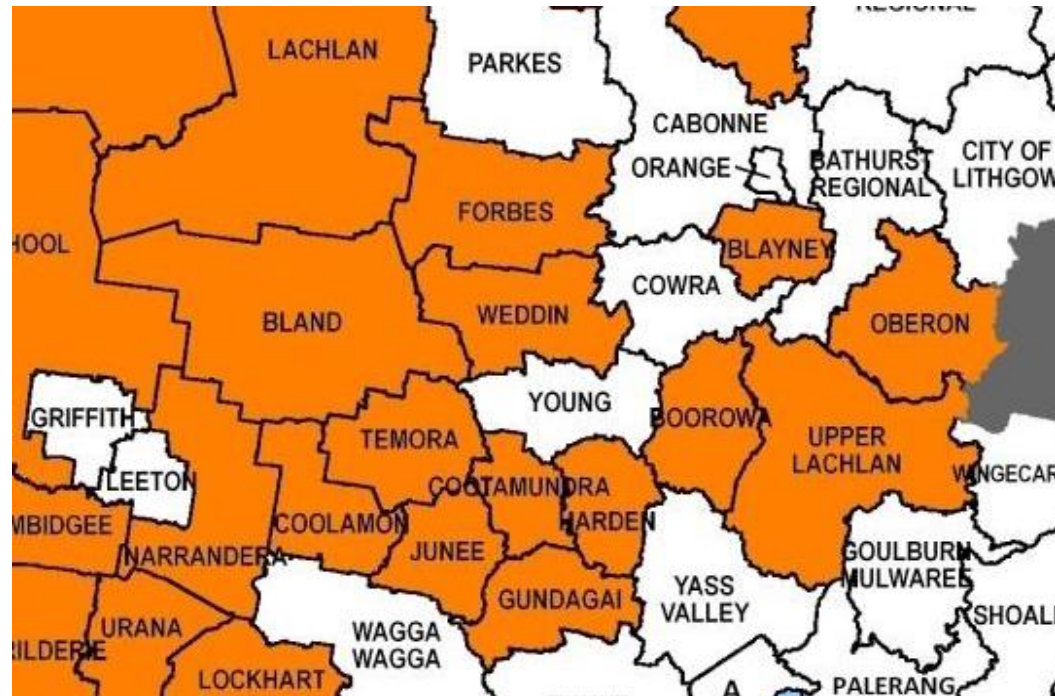


# Weddin Shire Council

## Fit For the Future

### Comprehensive Proposal



June 2015

## **Terms**

**AMP**    Assets Management Plan of Weddin Shire Council  
**LTFP**   Long Term Financial Plan of Weddin Shire Council  
**JO**     Central Joint Organisation (Pilot)  
**RC**     Rural Council as defined in the Category C  
**ILGPR** Independent Local Government Panel Review (report)  
**BC**     Bordering councils to Weddin Shire Council  
**WSC**   Weddin Shire Council  
**IGR**    The Intergenerational Report (2015)  
**FFTF**   Fit For The Future  
**SRV**    Special Rate Variation  
**FAGs**   Federal Assistant Grants  
**ABS**    Australian Bureau of Statistics

## **Attachments**

**Attachment One –**    Community Survey Analysis Final Report  
**Attachment Two –**    FFTF Summary Presentation  
**Attachment Three –**   Minutes of FFTF Meeting with Forbes Shire Council  
**Attachment Four –**    Minutes of FFTF Meeting with Cowra Shire Council  
**Attachment Five –**    FFTF Consultation Materials – Newspaper Articles, RC's E-Mails  
**Attachment Six –**     RC Compact  
**Attachment Seven –**   Delivery Program  
**Attachment Eight –**   LTFP Report  
**Attachment Nine –**    GM File Note FFTF Collaboration  
**Attachment 10 –**      2015-16 SRV Application Form Part B  
**Attachment 11 -**      Weddin Shire Regional Economic Data

## Section 1: About your Council's proposal

### 1.1 Executive summary

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

Weddin Shire Council (WSC) has resolved to embrace the opportunity presented by the FFTF proposal to continue its review of policy, operational direction, performance and collaborative avenues. In doing this, WSC supports the view expressed by the Independent Local Government Review Panel (ILGRP), and also the Office of Local Government, that a 'one size fits all approach' is not appropriate for Rural Councils (RC) such as WSC. Amalgamation has not been recommended as a 'bold' or conditional option for WSC. WSC in partnership each of the councils of Cowra and Forbes has resolved that amalgamation will not provide a similar or better sustainable outcome. WSC's is fit for purpose and is central to maintaining community life and economic capacity in the region, State and Nation, the proposal is to stand alone as a Rural Council.

The ILGRP argues that policies that encourage labour market movements away from rural centres undermine the strength of regional economies and consequentially the national economy. The Intergenerational Report (2015) (IGR) targets agriculture and mining as fundamental industries requiring support in meeting regional and national economic outcomes (p xxii). Retention of agricultural, mining and support industry skills in rural centres relies on community amenity. WSC can continue to deliver amenity and act as an agent to State and National governments to better provide devolved services.

In partnership with the Central West Pilot Joint Organisation (JO) and the ten (10) Rural Councils, WSC can positively address the following **key issues**:

- Low historic rate base impeding service delivery
- Substantial reliance on grant funding
- Large road network to maintain in comparison to population
- Little ability to increase own source revenue beyond a recent Special Rate Variation (SRV)
- Non-core service delivery by WSC negatively impacting expenditure
- Cost shifting not easily absorbed by a Rural Council.
- Capacity to fund depreciation, asset renewal & maintenance

The following **measures** will **improve** WSC capacity to be FFTF:

- Improving strategic, financial and asset management planning and reliability in concert with the JO and the other Rural Councils
- The approval of the SRV 2015
- Lobby to have review of Federal Assistant Grants (FAGs) to promote greater horizontal fiscal equalisation supported by ILGRP
- 'Responsibly consider debt to fund asset renewal to ensure inter-generational equity
- Streamlining Governance: reduced number of Councillors and meetings
- Resource sharing and other initiatives as an active member of the JO
- Adopting competitive testing of services and procurement policies
- Resource sharing and other initiatives as part of Rural Council collaboration on common issues (a Rural Council Compact has been prepared)
- Cost saving initiatives (e.g. current procurement road map program, plant purchasing [lease versus outright ownership])
- Reviewing of Service provisions and assets against community survey, shifting to a preserved assets model
- Replacement of assets (e.g. Weddin Pool) to mitigate the 'sunk cost fallacy' of funding never ending maintenance, but no new services
- Rural Council collaboration to lobby for true cost charges to State Government for service provision.

By implementing a range of purposeful actions including: application of the approved SRV; targeted collaboration with; the JO, RCs, selected regional centre councils and community, and improved governance WSC can be sustainable and Fit for The Future.



## 1.2 Rural Council Characteristics – Scale and Capacity

This submission supports the underlying position that IPART has taken that the Rural Council assessment by the ILGPR has **resolved** the 11 Rural Councils – that is to say that the ILGPR has undertaken a comprehensive assessment and has determined that WSC is a Rural Council in terms of Scale and Capacity (see IPART methodology figure 1.2). The ILGRP has not mandated amalgamation but has suggested possible amalgamation candidates based on a need to adequately address the challenges set out in the report.

The assessment of scale and capacity is inextricably linked to the nature of Weddin Shire as an agricultural hub in central western NSW. The proposal seeks to better manage a collaborative model for improving strategic capacity by analysing the social and community context and articulating the assessment of that narrative into actions that can improve WSC's sustainability, infrastructure and service management and efficiency.

Principal outcomes emerging from the analysis:

- A more robust revenue base resulting from the recently approved SRV and a positive review of Federal Assistance Grants (FAGs) and shared administrative services
- Facilitating and funding responsible discretionary spending on renewed infrastructure and assets preservation into the future
- Development of staff skills through comprehensive career path planning supported by external strategic thinking and mentoring aligned with the JO, the other RCs, the City / Country partnership with Hawkesbury Council (or its successor) and existing collaborative partnerships
- Accessing community skills through more inclusive Council planning and policy workshops offset by fewer formal meetings and fewer councillors
- Improved staff and community capacity, by engaging with sub regional councils and accessing external expertise to improve experience and develop skills in strategic planning and policy development
- Collaboration with the JO in ensuring effective regional planning impacting WSC especially in tourism and economic development, road maintenance arrangements with NSW Roads and Maritime Services (RMS) and regional infrastructure rationalisation
- Through the JO and as appropriate the RCs engage in programs that enhance rural council influence on service delivery and infrastructure, undertake robust research in social needs and future economic drivers for WSC and employ this to better advocate an improved collaborative and integrated policy response benefiting the rural sector.
- Through research establish specialised centres and appropriate systems to support devolution of service management to WSC especially in none core areas that can be fully funded from State and Federal governments or through private sector partnership

- Review infrastructure, management systems and emergency services through scenario analysis in partnership with the JO, regional centre councils (RCC's) and / or the RCs to better manage complex and unexpected change
- Access common mentor and support resources and skills, jointly through the RCs or in partnership with city / country alliances, NSW Local Government and the JO to create a continuous improvement program developing political and managerial skills. This would include negotiating with Group C rural councils to establish a RC advocacy counsellor (located in one of the state JOs) to foster research and policy, joint service delivery options, and advocacy to the JO's as determined by the RC collaboration.

Template 3 guidelines suggest that analysis may be useful to assist the WSC to reflect on the Rural Characteristics of the Shire. The preceding principal outcomes are frames from the following analysis

### Weddin Shire Council Socio Economic Framework

WSC is a small population centre supporting a large productive **agricultural** centre located in the Central West of NSW 4.5 hrs drive from Sydney. Some 38% are employed directly in the agriculture sector and much of the economic activity in WSC supports this industry. Some 18% of the population work in health and education with around half in each sector. There is an ageing population that is increasingly being supported by younger people pushed out of larger regional centres and in some cases Sydney by high housing prices, congestion and limited opportunity. Being an agricultural centre, WSC provides for a farming community including farmers who are retiring and utilising the resources from sale of their properties to move to Grenfell and WSC's villages. The cost for retirees to move to regional centres is unaffordable and not a preferred option as there is perceived value in retiring to a familiar farming community. WSC research (Attachment One) has found there is a demand to retain services and facilities in Weddin to support an ageing population. Community amenity attracts skills and labour to Weddin and adds to the sense of place central to agricultural communities. WSC has a **static** population of some 3,800 people with a 2025 projection of 3,850 people (dependent upon which agency figures are used), given the changes in the cost of living for younger people in Sydney and the regional centres this is likely to see a greater increase in population provided that there is good community amenity provided in the WSC. The WSC population sustains the community that provides labour to the region and generates an annual \$160 million gross regional product (GRP). WSC provides a significant economic base to the community and delivers amenity as well as providing employment and economic activity.

There is a strong sense of community and volunteer support with 15.2% of those over 15 providing unpaid care to a community member, and a further 32% undertaking voluntary work for a community organisation. These support mechanisms are crucial to the sustainability of WSC as an agricultural place especially given that the average household size is 2.3 persons per household indicative of an ageing population.

WSC provides a variety of services across the Shire and to travellers and tourists, with a significant capacity in rural road construction and maintenance. The **high operating costs** in providing services across the 3400 sq. kms are challenging yet best delivered as locally as possible.

Other community amenities such as the aquatic centre and medical centre (provided by the private sector in larger centres) have the same associated costs as larger centres but have to be provided to sustain and attract residents to service the agricultural sector (recognising that there are a number of mining leases currently active as well). Figure One compares WSC and the neighbouring councils current ratios and is useful in testing current performance and determining relative needs into the future for WSC, the review supports the proposition that “doing nothing is not an option”. A desktop assessment of the impact on the ratios has not supported an amalgamation (see pages 8 & 9).

WSC can develop better models of service delivery, increase its income, develop approaches to have services paid for by appropriate levels of government, advocate for a review of the FAGs and implement the SRV and ensure its sustainability. WSC is fit for the future.

*Figure One*

#### Financial Sustainability

	Bland	Cowra	Forbes	Weddin	Young
Sustainability Rating	Weak	Sound	Moderate	Moderate	Sound
Outlook	Neutral	Negative	Neutral	Negative	Negative

#### Performance

	Bland	Cowra	Forbes	Weddin	Young
Operating Ratio (%)	(2.3)	(5.7)	(5.2)	(4.3)	(11.5)
Debt Service Cover Ratio	14.7	1.3	3.5	177	6
Unrestricted Current Ratio	5.4	2.8	10.5	7.1	3.1
Own Source Operating Revenue Ratio (%)	33	72	62	55	54
Cash Expense Ratio	2.7 months	8 months	10.9 months	10.5 months	17.6 months

#### Infrastructure

	Bland	Cowra	Forbes	Weddin	Young
Infrastructure Backlog Ratio (%)	0.9	4.7	4.1	3.4	15

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Asset Maintenance Ratio	0.7	0.8	1.1	0.7	0.7
Roads, Bridges and Footpaths (\$) per capita	\$2,216	\$376	\$852	\$1,007	\$292
Building & Infrastructure Renewal Ratio (%)	41	52	47	48	268

The ratios show that each of the councils is in a similar financial position. There is no desire in either Forbes or Cowra for amalgamation and the benefits of amalgamating entities with similar challenges may not resolve those issues but make them worse as evidenced in the desktop assessment of the impact of an amalgamation with either Forbes or Cowra. Moreover, the operating cost would change little and be challenged to service a more **dispersed population** over a larger area. The results of the desktop assessment follows for **Weddin joined with Cowra**:

# Fit for the Future Criteria Results

## Combined Cowra & Weddin Shire Council

	BENCHMARK	RESULT	MEETS FFTF BENCHMARK
 SUSTAINABILITY	<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.119	NO
	<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	65.42%	YES
	<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	54.62%	NO
 EFFECTIVE INFRASTRUCTURE AND DISSEMINATION	<i>Infrastructure Backlog Ratio (less than 2%)</i>	3.47%	NO
	<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	77.44%	NO
	<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	11.10%	YES
 EFFICIENCY	<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO

### OVERALL RESULT

*The Council does not meet all seven of the Fit for the Future Criteria*

# Fit for the Future Criteria Results

## Combined Forbes & Weddin Shire Council



### BENCHMARK

	RESULT	MEETS FFTF BENCHMARK
<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.125	NO
<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	63.20%	YES
<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	40.39%	NO
<i>Infrastructure Backlog Ratio (less than 2%)</i>	4.24%	NO
<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	100.23%	YES
<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.44%	YES
<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO

### OVERALL RESULT

*The Council does not meet all seven of the Fit for the Future Criteria*

For Weddin joined with Forbes (above)

All five councils are facing infrastructure challenges into the future. Only Forbes and Bland have a neutral Financial Sustainability Rating (FSR) outlook. A collaborative arrangement can improve internal revenue options for the group and provide a regional perspective on service delivery. The area relies heavily on **agriculture** for its economic stability. This means that councils and communities within the area are subject to the seasonal and economic fluctuations that define this industry. Extreme weather events, the potential long term impacts of climate change, changes in commodities pricing and farming practices can impact significantly. Five of the six LGAs are expected to see continued population decline: WSC's population is static with a small increase expected over the next 10 years. TCorp also predicts declining financial sustainability for most Councils within the area and increasing infrastructure backlogs. The SRV<sup>1</sup> approval goes some way to addressing this for WSC, projecting a sustainable position by 2019 as set out in the SRV application.<sup>2</sup> Amalgamation would not be a panacea for WSC's ongoing sustainability nor of itself ameliorate the challenge that this proposal addresses supplementary to the current IP&R. The FFTF strategy provides exciting opportunities to go further by refining achievable and visionary outcomes through greater collaboration and improved systems.

Beyond the economic challenges, there is more to the sense of place and **local identity** that Weddin fosters. WSC plays a major role in sustaining the community and the amenity to attract and retain labour. WSC also builds **community capacity** and supports volunteers and community organisations that deliver outcomes that are often not seen in regional or city contexts. As previously indicated, there are significant resources spent on volunteer work both at the community and individual levels. This participation underpins WSC role in building community capacity in the provision of facilities, events and small scale attractions and services. Services and capacity come at a cost that have a similar value to regional centres but are built and maintained by fewer people.

WSC is located between four other local government areas. The primary community of interest is Young, however, the path to Sydney is generally through Cowra but access to major health and shopping is to Orange City through Canowindra which is currently in the Cabonne Shire. WSC provides significant support to the **agricultural** industry but also labour to the surrounding Shires for banking and health, mainly for agriculture. There are also some exploration licences that may require labour into the future. WSC employs some 58 people (effective Full Time [EFT]) which is critical to the stability of the community and its capacity to deliver services to the residents working in the farming sector. It also bestows a robust economic backbone on which the Shire survives.

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<sup>1</sup> A SRV was approved for WSC 19 May of 2015

<sup>2</sup> WSC has a hardship policy to assist those who may have a challenge with paying rates and charges.

Providing services to a dispersed population means there is limited opportunity to recover costs through fees & charges as the community does not have the economies of scale that larger centres produce, for example paid parking. Distance also means that access to regional services comes at a high cost of transport and travel. Much of the WSC's ageing population (higher than the NSW State average) and proportion of young families (children under 15yrs are consistent with the NSW State average) can only access options provided locally and, at a subsidised price. While 'user pays' is one factor influencing improved viability of services there is still a need to recognise the need to meet Community Service Obligations (CSO's) to provide assets that are adequate in meeting community needs at a price that is accessible or affordable. Sustaining service delivery in WSC supports the ongoing delivery of a substantial, positive Gross Regional Product (GRP). The ILGRP identifies the need to review the Federal Assistance Grants to better target rural disability and continue to sustain the GRP essential to the national economy.

The Intergenerational Report (2015) further highlights needs of an ageing population. The shift of an ageing population from farms to villages in Grenfell, the main centre of the WSC, demands retention of services in the WSC. Demographic data indicates that there is an increase in the number of new dwellings within WSC essentially driven by a retiring farm sector. While WSC's ageing can fund a home or a retirement facility in Grenfell, the capacity to privately fund a move to the regional centres appears challenging. Shifts from Sydney to the surrounding regional centres such as Orange and Bathurst have impacted both housing and aged care facility prices with increases in both. In the future the sale of home in WSC will not generate sufficient income to buy into regional centres, let alone Sydney. As identified in the NSW Government's Ageing Strategy (9:2012) local government has a crucial role in delivering services to the ageing to take pressure off regional centres health services especially in Bathurst and Orange. It is in the NSW State Government planning interest to retain services to support an ageing population in WSC, especially since the Intergenerational Report indicates that by 2054 some 1.7% of GDP will go to Aged services up from 0.09% currently.

For WSC there it is an imperative that non-core services such as medical centres and a taxi is subsidised or provided. Without these services, residents would 'vote with their feet' and move to centres that can provide these services. The impact on current and future labour supply to the agricultural sector and the impact on Gross Domestic Product (GDP) would be significant and irreversible. This at a time when there is a burgeoning demand for agricultural product internationally, especially from Australia's major trading partner China.

WSC has a poor capacity to charge rates at a level that can sustain services from its **own resources**. This is a common challenge for Rural Councils. Figure 2 shows that WSC has a low rate compared with its neighbours. Previous conservative policy and fiscal constraint is impacting current performance however WSC has recognised the need for change as evidenced by the successful SRV application. The approval of the SRV somewhat addresses the need for more resources to meet service needs into the future, as well as some capacity to bring rural rates more in line with neighbours. The determination to include the FAGs into the own sources ratio will mean that WSC can meet this target. Meeting the assets maintenance targets are more difficult given the low capacity to charge for services from a limited rate base. However WSC can get within a few percent. There is also a reliance on Roads and Maritime Services work tendered or contracted to WSC to sustain engineering and specialist services. Working with the JO and the other RCs can assist in making this work more reliable as well as improving services currently directly delivered by the NSW State Government.



Revenue Source	Bland	Cowra	Forbes	Weddin	Young
Average Residential Rates	\$423	\$382	\$622	\$381 (\$533) <sup>3</sup>	\$528
Average Business Rates	\$960	\$2,628	\$2,374	\$786	\$2,625
Average Farmland Rates	\$2,451	\$1,428	\$2,107	\$1,216	\$1,912
Average Mining Rates	\$407,500	\$76,000	\$0	\$4,000	\$18,000
Total Revenue 12/13 (000's)	\$27,438	\$31,039	\$33,886	\$12,858	\$30,038
Grants/Contributions (%)	63	23	31	41	40
Typical Residential, Water & Sewer Bill (including usage)	\$598	\$1,467	\$914	\$297	\$1,278
Average Domestic Waste Management Base Charge	\$237	\$396	\$296	\$180	\$143

The attraction and retention of skilled staff is a challenge for WSC. FAGs and RMS grants provide a scope of diverse secure work that assists in attracting appropriate staff by providing both scale and diversity to assist in building their skills, maintaining interest and providing a challenging work environment. There is a larger issue here. Traditionally, RCs have acted as training grounds for future local government professionals into regional centres and city councils. RCs offer a broad range of tasks to technical staff such that regional centres often look to attract RCs employees to find staff with skills in demand. The loss of these technical development opportunities would have flow on effects for the industry.

The RCs have identified a collaborative opportunity in seeking access to strategic skills that can then be shared among the RCs on a fee for services basis. RCs could then secure specific skills that are then accessed by the other RCs or councils in the JO. The RCs then improve capacity through economies of scale. Through a tender process, an RC could secure a consultant that was able to provide ongoing support to a number of councils on similar agreed projects or strategic areas. For example, this could be undertaken in IP&R, AMP, undertaking community research to improve advocacy to the State Government, or give capacity to RCs to advocate on behalf of the JO with a greater degree of specialist skill.

