native Vegetation Act (tying up resources and affecting employment) – Increasing red and green tape.

Strengths

Strong capacity to gain grants – Staff skills and commitment – Strong Volunteering – Strong community of interest – Organisation and structure has already been rationalised – Assessment undertaken to assess **FitForTheFuture** capacity, ability to move forward – United Council and Governance – Partnerships with adjoining Councils, Border alliances and relationships with State Government – Strong Strategic Direction – Local Employer – Self-sufficient communities built through isolation.

Weaknesses

Not currently meeting **FitForTheFuture** financial ratios – Large geographical area to govern – Low rate base for own source revenue – High asset base with aged and neglected assets – Resource hungry asset base – Isolation of communities resulting in higher costs for servicing .

Opportunities

Review organisation for further efficiencies – Review services that can be sourced to a JO – State electorate to be aligned with Northern Rivers – Further develop strategic focus through IP&R – Empower communities to take ownership of assets and functions, work with Council to achieve local outcomes – Critical Asset Review – Review service levels for community delivery – Actually show that we are **FitForTheFuture** despite ratios.

Threats

Amalgamations/Mergers – Reduction in Financial Assistance Grants – Grant freezes and cuts - Being overpowered by other Council's in JO's – Loss of staff leading to loss of local economy, economic development and social fabric – Cannibalistic nature of other Councils – Being deemed not **FitForTheFuture** based on positive attributes such as high capacity to gain grant funding.

A10

**IPART ASSESSMENT
REPORT RE: TENTERFIELD
HISTORICAL LOW RATES,
PAGE 12**

Table 3.3 compares the council's 2011/12 average rates for each ratepayer category against a group of surrounding councils. Tenterfield Shire Council has:

- ▼ the lowest average residential and farmland rates of the group
- ▼ the second lowest average business rates
- ▼ average rates that are below the average and median of the group in all 3 ratepayer categories.²⁴

The low rates for Tenterfield Shire Council are not surprising, given that in the last 10 years the council has only received 1 small and temporary special variation of 4.97% (1.47% above the rate peg) that expired after 1-year. In addition the council reduced rates in the business rates category once in the past 10 years, and farmland rates in 3 of the past 10 years.²⁵

We estimate that even after the proposed increases the council's rates will still be relatively low.²⁶

Table 3.3 Average Rates for Tenterfield Shire Council and surrounding councils 2011/12 (\$)

Council	Residential	Business	Farmland
Inverell Shire Council	822	3,009	2,254
Clarence Valley Council	784	2,045	1,133
Kyogle Council	648	966	1,229
Richmond Valley Council ^a	604	1,648	1,034
Glen Innes Severn Council ^a	546	1,247	1,876
Uralla Shire Council	473	472	3,405
Guyra Shire Council ^a	409	612	2,103
Tenterfield Shire Council	318	722	1,006
Average	576	1,340	1,755

^a Richmond Valley Council, Glen Innes Severn Council, and Guyra Shire Council have applied for a special variation in 2014/15.

Source: OLG, *Comparative Information on NSW Local Government*, October 2013, pp 93, 127, 147, 167, 181, 255, 279 and 291, and IPART calculations.

The council's consideration of impact on ratepayers

The council has discussed the impact of the rate increase on ratepayers in its LTFP.²⁷ The application documents also outline the relative levels of socio-economic disadvantage and average level of rates compared to similar councils.²⁸

²⁴ We also note that the council has average rates well below the OLG Group 10 and NSW averages in all ratepayer categories (Table C.2).

²⁵ OLG annual comparative data publications and IPART calculations.

²⁶ IPART calculations.

²⁷ Tenterfield Shire Council Application Part B, Attachment 8, *Long Term Financial Plan 2013 to 2023*, p 11.

²⁸ Tenterfield Shire Council Application Part B, pp 36-38 and 44.

A11

**IPART ASSESSMENT
REPORT, MT LINDESAY
ROAD, PAGE 7**

The council indicated in its Delivery Program that it needs a special variation to assist in achieving financial sustainability and for road infrastructure, including the Main Street Masterplan.⁶ The council also indicated in its LTFP that:

- ▼ it would apply to IPART for an increase
- ▼ it had discussed asset service levels required with the community
- ▼ an increase in funding to support asset service levels was supported by the council's asset management planning.⁷

Asset renewal

Most of the special variation related renewal spending relates to roads and bridges (83%), but includes smaller amounts for buildings, saleyards, drainage and cemeteries (Appendix A).⁸ This will partly address the council's infrastructure backlog which was \$51.0m in 2012/13 (excluding water, sewer and other funds). Almost the entire backlog relates to roads, footpaths, bridges and causeways.⁹

In 2013, NSW Treasury Corporation (TCorp) observed that the council's financial position was 'Weak', and considered its outlook to be 'Negative'.¹⁰ TCorp noted that the council's LTFP forecast continuing operating deficits for the next 10 years. TCorp also highlighted the council's reliance on external funding from grants and contributions.¹¹

TCorp noted that after 2011/12, the council would be spending less than required to maintain assets in a satisfactory condition.¹² The report specifically mentioned the poor state of Mt Lindesay Road and the council's 62 timber bridges.¹³

⁶ Tenterfield Shire Council Application Part B, Attachment 3, *Four Year Delivery Program 2013-2017*, adopted 26 June 2013, p 5.

⁷ Tenterfield Shire Council Application Part B, p 23.

⁸ Tenterfield Shire Council Application Part B, p 21.

⁹ Tenterfield Shire Council, *Special Schedules for year ended 30 June 2013*, Special Schedule 7, pp 16-17 (Published in the same document as Tenterfield Shire Council, *General Purpose Financial Statements for the year ended 30 June 2013*).

¹⁰ New South Wales Treasury Corporation, *Financial Sustainability of the New South Wales Local Government Sector*, April 2013, p 18.

¹¹ New South Wales Treasury Corporation, *Tenterfield Shire Council, Financial Assessment, Sustainability and Benchmarking Report*, 11 March 2013 (TCorp Report), p 5.

¹² TCorp Report, p 16.

¹³ TCorp Report, p 19.

A12

**KEY ACTIONS –
OPERATIONAL PLAN,
PAGE 46**

Strategy 6.7b – Create a positive organisational culture that develops attitudes, behaviours and skills in alignment with Council’s mission, vision and corporate values			
Actions	Responsible Department	How will we measure progress	Target
EEO Management plan regularly reviewed and implemented - Staff Consultative Committee’s standard agenda.	GM Office <i>Organisational Dev. Manager</i>	No or low number of grievances.	Report Annually by November
Enhance productivity through efficiency gains in the organisational culture “how we do things” and through staff development and training, including succession planning and multi-skilling. (Business Excellence Framework)		Monitored by MANEX.	Monthly By June 2016 Number of tangible changes
Staff Corporate Knowledge: succession planning - multi skilling, develop position procedures for various functions, systems and performance implementation of the same.			All position procedures developed by June 2016

Strategy 6.8a – Develop strategies, policies and practices to enable Council to achieve excellence in corporate governance			
Actions	Responsible Department	How will we measure progress	Target
Continue to monitor policies, practices and processes with the aim of continuous improvement.	GM Office <i>Organisational Dev. Manager</i>	Achieved in 2014/15 Successful Best Practice Review (50% reduction in the number of recommendations compared with 2008)	Activities leading to improved efficiencies and increased staff moral
Staff development and training with a view of “self-reflection” – where are we now and how can we improve as an organisation? (Business Excellence Framework)			

Key Actions from the Fit for the Future action plans:

- Land and property assets review for properties owned by Council that could be sold or leased; (SP&ES)
- Identifying assets (e.g. vehicles, plant and buildings) which should not be replaced as there is no efficient use for them; (SP&ES / DENG)
- Identifying new savings through more organisational restructuring and more efficient work practices; (HR/MANEX)
- Further increasing expenditure on roads and bridges infrastructure each year through grant funding; (Mayor/GM/DENG)
- Improving the efficiency of our capital and maintenance works through improved work practices and supervision. (DENG/WM)

A13

RISK MANAGEMENT – CONTINUOUS IMPROVEMENT PLAN

Risk Management – Continuous Improvement Plan

Adopted: Council Resolution 113/14 – 23 April 2014

Improvement, Productivity and Accountability

Local Government is obligated to:

- Achieve continuous improvements;
- Meet defined performance outcomes;
- Explore potential partnerships with adjoining Councils;
- Provide accessible services for those who the services are intended for;
- Report regularly to the community on its achievements.