<sup>3</sup> After SRV approval 19 May 2015 for 2014/15

As seen in Figure One, the current outlook for Weddin council is negative and not sustainable but a strategic response can secure substantial change. The RCs have indicated a preparedness to work together on a number of common issues and will likely seek support from the innovation fund to make this happen. The RCs have indicated that they are looking to collaborate in the following key areas (more may emerge):

- Focussing on areas of specialisation in service delivery that could be delivered by one or more of the Rural Councils, jointly or individually
- Undertaking research on areas where 'red tape' in reporting for small entities could be different or improved
- Identifying opportunities to improve responses to requirements from funding authorities. Further, ensuring that both submission and reporting mechanisms are relevant and essential given the statutory nature of the Rural Councils.
- Identifying areas where innovative and strategic approaches are required, and developing a response in providing those to Rural Council areas.
- Developing a sustainable, joint economic argument to advocate for a revised distribution of the Federal Assistance Grants. This requires a greater recognition of unfunded externalities in agricultural and mining production borne inequitably by the Rural Councils.
- Determining options for specialisation that might deliver skills and services to the Rural Councils

The driving time and access by public transport of regional centres is of more relevance and importance in the test of 'distance' to that of other towns that sit around neighbouring shires. Towns that service smaller populations provide services that are similar notwithstanding 4,000 or 13,000 people. Neighbouring towns having populations below 15,000 view the regional centre or city that is on the way to Sydney, Canberra or Melbourne as their natural major centre. This needs to be factored into the assessment. A larger town that fails to provide any greater level of service and is not on a natural travel path with a strong community of interest, defined by a sense of place; involvement in cultural, church, community life and social events, provides no benefit in amalgamation.

WSC is between four shires. However, none of these shires is a major town on a natural travel path that would normally be accessed by Weddin residents especially from Grenfell (see figure 4). Otherwise the neighbouring towns are at least 40-80 minutes drive (see figure 3) and it is a **longer distance** to their outer boundaries.

WSC has an ageing population supported by an emerging younger population who are employed in agriculture, home support, health or education. Interestingly while the over 50s are higher than the State average, under 15s track the NSW State average. In a 2014 survey of the community, all ages indicated that it was cheaper to fund local services through increased rates than to access those services in towns one hour or more drive (Attachment One Weddin SRV Community Survey 2014). The major regional services from neighbouring shires (major health, shopping and sports facilities etc) including Orange, Bathurst or Canberra are sometimes more than 1.5 hours drive away, and are not provided in close-by towns.

*Figure 3*

Journey	Distance	Travel time
Grenfell – West Wyalong	104 kms	77 minutes
Grenfell – Cowra	55 kms	42 minutes
Grenfell – Forbes	64 kms	49 minutes

Figure 4

	Weddin Regional Group	Bland	Cowra	Forbes	Weddin	Young
Geographical Area (km2)	22,191	8,560	2,809	4,720	3,409	2,693
Population 2013	44,635	6,055	12,622	9,526	3,730	12,702
Projected population 2031	42,900	5,500	11,700	9,200	3,500	13,000
No of Councillors	n/a	9	9	9	9 (7)	9
Population per Councillor	n/a	672	1,402	1,058	414 (500)	1,411
Electoral Arrangements	n/a	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council
Average Taxable Incomes (\$)	\$33,178	\$32,124	\$33,910	\$34,242	\$30,621	\$34,997
Socio Economic Index Ranking (1 = low , 152 high)	n/a	77	24	44	52	42

## Section 2: Your Council's Current Position

### 2.1 Key challenges and opportunities

WSC has been identified in the ILGPR as having the scale and capacity as a 'Rural Council'. It is serving the community of some 3,730 residents over an area of 3400 sq km, with 58 full time equivalent staff, and manages an annual budget of approximately \$9 million. WSC is currently debt free. Internally restricted reserves along with borrowings will be utilised to address the modest capital projects proposed in the Delivery Plan (Aquatic Centre and Medical Centre). These two projects are essential to ongoing basic service delivery and will reduce the maintenance expenses currently impacting Council's sustainability. Council has a very low historical rate base, has not previously increased its rates above the rate pegging level and has always increased rates by the allowable amount. WSC has made a successful application for a SRV through IPART.

WSC has completed a SWOT analysis with the inclusion of an additional category 'Expectations' assessment that is designed to ensure that opportunities and outcomes address the expectations of the key stakeholders. The SWOTE has sought input from a number of key sources. The input process commenced in November of 2014 with a broad based, statistically significant survey of the community on service satisfaction and importance (see Attachment One). The SWOTE has had input from the councillors and was available and discussed at a community open day. It has also been on WSC's FFTF Facebook page which has also included short videos of the Mayor explaining key elements and encouraging input. There have been over 300 views and 194 likes<sup>4</sup>.

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<sup>4</sup> Weddin Shire Council FFTF Facebook page <https://www.facebook.com/pages/Weddin-Shire-Council/372860472912027>

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

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

Figure 5

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Community identity is strong which supports <b>community profiled</b> service delivery and <b>engagement</b></li> <li>Sound service delivery record including in terms of infrastructure, emergency response and <b>non-core</b> services e.g. health and taxi service</li> <li>Skill and capacity to deliver funded <b>devolved</b> services</li> <li><b>Record of building</b> infrastructure for NSW State</li> <li>No debt which facilitates <b>AMP improvement</b></li> <li>Provides labour to agricultural, aged and health and emerging mining sector by providing better <b>community amenity</b></li> <li><b>Strong volunteer support</b> in the community</li> <li><b>Strong agricultural centre</b></li> </ul>	<ul style="list-style-type: none"> <li>Financial capacity linked to grants, limiting effective <b>AMP improvement</b></li> <li><b>Devolved</b> State services impacts WSC's financial sustainability</li> <li><b>Non-core</b> services not fully funded from externally sources threatening <b>community amenity</b></li> <li>Assets held by WSC due to <b>non-core</b> services impact <b>AMP improvement</b></li> <li><b>Rate pegging</b> has proved unsustainable</li> <li>Economies of scale are demanding and make <b>AMP improvement</b> challenging</li> <li><b>Financial Systems</b> are <b>outdated</b> as the <b>strategic thinking</b> required is not internally available or is overstretched</li> <li>Hard to <b>attract staff</b> to provide professional or strategic thinking support</li> <li><b>Difficult to retain</b> technical <b>staff</b> once trained</li> <li>Struggle to meet <b>own resources</b> standard</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Improve <b>community engagement</b></li> <li>Fully-funded, <b>devolved</b> services</li> <li>Support <b>rebuilding</b> NSW State government renewal program</li> <li>Effectively manage <b>non-core</b> assets and services</li> <li>Better support <b>volunteers</b> and access volunteer resources</li> <li>Improve strategic assets and Financial Management (<b>AMP &amp; LTFP</b>)</li> <li><b>Cradle to Cradle</b> approach to renewed assets, reusable after end life use</li> <li>Positive <b>JO and RC collaboration</b></li> <li>Collaborate with RCs to <b>review FAGs</b> and lobby for change</li> <li><b>SRV approved</b> and supports sustainable LTFP</li> <li>Improve internal systems and market test to ensure efficiency</li> <li>Streamline governance from 9 to 7 councillors and less formal meetings</li> <li><b>Utilise debt</b> to: ensure the people who use the service pay for it over time; and renew existing assets</li> <li><b>Collaboration</b> with region and 10 Rural councils, resource share, plan and lobby</li> <li>Sustain <b>agricultural</b> sector</li> <li>Support <b>aged services</b> as an emerging industry</li> </ul>	<ul style="list-style-type: none"> <li>Cost shifting cannot be addressed</li> <li>Impacts of rising costs cannot be improved through collaborative arrangements</li> <li>NSW Government fails to recognise true cost of non-core services</li> <li>Legal constraints to innovation e.g. hedge fuel cost</li> <li>No change in legislation to change governance or regulatory demands for RCs</li> <li>Failure of Rural Councils to collaborate</li> <li>JO fails to deliver on sharing</li> <li>Power inequity with JO as the only rural council</li> <li>WSC fails to have a voice in the collaboration</li> <li>No desire to review FAGs by Federal Government or strong political pressure to retain status quo</li> <li>Limited ability to effectively lobby for grant funding given low population and consequently low number of votes</li> </ul>

- Act as an agent to deliver services on full **fee for service** basis
- **RC Specialisation** in service type

### Expectations of Stakeholders

- Councillors:
  - Anticipate a need to change governance and streamline process while increasing community input
  - Accept that the number of representatives need to be reduced and have assessed the financial impact of moving from 9 to 7
  - Look to have other input measures with a strong focus on electronic participation and review (65% of population has access to internet)
  - Reflect a community desire to retain the identity of WSC
  - Support collaboration in service delivery within the JO, especially in administrative and planning
  - Support collaboration in the cross-regional arena with a focus on similar non-core service areas such as medical services and taxi transport
- Community
  - Recognise increased costs and better sharing across rates categories
  - Desire to retain community identity
  - Determined to retain industry and agriculture
- Joint organisation
  - Struggling with options relating to "Rural Councils" as only WSC is a RC in the JO
  - Assess the impacts of depreciation and funding approaches
  - Recognise the diverse needs of the councils especially the allocation of FAGs grants
- Rural Councils
  - Each Rural Council maintains its independence while recognising interdependence

The following provides a detailed analysis of the SWOTE. Links are in **bold for the strengths, weaknesses and opportunities**.

### Strengths analysis

- WSC commands close ties to the local community. This is evidenced in an extensive and statistically significant response to a survey of the community informing a proposed SRV and advising Council on levels of satisfaction and importance of services. WSC has used this information to inform its strategy for being sustainable into the future and in this submission. The survey results provided an insight into the nature of the community. This coupled with a demographic analysis of the community indicates a need to ensure community amenity and ongoing community engagement. There has also been a high 'hit rate' and community engagement with WSC's FFTF Facebook page that links the community to a variety of discussion papers seeking community input on the FFTF process and seeking community views. **(Community Profiling, Service Matching and Engagement)**

- Since its establishment in the 1970s, WSC has demonstrated a capacity to quickly respond to natural disasters and meet ongoing community needs. The IGR (2015) identifies the need to improve State-level service delivery; WSC is well placed to act as an agency on a full fee for service basis and at a better-cost point (p 90). There are no other agencies that can deliver diverse services at a local level; for example, private sector services such as truck registration are not locally available but capable of being provided by WSC. Over the long-term, regional and local road construction and maintenance is best delivered locally in rural areas; historically it has been difficult to capture and retain private sector suppliers. The sale of Plants and sole reliance on outsourced construction and maintenance may simply mean that costs associated with delivery become higher in the rural context, as argued in the Australian Productivity Commissions' Inquiry into Public Infrastructure, No 71 (2014). There are significant risks in responding to emergencies such as fire and floods in rural communities when plant is not readily available, trapped behind the disaster, distant and/or not accessible. This was a sound reason for the ILGRP report targeting WSC as a Rural Council. **(Devolved Services)**
- The Rebuilding NSW Discussion Paper (RBNSW) has hypothecated 30% of the poles and wire leasing to Regional NSW. The NSW Government has identified over \$3.7 billion in regional roads infrastructure alone to be funded by the lease. The capacity to deliver services needs to be sustained and WSC will be a significant part of this delivery into the future. Expenditure and retention of these funds in rural areas will support regional economic growth and retain and attract skills. The capacity for economic development and skills retention is unlikely where rural centres are serviced from afar. This was another sound reason for the ILGRP report targeting WSC as a Rural Council. **(Rebuilding NSW) (Community Amenity)**
- WSC has a demonstrated skills / capacity to meet increased regulatory & service obligation activity required of WSC by other levels of government or, in the case of medical and taxi services, of market failure. This submission identifies the need for an ongoing review of Community Service Obligations (CSOs) for non-core services and redesigned arrangements to be cost neutral, more properly funded by users or by the appropriate level of government. **(Non Core Assets) (Community Amenity)**
- There is a strong but ageing volunteer base that can continue to support service delivery. However, WSC is being called upon to manage volunteer organisation as legal entities, as a consequence of statutory demands on volunteer management, insurances and human resource expectations. This trend is across the volunteer sector but, with the support of the JO and the RCs, management can be improved (see NSW Office of Communities, Recognition of the Rights of Volunteers in NSW, 'A Report on the 2012 State Wide Consultation'). **(Volunteer Support)**
- WSC has no debt and this provides capacity to utilise debt to improve service delivery by renewing assets which are now costing more to retain than they might to renew. From a historical perspective Councils current performance is affected by the conservative policies of the past. Traditionally Weddin Shire Council has been a debt averse Council that has conservatively managed its finances and prided itself on being able to maintain rates at a low level. The utilisation of debt represents a policy shift that better recognises intergenerational asset usage and cost to current and future users. This has led to Weddin Shire Council having a comparatively low rate base and asset management challenges. The Aquatic Centre, sewage systems and the Medical Centre are the primary capital programmes to be targeted. **(AMP Improvement) (Community Amenity)**

- WSC currently participates in a number of successful collaborations, primarily in the waste sector through NetWaste<sup>5</sup>. It is envisaged that this form of collaboration will develop further and be enhanced by a more formal connection with the other RCs and the JO. The support provided by the NSW Government through Netwaste and Renew (the state wide regional waste collaboration) impacts positively on WSC LTFP; with scrap steel sale and collection, green waste chipping, landfill environmental monitoring as some examples. Opportunities for resource sharing facilitated by CENTROC, morphing as the Pilot JO, have also been beneficial, especially through a variety of sub-groups including the AMP group. **(Collaboration)**

## Weaknesses analysis

- Funding depreciation is a significant challenge for local government. Traditionally local governments have had a practice of defining asset life conservatively and apportioning shorter lives than might be essential. The early replacement approach was designed to provide the highest service levels. From a political perspective the WSC community anticipate assets renewal as 'early as possible', so asset life has been based on this political imperative. Funding opportunities that emerge outside of local government control has led to a reinforcement of this practice. Simply put, the greater the degree of backlog, the more likely extra (external) funding was sought by WSC to renew an asset. Much of the 'crisis' in funding is sociologically-based and comes from political and funding imperatives. The FFTF review has used this data to legitimately question the sustainability of councils. WSC's response has been to develop evidence-based AMPs that seek to preserve assets and push out renewal targets, based in large part on the survey of WCS community's importance against satisfaction levels (see Attachment One). In partnership with the JOs and the RCs WSC will develop a 'cradle to cradle' approach to asset renewal<sup>6</sup>. This is designed to reduce maintenance and long term renewal costs which facilitate asset preservation. **(AMP Improvement)**
- Infrastructure and community services are critical in retaining skills and residents in the Shire. Labour drifts to the major centres if community amenity is not readily accessible. This is highlighted in a "Reserve Bank of Australia report on Labour Market Movement During Periods of Shock Events" (Dwyer 2002) that links positive labour market movements to good community amenity and services<sup>7</sup>. Capacity to pay is balanced with the need to have the services in a community in which residents can afford to live. Low housing (and rental prices) can be offset by increased service provision for basic services. The community has identified these services as medical facilities to support an ageing and a younger population and to rebuild the pool. Other services such as rural roads and adequate sewage have strong support for improved levels of service (see Attachment One). **(Community Amenity)**
- There are significant State or CSO assets held in trust and not in control of the council. Regional Roads and Rural Fire Service (RFS) assets are not in the real control of WSC. It is argued that these assets should not be part of Council's depreciation or should be self-balancing from dedicated funding sources, this needs to be addressed in the FFTF strategic plan. Regional Roads and RFS assets negatively impact

<sup>5</sup> NetWaste is funded by the NSW Government to facilitate collaborative contracts in the waste solid waste and recycling local government sector in western NSW.

<sup>6</sup> Designing assets that can improve energy efficiency and be capable of re-use or deconstruction at end of life.

<sup>7</sup> <http://www.rba.gov.au/publications/rdp/2002/pdf/rdp2002-04.pdf>



depreciation. Information used in forecasting asset management ratios is based on current data. It is expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As Councils strategic Asset management capability is enhanced and the operating position improves with Council building a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process. Given the lumpy nature of asset renewal expenditure (particularly on assets that have useful lives of greater than 20 years), anticipated improvements in technology and the expected improvement in asset management data and capability it is reasonable to accept a ratio within 10% of the benchmark as acceptable. The effect is to inequitably apportion these costs to WSC, a cost not often held by Sydney-based councils but by NSW Government or the private sector. **(AMP Improvement) (Non Core)**

- Changes in legislation relating to public risk, organisational transparency for community groups, as well as increased personal liability for insurances and increased costs have left WSC needing to sponsor these organisations under the legal framework of the Council. In doing so, WSC has had to take 'control' of the assets. Relinquishing those assets back to the community would damage volunteer input and place even greater burden on the WSC's resources or see service reduction with no savings. For some of these assets where there is no real control, the depreciation should be held by those organisations or be fully funded. **(Non Core)**
- Rate pegging has had a long-term impact on the WSC's capacity to respond to the shifting of costs and services locally. In the name of efficiency and blame-shifting (a State political illusionist tactic of getting the community to focus on local government) successive NSW State Governments have decreased local capacity to respond, in the name of constraining so called 'profligate' local government inefficiencies. This policy position has had a long-term, negative cumulative effect. WSC commenced operations in the 1970s on a low rate base after amalgamation with Grenfell and the surrounding shire. WSC has not been able to restore its finances to a true cost position and a sustainable income level, leading to years of funding losses that were essential to effective service delivery. **(Rate Pegging)**
- WSC has outdated IT platforms and therefore much of its current reporting is labour intensive and lacks sophistication, although there has been some activity in this space through the Central Regional Organisation of Councils (CENTROC). It is anticipated that IT requirements can be assessed by WSC or, alternatively, through the RCs in a joint tender process to regional centred councils to 'piggyback' their acquisition program. **(Outdated Systems)**
- In preparing the FFTF submission, WSC has worked hard on reviewing its AMP with a view to linking it to the LTFP. WSC has undertaken a review of assets condition utilising visual condition assessment and linking this to the levels of service that the community has indicated through the IP&R engagement and a community survey (Attachment One). There is still much to be done to comprehensively integrate the AMP to the Delivery Plan and the Integrated Planning and Review (IP&R) documentation. In the FFTF strategy it is proposed to work with the JO and the RCs to develop a dynamic and efficient system. **(AMP Improvement)**
- The difficulty in attracting and retaining skilled staff members is referenced in the ILGRP. WSC continues to have difficulty in attracting staff in key professional areas, especially in technical areas. Often WSC builds technical staff skills yet following completion of study have them move to the Regional Centre or City Councils. Access to broader organisational strategic thinking / planning is challenging yet critical to ongoing assessment of service delivery options and resolution. Attracting and retaining new workers and ageing workers from within the community has

been seen as a way of addressing some of these challenges along with collaboration with the other Rural Councils in buying in project specific or mentoring skills across the group. Career path planning, use of the Country / City alliance with Hawkesbury Council for skills development placement, international aid experience supported by WSC, and ongoing staff development / training are envisaged as part of the mix. **(Technical Staff Retention)**

- Grant funding for major service delivery, especially in road maintenance and renewal, and capital investment to support health services, are examples of major source funding not in control of the WSC. It is unlikely that WSC can meet the standard on the own resources ratio except when the FAGs are included. As agreed in the IPART methodology, the FAGs are seen as a legitimate part of WSC's secure funding stream, at least at current levels. The struggle to meet the 60% own resources standard (excluding FAGs) is due in mostly to WSC servicing a relatively large road network including regional roads (which need to be seen as cost neutral in impacting depreciation) and dispersed population. WSC funds a broader set of externalities that are not effectively passed onto the consumer of the end product true cost, especially on agricultural products into Australian and export markets. (The Australian Productivity Commissions' Inquiry into Public Infrastructure, No 71 [2014]). **(Own Resources)**

## Opportunities

- Improved community engagement with more sophisticated use of social media and surveys, explore greater use of community groups to support services within the legal framework of the WSC. **(Community Profiling, Service Matching and Engagement)**
- Improve WSC's capacity to respond to emergencies with more complete emergency services response plans and explore better activity and resource utilisation funding. The JO and the RCs have agreed to explore better funding of the externalities surrounding planning and responses and have the costs appropriately apportioned to National, State, insurance industry or the community sources. **(Devolved Services)**
- WSC intends to lead and foster collaboration with Rural Councils to develop tailored solutions to common issues. This will assist the wider economy in its transition/structural change from a mining dependent economy to agriculture as argued in Our North, Our Future. White Paper on Northern Australia June 2015. **(Collaboration)**
- Rebuilding NSW and its identified rural capital investment of some \$6 billion following the lease of the poles and wires will require labour and skills. The provision of amenity in WSC will facilitate retention of labour to deliver this ambitious program in its part of the region. Similarly, the stimulus provided in regional areas will support the ongoing needs of the agricultural sector and provide impetus to the delivery of aged services within the communities. Sydney-driven push factors identified in the Evocities research<sup>8</sup> have impacts for regional and rural centre economies. Sydney residents are being priced out of housing, and are experiencing significant vulnerability to overcrowding and transport delays in the city. The Evocities research has indicated an increasing preparedness to relocate to regional centres such as Orange and Bathurst provided that there is employment and affordable housing as well as good community amenity. Centres such as Grenfell (the major centre in WSC) and the surrounding villages are impacted by this shift. Substantive downsizing or loss of the employment and income generated by the Shire Council in

<sup>8</sup> <http://seeseeeye.csu.edu.au/is-evocities-worth-its-weight>

Weddin would seriously threaten the future of the region even beyond WSC. The regional economic impact flowing from this would negatively affect staff retention required to service the agricultural sector and the emerging needs for aged care support staff. The WSC FFTF proposal seeks to address these amenity issues and to better target community need as expressed through the community consultation (see Attachment One). This includes an improved AMP and replacement of the Weddin Aquatic Centre, a new Medical Centre, sewage network renewal and deliver regional road improvements. **(Rebuilding NSW)**