Tenterfield Shire Council

- ▶ Risk Management is a systematic process that involves establishing the context of risk management, identifying, analysing, addressing risks, periodic monitoring and communication.
- ▶ It is Tenterfield Shire Council's policy to address the matter of risk management in a systematic manner to maximise the use of its resources to the overall benefit of the community and minimise in a cost effective manner the potential for loss, damage and injury, whilst satisfying legal obligations.
- ▶ Staff will take on an approach of Continuous Improvement Process to manage risks.

Council is committed to the management of risk to protect:

- Customers and stakeholders;
- Employees and their skills;
- Environment;
- Quality of service;
- Assets and intellectual property;
- Contractual and statutory obligations;
- Image and reputation.

Our aim:

- ▶ To achieve best practice in controlling all the risks to which our Council is exposed.
- ▶ To achieve this aim, risk management standards will be created, maintained and continually improved. This will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures corresponding with our various functions.

What is Risk Management?

- ▶ **Risk management** is the identification, assessment, and prioritisation of risks (defined in ISO 31000 as *the effect of uncertainty on objectives*, whether positive or negative) followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realisation of opportunities.
- ▶ Methods, definitions and goals vary widely according to whether the risk management method is in the context of project management, security, engineering, industrial processes, financial portfolios, or public health and safety. The following scales should be used for major projects.

RMP - Likelihood scale

Level	Likelihood	Description
4	Very likely	Happens more than once a year
3	Likely	Happens about once a year
2	Unlikely	Happens every 10 years or more
1	Very unlikely	Has only happened once

RMP - Consequences scale

Level	Consequence	Description
4	Severe	Financial losses greater than \$50,000
3	High	Financial losses \$10,000 - \$50,000
2	Moderate	Financial losses \$1000 - \$10,000
1	Low	Financial losses less than \$1000

What is Continuous Improvement?

- ▶ A **Continual Improvement Process**, also often called a **continuous improvement process (CIP)** is an ongoing effort to improve services or processes. These efforts can seek "incremental" improvement over time or "breakthrough" improvement all at once.
- ▶ Delivery (customer valued) processes are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility.
- ▶ Part of the 'system' whereby feedback from the process and customer are evaluated against organisational goals.
- ▶ Method became famous from 1986 book *Kaizen: The Key to Japan's Competitive Success*:
 - ▶ The core principle of CIP is the (self) reflection of processes. (Feedback)
 - ▶ The purpose of CIP is the identification, reduction, and elimination of suboptimal processes. (Efficiency)
 - ▶ The emphasis of CIP is on incremental, continual steps rather than giant leaps. (Evolution)

Key features

- ▶ Improvements are mostly based on many small changes rather than the radical changes.
- ▶ Small improvements are less likely to require major capital investment than major process changes.
- ▶ The ideas come from the talents of the existing workforce, as opposed to using research, consultants or equipment – any of which could be very expensive.
- ▶ All employees should continually be seeking ways to improve their own performance.
- ▶ It helps encourage workers to take ownership for their work, and can help reinforce team working, thereby improving worker motivation.



Risk management is a core responsibility for all Managers.

- ▶ Education and training in risk management for staff;
- ▶ Developing risk management practices and standards;
- ▶ Conducting surveys for identifying and eliminating risks;
- ▶ Helping to prioritise and schedule risk control improvements in each of Council's departments and sections;
- ▶ Reporting to the MANEX on risk improvement and compliance.

Managing Risks

Avoid the risk

- ▶ If it's possible, you may decide not to proceed with an activity that is likely to generate risk.
- ▶ Alternatively, you may think of another way to reach the same outcome that doesn't involve the same risks. This could involve changing your processes, equipment or materials.

Reduce the risk

- ▶ Reducing the likelihood of the risk happening - for example, through quality control processes, auditing, compliance with legislation, staff training, regular maintenance or a change in procedures.
- ▶ Reducing the impact if the risk occurs - for example, through emergency procedures, off site data backup, minimising exposure to sources of risk, or using public relations.

Transfer the risk

- ▶ Cross-training staff so that more than one person knows how to do a certain task and you don't risk losing essential skills or knowledge if something happens to one of your staff members.
- ▶ Identifying alternatives to achieve the same outcome.
- ▶ Keeping old equipment (after it is replaced) and practising doing things manually in case your computer networks or other equipment can't be used.

Continuous Improvement – Standards and Action Plan - 2014/2015

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
1	Citizen / Customer Services – Public Trust			<ul style="list-style-type: none"> Implementation of Council resolutions – priority 	Resolutions are actioned	Monthly
	Systems and practices			<ul style="list-style-type: none"> Implementation of Council's Plans (IP&R) according to schedule 	Actions are implemented	Quarterly Reviews
	Non-compliance with: Implementation of IP&R		GM's Office & Corporate Services	<ul style="list-style-type: none"> Correspondence attended to on a daily basis and prompted by Records 	Correspondence are attended to within time frames	14 Days turn-around
	Correspondence Council resolutions Policy	All areas	All areas	<ul style="list-style-type: none"> Monitoring of policy implementation 	Directors and Managers monitor implementation of Policy within their own department.	Monitor quarterly through a checklist
	Face to face customer service Service delivery in the field Record keeping			<ul style="list-style-type: none"> Face to face customer services and service delivery timely, efficient and quality – customer satisfaction 	Customer service standards implemented	Monitor by Directors and Managers

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
2	Work, health and safety	All areas	GM's Office & Corporate Services	<ul style="list-style-type: none"> Prevention (health and wellbeing, Work policies and procedures, inductions, PPE and SWMS), Incidents and near misses - recording, Accident/injury - recording, Injury management Return to work -Registers Training and Induction. Implementation of procedures; Review of accident/incident processes 	Complete appointment of WHS Officer	Appointed March 2014
	<i>Accidents, injury</i>				Training for managers/senior staff, then passed onto remaining staff	By April 14 and June 2014
	<i>Non-compliance with:</i> <i>Practice, systems and procedures</i>				Completion of a clear, concise and logical system	By June 14
3	Human Resources Management	All areas	GM's Office & Corporate Services	<ul style="list-style-type: none"> Recruitment, Probation, Appointment, Policy implementation, Team work, Performance, Industrial relations, Conflict management, Pandemic: such as human influenza, swine flu or bird flu. 	Review	14/15
	<i>Contracts of employment,</i>				Review and Implement	April 2014
	<i>performance,</i>				Audit for compliance	June 14
	<i>productivity,</i>				Training	13/14
	<i>practice, systems and procedures</i>				Review system	14/15
					Develop policy	14/15

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
4	Financial <i>Revenue Forecasts and expenditure, cash flow, non-payment, capital projects</i>	All areas	GM's Office & Corporate Services	<ul style="list-style-type: none"> Budgeting and reporting Monitoring and review Internal processes and controls Strategy - KPIs 	Quarterly reviews Mid-term audit - Internal controls audited Annual financial reports Long Term Financial Plan	Aug, Nov Feb, May April November Annually adopted in June
5	Technology <i>Software and hardware : computer network failures and problems associated with using outdated equipment</i>	All areas	Corporate Services	<ul style="list-style-type: none"> Fit for purpose IT system - integrated. Offsite records back up. Scanning of all hardcopy records for offsite digital storage. 	Tender for new Information Technology System Conversion Implementation Training Review and development of IT Strategic Plan	July 14 July-Sept 14 Op. Plan 2014/15

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
6	Security <i>Theft, fraud, loss of intellectual property, extortion and online security and fraud</i>	All areas	Corporate Services	<ul style="list-style-type: none"> Fraud and Corruption Policy implementation Policy implementation Internal controls Audit Committee Code of Conduct Staff Management/timesheets by Managers, supervisors and GM. 	Audit Committee and MANEX	2014/15
					General Manager to spot check (audit) Policy implementation and controls	2014/15
					Monitor Internal Audit Plan	Quarterly meetings
					All new staff provided a copy and induction.	Every second year
					Code Of Conduct Refresher training	
					Interim audit by Auditors	April

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
7	Procurement and Supply <i>Policy, Procedure and Practices</i>	All areas	Corporate Services All areas	<ul style="list-style-type: none"> Implementation of Policy Best value Systems and procedures in place Financial controls 	Review and monitor policy implementation Shop around for best value Financial control in place Orders and authorisation clarified Delegations and authorities set and monitored	MANEX quarterly Mid-term audit (April) Manager Finance updates and audits
8	Tendering, Quotations, Expressions of Interest and Contracting <i>Non-compliance with Regulations, Policy and Procedures</i>	All areas	Corporate Services All Areas	<ul style="list-style-type: none"> Tendering procedure and implementation Contract procedure and implementation Preferred Contractor list with Induction and required paperwork on file Staff declaring interest where applicable. 	Procedures are followed Develop and implement procedures Information session with potential contractors held	Mid-term audit April May/June 2014 June/July 2014