- Non-core assets have damaged the capacity of WSC to provide basic services but this does not mean that the non-core services are less important. The WSC FFTF proposal identifies opportunities to work with the other Rural Councils that are impacted similarly, especially in respect of medical services. Bulking up of medical assets and their services will improve the potential to tender them to achieve economies of scale on service delivery and further support a more effective contractual arrangement to better deliver services. The RCs will engage the National and State governments in this process to achieve a suitable outcome for all the governing stakeholders into the future with full cost recovery. **(Non Core Assets)**
- Utilisation of volunteers to support service delivery and foster continued community connectedness has been identified in the community survey as important. To achieve this there needs to be discussion around the reduction of red tape in governance and reporting by community groups, or how this might be better facilitated by WSC and other Rural Councils. The RCs and their JOs will be reviewing the constraints and opportunities to discover a model that embraces volunteer input within responsive models and structures. **(Volunteer Support)**
- The FFTF strategy (and this review process) has and will lead to better planning on assets maintenance and a move to preserve assets, extend asset life over earlier renewal, and linking the full funding of these in the IP&R process and associated budgets. These are outlined in the proposal to be sustainable and FFTF. **(AMP Improvement)**
- Opportunities include Cradle to Cradle assets renewal, identifying what elements can improve the long term operating and maintenance costs, as well as deconstruction / recycling of assets at end of life. Implementing these will be in conjunction with the JO and shared among the RCs, with a view to continuous improvement. The strategy identifies how better community-wide asset planning can reduce waste, increase environmental efficiency and target resources over the long term to release funds for other community benefit. **(Cradle to Cradle Renewal Strategy)**
- The WSC strategy includes collaboration with the Central West NSW JO on regional planning and strategy as well as liaison with State instrumentalities through the JO to improve service delivery on a coordinated basis. For WSC, this is increasingly important as it will allow improved engagement with the Roads and Maritime Services Department (RMS) with a view to reducing red tape and improving predictability of work force and assets requirements. The WSC FFTF strategy seeks to identify how this activity will improve sustainability into the future. **(JO and RC Collaboration)**
- There is an opportunity to work with Rural Councils to develop evidence-based arguments for a review of FAGs as set out in the ILGPR. WSC's FFTF strategy envisages a gap analysis of sources against uses to quantify the financial difference needed from a FAGs review, as expressed in the projected LTFP. This approach would better indicate the type of realistic changes required to FAGs to support disabilities and non-resourced external costs born by the Rural Councils<sup>9</sup>. By quantifying this in the submission, IPART will be better able to advise the NSW Government of the

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<sup>9</sup> The Australian Productivity Commissions' Inquiry into Public Infrastructure, No 71 (2014).

quantum needed to ensure sustainability of the Rural Councils. The review should assess: per capita allocations to potentially amalgamated Sydney councils that do not access disability payments; and the savings made by regional centres e.g. Orange not having to resource Rural Councils as part of a more aggressive amalgamation. Regional centres rely on the economic impact of the Rural Councils who have less capacity to pay and the FAGs reallocation needs to subsidise the activity of WSC as a trade off. **(FAGs Review and Impact)**

- The SRV has improved the capacity for WSC to be financially sustainable. Into the future, flexibility on setting rates is best placed in the hands of the Rural Council. The process of developing the IP&R will determine the resources required to best serve the community and its capacity and willingness to pay. Another approach is to have councils undertake a review process by consulting with the community, for example, by advertising the report and seeking comments through social media and having open days as part of the IP&R for the four year plan. Rates and charges for the four years need to be fixed from this planning process. The WSC FFTF proposal has only factored in the IPART SRV approval so for the next four years this issue has been resolved (a base portion at CPI and then a supplementary rate was determined). The SRV provides a sound basis along with the other elements in the FFTF submission for a sustainable future for WSC (or RCs generally). **(SRV and Rate Pegging)**
- In the successful SRV application, WSC highlighted the preparedness of the community to pay more to ensure the sustainability and accessibility of Shire services. As previously discussed, a survey was undertaken in 2014 to gauge the willingness to pay for improved services that meet the fundamental needs of a relatively isolated community, as well as market testing the importance and satisfaction of existing services. The survey also canvassed the impact of the SRV (special rate variation) on each of the rate categories, but subject to review as part of the IP&R process as to category relativities. The community again supported a rate variation well above the level being sought in the submission. Weddin Shire sits at 52 on the Socio Economic Ranking which is higher than 2 of the 5 surrounding councils, both of whom had higher rates in all major categories. Weddin has an aging population with some 50% being over 50 years of age while the under 20s population mirrors the state average. Some 38% of the working population works in the agriculture sector which accounts for more than 58% of industry type (ABS 2011). Weddin generates a gross regional product (GRP) of \$156 million annually with one third coming from agriculture and with education, transport, health care and wholesale accounting equally for the next third. The medium house price in Weddin is \$115,000 while the Median house price in Orange is \$322,000 and the average taxable income for Weddin \$30,621 p.a. Weddin has the lowest average taxable income of the surrounding neighbouring Council areas (ABS 2011). This data reinforces the challenge that Weddin community members have in 'voting with their feet' making it difficult to move to communities with 'better' community amenity as they have little financial capacity to so do. The analysis of the data in the context of the community desire to retain services is important to understanding the need to increase Weddin Shire's income to support service provision. The survey results expose the limited community opportunities to access facilities and services in other ways. Many farmers are moving off farms into the villages and the main town of Grenfell. The continued viability of Grenfell as the hub of the Weddin Shire is crucial to the sustainability of the community. **(Sustain Agriculture, Develop Aged services and Community Amenity)**
- In a policy shift WSC has determined to utilise debt to replace assets where preservation costs are not supported by a sound business case **(AMP Improvement)**
- As part of improving efficiency WSC will review processes and position descriptions to improve systems and the fit with staffing numbers. The review will lead to a structural review linking human resources to the FFTF action plan and the IP&R delivery plan **(Structural Reform)**

- Collaboration through the JO on non-core 'fee for service' delivery in health, emergency services, transport (e.g. taxi) and support in funding CSO asset renewal such as the Weddin Aquatic Centre (Grenfell) and medical centre will form a strong part of linking effectiveness of the services provided with efficient and match funding to agencies that rightly should have service responsibility. **(Collaboration)**
- WSC Council is looking at opportunities to provide aged services on a 'fee for service' basis to the State and National Governments in concert or partnership with the private sector as part of its response to the FFTF review. Retaining aged rural skills is highlighted in Australian Treasury's Intergenerational Report (2015) as a priority in improving employment in WSC and in continuing to provide diverse employment complementing agriculture and supporting the retiring farming sector to stay in WSC. **(Sustain Agriculture, Develop Aged services and Community Amenity)**
- Greater collaboration between Rural Councils will provide better advocacy for these Councils and enables their voice to be heard based on sound research in the JO's and against the advocacy efforts of larger metropolitan councils **(Advocacy)**
- Working with the RCs or sub regional alliances there is a potential to resource share with larger regional Centre Councils and leverage through the JO (e.g. back end IT)
- WSC will also engage with the JO to explore potential to provide larger Councils with services on a fee for service arrangement
- New technologies transforming the concepts of distance and methods of service delivery can improve capacity building with the use of 'Skype' to review on site work by supervisors and to resolve technical and service issues in the field without having to travel distances to each job, subject to the NBN access (NBN satellite being launched this year)
- Ongoing efficiency improvements will be explored as part of the review of systems and work flows leading to the structural review over the next 12 months. **(Structural Review)**

## Threats

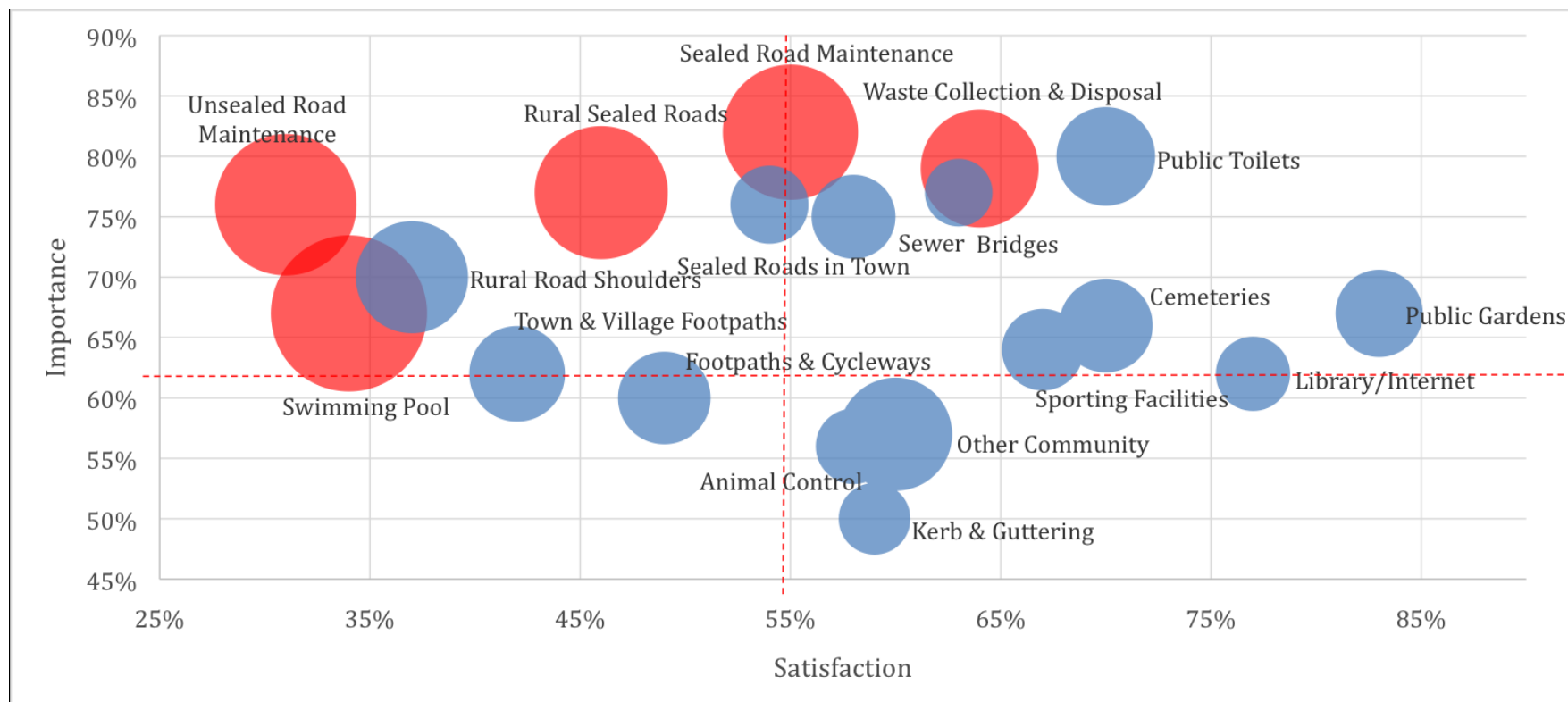
- Cost shifting cannot be effectively addressed. There are a number of areas where costs are being moved to WSC from other levels of government including insurances, rural fire service depreciation, regional roads depreciation and non-core activities that are provided by the private sector in larger centres e.g. medical services and transport (in the form of a reliable taxi service not privately sustainable). Depreciation expenses on Regional Fire Service capital (RFS) and regional roads are not fully funded. This shifting of costs negatively impacts the sustainability of the WSC. Application of Accounting Standards which are primarily designed for use by for profit entities are not entirely suitable for a not for profit local government service delivery entity. For example measurement of replacement costs on a "greenfield" basis using current technology does not allow for improvements in technology such as pipe relining which can restore service potential at a much reduced cost. Accordingly the real word position may differ from that presented after application of the standards. This is likely reflected in the funding approach from the State authorities but not in the calculation impacting WSCs ratios.
- Impacts of rising costs cannot be improved through collaborative arrangements that will afford economies of scale to WSC. Rising costs such as fuel prices and insurance costs impact WSC more significantly as the cost of transport is greater and the impact of flood events is greater. The delivery of volunteer services is also impacting insurance and professional indemnity costs as volunteers through their community organisations seek refuge within council administration from the higher costs of governance to community groups due to their small size, scale and possible higher risk.

- There are significant impacts on WSC from regulatory requirements that need resourcing that is not covered by the mandated charges and that require specific skills. Examples include septic inspections on rural properties, weed control on major public areas including road reserves and so on.
- WSC's perceived lack of authority in the JO. WSC has limited capacity to lobby other levels of government over the current issues faced including funding, leading to reduced ability to address these issues in an equitable manner. Regional collaboration on these issues often generates tension as there are few similarities with larger regional centres and better political outcomes funding amenity in higher population centres – more votes to the funding level of government. For WSC much of the role of CENTROC of necessity serves the broader needs of the larger councils, this is not meant as a criticism but explains the generally lower engagement of the smaller councils on all issues. Some issues simply do not impact WSC or the response is out of scale to WSC needs.
- Lack of understanding of the unique issues faced by WSC by other levels of government or government agencies due to a perception that economies of scale are the primary driver to sustainability and efficiencies as opposed to a capacity of WSC to support GDP through service provision to local labour, specifically in the agricultural sector. The China Australia Free Trade Agreement (June 2015) anticipates an increase of trade activity of over 100% over the next 15 years.
- Lack of trust and collaboration with larger councils, State Government and other government agencies leads to a perception that collaboration with WSC will mean additional work without any quantifiable benefit. In this environment, WSC can be perceived as less relevant compared to larger councils, JOs and other government agencies – combating the desire of government agencies to reduce the number of local councils they are required to deal with to improve the internal efficiencies of the other stakeholders.
- Increasing levels of competition for grant funding allocated more on a regional basis and levels of detail required for grant funding applications. Meaning it is difficult to compete with larger Councils and more expense/costs are borne in completing applications that are often unsuccessful due to perceived returns on investment with lower political gain and economic impact for smaller populations where the base capital cost is similar to larger projects.

**Expectations (what are the emerging expectations of the stakeholders as an outcome of the process)**

- Councillors:
  - Anticipate a need to change governance and streamline process while increasing community input. The council considers changing the councillor numbers to 7 from 9 and to move to 6 formal meetings a year and 5 planning workshops that would engage / seek input from interested community members or groups with specialist skills or experience.
  - Accept that the numbers of representatives need to be reduced and have assessed the financial impact of moving from 9 to 7. This change will require some legislative amendments.
  - Look to have other input measures with a strong focus on electronic participation and review (65% of population has access to internet) from the community over time.

- Similarly there may be value in assessing community working party input into specific policy development areas such as the environment for inclusion in the delivery plan.
- Defined delegations to the Mayor or a Mayoral capacity to call a special General Meeting again this would require legislative changes.
- Reflect a community desire to retain identity of WSC with its strong community connectedness, volunteer participation and recognition that there is no major centre that can access the WSC furthest Boundaries within a 90 mins drive.
- Strongly support collaboration with the RCs on common areas of interest as set out in the Compact.
- Support collaboration in service delivery within the JO– especially administrative and planning and broad advocacy.
- Support collaboration in the cross regional arena with a focus on similar non-core service areas such as medical and taxi transport.
- Organisational review and matching resources to roles and priorities.
- Community
  - Recognise increased costs and better sharing across rates categories.
  - Desire to retain community identity as a centre for agriculture labour supply and with a volunteer support network
  - Determined to retain industry and agriculture by retaining the capacity that the WSC gives to the local economy and the development of and retention of community amenity and private sector services
  - Figure 6 sets out the needs importance and satisfaction matrix from the community survey n=352



- Joint organisation
  - Struggling with focus and options relating to “Rural Councils”
  - Resolved to focus on regional planning in concert with the NSW State Government and articulated into the Federal Government and advocacy
  - Assessing the impacts of depreciation and funding approaches
  - Diverse needs of the councils especially the allocation of FAGs grants
- Rural Councils
  - That each Rural Council maintains its independence while recognising interdependence
  - That the compact broadly defines areas of commonality



## 2.2 Performance against the Fit for the Future benchmarks

### BASE CASE ASSUMPTIONS – Summary and assessment against benchmarks given the current operational projections.<sup>10</sup>

The starting point for the analysis of strategic options available is the Base Case, which sets out Councils current position and highlights the challenges ahead. The Base Case is the business as usual approach with no factored in changes.

Assumption percentages have been applied to all projected years. The percentages are an indication of the change in value on average over the ten year period, including CPI, and have been determined based on historical trends and external indicators.

Figure 7

INCOME	
Rates	2.4% in 2015-16 in accordance with the rate peg, 3% thereafter being the assumed rate peg
Charges	2.5%
Grants – Operating Purposes	2.5%
Grants – Capital Purposes	2.5%
Investment Income	2.5%

<sup>10</sup> See attachment three LTFP for detailed assessment

Net Gain from Disposal of Assets	Nil expected
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Other	2.5%
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#### EXPENSES

Salaries & Wages	2.5%
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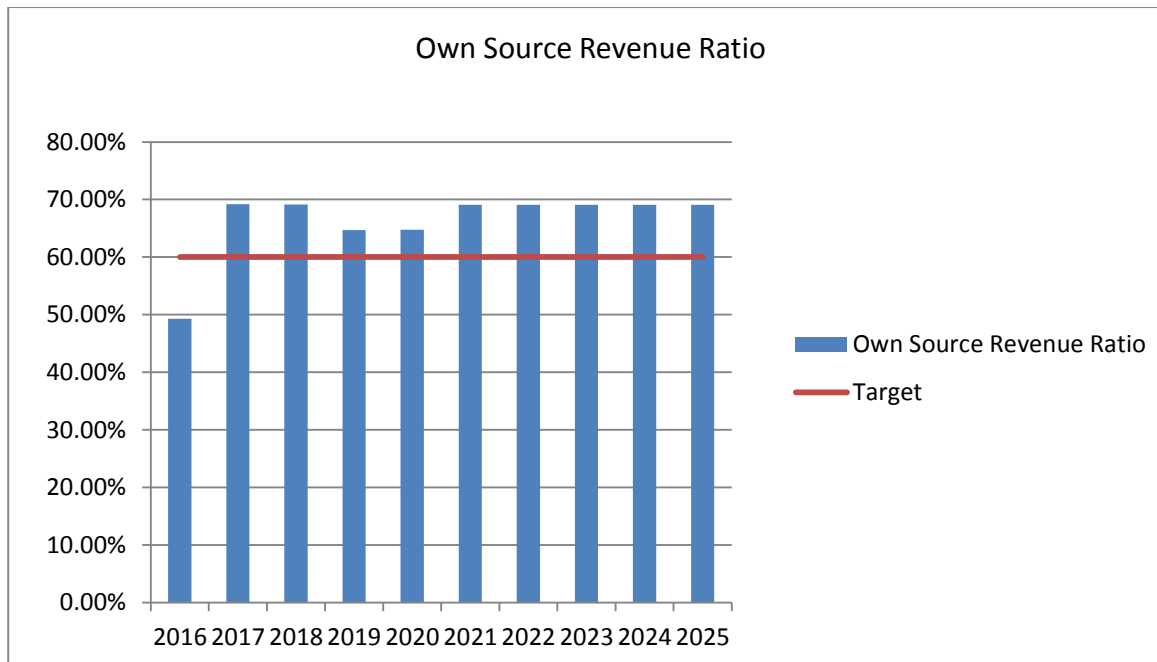
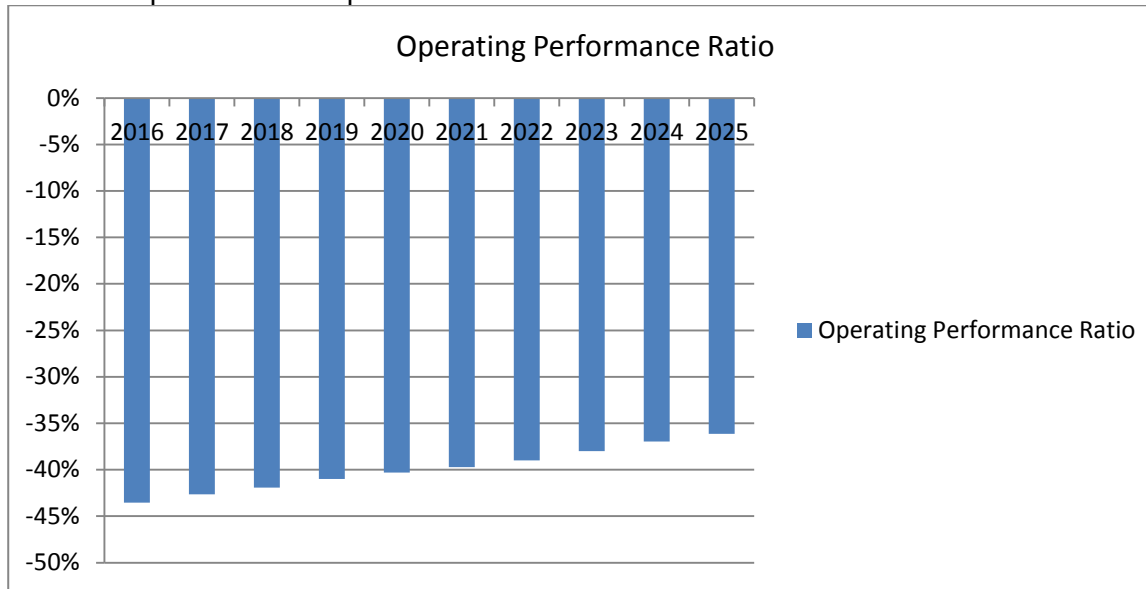
Materials & Contracts	2.5%
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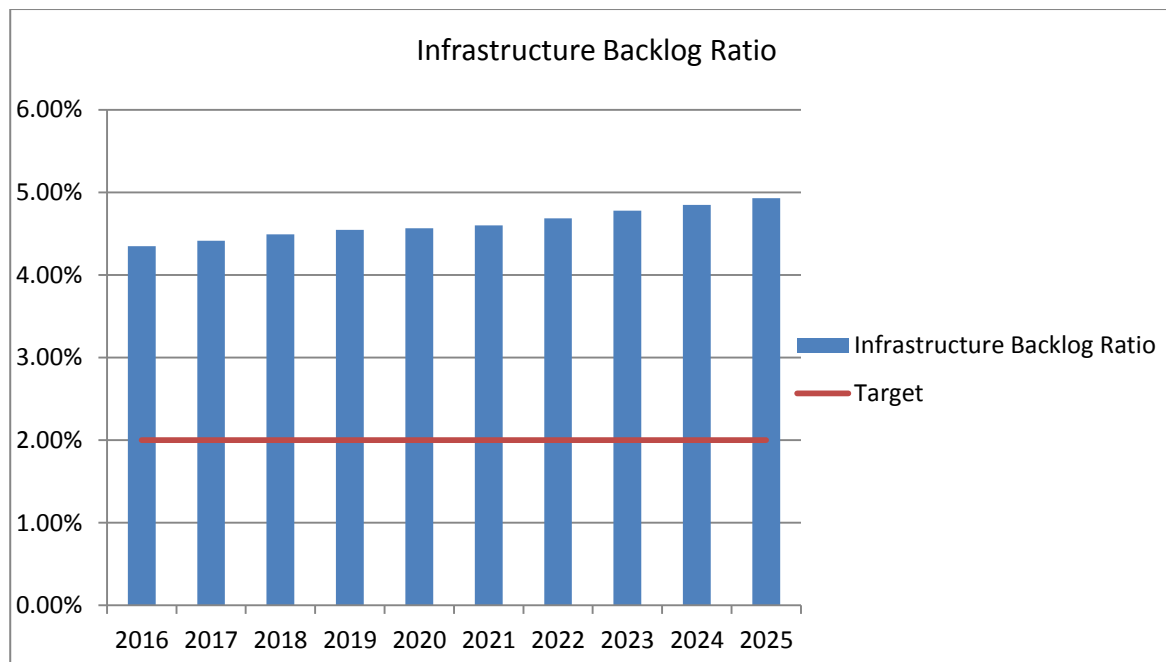
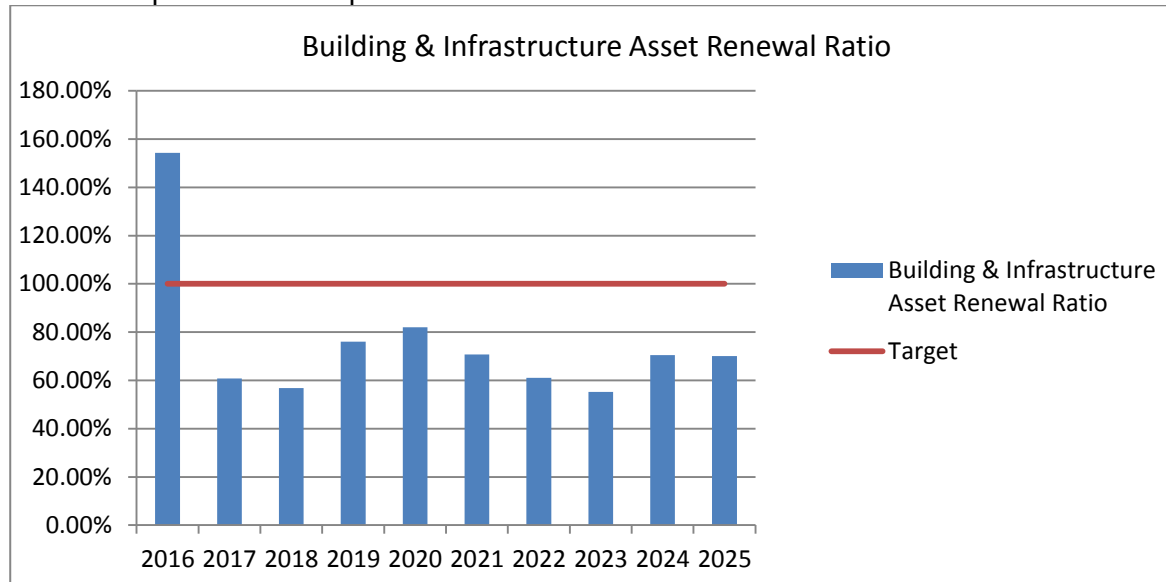
Depreciation	Based on current asset management plan data
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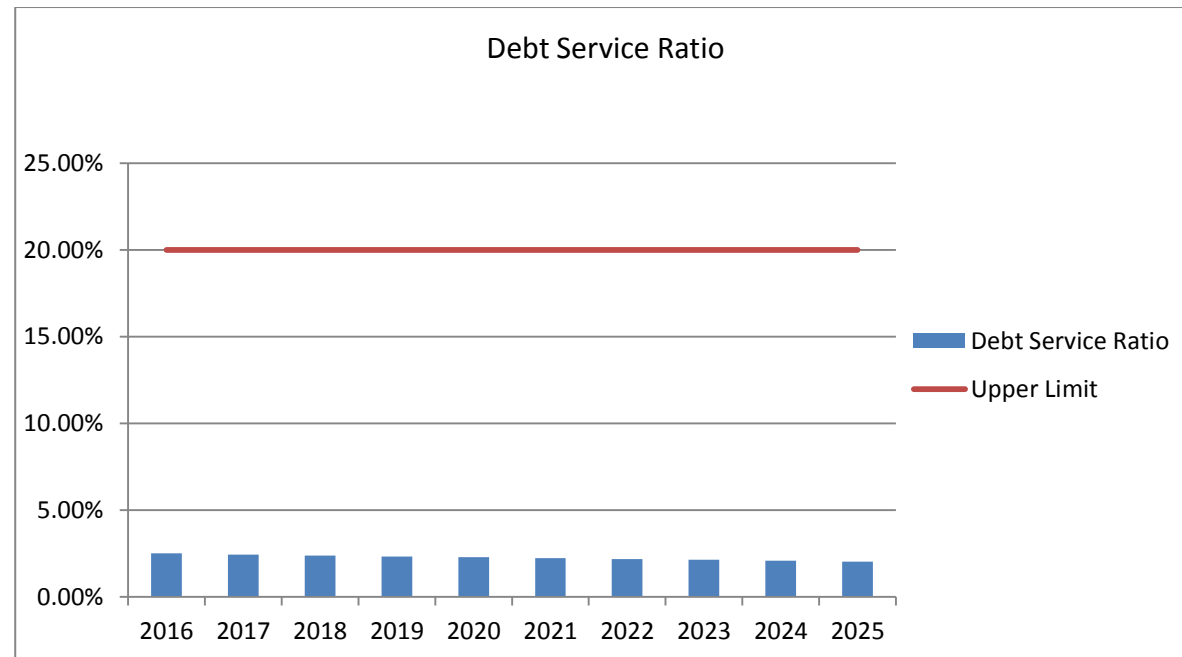
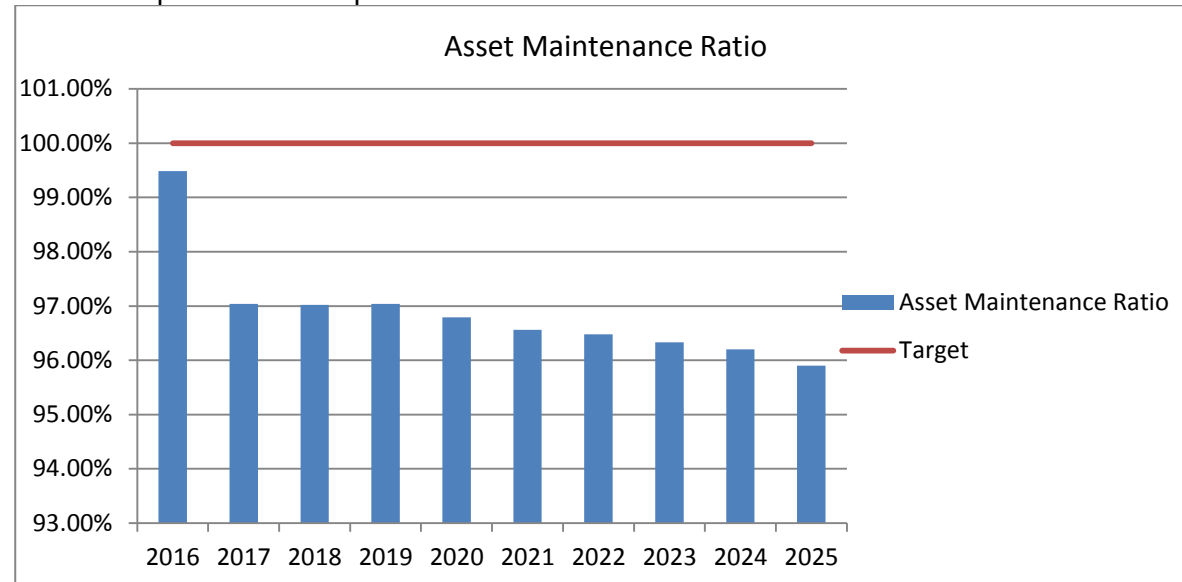
Borrowings Costs	Based on current loan projections - 5%pa over 20 year term
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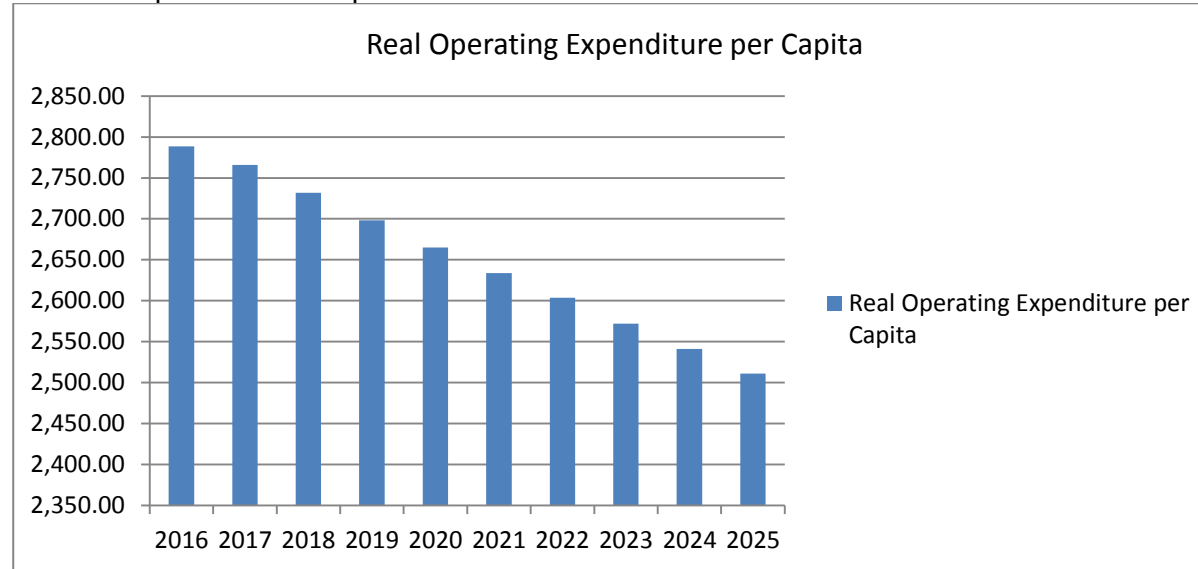
Net Loss from Disposal of Assets	Nil Expected
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Other	2.5%
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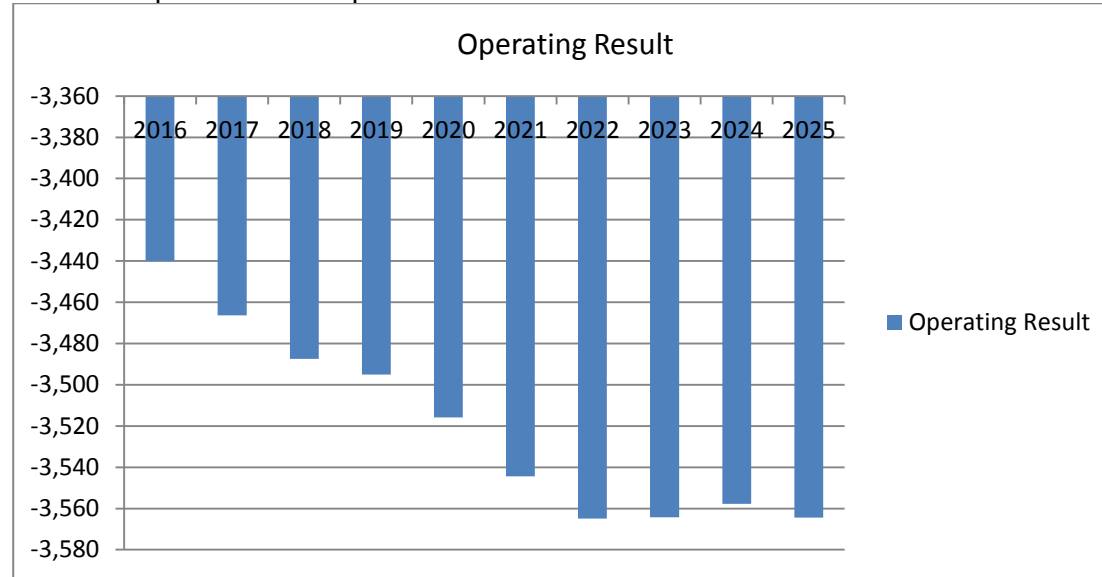


### Financial Sustainability Ratios – Base Case

Operating Performance Ratio	Remains negative throughout the forecast period. An average ratio of -39.91% over the ten year forecast highlights the need for change. Ongoing operating deficits are unsustainable and will not allow Council to maintain its asset base over the long term.
Own Source Revenue Ratio	With the inclusion of the Financial Assistance Grant (FAG) as allowed for Rural Council's, this ratio exceeds the 60% benchmark throughout the forecast period with an average of 66.25%. Excluding the FAG sees the ratio drop below the benchmark to a 10 year average of 44.08% with the final year ratio of 46.00%. Given the unique 'Rural Council' characteristics with which Council is faced, it will always be reliant on external funding sources.

Building & Infrastructure Asset Renewal Ratio	This ratio does not meet the target benchmark of 100%. Asset renewal is a challenge which Council needs to address. Council is looking to undertake several strategies to improve its asset management performance as part of the Fit for the Future reform process. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.
Infrastructure Backlog Ratio	This ratio does not meet the target benchmark of 2%. The ratio is also trending slightly negatively starting at 4.35% in 2016 and ending at 4.93% in 2025. Despite this negative trend, the challenge in front of Council to bring this ratio under the target benchmark of 2% is not unachievable. Council is looking to undertake several strategies to improve its asset management performance as part of the Fit for the Future reform process. As part of a continuous improvement strategy WSC's asset management practices improve this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.
Asset Maintenance Ratio	This ratio does not meet target benchmark of 100% averaging 96.89% over the forecast period and ending at 95.90% in 2025. However, as with some of the other asset management challenges, the closing of the asset maintenance gap and achieving the 100% target benchmark is not unachievable. It would only require an additional \$62,000 to be spent on asset maintenance per year on average over the forecast period to meet the shortfall and achieve the benchmark. Again, the strategies Council is looking to implement to improve its asset management performance as part of the Fit for the Future reform process will have an impact on this ratio. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.
Debt Service Ratio	This ratio remains within the upper limit throughout the forecast period, which indicates Council has the capacity to increase borrowings to address some of the asset management challenges with which it is faced. However, Council is conscious of improving the operating position to ensure debt servicing requirements can be met.
Real Operating Expenditure Per Capita	The positive trend in this ratio shows a decline in real operating expenditure per capita over the forecast period which indicates some efficiency gains over the forecast period.

## BASE CASE - OPERATING DEFICITS



The projected cumulative operating deficit (excluding capital revenues) for the base case for the period 2015-16 to 2024-25 is **\$38.4 million**. The council remains in deficit over the entire projected period. The operating deficit results in a deficit of \$3,564,000 for the final year 2024-25.

Some comments on FFTF projections:

- Impact of FAG grant timing has been averaged between 2012 and 2013 as it was paid in one year as is shown this way in the WSC's financial statements.
- Depreciation versus state average (Refer March 2015 LG Debit & Credits Newsletter)
- Previously WSC had a no borrowings policy this has been reviewed as part of the FFTF response to better reflect intergenerational equity issues
- Population used as denominator in Real Op Exp. ratio measure with population data an estimate.

## 2.3 Water Utility Performance

The regional water authority Central Tablelands County Council currently manages water, while Council manages sewer supply. Council has a long-term strategic planning incorporating a financial plan for the provision of sewer services. The sewer plan shows that over time the provision of sewer can be



brought to a sustainable level and the current charging regime is sufficient to ensure effective reliable supply. The plan is based upon an extensive review using internal camera identification and, as of June 2015, some 5km of sewer pipe has been relined.

### Sewer Overview

WSC sewer serves a population of 2,000 (930 connected properties) and has one sewage treatment works providing secondary treatment. The system comprises 2,500 EP treatment capacity (Trickling Filter), operates no pumping stations, nil km of rising mains and 31 km of gravity trunk mains and reticulation. A percentage of approximately 10% of effluent is recycled and the treated effluent is discharged to land and creek. Weddin Shire Council has a Pollution Incident Response Management Plan (PIRMPs) for the sewage treatment works.

The Residential growth in Weddin for 2013-14 was minimal. Weddin Shire Council achieved 78% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was \$427 which was much less than the state-wide median of \$669. The economic real rate of return was similar to the state-wide median. The operating cost per property (OMA) was \$259 which was much less than the state-wide median of \$430. Sewage odour complaints were less than the state-wide median of one (1).

Weddin Council reported no public health incidents. Council complied with the requirements of the environmental regulator for effluent discharge. The current replacement cost of system assets was \$12 million (\$12,300 per assessment), cash and investments were \$1 million, debt was nil and revenue was \$0.4 million (excluding capital works grants).

### Strategic Plan

The purpose of the strategic business plan is to provide guidance for the future management of Weddin Shire Council's sewerage businesses with the aims of:

- Providing the information for Council's Resourcing Strategy as required for compliance with the Integrated Planning and Reporting Framework and for the Management Plan
- Focusing attention on the key issues affecting the day to day operations of sewerage services
- Demonstrating to stakeholders that the scheme is well managed
- Identifying the financial and other resources required to operate these services on a commercial basis
- Providing a long term price path for services
- Assisting in the development of a long-term capital works program with an affordable price path for the services
- Enabling Council to model 'what if' scenarios and see their impact on customer charges
- Allowing future financial performance indicators to be calculated, such as return on capital invested

Financial modelling has demonstrated that the typical residential sewerage bill TRB for Sewerage services, measured in 2012/13 dollars, should increase by 20% a year for the TRB for 2013/14 - \$356 p.a.

- TRB for 2014/15 - \$427 p.a.
- TRB for 2015/16 - \$512 p.a.

From 2015/16 onwards, the TRB can be maintained at the same level till 2024/25. The TRB will have to be increased again by 20% p.a. for the next 3 years to reach a TRB of \$884 p.a. in 2027/28, to mainly fund the renewal and upgrade of Grenfell STP.

From 2027/28 onwards, the residential sewer bill can be maintained at that level for the remainder of the 29-year forecast period.

The forecast TRBs are to be adjusted annually for CPI / inflation and the financial model will be reviewed and updated after 3 years, in accordance with the NOW Best Practice Guidelines.

This level of typical residential charges for sewerage services is sufficient to maintain liquidity with a minimum of \$250,000 of cash in hand over the period.

All the planned capital works will be internally funded throughout the projection period except for a new borrowing of \$2 million for the renewal and upgrade of Grenfell STP starting in 2028/29. Outstanding borrowings at the end of the 30-year forecast period will be \$651,000 which can be fully retired from available cash and investments if required.