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
9	Legal <i>Insurance issues, resolving disputes, contractual breaches, non-compliance with regulations, and liabilities</i>	All Areas	GM's Office Corporate Services SP&ES All areas	<ul style="list-style-type: none"> Public Liability Regulatory Services procedures and practices Customer service Services delivery - quality 	<p>Infrastructure is kept in good order, maintenance scheduled adhered to</p> <p>Regulatory registers and procedures are developed and implemented</p> <p>Customer services standards are followed</p>	<p>Asset Maintenance Plans</p> <p>Monitor claims quarterly to MANEX</p> <p>2014/15</p> <p>Systems easy to use and audit</p> <p>Customer satisfaction monitored through MANEX</p>
10	Regulatory and government policy changes <i>Policies, practices and implementation</i>	All Areas	SP&ES	<ul style="list-style-type: none"> Regulatory procedures developed and implemented Consistency, follow up and delivery Read and familiarise self with State Government policy changes 	As regulations change, policies are updated Customer service follow procedures in place	Policies and Procedures monitored by Director

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
11	<p>Road and road Infrastructure Assets, Services (water, sewer, waste) Parks and Gardens Plant and equipment</p> <p><i>Asset condition and service levels, Damage from natural disasters, burst water pipes, robbery, vandalism, power failure.</i></p>	Eng. Serv. SP&ES	Eng. Serv. SP&ES	<ul style="list-style-type: none"> • Asset Management Plans review and implementation • Maintenance schedules and implementation • Unscheduled maintenance and response procedures • Execution of CAPEX and Maintenance & Repairs identified in operational plan • Procedure to ensure quality of work is at a high standard through management systems 	<p>Investment in Infrastructure and Maintenance & Repairs</p> <p>Monitoring of Public Liability</p> <p>Development of a well-structured and prioritised Works Program and Maintenance & Repair program</p> <p>Review of operational costs and asset condition for key items of fleet</p> <p>List of staff/contractors for emergency situation</p>	<p>CAPEX Annually</p> <p>Reports to MANEX quarterly</p> <p>Annually</p> <p>Annually</p> <p>By June 14</p>
12	<p>Natural disasters,</p> <p>Climate Change</p> <p><i>Floods, storms, bushfires and drought</i></p>	All areas	Eng. Serv.	<ul style="list-style-type: none"> • EMPLAN implementation and reviewed • Coordination and meeting attendance • Business Continuity Plan 	<p>Identification of potential impacts</p> <p>Develop plans to reduce significance of impacts/manage implications</p>	<p>Review plans as needed and annual review of documents in August each year</p>

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
13	Environmental <i>chemical spills and pollution</i>	All areas	SP&ES Eng.Serv.	<ul style="list-style-type: none"> Registers, regulating and monitoring 	<p>Data and relevant information on hand.</p> <p>Procedures to following the event of environmental pollution</p> <p>Develop a Pollution Incident Management Response Plan (PIRMP)</p>	2014/15
14	Economic (Tourism) and Social, <i>global financial events, interest rate increases, cash flow shortages, customers not paying, population decline and rising costs</i>	All areas	GM's Office SP&ES	<ul style="list-style-type: none"> Sale of Industrial Estate Land register, sales and leases Economic Development Strategy implemented and reviewed School of Arts Events Cultural Services implementation Community Development activities Services available – schools, support services, service clubs Sport and recreation Community halls 	<p>Details in the Operational Plan</p> <p>Delivery Program and Community Strategic Plan.</p> <p>Reported to Council monthly and in quarterly reviews.</p>	2014/15

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
15	Governance	All staff	GM	<ul style="list-style-type: none"> Education for councillors, senior staff and managers in regards to roles & responsibilities of code of conduct, meeting practices and general responsibilities Communication between executive, workforce and community Establish and execute IP&R plans Compliance with Policies 	<p>Arrange for training</p> <p>Staff satisfaction survey</p> <p>Policy signing register in each staff section: Staff to sign off on Policies at staff meetings.</p>	<p>2014/15</p> <p>March/April 2014 and every second year</p> <p>As Policies are revised or prompted to be covered by GM</p>
16	Staff Knowledge <i>Longer serving key staff members with significant knowledge that has not been documented</i>	All areas	HRM	<ul style="list-style-type: none"> Job rotations Processes and procedures documented Gps networks and assets so accurate information is available Induction and training 	<p>All department to multi-skill staff as relevant</p> <p>Procedures to be documented</p> <p>Adopt and Implement Succession Planning Policy</p>	<p>2014/15</p> <p>Policy adopted by June 2014.</p>