2012/13 \$ ('000)	2012/13	2016/17	2021/22	2026/27	2031/32	2036/37	2041/42
Estimated Total Revenue	309	555	584	861	1,170	1,255	1,318
Estimated Total Expenditure	321	323	317	316	526	528	483
Operating Surplus / (Deficit)	-12	232	267	545	644	727	836
Acquisition of Assets	140	110	515	110	315	113	118
Principal Loan Payments	0	0	0	0	55	66	79
Borrowings Outstanding	0	0	0	0	1,677	1,157	651
Cash and Investments	388	917	1,450	2,917	1,430	4,451	7,491
Total Assets	6,572	7,167	8,280	9,759	14,224	16,978	19,765
Total Liabilities	7	6	5	5	1,682	1,161	655

Improvement Strategies

- Sewer Relining – In 2009, Council commenced sewer main cleaning, CCTV inspections and sewer main relining of the section of worst performing sewer mains, based on blockages and other complaints. Also, sewer man holes have been raised to eliminate stormwater infiltration, service laterals, risers and boundary traps have been relined and repaired, and smoke testing has been carried out to reduce illegal stormwater property connections and other faults. Approximately 5.3 km of 150 mm diameter sewer main has been relined to date, and it is proposed to continue the relining process. Council has approximately 31.3 km of sewer mains in Grenfell, most of which was laid in the 1940s.
- Review risk-based environmental licence with Environmental Protection Agency (EPA) to formulate environmental improvements and upgrades
- Continual commitment to upgrades/maintenance
- Implement Trade waste Program

Proposed Capital Work	Year	Justification
Sewer main rehabilitation	2012 onwards	Renewal and refurbishment of ageing assets
STP upgrade – Effluent disinfection unit	2014	Improved levels of service and licence compliance
STP upgrade – Additional effluent storage pond	2017	Improved levels of service and licence compliance
New Sewage pump station	2019	To cater for growth and improved levels of service
Renewal of effluent reuse system pumps and pipes	2021	Replacement of ageing assets and improved levels of service

Best Practice Requirement	Status
Strategic Business Plan (including Financial Plan)	Compliant
Sewerage Service Pricing	
- Full cost recovery without significant cross subsidies	Compliant
- Complying residential charges, independent of land value	Compliant
- Complying non-residential charges	Non-Compliant
- Development service plan including commercial developer charges	Compliant
- Appropriate liquid trade waste fees and charges	Non-Compliant
- Complying liquid trade waste policy and approval for all discharges	Compliant
Performance Reporting	Compliant
Integrated Water Cycle Management	Compliant
Asset Management*	
30-year capital works plan	Compliant (part of SBP)
Operations and Maintenance Plans	Compliant

## Section 3: Towards Fit for the Future

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

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

#### 3.1.1 Resource sharing

- WSC has held discussion with stakeholders with a view to pursue resource-sharing opportunities through the Central JO, the Regional Centre Councils (**RCCs**) and through collaboration with the RCs. It has held discussion with Cowra, Forbes Shire Councils and other Bordering Councils [or neighbouring] (**BCs**) on cross-border collaboration and actively pursues opportunities to work with state agencies through the JO when working with the RMS and on the delivery of health and Aged services.
- Specific areas that would be addressed include:
  - Community Strategic Planning (BCs)
  - Accounting and auditing, mainly IT and back end (RCC [e.g. Orange and Bathurst] through the JO)
  - Making greater use of the City Country alliance once the Sydney Council review process is complete to develop short staff exchanges and skills development opportunities, especially in governance and accounting practice (also RCC and BC)
  - Strategic financial planning and management (RCs with support on process from BCC or private sector)
  - Asset management planning (RCC following discussion with the RCs as to scale and opportunity or collaboratively using private sector)
  - Road work and associated planning (BCs, RCs and the JO)
  - Engineering design and project management including community amenity construction (BCs, RCs and the JO)
  - Waste management planning and contracts (NetWaste)
  - Tourism (Central NSW Tourism, an existing collaboration)
  - Economic development including the development of a local procurement policy (which has been completed as part of the FFTF process) and support program to up-skill local business to engage with the tender and quotation process (RCC and JO)
  - Review energy efficiency including plant purchases (RCC, RCs and JO)
  - Continued involvement in the procurement road map program (JO)

- There has been discussion with the RCs around a draft Compact (see attached) on collaborating on the following:
  - Focussing on areas of specialisation that could be delivered by one or more of the Rural Councils, jointly or individually, I.E. rural roads
  - Undertaking research on areas where 'red tape' in reporting for small entities could be different or improved
  - Identifying opportunities to improve responses to requirements from funding authorities. Further, ensuring that both submission and reporting mechanisms are relevant and essential given the statutory nature of the Rural Councils.
  - Identifying areas where innovative and strategic approaches are required, and developing a response in providing those to Rural Council areas.
  - Developing a sustainable, joint economic argument to advocate for a revised distribution of the Federal Assistance Grants. This requires a greater recognition of unfunded externalities in agricultural and mining production borne inequitably by the Rural Councils.
- Rural Councils might share creative capacity by engaging external support and perhaps have an annual innovations planning day
- RC collaboration to engage skills to support advocacy within the JOs to ensure that RC input is at a level that is credible and creative
- Perhaps have the RC collaboration resourced in the similar way to the regional waste groups.

### 3.1.2 Shared administration

- There is no specific intention to share administration in the strategy to be FFTF. However, through ongoing discussion with the JO, immediate neighbours, and the RC collaboration, WSC is determined to explore options for meaningful sharing. Skills sharing and learning and development opportunities are of particular interest to assist in developing capability in WSC and assist in retaining staff. Such collaboration will require trust, goodwill and commitment to be developed once the boundaries issues have been determined but there is still the ongoing expectation that the benchmarks be met over the next 5-10 years. A focus on skills development and improvement of strategic capacity is difficult to model in terms of an immediate and direct budgetary impact but will have positive impacts both in terms of budget and service delivery outcomes over time. They will also foster the development of the next generation of skilled local government employees for larger regional councils.

### 3.1.3 Specialty services – centres of excellence

- WSC has worked with the RCs to establish that there are potential opportunities for specialty services to be delivered across the Rural councils. These processes will take time to develop and will require support.

### 3.1.4 Streamlined governance – councillor numbers

- WSC has determined to revise its Councillor numbers and review the number of formal meetings requiring extensive administrative preparation with a view to holding six formal meetings a year and five planning or workshop meetings. The Council can also engage with experts and community base members and local business in these workshops to better understand community needs and deliver community services.

- Changes to meetings to six formal and fix workshops and reduction of councillors from nine to seven will require some legislative support.

### 3.1.5 Streamlined planning, regulation and reporting – exploring flexibility and reducing red tape

- Review of service provision consistent with the community survey outcomes and related review of the AMP (Attachment One)
- Shifting the AMP toward greater expenditure on assets preservation to extend the life of the asset and delay renewal
- Review non-core services e.g. medical and taxi and explore alternate funding options in partnership with the NSW State government and the private sector or through collaborative models with the RCs
- Better deal with the other non-core services that impact depreciation, e.g. RFS, regional roads, health centres and services
- Advocate legislative amendments make management of local environmental matters more relevant, e.g. septic tank inspections

### 3.1.6 Service review – cost recovery and outsourcing services or joint Rural Council tenders

- WSC has included in its strategy a process for regular market testing of major services or an independent review. There is an action to undertake a review of how plant is funded and assess whether annual use warrants sole ownership. WSC is also resolved to funding the pool and the medical centre with some loans after utilising reserves to improve intergenerational equity and to better manage future asset preservation.

### 3.1.7 Other options – Rural Council collaborations and opportunities for Innovation Fund utilisation.

- OPTION FOR INNOVATION FUND SUPPORT -*WSC has worked with the RC to establish that there are potential opportunities for specialty services to be delivered across the Rural councils with a view to building skills and capacity to offer these services to other council categories over time. For example:*
- OPTION FOR INNOVATION FUND SUPPORT Flag a submission to review Information Technology (IT) delivery services to the rural councils and delivery options including improved efficiencies – e.g. in payroll, timesheets and back end support.
- OPTION FOR INNOVATION FUND SUPPORT The RCs have indicated that their may be support to collaborate on possible bulking up of service delivery options for possible joint tender or to allocate to centres of excellence within a RC(s), e.g. medical centres.
- OPTION FOR INNOVATION FUND SUPPORT Central JO and through a collaboration with the RCs. WSC has held discussion with Cowra and Forbes Shire Councils on cross border collaboration and opportunities to work with state agencies through the JO when working with the RMS and on the delivery of Health and Aged services.
- OPTION FOR INNOVATION FUND SUPPORT Examine WSC possible role in aged care services using a best practice model based on the Gilgandra Shire approach.
- OPTION FOR INNOVATION FUND SUPPORT Flag innovation submissions on common issues to rural councils such as AMPs, LTFPs, LEP's, major development Section 94 plans, common infrastructure issues, accessing strategic thinking and developing systems and identifying services that can be devolved with a fee for service structure for other spheres of government.

- **OPTION FOR INNOVATION FUND SUPPORT** Specific funding over three (3) years for a RC coordinator to facilitate RC collaboration and coordinate advocacy and research.  
Specifically as part of the RC collaboration WSC would look to undertake road construction and maintenance for bordering Councils.
- **OPTION FOR INNOVATION FUND SUPPORT** Into the future options for strategic ;loan or capital fund support on defined asset renewal

Strategies we are looking to implement are set out in the assumptions schedule following and in the Revised 2016-2026 LTFP (see Attachment 2):

### 3.2 Rural Council Action Plan

<b>Weddin Shire Council (WSC) Key Strategies/Actions Assumptions &amp; Information</b>								
Key Actions:	15/16	16/17	17/18	18/19	19/20	Achievable (A)/ Visionary (V)	\$ Impact	Notes/Information
Assets/Depreciation Review								
RFS Assets - remove from financials as not under Council control	X					A	\$208,712	WSC maintains but does not control the RFS assets. As such these assets should not be included as Councils assets.
Roads	X					A	\$300,000	Indicative reduction in Depreciation given current roads revaluation process providing improved asset management data.
Regional Roads						V	-	Not considered likely. Standard practice for regional roads to be included in Council assets and depreciated.



Medical		X				V	\$40,076	Cost of the provision of Medical Services including Medical Centre Depreciation should be fully funded and cost neutral to WSC. Lobbying to achieve this will be undertaken. There is also the possibility to bundle Rural Council's (RC's) medical assets and tender to a private provider and/or adopting the Gilgandra model to finance medical & aged care services.
Asset Mgmt. Plans (Refer Nirupan Asset Mgmt. Improvement timeframe)	X	X	X	X	X	A	\$500,000	Remaining depreciation reductions as per SRV LTFP strategy developed by consultant JRA (and local government asset management specialist) engaged as part of Council's SRV process. AMP reviews are to be completed after revaluations are completed. An external consultant may be engaged to assist in the AMP review process. WSC current depreciation is above our council classification average. THE AMP review process should ensure WSC Depreciation is a true representation of the consumption of the assets under its control. Adoption of preservation strategy & corresponding extension of assets lives will have an impact as will the sale of any identified lazy assets. \$250K reduction is modelled in 2016 & 250K in 2017.
FAG Grant Adjustments			X			A	\$1,500,000	Acceptance of proposed changes by other Council and changing the grants commission funding formula would take time. Note economic subsidy provided to larger regional and metropolitan centres - true cost of production not borne by these centres hence the collaborative argument by Rural Councils for FAG adjustment to promote horizontal fiscal equalisation. Possibly deliver via a disability factor adjustment.
Rural Council Contracts								
IP&R Documentation Review	X					A	Cost Neutral	Will help facilitate identification of resource sharing opportunities
IT Systems			X			A	Cost Neutral	Back end IT with larger Council such as Orange who have indicated a willingness to do so. Tie in with Rural Council standardisation process?
Digitise payroll				X		A	\$26,000	Use technology to increase efficiency.
Structural Reviews	X	X				A	Cost Neutral	To review organisational structure and job roles impacting on service delivery outcomes. Targeted Savings \$100K included in Option B.

Ledger Structure Review		X				A	Cost Neutral	Better facilitate external reporting, Asset Mgmt. and Long term strategic & financial planning. Efficiency gains targeted \$25K included in Option B (See attached framework approach)
Establish common reporting systems and platforms and share best practice		X				V	Cost Neutral	May be facilitated once collaborative Rural Council model is adopted and gains momentum. Role for Rural Council Coordinator? May not require common systems and platforms but building strategic capacity is important in achieving sustainability.

Identification of resource sharing opportunities & staff sharing opportunities	X	X	X	X	X	A	Cost Neutral	Possibility of funding from Rural Council innovation fund to fund an initial report to identify opportunities? Strategic data capture to identify opportunities. Some work on this front already done with the regional procurement road mapping program. Identify staff capacity building opportunities.
Review/Devolve Assets								
Plant & Vehicle Fleet		X				A	\$60,000	Use external consultant to undertake review and determine best financial model for WSC plant and vehicle fleet ownership and make up of plant fleet. Anticipated cost saving of 5% 2014 plant costs including depreciation - \$1,173,238.20 a saving up to \$60,000.

Medical			X			V	\$30,000	Ties in with building of Medical Centre. Potential to bundle medical centres of rural Councils and tender to private health provider. Also able to better lobby federal gov't for full funding of medical services currently supported by WSC. Aim is to remove operating costs of health assets which total \$30K in 2015/16 budget excluding Depreciation which is dealt with above.
Transport (Taxi)			X			V	\$3,000	Idea to approach fleet vehicle provider to set up arrangement for provision of Taxi (sponsorship type arrangement by fleet vehicle provider).
Community Arts Building		X				V	\$44,000	Gift assets held on behalf of community organisations to them and then donate costs currently borne by Council. This will remove "Non-Council" Depreciation from our financials.
Caravan Park			X			V	\$64,000	Investigate alternative delivery models to ascertain if this service delivery could be achieved more cost effectively.
CBA Building			X			V	\$38,000	Possibly devolve this asset after a review of its strategic purpose.

Museum			X			V	\$21,000	Gift assets held on behalf of community organisations to them and then donating costs currently borne by Council. This will remove "Non-Council" Depreciation from our financials.
Lazy Assets		X				V	\$15,000	Devolve any small land parcels, road reserves etc. held by Council that are not providing and are unlikely to ever provide any service provision
Specialist Services			X			V	Cost Neutral	Identification of opportunity/need, agreement of Councils, training of staff etc. likely to take time. More likely within Rural Councils who may have similar requirements than larger Councils who are likely to want to stand alone and retain their own capabilities.
Contracts with State								
RMS				X		V	Cost Neutral	Initial meeting with RMS needs to establish what becoming a rural Council means for WSC in dealing with RMS. Also establish full funding of regional roads (i.e. to cover annual depreciation figure). Establishing full funding of regional roads etc. would take more time so consider this action in several steps/parts.
Health				X	X	V	Cost Neutral	Refer Gilgandra model
Aged Care Services				X		V	\$50,000	Refer Gilgandra model. Possible opportunity for Aged Care Hostel in Town. Economic benefit to state gov't for WSC to provide these services rather than larger regional or metropolitan centre as less costly - this also offers a lobbying opportunity. Engage consultant to complete business case/study - possible funding from rural Council innovation fund. Targeted administration contribution to Council - \$50K
Rural Council Economic Impact Study to provide data to support lobbying for funding	X					A	Cost Neutral	Funding from rural Council innovation fund? To identify collaborative opportunities and quantify potential impacts and resources. Additional grant funding achieved given the support of the information in this report included in Option B- \$50K.
Private Works								

Heavy Vehicle Rego Inspections		X				V	\$10,000	Training/upskilling of staff may be required.
Roads Construction			X			A	\$100,000	Expected increase in RMS works for the State gov't on regional roads given proceeds from sale of poles & wires to be spent on State infrastructure.
JO - Strategic Planning		X				V	Cost Neutral	To be determined as JO develops response
Implement strategies to contain/reduce critical costs								
Hedging of Fuel Costs		X				V	\$15,000	Role for JO? Estimate of 5% of bulk fuel purchases.
Change in Governance structure			X			A	\$44,250	Reduce number of Councillors to 7 and number of Council meetings to 5 per year.
Staff Review (Retirement savings)		X	X	X		A	\$210,000	Model approx. \$70K savings per year over next 3 years given approx. 3-4 employees expected to retire and not be replaced or replaced with staff at lower pay rate.
Develop Leave Policy			X			A	To be determined	Reduce level and consequently cost (due to increases in pay grades of employees) of provision held for leave.
Procurement road mapping program and development/maturing of procurement model			X			A	\$180,000	Currently doing. Anecdotal evidence advised by consultant suggests savings of 2-5% of total procurement spend is achievable. We have modelled approx. 3% saving when coupled with bulk purchasing arrangements below.
Bulk Purchasing Arrangements			X	X		A	\$100,000	Either as part of JO or as part of RC's or even sub regionally.

Capacity Building								
Career Path Planning				X		A	Cost Neutral	To assist in the attraction and retention of skilled staff. The benefits that flow from this strategy are difficult to estimate and hence have not been included in the forecasts.
Training Strategy & Skills based development			X			A	Cost Neutral	Efficiencies gained and improved strategic planning/asset management/service delivery expected to result in significant savings and better service delivery outcomes however given these are difficult to estimate we have not recognised a \$ impact from this strategy.

Job sharing arrangements				X		V	Cost Neutral	Ties in with the strategy above. Again as difficult to estimate return/cost saving no \$ impact has been modelled.
						Total Impact of Achievable Projects	\$3,062,962	
						Total Impact of Visionary Projects	\$356,076	
						Total Impact of Projects	\$3,469,038	
Other Actions/Assumptions								
Medical Centre	X	X					\$2,000,000	A medical centre is planned for construction to service the shires ongoing medical needs subject to the budget process. Reference is made to the other Health/Medical Centre strategies listed above of which the construction of the Medical Centre plays a part.
Grenfell Aquatic Centre	X	X					\$3,600,000	Grenfell Pool is approaching the end of its useful life and it is planned to undertake the renewal of this asset subject to the budget process.
Notes on LTFP Modelling in regard to borrowings							-	The IPWEA LTFP model used by WSC assumes that surplus cash will be applied to reduce outstanding borrowings wherever possible (since interest rates on lending's will normally be less than those on borrowings). In some cases it will not be possible for an entity to apply available cash to reduce outstanding borrowings but for the purposes of long-term financial planning the difference in outcomes is not likely to be material.
FFTF Ratio's Calculation								The indicative FFTF ratios have been calculated in accordance with the OLG guide to completing sections 2.2 - 4.1 of Template 3.
Assumed policy position regarding new projects							-	It is assumed any new projects or expanded service provision would be cost neutral.

### 3.3 Community Consultation

The process to develop the WSC Improvement Action Plan was consultative and collaborative. The Fit for the Future submission process was co-ordinated and completed with internal input facilitated by Stephen Sykes of Sykes Peer Review who has recently worked with council on its successful SRV Special Rates Variation Application. The Council met in February 2015 at a facilitated workshop with Stephen Sykes and Glenn Inglis and from this determined the primary issues for successful reform. Key among these was the role of the JO as an advocacy and regional planning body, the option to work collaboratively with the BCs (bordering or neighbouring Councils) on cross border issues and the need to develop collaboration with the other Group C Rural Councils. The Council met again in April to consider key asset management matters and approaches to service levels. WSC also determined assets that council considered were surplus to requirement for possible disposal.

The community survey (Attachment One) indicated support for targeting a sustainable community serving the existing Weddin community. The Council held two open days to have input on the special Rate Variation. An open forum was held to have community input on the for the FFTF proposal. Council used a special FFTF Facebook page to get further community input with some 300 views and 194 likes. The application for the Special Rate variation was framed with the FFTF proposal firmly in mind.

WSC has met with Forbes Shire Council and with Cowra Shire Council both expressing strong interest in sub regional collaboration. Council's consultant Mr Sykes has met the General Managers of Orange and Bathurst who have indicated a willingness to provide skills on a fee for service basis (e.g. Planners) had discussions with all the Rural Council General Managers in relation to collaboration with them on a fee for service basis following appropriate analysis and a likely selective tendering process that could involve more than one RC. Weddin's SWOT analysis has been distributed to the other rural councils as has the results of the community survey. This discussion paper will also be available to all stakeholders.

WSC has advertised an initial discussion paper that deals with each of the elements of the FFTF Proposal from which the final Proposal and this comprehensive Proposal were drawn. The action Plan was developed following the discussion paper going on exhibition.

The FFTF analysis was aligned with the preparation of budget papers for consideration by Council and the community. Pending the release of the final template the draft FFTF proposal discussion paper was presented to full Council on 21 May and placed on Public Exhibition for 28 days. During Public Exhibition the community and council staff continued to be engaged on FFTF through presentations from the General Manager (to staff and community groups), the Facebook page and further briefing sessions to Council on 25 June 2015 and was approved for lodgement at a Council meeting following the briefing.

## Section 4. Expected Outcomes

### 4.1. Expected Improvement in Performance

WSC has determined to provide three sets of data to ensure that an assessment of its capacity to be FFTF and sustainable. The LTFPs are based on the existing position, an achievable position and thirdly a visionary position. WSC was concerned to make certain that the assessment based on what was achievable is separated from the visionary strategies that are less achievable and yet are worth striving to achieve. The full analysis is set out in the LTFP (see Attachment Two) and the following strategic action plan (Section 5)

This scenario uses identical assumptions from Scenario 2 however also includes a Special Rate Variation of 4% above the rate peg introduced in 2015-16 (6.4%) and continued in 2016-17 (7%), 2017-18 (7%) and 2018-19 (7%). Thereafter the forecast rate increases return to the assumed rate peg of 2.5%.

Assumption percentages have been applied to all projection years. The percentages are an indication of the change in value on average over the ten year period, including CPI, and have been determined based on historical trends and external indicators.

### 4.2 Factors influencing performance

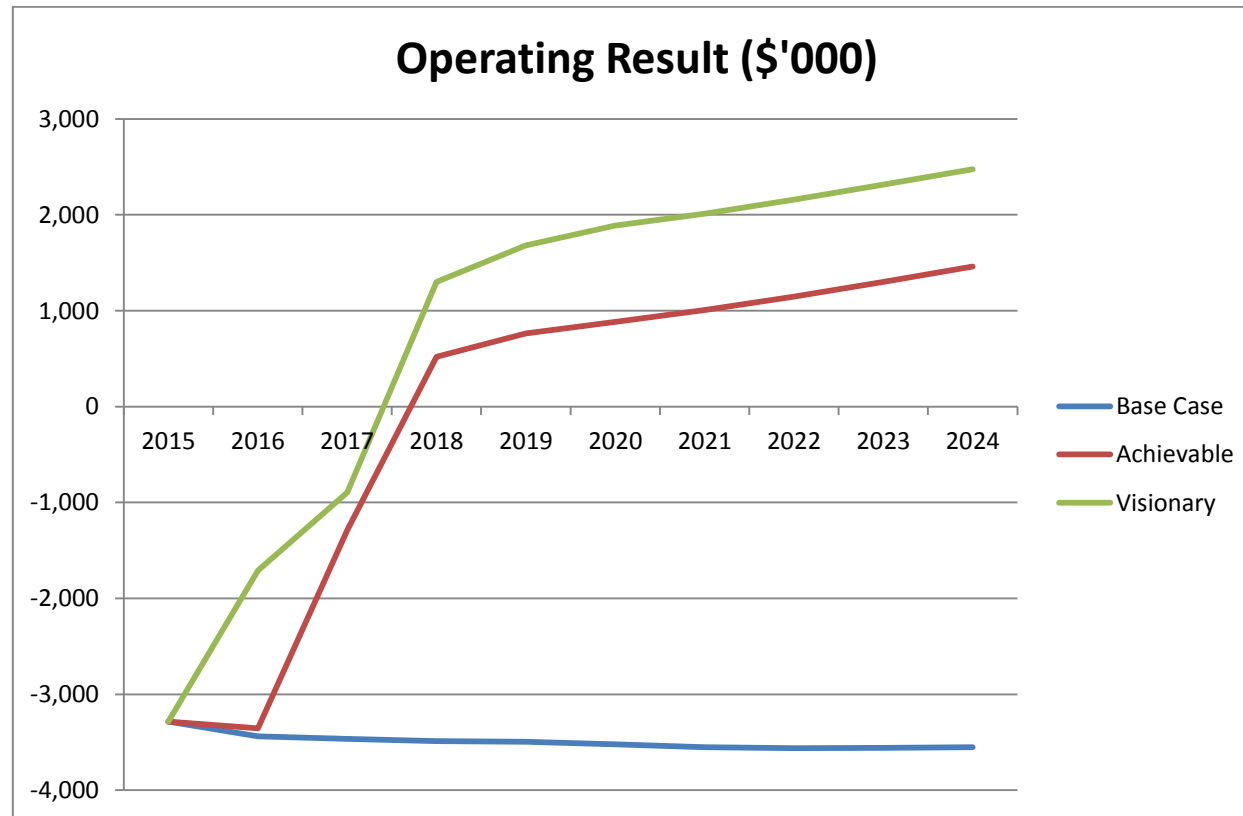
The timeframe for the implementation of the FFTF action plan will depend on the capacity of WSC to drive a complex mix of stakeholders. The broad agreement by the RCs to work collaboratively will assist here as will the support of the innovation fund to provide the innovation support and facilitate creative responses is critical.

WSC will need to undertake significant assessment of the impact of an ageing population, the need for services to provide for that population as well as the need to access labour for the farming sector. There will also be a need to assess the impact of the push factors of cost of living and standard of living in Sydney and its impact on regional cost of living over time. These are factors that could radically change the demographic patterns of labour market movement in the next 10 years.

The impact of climate change does generate some debate however it may also play a part in productivity needs of Australia from such productive sources as the WSC and this will also influence the outcomes.

In summary: capacity and skill, determination to refocus business opportunities, strong collaboration between the JO, the Border Councils and the RCs will all play a part. Processes which generate distrust, poor commitment or prevent the discussion that will drive change will need to be avoided for there to be success.

The following graph shows the improvement in Councils Operating Result following the implementation of the FFTF proposal comparing the Achievable, Visionary and Base case positions.





## Section 5: Implementation

### 5.1 Putting your plan into action

#### How will your council implement your Rural Council proposal?

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

As part of building capacity and ensuring focused outcomes it is proposed

- To have an external person facilitate and overview implementation
- To establish a skills based implementation team chaired by the General Manager
- To have the team co-opt skills to support and drive the change.
- To report to a council workshop twice yearly for the first 3 years and to report on outcomes in the annual report of the WSC
- Have TCorp undertake an independent review of ratios every 4 years

The Improvement Action Plan will be implemented through the adoption of the four year Delivery Program, Resourcing Strategy and Long Term Financial Plan. The Integrated Planning and Reporting framework will ensure alignment between improvement strategies and the community strategic plan. Monthly progress reporting is undertaken through Performance Planning, and the Annual Report provides an annual assessment of achievement of financial and service commitments. The establishment of milestones for the key improvement initiatives will help with regular monitoring of actions within the Improvement Action Plan, supported by an external change management process.

Greater certainty on FAGs grants and likely renegotiation on the distribution model, increased collaboration with the JO, border councils and the RCs will provide opportunities to specialise, joint tender and to gain economies of scale. The ongoing improvement in acquisition of external grant funding utilising the joint capacity of the RCs, the completion of the road condition surveys and the continuous improvement of asset management plans will also assist with the implementation of sustainability initiatives. The Infrastructure and Service Management initiatives will be implemented and monitored through the ongoing delivery of the Asset Management Strategy, the Asset Renewal program and monitoring of asset condition.

## Outline for organisational review

### **What steps does an organisational review involve?**

An **Organisational Review** provides a review of overall functioning for Weddin Shire Council (WSC) and examines all aspects that are relevant to the needed performance improvement including systems, processes and people related issues.

Each time we undertake an organisational review, we produce a design that is tailored to the specific circumstances we have been engaged to investigate. Usually there are four key phases:

#### **PHASE 1 – SCOPING**

In the scoping phase we aim to clearly define the issue or problem to be investigated, the stakeholders involved and the desired outcomes as far as they are understood. Determine limitations from WSC perspective that need to be borne in mind in the design phase.

#### **PHASE 2 – DESIGN**

Design the organisational review, discuss the design and its practical implications and refine the design if necessary. The design includes reporting processes and defines respective contributions to the review. Formation of a 'working group' of representative stakeholders (see 'Implementation' below).

#### **PHASE 3 – IMPLEMENTATION**

Implementing a review involves data collection and analysis, both of which we undertake using an iterative process mainly involving qualitative research techniques. Data collection usually involves a combination of one-on-one interviews, focus groups, surveys and document review. Undertake a literature review. Progress discussion documents along the way. Distribute to appropriate parties as agreed for discussion as a draft discussion prior to input into the project.

#### **PHASE 4 – FINAL REPORT**

The review process concludes with a final report containing recommendations.

# Final WEDDIN COMMUNITY SURVEY ANALYSIS DECEMBER 2014 – RATE VARIATION

## 1 Introduction

Weddin Shire Council (Council) has undertaken a survey on service delivery and major capital expenditure. The survey sought to determine levels of community satisfaction on services measured against the importance of the service. Where levels of satisfaction and importance match then the service levels are seen as appropriate; where mismatches are evident then Council can review levels of service. This impacts asset maintenance and depreciation as well as recurrent expenditure.

The survey also sought to clarify community expectations in respect of service delivery against cost. A special emphasis was placed on the key capital programs including the replacement of the Weddin swimming pool with a modern regional aquatic centre. An emphasis was also placed on the provision of a regional medical centre in Grenfell, a need that was identified in community consultations seeking to improve health services.

Finally, new and improved services come at a cost and it was important to determine community preparedness to pay for new facilities and to service ongoing loans.

The key findings are that the Council is meeting community expectations on service delivery. However, there is a need to improve rural roads, address the

swimming pool issues, as well as develop the medical facility as the specific question on these showed strong community support. There is community preparedness to pay an increase in rates of approximately \$3.50 to \$4.50 per week extra for these services.

The survey is one tool available to Council to collect data on community needs. The Council has already undertaken expensive community consultation and will use the survey results to gain further community feedback. The survey sample size of over 350 from a population of 2800 of over 18 year olds is statistically significant with a margin of error of +/-5%.

## 2 Survey Report

### 2.1 Methodology

The survey was conducted using Survey Monkey. This is a reliable low-cost tool that provided sound data. The survey was piloted and the questions adjusted following respondent feedback to ensure a sound survey design.

The survey was marketed on the Council's website, the Grenfell tourism website (<http://www.weddin.nsw.gov.au/tourism-weddin/grenfell-weddin>), the local newspaper (*Grenfell Record*) as a stand-alone article on the front page and the Council news section, and during the “what’s on” segment on the local radio (Monday 1st December 2014).

Additionally, approximately 1500 surveys were distributed and marketed through:

- Mail out to letterboxes through Greenethorpe Post Office, Quandialla Post Office and Grenfell Post Office (targeting roadside mailboxes, households and PO Boxes)
- Direct email and social media contact to Councillors and local contacts as a reminder
- Direct marketing was undertaken at collection points with notices to encourage people to complete their survey i.e. the Council front counter, Grenfell Library, Technology centre, Quandialla / Greenethorpe, Caragabal Villages, post offices and the Caragabal Hotel

There were 208 physical surveys handed back and 157 submitted online, making the total response rate 365.

Following the presentation of the Preliminary survey to the Council two open

days were conducted. The first was on 21 December 2014 to allow community members to come and discuss the outcomes and the impact of a rate variation on their community. 3 people and 3 councillors came through on the day and were provided with a one on one briefing. They were invited to submit further comments and asked for further comments on the day. There were no comments that were not already addressed. The report was made available to the community and the open day was advertised in the local press. The community was also advised then that a second open day would be held on 5 February 2015.

At the second open day 3 people attended and one raised some concern over the impact of the increase where they held more than one assessment. The only other matter that was raised was the need to develop an events strategy for the Shire and also acknowledge and support natural heritage within the Shire.

## 2.2 Results

### 2.2.1 Sample

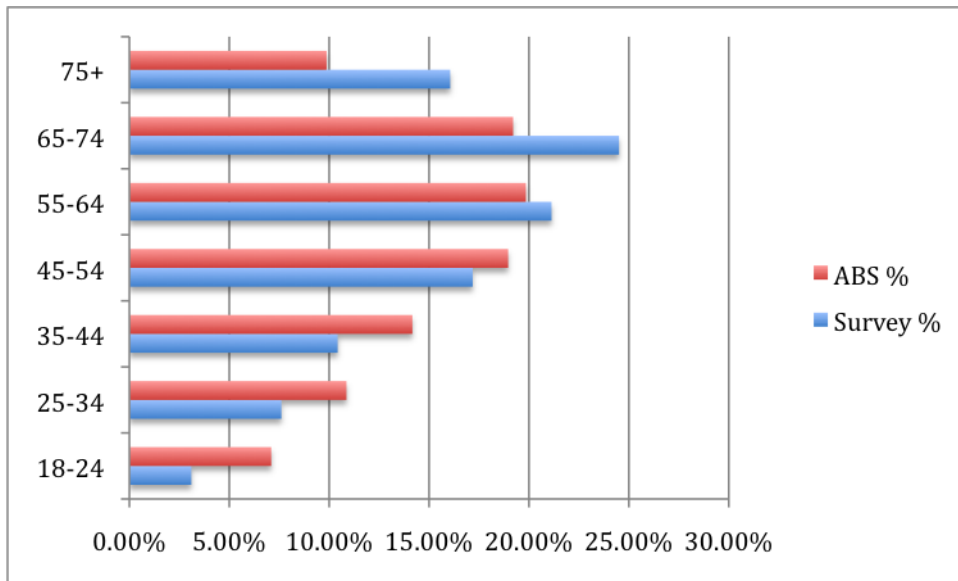
- A sample size of n=365 from a population base of 2,817 represents a +/- 5% error rate at the 95% confidence interval
- This result is well within standard statistical margins
- Analysis by age is statistically significant in the range groupings of 18-54 years and 55+ years<sup>1</sup>

### 2.2.2 Respondent profile

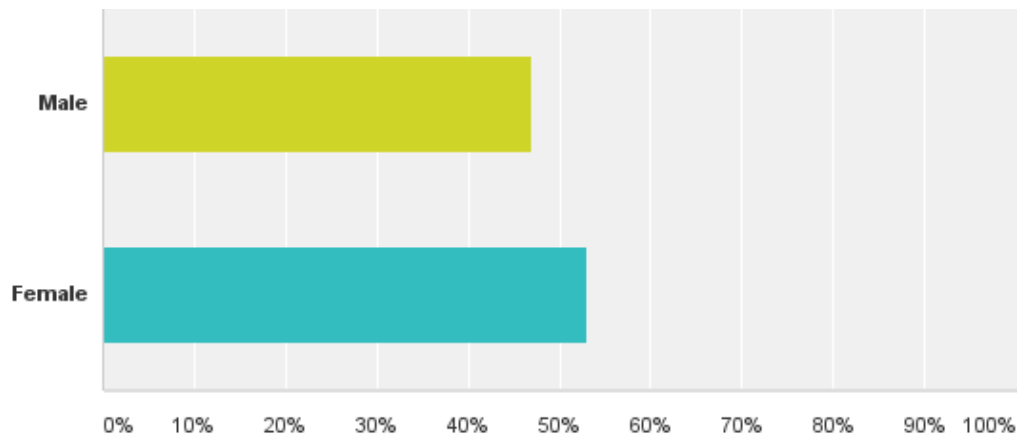
The age distribution for the 365 responses was statistically consistent with the general age population of the Shire.

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<sup>1</sup> Reviewed by Matthew Daniel B Sc Psych, Post Grad marketing, Research consultant.

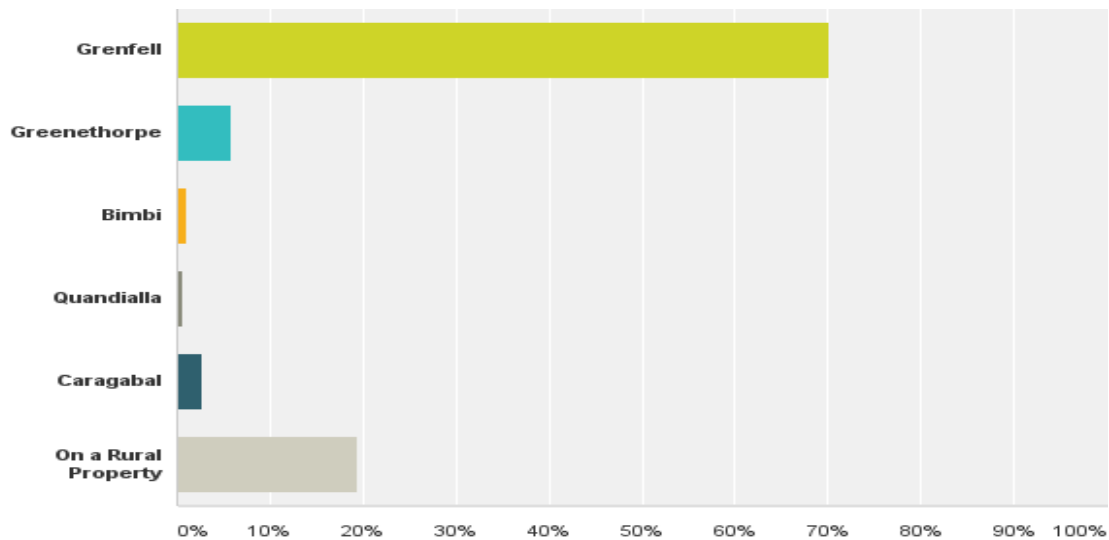


The male (47%) to female (52%) distribution was similar although there were more younger female than younger male respondents and more older male respondents than female.



### 2.2.3 Distribution profile

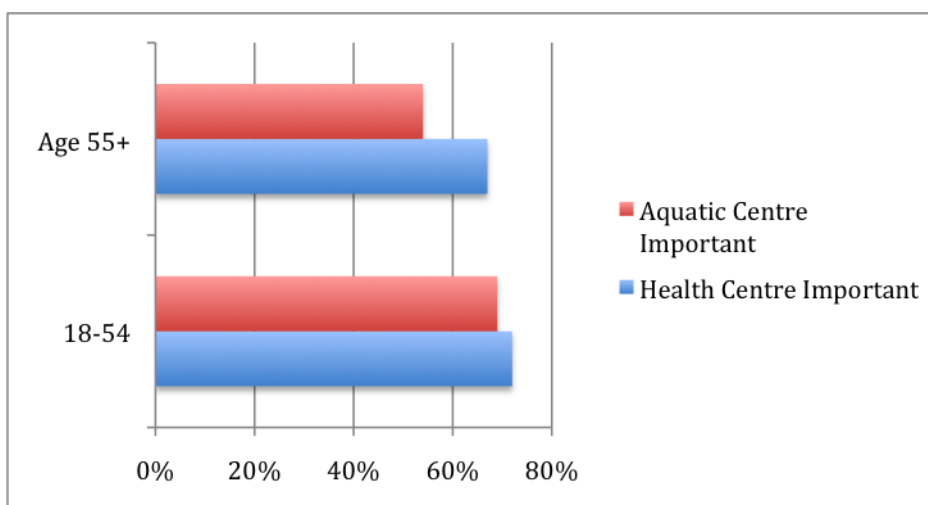
The spread of responses across the Shire is representative of the population distribution given by the Australian Bureau of Statistics.



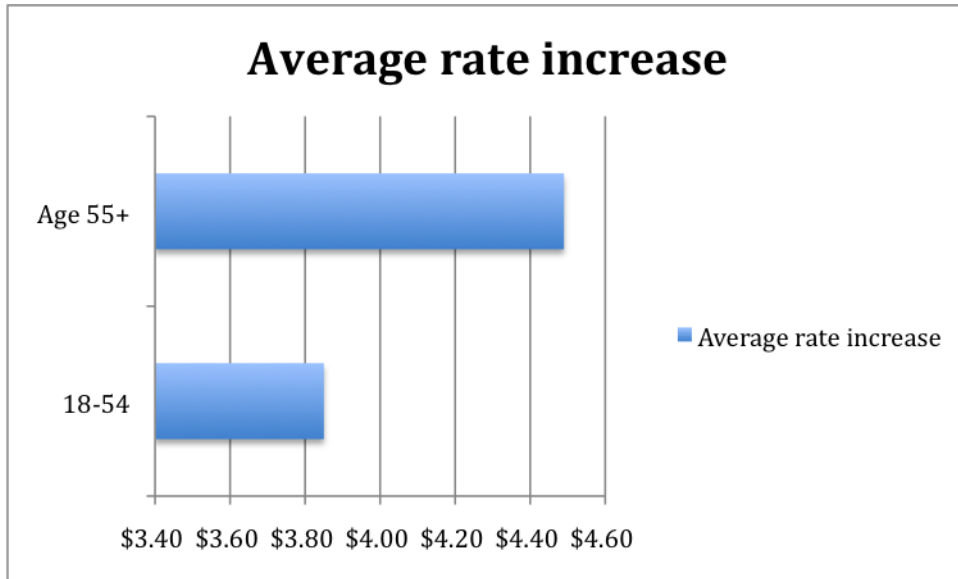
#### 2.2.4 Service delivery

Ensuring community preparedness to pay for new services is important to developing a capital plan to service the ongoing needs of the community. During the development of the Community Plan in 2012-13, the broad community consultation identified a medical centre and the reconstruction of the Grenfell pool as an Aquatic Centre as in the top three community needs.

The survey asked the community to rate the importance of each of these. Overall, there was strong support for the development of both facilities with some small variation according to age. Those under 55s strongly supported both facilities with the health centre most important at 72%, with over 55s at 67%. As for the aquatic centre, the support from under 55s was 60%, with over 55s at 54%.



Asked to respond on a scale of \$0-\$5 per week, “how much you would be prepared to pay in increased rent or rates to provide these (medical and aquatic facilities) [over and above existing rates]”, the respondents indicated an split between the two age groups with under 55s prepared to pay on average \$3.85 more and over 55s prepared to pay \$4.50 more per week. Interestingly, while being marginally less inclined to support the facilities, the older age group had a higher preparedness to pay. Only 3.65% would not be prepared to pay any increase.





### 2.2.5 Satisfaction and Importance

Critical to the Council's future decision-making is an understanding of how the community ranks the importance of services as well as their satisfaction with their delivery. The following graph shows where the primary services and how they rate.

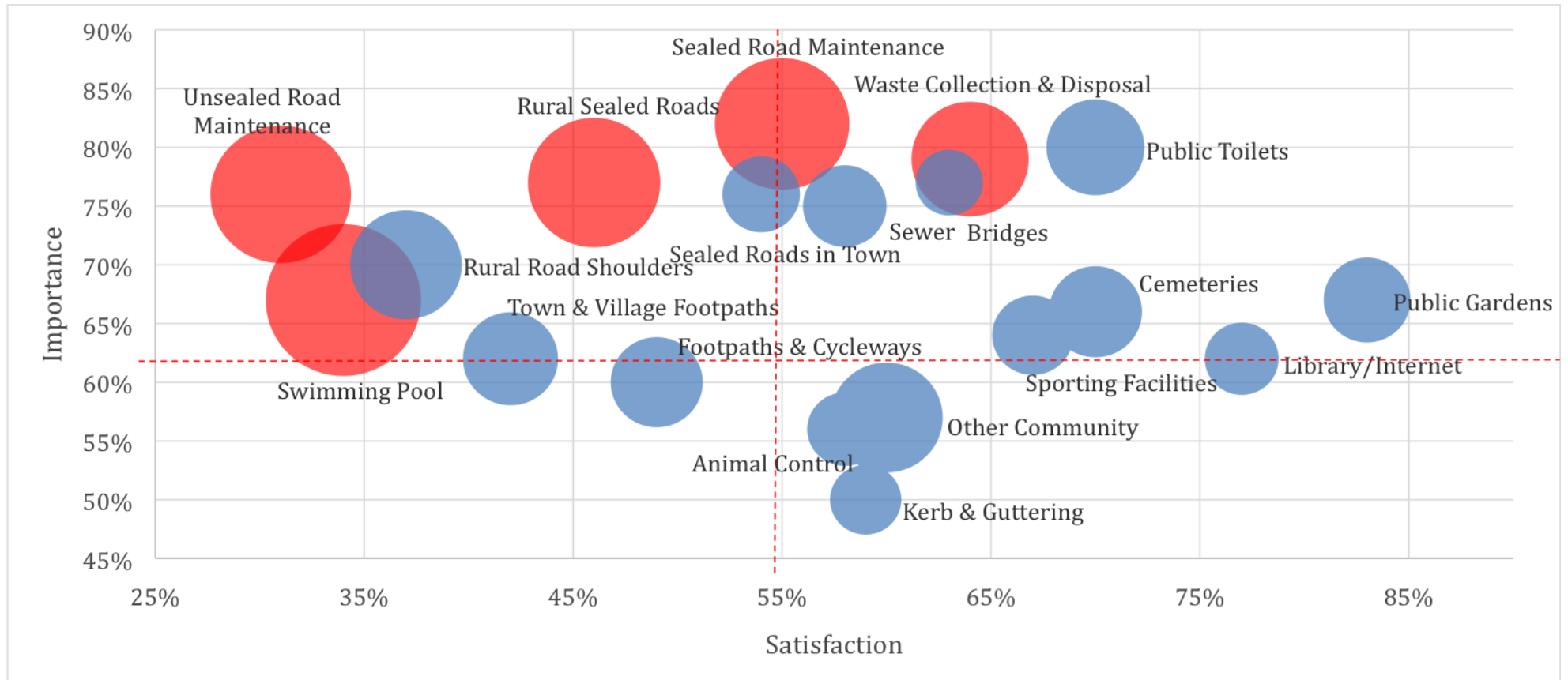


Figure 1: Importance versus satisfaction with priority overlay

Q7: Please rate your satisfaction level with each of the Council's current services. Base: All respondents (n=358) | Q8: Please rate the importance of each of the Council's current services. Base: All respondents (n=353) | Q9: Which of the following services would you wish to be given more priority? Please choose the top three. Base: All respondents (n=352)

Note: Bubble size indicates the % of respondents who wish the service was given greater priority. Red bubbles are the top service priorities for respondents.