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
17	Asbestos – changing requirements	Staff in high risk areas	WHS	<ul style="list-style-type: none"> • Policy required • Contingencies in place for changing requirements • Handling procedures needed • Funds to be set aside for ongoing management • Appropriate insurances 	<p>Develop Policy</p> <p>Review Policy against changes every 6 months</p> <p>Schedules for handling developed and implemented</p> <p>Funds set aside in Operations Plan for Asbestos Audit and Management Plan</p>	<p>April 2014</p> <p>June 2014</p> <p>May/June 2014</p>

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
18	Brand Reputation <i>Public trust minimised or lost.</i> <i>Council's image to the general public and other stakeholders affected negatively.</i> <i>Loss of confidence in Council.</i>	All Areas	GM MANEX Councillors	<ul style="list-style-type: none"> Community engagement to set goals. Continually reinforce Council's presence through media through delegation by the GM, frontline staff etc. Follow IP&R process and delivery programs. Meet set targets. Communicate and report back to the community. Council's Departments working together as a cohesive unit. Education of the community regarding Council's functions and continual reporting of achievements for positive Public Relations. 	Communications Plan and "Road show" twice a year.	As per plan. May & Nov
					Media releases discussed weekly at MANEX.	Weekly
					Council Resolutions are implemented timely.	Monthly
					Actions in the IP&R framework are implemented and on target and reported to the Community.	Monthly, quarterly, annually
					Provide relevant information to the Community in regards to issues at hand.	As per IP&R

No	Nature of Issue/Risk Identified	Functional Area	Domain	Current Controls/recommended Mitigation Response	How? Action/Progress	Target
19	<p>Governance</p> <p><i>Loss of staff faith in organisation.</i></p> <p><i>Too much pressure placed on individuals to perform out of their specialty to achieve organisational goals.</i></p> <p><i>Organisational goals not met, including negative community perception (brand reputation) or even not meeting legal/statutory obligations.</i></p> <p><i>Communication lapse across Council and into the community.</i></p> <p><i>Fail to meet regulatory and operational requirements.</i></p>	All staff	GM MANEX	<ul style="list-style-type: none"> Adequate risk aversion accounted for in everything we do, from junior staff level to Senior Management. Adequate administrative resources. Give staff adequate resources and due responsibilities and empower them to undertake required tasks and make decisions. Top-down leadership and support. Training for all staff. SMART goals set for all staff. 	<p>Identification of Risk and implementation of Continuous Improvement approach imbedded in the Organisational Culture</p> <p>Each Director ensures adequate administration staff in their department.</p> <p>Resources are adequate and within budget</p> <p>Staff receive direction and leadership in their department to carry out their jobs according to set targets.</p> <p>SMART goals are set by staff in consultation with their supervisor.</p> <p>Training Plan developed annually as a result of the performance reviews.</p>	<p>Op. Plan 2014/15</p> <p>Op. Plan 2014/15</p> <p>Minimum monthly Staff meetings</p> <p>Annually</p> <p>Annually</p>

Referenced Policy: Risk Management Policy

Acknowledgement and Consultation

A work-shop was held on 3 March 2014 with 12 key senior staff in developing the standards and actions in this document. The document was subsequently circulated through staff meetings for further input from staff.

This action Plan will be reviewed annually by the MANEX in line with the Operational Plan with full review every three (3) years.

The Document was first adopted by Council in April 2014. **Resolution**

Attachment: Compliance and Reporting Register pages 18-20.