Importantly, the swimming pool is identified as a facility that needs to be addressed<sup>2</sup>.

**Table 1: Summary of Importance versus Satisfaction**

<p><b>Exceeding Expectations</b> (Lower Importance &amp; Higher Satisfaction)</p> <ul style="list-style-type: none"> <li>• Footpaths and Cycleways</li> </ul>	<p><b>Meeting Priorities</b> (Higher Importance &amp; Higher Satisfaction)</p> <ul style="list-style-type: none"> <li>• Public Gardens</li> <li>• Library and Internet</li> <li>• Public Toilets</li> <li>• Cemeteries</li> <li>• Rural Sealed Roads</li> <li>• Sealed Roads in Towns and Villages</li> <li>• Sealed Road Maintenance</li> <li>• Sewer</li> <li>• Bridges</li> <li>• Waste Collection and Disposal</li> <li>• Sporting Facilities</li> </ul>
<p><b>Less Important</b> (Lower Importance &amp; Lower Satisfaction)</p> <ul style="list-style-type: none"> <li>• Other Community</li> <li>• Animal Control</li> <li>• Kerb &amp; Guttering</li> </ul>	<p><b>Areas of Concern</b> (Higher Importance &amp; Lower Satisfaction)</p> <ul style="list-style-type: none"> <li>• Unsealed Road Maintenance</li> <li>• Swimming Pool</li> <li>• Rural Road Shoulders</li> <li>• Town and Village Footpaths</li> </ul>

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<sup>2</sup> As Council does not currently provide health services the medical centre is not included.

## 3 Conclusion

The survey has provided valuable information for the Council's future decision-making. This preliminary report was prepared to elicit community consultation and now awaits comment at open days, following which a final report will be prepared. During this phase, written comments to the survey will be subject to community input and discussion.

In summary, the Council is meeting most community expectations on service delivery. However, there is a need to improve rural roads, address the swimming pool issues, as well as develop the medical facility as the specific question on these showed strong community support. There is community preparedness to pay an increase in rates of approximately \$3.50 to \$4.50 per week extra for these services.

The results will then be used to assess a rate variation application, in further development of the Asset Plan, and to support applications for various funding streams to support capital infrastructure consistent with community expectations.

**Weddin Shire Council**

**Survey Results Analysis – Free comments summary – for public use.**

**November 2014**

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1) Age group 25-34 (1.x<sup>3</sup>)

- Less support for medical centre than older age groups (6, 7, 9, 10)<sup>4</sup>
- Less willingness for rate rises (7, 10, 12) to pay for the aquatic centre and medical centre. An exception is 9: 'Weddin Shire is cheap compared to other Councils.'

2) Age group 35-44 (2.x)

- Two commendations of the parks (4, 8)
- Strong negative opinion on road maintenance (7, 8, 12)
- Strong support for the aquatic centre (11, 13)

3) Age group 45-54 (3.x)

- Many emphasised the need for Council to make internal cost savings (5, 6, 8, 9, 20)
- Several noted that the medical centre is not required because of existing medical professionals and their consulting rooms (5, 9). Others against (13). For (14, 15, 16, 22)
- There is mixed support for the aquatic centre. For (14, 15). Against (2).
- Emphasised the need for encourage business (23, 24, 25, 30)
- There is some sentiment that Grenfell is being given disproportionate attention (21, 25)

4) Age group 55-64 (4.x)

- Several requested kerbside clean-up collection (3, 11, 19)

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<sup>3</sup> The number is the age range key the X refers to the number of the response on the base data – for verification purposes.

<sup>4</sup> Numbers are link to free comments in the age groups in the base data – due to privacy reasons the comments are not publicly provided.

- Several noted the importance of good signage and information to promote tourism (5, 11, 29)
- Many commented on the need for animal control (12, 13, 14, 38, 42)
- Several brought up the improper use of Council cars (6, 15)
- Several respondents noted the dust from unsealed roads (12, 25). General calls for sealed roads: 35, 36. Added to this, 44 says that kerbs and guttering should also be attended to.
- There is a general call for Council to be efficient with funds and staffing (8, 27, 33, 39).

#### 5) Age group 65-74 (5.x)

- The medical centre is clearly a high priority (3, 4, 9, 30, 38, 39, 41). However, those opposed include 8, 16, 27
- There are several that believe that rates must rise to maintain / improve services (13, 15)
- There is strong support for an aquatic centre but one that suits the needs of older people e.g. heated / indoors / accessible (17, 19, 23, 24, 31, 40)
- Several calls for a tourist information centre (4, 11, 31)
- Many are dissatisfied with road maintenance and its efficiency (18, 28, 37, 45, 48)
- This age group has given more commendations to the Council than any other (11, 21, 24, 26, 29, 36).

#### 6) Age group 75+ (6.x)

- There is a increased concern for beautification and the preservation of trees (2, 6, 7)
- Several oppose amalgamation (9, 14, 17).
- Various suggestions on environmental sustainability are given including wind turbines (15) and the promotion of environmentally sustainable businesses (17).
- Support for aquatic centre: 19, 25, 28.

#### Across all ages

- Roads / footpaths
  - There is no positive feedback on the roads (2.12, 3.8). The 'patch truck' is singled out many times as not doing a good job e.g. leaving stones on the road, making only short-term repairs, damaging cars (1.8, 3.12, 4.25, 5.45).
  - Many question the efficiency of the road crews (2.7, 5.28).
  - Some suggest contracting out work (2.8, 4.39, 5.30, 5.32).
  - Suggestions to repair / upgrade the footpaths on the main street (3.4, 3.13, 5.11, 5.37). Other footpaths: 6.25.

- Sealing roads to prevent dust (4.12, 4.25, 5.37).
- Medical centre
  - Where respondents do not support a medical centre, the current existence of two doctors is noted several times (1.9, 3.5, 4.31) and the duplication of facilities (5.26, 5.43).
  - There is some opinion that other levels of government should be paying (2.11, 5.29).
  - Health includes mental health (3.26).
- Tourism
  - All age groups believe that tourism is important to the future of the community.
  - The development of the main street is called for several times (2.2, 3.8, 3.29).
  - There is praise for the CWA in providing information but there is support for paid staff (4.29, 5.11).
- Toilets. There is a universal call for more public toilets (1.5, 2.1, 4.41, 5.29, 5.31, 6.10) and for them to be kept clean (5.5). This has been noted in Greenthorpe (1.1). Signage is required to point out these toilets (1.5).
- Several suggestions to remove pigeons from the main street (5.11, 5.45). Pigeons generally: 6.25.
- There is universal condemnation of cutting down trees (3.13, 4.4, 4.16, 4.18, 5.20, 6.7), particularly on Forbes Street.
- Council. All respondents underscore the need for the operational efficiency of the Council. Predictably, opinion is mixed on whether the Council is succeeding on this front or not.
  - Many respondents noted that Council cars should only be used for work-related activities (2.6, 4.6, 4.15).
  - There is the odd comment that rates should be increased to keep up with other Councils (5.13, 5.15).
- Garbage / recycling
  - Residents are generally unsatisfied with recycling, and prefer collection from the kerb rather than going to the tip (1.3, 1.12, 2.5, 4.29, 5.31)
  - There has been more praise for the upgrade of the tip (3.14, 3.16, 5.29) than otherwise. Some gave feedback that more information is needed for residents to know what can be recycled (4.3, 4.42, 6.4). Suggestions on adjusted opening hours (3.16, 4.29).
  - Request for more bins (1.12).
  - Request to be able to buy more recycled materials (3.14).
  - Several called for council clean-ups (4.3, 5.34).
- All age groups emphasised the need for animal and weed control (1.5, 2.4, 3.24). Commendation for weed control: 4.30.
- Aquatic centre
  - Most residents are in favour of the new aquatic centre. Dissenting opinions include 1.5, 3.2.
  - Support for the aquatic centre even if the respondents do not regularly use (2.13, 5.29).
  - Should be heated for older users (4.29, 5.19, 6.19).
  - Several note that the current town pool is leaking (4.42, 5.43).
  - Should have disable access (5.17).

- Reconsidering open hours (5.24).
- The vast majority of respondents congratulate the Council on the new caravan / trailer park (1.5, 3.3, 3.6, 4.20, 5.11).
- The state of the parks is commended many times (2.4, 2.10, 3.16, 5.26, 6.23).
- Amalgamation:
  - Opinion is mixed on amalgamation. For (2.7). Against (3.7, 4.37, 4.40, 5.15).
  - Opinion is mixed on whether the prospect of amalgamation means that Council should spend money now or wait. Those who say that it should spend money *before* amalgamation include 3.24, 4.26. Others say that expenditure should wait till *after* amalgamation including 4.29.
  - More cooperation with other councils (6.22).
- There is some sentiment that major centres like Grenfell are given disproportionate attention (3.21, 3.25, 4.2, 4.3, 5.1, 5.42)
- Business
  - Slightly more people want businesses to pay higher rates (3.28, 4.22). Those opposed include 2.11.
  - Suggestion for favourable rent to fill up vacant shops (3.23).
- Community involvement
  - Local gardeners doing work in parks (2.7).
  - Raffles, dances, guided tours (3.7).
  - Beautification (4.21).
- Council-community communication
  - Several respondents would like to hear more from the Council e.g. via email (3.14).
  - Call for more local news (5.11).

# Weddin Shire Fit and Sustainable

IPART submission summary

30 June 2015



# Background

- In September 2014 the State Government announced a local Government reform package that endorsed the recommendations of the Independent Local Government Review Panel (ILGRP)
- The Panel recommended Weddin Shire Council (WSC) be a 'Rural Council' and asked that it examine options for amalgamation with Forbes or Cowra Shires
- The NSW Government commissioned the Independent Pricing and Review Tribunal (IPART) to assess a proposal from WSC addressing its capacity to be sustainable into the future

# WSC's Position

- WSC conducted **research** on **community** attitudes measuring the importance and satisfaction of services within the Shire, community capacity to pay and the value of community identity. The FFTF proposal is based on the survey results and community discussion.
- WSC has undertaken a comprehensive **assessment** of its scale and capacity and agrees with the ILGRP report that with a robust review of its operations and a **modest increase in Rates** as approved by IPART in May of 2015 WSC can be fit for the future as a stand alone authority.
- In coming to this position WSC undertook a study of the impact of non-prescribed amalgamation options in the ILGRP and met with Forbes and Cowra Shire Councils. All parties agreed that **no amalgamation** could deliver a similar or better outcome
- WSC has approved a **stand alone proposal**

# The “Rural Council”

- Characteristics
  - Small and static population spread over a large area
  - Local economies based on agriculture/resource industries
  - High operating costs associated with dispersed population and limited opportunities for return on investment
  - High importance of retaining local identity, social capital, and capacity for service delivery
  - Low rate base and high grant reliance
  - Difficulty in attracting and retaining skilled and experienced staff
  - Challenges in financial sustainability and provision of adequate services and infrastructure
  - Long distance to a major (or sub) regional centre
  - Limited options for mergers
- WSC
  - Population will be static if it grows then services will be needed
  - Strong Agricultural support base, mining exploration licenses issued
  - 3,800 people over 3,400 sq kms distances across the shire are significant with a large Rural rd network
  - Economic / social analysis, need to retain service capacity to support retirees and regional social impact
  - Own sources needs FAGs
  - Admin skills are available technical and strategic skills hard to get and keep
  - Hi reliance on external grants but these are reliable as they support devolved services: e.g. health and regional roads
  - Distance to community of interest tend to be to regional centres
  - No appetite for merger and little demonstrated benefit

# WSC Sustainable by 2018

- When WSC considered the options for joining with Forbes or Cowra it considered that:
  - Increased size of the area to be serviced and distance between centres leading to increased costs
  - Restrictions on ability to reduce employment costs (Local Government Act & Award)
  - Loss of local council identity / community of interest
  - No community of interest with either Forbes or Cowra (in fact Cowra was not identified as having a potential partner)
  - Reduced community voice / representation
  - No evidence of improved ratios following desktop analysis
  - WSC has a strong role in sustaining the agricultural and emerging aged /medical services across the region
  - Council's long term strategic and financial plans confirm that Council is financially viable and sustainable over the long term – especially since WSC has resolved an historic rate revenue disadvantage following the approval of the Special Rate Variation (SRV)

- Community identity is strong which supports **community profiled** service delivery and **engagement**
- Sound service delivery record including in terms of infrastructure, emergency response and **non-core** services e.g. health and taxi service
- Skill and capacity to deliver funded **devolved** services
- **Record of building** infrastructure for NSW State
- No debt which facilitates **AMP improvement**
- Provides labour to agricultural, aged and health and emerging mining sector by providing better **community amenity**
- **Strong volunteer support** in the community

## Strengths

- Financial capacity linked to grants, limiting effective **AMP improvement**
- **Devolved** State services impacts WSC's financial sustainability
- **Non-core** services not fully funded from externally sources threatening **community amenity**
- Assets held by WSC due to **non-core** services impact **AMP improvement**
- **Rate pegging** has proved unsustainable
- Economies of scale are demanding and make **AMP improvement** challenging
- **Financial Systems** are **outdated** as the **strategic thinking** required is not internally available or is overstretched
- Hard to **attract staff** to provide professional or strategic thinking support
- **Difficult to retain** technical **staff** once trained
- Struggle to meet **own resources** standard

## Weaknesses

- Improve **community engagement**
- Fully-funded, **devolved** services
- Support **rebuilding** NSW State government renewal program
- Effectively manage **non-core** assets and services
- Better support **volunteers** and access volunteer resources
- Strategic assets and Financial Management (link **AMP** to LTFP)
- **Cradle to Cradle** approach to renewed assets
- Positive **JO and RC collaboration**
- Collaborate with RCs to **review FAGs** and lobby for change
- **SRV approved** and supports sustainable LTFP
- Improve internal systems and market test to ensure efficiency
- Streamline governance from 9 to 7 councillors and less formal meetings
- **Utilise debt** to: ensure the people who use the service pay for it over time; and renew existing assets
- **Collaboration** with region and 10 Rural councils, resource share, plan and lobby
- Sustain **agricultural** sector
- Support **aged services** as an emerging industry
- Act as an agent to deliver services on full **fee for service** basis
- **RC Specialisation** in service type

## Opportunities

- Cost shifting cannot be addressed
- Impacts of rising costs cannot be improved through collaborative arrangements
- NSW Government fails to recognise true cost of non-core services
- Legal constraints to innovation e.g. hedge fuel cost
- No change in legislation to change governance or regulatory demands for RCs
- Failure of Rural Councils to collaborate
- JO fails to deliver on sharing
- Power inequity with JO as the only rural council
- WSC fails to have a voice in the collaboration
- No desire to review FAGs by Federal Government or strong political pressure to retain status quo

## Threats

# Expectations

- Councillors:
  - Anticipate a need to change governance and streamline process while increasing community input
  - Accept that the number of representatives need to be reduced and have assessed the financial impact of moving from 9 to 7
  - Look to have other input measures with a strong focus on electronic participation and review (65% of population has access to internet)
  - Reflect a community desire to retain the identity of WSC
  - Support collaboration in service delivery within the JO, especially in administrative and planning
  - Support collaboration in the cross-regional arena with a focus on similar non-core service areas such as medical services and taxi transport
- Community
  - Recognise increased costs and better sharing across rates categories
  - Desire to retain community identity
  - Concerned to retain industry and agriculture
- Joint organisation
  - Struggling with focus and options relating to “Rural Councils’
  - Assess the impacts of depreciation and funding approaches
  - Recognise the diverse needs of the councils especially the allocation of FAGs grants
- Rural Councils
  - Each Rural Council maintains its independence while recognising interdependence

# Sustainability responses

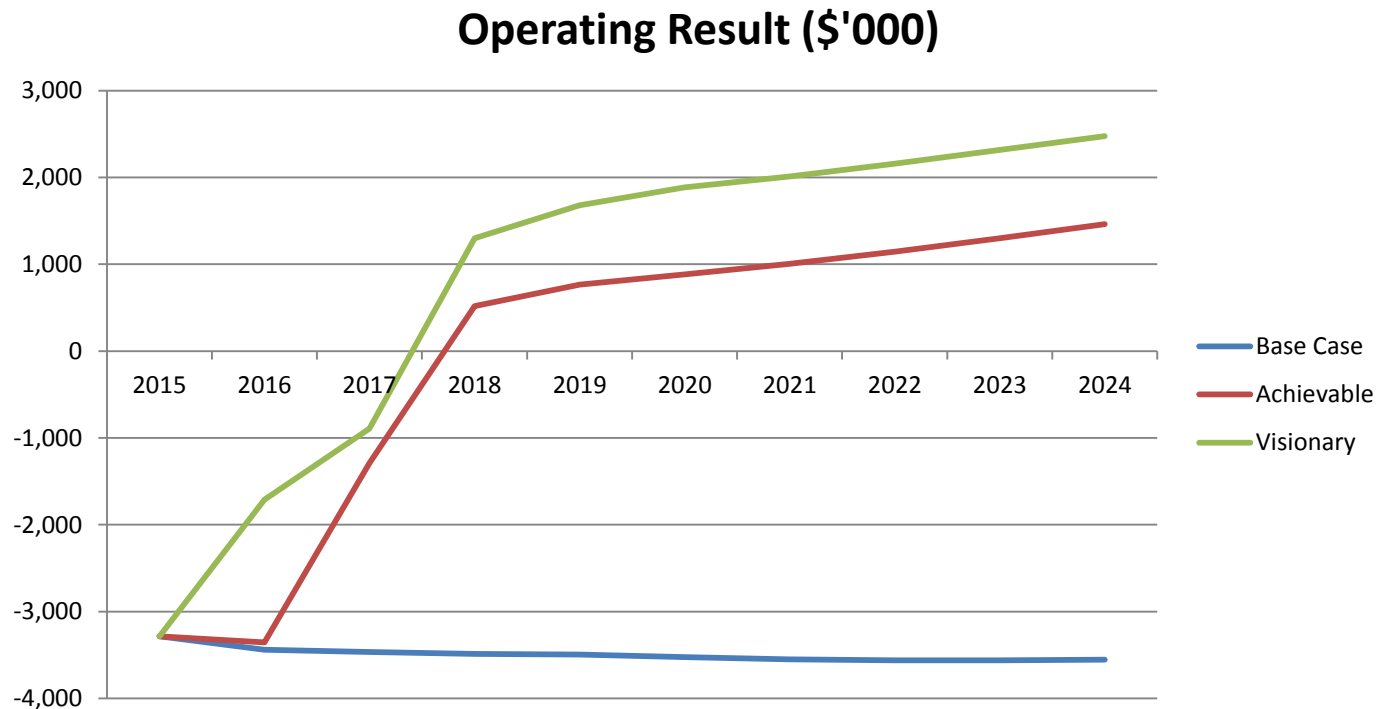
- In partnership with the Central West Pilot Joint Organisation (JO), the ten (10) Rural Councils (Group C), the neighbouring councils, the City country alliance partner and existing collaborations (the Partners) WSC can deliver the following:
  - A more robust revenue base resulting from the recently approved Special Rate Variation (SRV) and shared administrative services
  - Facilitating and funding responsible discretionary spending on renewed infrastructure and assets preservation into the future and disposal of surplus assets
  - Development of staff skills through comprehensive career path planning supported by external strategic thinking and mentoring aligned with the Partners.
  - Accessing community skills through more inclusive Council planning and policy workshops offset by fewer formal meetings and aligning councillor numbers with the regional standard (proportionally)
  - Improved staff and community capacity, by engaging with sub regional councils and accessing external expertise to improve experience and develop skills in strategic planning and policy development
  - Collaboration with the JO in ensuring effective regional planning impacting WSC especially in tourism and economic development, road maintenance arrangements with NSW Roads and Maritime Services (RMS) and regional infrastructure rationalisation



- Through the JO and as appropriate the RCs engage in programs that enhance rural council influence on service delivery and infrastructure, undertake robust research in social needs and future economic drivers for WSC and employ this to better advocate an improved collaborative and integrated policy response benefiting the rural sector.
- Through research establish specialised centres and appropriate systems to support devolution of service management to WSC especially in non core areas that can be fully funded from State and Federal governments or through private sector partnership
- Review infrastructure, management systems and emergency services through scenario analysis in partnership with the JO, regional centre councils (RCC's) and / or the RCs to better manage complex and unexpected change
- Access common mentor and support resources and skills, jointly through the RCs or in partnership with city / country alliances, NSW Local Government and the JO to create a continuous improvement program developing political and managerial skills. This would include negotiating with Group C rural councils to establish a RC advocacy counsellor (located in one of the state JOs) to foster research and policy, joint service delivery options, and advocacy to the JO's as determined by the RC collaboration.
- By implementing a range of purposeful actions including: application of the SRV; targeted collaboration with the JO, RCs selected Regional centre councils and community, and improved governance WSC can be sustainable and Fit for The Future.