CALENDAR OF COMPLIANCE & REPORTING REQUIREMENTS												
Dept	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
CORPORATE SERVICES - FINANCE			* Engineering Construction Survey (Sewerage Undertakings) * Engineering Construction Survey (General Services) * Roads to Recovery Quarterly Expenditure Report		Mid May FBT Return	30 June * Engineering Construction Survey (Sewerage Undertakings) * Engineering Construction Survey (General Services) * Proposed Borrowings Return * Roads to Recovery Quarterly Expenditure Report	30 July * GST Certificate * Survey of Employment and Earnings (Water Supply Undertakings) * Survey of Employment and Earnings (Sewerage Supply Undertakings)		* Engineering Construction Survey (Sewerage Undertakings) * Engineering Construction Survey (General Services) * Economic Activity Statement * Roads to Recovery Quarterly Expenditure Report * Statement of Library Operations	31 Oct * Roads to Recovery Annual Statement	7 Nov * Audited Financial Statements * Financial Data Return 30 Nov Return of General Information	* Engineering Construction Survey (Sewerage Undertakings) * Engineering Construction Survey (General Services) * Roads to Recovery Quarterly Expenditure Report
CORPORATE SERVICES - RATES							31 July * General Managers Certificates * Annual Rate Levy			1 Oct Pension Rebate Subsidy Claim	Mid Nov Statement of Compliance	
CORPORATE SERVICES	*Final Certificates of Expenditure - upon completion of projects *Various Grant Acquittals - as required *Unclaimed Money Return - Periodic											
GENERAL MANAGER							30 July * Public interest disclosure report due to NSW Ombudsman				30 Nov * Annual Report	
PUBLIC OFFICER									30 Sept * Lodge completed Pecuniary interest returns for Councillors & designated persons	31 Oct * Government Information (Public Access) Act 2009 annual report of obligations under this Act		

CALENDAR OF COMPLIANCE & REPORTING REQUIREMENTS												
Dept	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
STRATEGIC PLANNING & ENVIRONMENTAL	*ABS Planning Report *SEPP 1 Return *Planning Reform Fund Return	*ABS Planning Report * Library Services Report	*ABS Planning Report *Tenterfield Public Library Activities Report	*ABS Planning Report * Library Services Report *SEPP 1 Return *Planning Reform Fund Round 3 Grant (DCP Funding)	*ABS Planning Report	*ABS Planning Report * Library Services Report	*ABS Planning Report *Statistics for Saleyards *SEPP 1 Return *Local Development Performance Monitoring *Local Heritage Assistance Fund Report *Local Heritage Advisor Fund Report *New England North West Land Monitor 28 July *Annual Food Shop “Activities Report”	*ABS Planning Report * Annual Statistics Report * Library Services Report *Planning Reform Fund Round 3 Grant (DCP Funding) *Library Annual Statistics Report	*ABS Planning Report *Tenterfield Public Library Activities Report *Tenterfield Public Library Annual Activities Report *NTCLS Activities Report (Reported to two entities)	*ABS Planning Report * Library Services Report *SEPP 1 Return *Local Priority Grand Funding Application & Narrative Statement	*ABS Planning Report	*ABS Planning Report * Library Services Report *Planning Reform Fund Round 3 Grant (DCP Funding)
STRATEGIC PLANNING & ENVIRONMENTAL	* NTCLS Activities Report is usually reported annually but may be on an ‘as needed’ basis.											

CALENDAR OF COMPLIANCE & REPORTING REQUIREMENTS												
Dept	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
ENGINEERING	9 Jan * Construction activity quarterly return 31 Jan * Quarterly workplace injury reports for gravel pits * NSW Dept of Health fluoride records & Tenderfield biological results 2 nd Monday * Monthly block grant return	* NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	* NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	9 April * Construction activity quarterly return 30 April * Quarterly workplace injury reports for gravel pits * NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	* NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	* NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	9 July * Construction activity quarterly return 31 July * Quarterly workplace injury reports for gravel pits * NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return * Annual state of the assets report	31 Aug * EPA Waste & Resource Recovery * NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	1 Sept * RMS Annual Schedule 3 & 4A 15 Sept * NSW Office of Performance Monitoring Database 30 Sept * NSW Dept of Health fluoride records& Tenderfield biological results * Annual Road & Bridge Return * RMS Annual Schedule 4B 2 nd Monday * Monthly block grant return	9 Oct * Construction activity quarterly return 31 Oct * National Road Data System annual return * Quarterly workplace injury reports for gravel pits * NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return	22 Nov * EPA Licence Returns * NSW Dept of Health fluoride records& Tenderfield biological results 30 Nov * Annual Royalty Return 2 nd Monday * Monthly block grant return	* NSW Dept of Health fluoride records& Tenderfield biological results 2 nd Monday * Monthly block grant return
ENGINEERING	* Traffic Management Program due 15 th of each month until completed * Milestone reports & final reports for flood studies as required * Roads to Recovery projects when new projects nominated * Survey of Motor Vehicle Use as required * Biological results for water quality due weekly for Urbenville * Monthly reporting on Council's web site regarding the emissions from landfill & waster transfer sites											

Compliance Document created April 2014.