# WSC FFTF Ratios Performance

- WSC meets 5 of the 7 ratios to 2018.
- Beyond the 2018 the council will have cash to commence funding assets maintenance and the infrastructure backlog.
- Operating surplus achieved in 2018
- FFTF Ratio benchmark in 2020



# The Fit for the Future Assessment Process

- Council's "Rural Council" proposal will be assessed against four key criteria:
  - Scale and capacity to engage effectively across community industry and government
  - Sustainability
  - Effectively managing infrastructure and delivering services for the community; and
  - Efficiency
- The Independent Pricing and Regulatory Tribunal (IPART) will undertake the role of assessing Council's Fit for the Future proposal. The timeline for the process is:
  - Council submissions to be lodged by 30 June 2015
  - Public submissions invited from 1 July to 31 July 2015
  - IPART recommendations to the government by 16 October 2015

	Weddin Regional Group	Bland	Cowra	Forbes	Weddin	Young
Geographical Area (km2)	22,191	8,560	2,809	4,720	3,409	2,693
Population 2013	44,635	6,055	12,622	9,526	3,730	12,702
Projected population 2031	42,900	5,500	11,700	9,200	3,500	13,000
No of Councillors	n/a	9	9	9	9 (7)	9
Population per Councillor	n/a	672	1,402	1,058	414 (500)	1,411
Electoral Arrangements	n/a	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council
Average Taxable Incomes (\$)	\$33,178	\$32,124	\$33,910	\$34,242	\$30,621	\$34,997
Socio Economic Index Ranking (1 = low , 152 high)	n/a	77	24	44	52	42

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**MINUTES OF THE MEETING BETWEEN FORBES SHIRE COUNCIL AND WEDDIN SHIRE COUNCIL HELD ON FRIDAY 15 MAY 2015 COMMENCING AT 11.00 AM (C2.10.9/C2.9.5)**

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1. **PRESENT:** Cllr Mark Liebich (WSC Mayor), Cllr Phyllis Miller (Forbes Mayor), Mr Brian Steffen (Forbes General Manager), Glenn Carroll (WSC General Manager)

2. **GENERAL BUSINESS:**

- Each Council's position and future direction in regards to Local Government Reform – Fit for the Future
  - **Weddin Shire Council** – pursuing the Rural Council – Template 3 option. Plan to work as part of the Central West Joint Organisation (JO) and also work collaboratively outside the JO with the other ten (10) proposed Rural Councils.
  - **Forbes Shire Council** – pursuing the stand alone – Template 2 option.
- Amalgamation option – possibility needs to be fully assessed:-
  - Benefits – it was agreed that there would not be one benefit for either community.
  - Loss of identity – it was agreed Councils would lose their identity in the event of an amalgamation.
  - Effect on employment – historically there have been jobs lost in an amalgamation which would be detrimental to both the Forbes and Weddin communities.
  - Effects on services – historically services lost as population declines. This then would have the effect of destroying the social fabric of our societies.
  - Effects on rates – rates would invariably increase dramatically particularly Weddin Shire's.

After critically assessing the amalgamation option it was agreed that the option was not appropriate for either Council.

- Stand alone option or Rural Council option – possibilities for both Councils were considered:-
  - Resource sharing – staff, plant
  - Bulk purchasing – such as bitumen contracts, plant and IT equipment could be undertaken resulting in massive savings.
  - Training – could be undertaken jointly i.e. RMS, purchasing and IT training.
  - RMS Contract – joint approach possible in the future.

3. **MID LACHLAN ALLIANCE (MLA) – FUTURE**

Both Councils agreed that with our limited resources, efficiencies and economics of scale could be achieved by participating in the Central West Regional Joint Organisation (JO).

4. **CLOSURE:** There being no further business to discuss the meeting closed at 12:31 am.

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**MINUTES OF THE MEETING BETWEEN COWRA SHIRE COUNCIL AND WEDDIN SHIRE COUNCIL HELD AT THE WEDDIN SHIRE COUNCIL CHAMBERS, GRENFELL ON WEDNESDAY 10 JUNE 2015 COMMENCING AT 12:15 PM (C2.10.9/C2.9.5)**

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1. **PRESENT:** Clr Mark Liebich (WSC Mayor), Clr Bill West (Cowra Shire Mayor), Mr Paul Devery (Cowra Shire General Manager), Glenn Carroll (WSC General Manager)
2. **GENERAL BUSINESS:**
  - Each Council's position and future direction in regards to Local Government Reform – Fit for the Future:
    - **Weddin Shire Council** – pursuing the Rural Council – Template 3 option. Plan to work as part of the Central West Joint Organisation (JO) and also work collaboratively outside the JO with the other ten (10) proposed Rural Councils.
    - **Cowra Shire Council** – pursuing the stand alone – Template 2 option.
  - Amalgamation option – possibility needs to be fully discussed:-
    - Cowra Shire Council was not recommended for amalgamation by the IRP - meets the IPART criteria and has therefore not considered amalgamation as an option.
      - Benefits – it was agreed that there is likely to be minimal benefit for both communities. Consequently, there was no merit in conducting a full scale investigation into possible amalgamations.
      - Loss of identity – it was agreed Councils could lose their identity in the event of an amalgamation which is a major concern for both communities.
      - Effect on employment – it is envisaged that there could be jobs lost in an amalgamation which would be detrimental to both the Cowra and Weddin communities.
      - Effects on services – services could be lost as population declines. This would then destroy the social fabric of our societies.
      - Effects on rates – rates would be likely to increase dramatically.
  - Stand alone option or Rural Council option – possibilities for both Councils as part of the Central West Regional Joint Organisation (JO) were considered:-
    - Resource sharing – staff i.e. town planner, plant
    - Bulk purchasing – such as bitumen contracts, plant and IT equipment could be undertaken resulting in massive savings.
    - Training – could be undertaken jointly i.e. RMS, procurement and IT training.
    - RMS Contract – joint approach possible in the future.
3. **CLOSURE:** There being no further business to discuss the meeting closed at 1:39 pm.

## **WEDDIN SHIRE COUNCIL**

### **COUNCIL NEWS – SPECIAL RATE VARIATION**

#### **COUNCIL NEWS – 25 JUNE 2014**

With Council endeavouring to take various measures to become financially sustainable in the long term and reduce our infrastructure backlog or gap to provide higher levels of service it was disappointing to be advised that our application for a Special Rate Variation (SRV) was unsuccessful.

IPART's determination outlined a lack of community consultation specifically relating to the special rate variation as the major reason as to why the SRV application was declined.

The following points are also of note:

- Whilst it was acknowledged significant community consultation was undertaken in the development of council's IP&R documentation consultation specifically relating to the SRV itself was inadequate. Both \$ & % impacts of a SRV need to be clearly outlined for all rating categories.
- Comparison of rating categories with the Office of Local Government (OLG) Group 9 peers highlighted various anomalies.
- The absence of a Hardship Policy was noted as was the lack of data on how we apply a flexible approach to assisting those experiencing hardship. In this regard a review of our data collection practices regarding current assistance provided to rate payers experiencing hardship is being undertaken which will allow this data to be available to support a future SRV application.
- Council must be able to demonstrate a commitment to cost reduction/containment and efficiency. Council is currently in the process of participating in a procurement road mapping project which is designed to reduce external supplier costs and increase internal efficiencies. This will assist us to demonstrate a commitment to cost reduction/containment and thus support any future application.

Subsequently, Council resolved at its June 2014 Council meeting to re-apply for a Special Rate Variation for the 2015/2016 year. It will be imperative that we take the above points into consideration when we reapply, particularly the point regarding community consultation.

#### **COUNCIL NEWS – 29 OCTOBER 2014**

As residents are no doubt aware Council's previous application for a Special Rate Variation (SRV) for the 2014/2015 financial year was unsuccessful with Council subsequently resolving to resubmit the application for the 2015/2016 financial year.

IPART's determination outlined a lack of community consultation specifically relating to the special rate variation as the major reason as to why the SRV application was declined.

In re-submitting the application the following points will need to be adhered to:

- Community consultation needs to specifically address the \$ & % impacts of the SRV across all rating categories. We need to acknowledge the increasing importance placed on community consultation in supporting applications.
- Consideration must be given to applying the SRV differentially across categories given the comparisons to OLG Group 9 peers.

- Development of a Hardship Policy has been undertaken.
- A review of our data collection practices regarding current assistance provided to rate payers experiencing hardship has been undertaken which will allow this data to be available to support the SRV application.
- Council is currently in the process of participating in a procurement road mapping project which is designed to reduce external supplier costs and increase internal efficiencies. This will assist us to demonstrate a commitment to cost reduction/containment and thus support our application.

The process to submit the SRV application has commenced and a survey will be conducted in the near future to obtain feedback to be utilised in the application.

### **COUNCIL NEWS – 3 DECEMBER 2015**

The process to submit a Special Rate Variation (SRV) application to the Independent Pricing and Regulatory Tribunal (IPART) is in progress and a critical component of this process is community consultation.

In this regard a SRV Survey is currently being conducted to engage and consult with our community as well as obtaining information to be included in the SRV application.

It is anticipated Council will apply for an increase of 4% above the rate peg (estimated at 3%) each year for the next 4 years. Based on the estimated rate peg of 3% per annum, this equates to a total increase of 7% per annum for the next 4 years.

To avoid any confusion in completing the survey Council wishes to advise the reference in the Survey to the proposed Aquatic Centre at Grenfell relates to the upgrade of the Grenfell Swimming Pool and it is not in relation to Bogolong Dam.

Further information is available from Council's website [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au) and the survey is available at the Council Chambers or online at: [www.surveymonkey.com/s/WeddinSurvey](http://www.surveymonkey.com/s/WeddinSurvey).

The closing date for the survey is this Friday, 5 December 2014.

### **COUNCIL NEWS – 17 DECEMBER 2014**

The Special Rate Variation (SRV) application is continuing with a community information session to be held from 9.30am – 12.00pm this Friday 19 December, 2014 at the Grenfell Community Hub.

Council's external consultant assisting with the process Mr Stephen Sykes will be in attendance together with Council's staff who will all be interacting with residents and discussing the recent survey as well as receiving feedback in regard to the SRV application. The interaction will be 'one on one' to encourage broad community input on an informal basis.

The session will be an excellent opportunity for residents to have input into the SRV process and residents are encouraged to attend.

A second session on Thursday 5 February, 2015 is also currently being planned to afford residents a further opportunity to have input into the process.



## **COUNCIL NEWS – 4 FEBRUARY 2015**

In regard to the Special Rate Variation (SRV) application a second community information session is to be held from 9.30am – 12.00pm tomorrow, Thursday 5 February, 2015 at the Grenfell Community Hub.

Council's external consultant assisting with the process Mr Stephen Sykes will be in attendance together with Council's staff who will all be interacting with residents and discussing the recent survey as well as receiving feedback in regard to the SRV application. The interaction will be 'one on one' to encourage broad community input on an informal basis.

The session will be an excellent opportunity for residents to have further input into the SRV process and residents are encouraged to attend.

## **COUNCIL NEWS – 27 MAY 2015**

The Independent Pricing and Regulatory Tribunal (IPART) has approved a special rate variation application from Council to increase our income above the rate peg of 2.4% from 1st July, 2015.

A special rate variation under the Local Government Act 1993 (the Act) allows a Council to increase its general income by more than the rate peg.

Council has received approval from IPART for four (4) consecutive increases of 6.4% in 2015/2016 and 7% in each year from 2016/2017 to 2018/2019 which all include the rate peg. This will generate additional revenue which will assist Council in funding a new Grenfell Medical Centre and Grenfell Swimming Pool for our community. It is estimated that average residential rates across the Shire will increase by \$31 in 2015/2016, business rates by \$63, farmland rates by \$83 and mining rates by \$323.

Council has undertaken extensive consultation with the community over the past twelve (12) months in regard to the special rate variation and was able to demonstrate strong support for the two (2) capital projects which will certainly enhance the economic and social fabric of our community.

It has been previously illustrated that Weddin Shire rates have been historically much lower than surrounding Shires. If we are to remain financially sustainable or viable in the long term it was critical that we applied and gained approval for this special rate variation.

The decision to apply for a special rate variation clearly demonstrates that Council is serious about our long term financial sustainability and remaining as Weddin Shire Council in the long term.

Further information and access to the full report on Council's application is available on IPART's website [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

## **WEDDIN SHIRE COUNCIL**

### **COUNCIL NEWS - FIT FOR THE FUTURE**

#### **COUNCIL NEWS – 1 OCTOBER 2014**

Local Government NSW (LGNSW) has alerted Councils and the Community to some of the realities of the NSW Government's incentive package for local government reform, including the real value of the \$1 billion figure quoted by the Government.

President of Local Government NSW, Cr Keith Rhoades AFSM recently advised that \$600 million of the incentive package is based on Government estimates of Councils saving money over a ten-year period if they borrow money from the Government. In other words, if Councils do not borrow money from the 'yet to be established' State Funding Authority, they miss out on these intangible savings. On the other hand, if they do borrow, the Government is likely to make a dividend from that. Either way, not one cent of the \$600m will come from the Government.

For Councils to see any 'real' incentives, we will need to prepare a proposal based on the Government's banner 'Fit for the Future' of which a key measure, and one that Councils will be judged against, is 'scale and capacity'. More detail is required in regards to how that is to be measured.

Mr Rhodes also advised that while there are many aspects of this reform package that Councils agree with, the NSW Local Government sector also universally opposed the recommendation in the final report of the Independent Local Government Review Panel regarding Rural Councils. This recommendation effectively proposes that Councils such as Weddin Shire will have their responsibilities and regulatory powers stripped back. They will continue to oppose the Government on this issue should they persist in this paring back of Rural Councils with Cr Rhoades advising that rural communities deserve the same level and quality of Council services as their city counterparts.

The support from LGNSW is excellent and further support will be required in the process of submitting our proposal by 30 June 2015.

As previously advised there will be an opportunity to hear more about the 'Fit for the Future' proposal at a series of upcoming workshops.

#### **COUNCIL NEWS – 15 OCTOBER 2014**

The October 2014 Council meeting saw some excellent discussion take place in regards to Councils future direction in regards to our 'Fit for the Future' proposal to be submitted to the State Government by 30 June 2015.

The key recommendations emanating from the NSW Independent Local Government Review Panels Final Report is that Council be a Rural Council in the proposed Central West Joint Organisation (JO) or merge with Forbes or Cowra. Even with the proposed incentives neither of these two options appear desirable from Councils perspective as the short term gain will be quickly eroded by the long term pain in the loss of jobs, services and Council's identity.

Council subsequently resolved to continue to vehemently reject amalgamations, reject the proposed incentives and further investigate Rural Councils. As Council opposed, rejected and resolved to

further investigate the above proposals we have to develop an alternative solution and direction to formulate our “Fit for the Future” proposal to be submitted by 30 June 2015.

In this regard Council has previously put forward a submission to the Minister for Local Government which incorporated a solution to develop Regional Alliance of Councils (RAC’s). However, since then it has become apparent that the (RAC’s) proposal was not a viable option as the areas proposed were not considered large enough.

As a more viable option Centroc are currently preparing a submission to express an interest to be a pilot Regional Joint Organisation of Councils (JOC) and are seeking Councils concurrence to be part of the proposed (JOC).

After considering the panel’s recommendations and Centroc’s proposal Council resolved that we would:

- continue to vehemently reject amalgamations;
- further investigate Rural Councils and a report be submitted back to Council;
- reject the State Governments incentives;
- advise both Centroc and the Office of Local Government of its concurrence to be part of a Pilot Joint Organisation of Councils (a Pilot) as mooted in the ‘Fit for the Future’ Joint Organisations a Roadmap for Intergovernmental Collaboration in NSW; using the existing resources of Centroc seeking State funding as required;
- propose that the Pilot work as best as practicable within Centroc policy; and
- agree to be part of the pilot programme on the proviso that Weddin Shire Council’s autonomy is maintained during the process and there is no change to representation numbers.

Council is currently awaiting the ‘Fit for the Future’ template which will be used to prepare Councils proposal which will be assessed by an independent panel who will then report to the State Government.

## **COUNCIL NEWS – 5 NOVEMBER 2014**

The big news of the week is that the Hon Katrina Hodgkinson MP has arranged for the Minister for Local Government the Hon Paul Toole MP to attend a meeting in Grenfell this Friday 7 November, 2014 at the Grenfell Bowling Club to discuss the ‘Fit for the Future’ proposal.

Katrina advised that it is important that we have access to as much information as possible during this vital stage of assessing our response and formulating our submission to the ‘Fit for the Future’ proposal.

Attendance at the meeting is by invitation only and Council will be represented by the Mayor, various Councillors and staff.

The meeting will afford Minister Toole the opportunity to discuss with Council representatives his vision for the future of Local Government in rural areas and it will be a good opportunity for Council representatives to have the ear of the Minister for Local Government in order to openly discuss any issues of concern with him.

One of the key recommendations emanating from the NSW Local Government Review Panels final report is that Council become a Rural Council in the proposed Central West Regional Joint Organisation (JO).

The NSW Government in announcing their 'Fit for the Future' program acknowledged that one size does not fit all for regional communities and in this regard have made a commitment to work with Councils to develop this new Rural Council structural model.

The Mayor and myself are attending a workshop in Dubbo today to assist the Government in developing this model which may be an option in Councils 'Fit for the Future' submission.

## **COUNCIL NEWS – 12 NOVEMBER 2014**

The meeting with the Minister for Local Government the Hon Paul Toole MP to discuss the 'Fit for the Future' proposal held at the Grenfell Bowling Club on Friday 7 November, 2014 went very well with approximately 30-40 people attending.

Attendees travelled from Council's such as Young, Temora, Forbes, Coolamon, Boorowa and Junee to hear Minister Toole outline his vision for the future of Local Government and the \$1 billion 'Fit for the Future' proposal. The Minister advised that there is genuine commitment from the Government to work together with Councils to initiate the reforms required to make Councils stronger and 'Fit for the Future'.

Minister Toole advised that the 'Fit for the Future' tools, templates and guidance material have been released to assist Councils in preparing their 'Fit for the Future' proposals.

Council will initially have to conduct a self-assessment in regards to being 'Fit for the Future' in terms of scale and capacity. If we are deemed to be 'fit' then we have to then outline how we will satisfy the other 'Fit for the Future' criteria of Financial Sustainability, Asset and Infrastructure Management and Service Provision.

If the outcome of the self-assessment is that Council is deemed not to have the scale and capacity to become 'Fit for the Future' then Council has to investigate other options to become 'Fit for the Future' being a Council merger proposal or a Rural Council proposal.

As Council has previously vehemently rejected amalgamations the only option that would then be available to Council is the Rural Council Model. Council's Mayor Mark Liebich and myself attended a workshop in Dubbo on Wednesday 5 November, 2014 to assist the Division of Local Government develop this model.

The model proposed at the Dubbo workshop was that Councils like Weddin Shire would essentially stay as we are in the Central West Regional Joint Organisation (JO) (Council meetings and Councillor numbers to be determined) with reduced red tape, regulations and reporting requirements. This would help us retain our identity, jobs, representation and services as well as maintain the social fabric of our community. This proposal will need to be further developed by the Division of Local Government and submitted to the Minister for his approval.

The Rural Council template is expected to be developed by the end of December 2014 which by then we should have undertaken our 'Fit for the Future' self-assessment and be in a position to make a decision on the direction our 'Fit for the Future' proposal will take which is to be submitted by 30 June, 2015.

## **COUNCIL NEWS - 19 NOVEMBER 2014**

The Minister for Local Government the Hon Paul Toole MP has recently advised that Centroc's Expression of Interest (EOI) to be a pilot Joint Organisation (JO) made on behalf of Councils in the Central West region has been successful which is great news.

Joint Organisations (JOs) will enable Councils to work together more effectively within their regions, as well as transforming the way state and local government collaborate on key community priorities that cut across traditional boundaries such as planning and infrastructure.

Given the importance of this initiative, the Minister advised the NSW Government is committed to working closely with and supporting the pilot to ensure the Joint Organisations are designed and developed in such a way to best meet the needs of our communities.

The five groups of Councils that will pilot Joint Organisations throughout 2015 are the Central West, Hunter, Illawarra, Namoi and Riverina regions. All Councils outside of Greater Sydney will be a member of a Joint Organisation from September 2016.

As advised last week Council will initially have to undertake a self assessment in regards to being 'Fit for the Future'. Depending on the outcome of this assessment it appears the options for Council are to remain as we are or become a Rural Council in the Central West Regional Joint Organisation (JO).

## **COUNCIL NEWS - 11 FEBRUARY 2015**

As residents are aware Council has to submit a "Fit for the Future" proposal to the Division of Local Government by the 30 June 2015.

As Council has previously vehemently opposed amalgamations the two options available to Council appear to be:-

- Council improvement programme (existing structure)
- Rural Council proposal (final template now released)

To assist Council to determine the direction our "Fit for the Future" proposal will take a workshop has been organised for 9.00 am Wednesday, 18 February 2015 at the Council Chambers. Mr Glenn Inglis who was a member of the Local Government Independent Review Panel who wrote the final report will be in attendance together with Mr Stephen Sykes. The workshop will allow the options available to Council to be fully explained as well as affording Councillors the opportunity to be able to ask questions and seek clarification on any issues or concerns they may have.

The Division of Local Government also released the outcomes report from a Rural Council Workshop held in Dubbo on the 3 December 2014 and requested a response. A response was submitted on behalf of Council by Mr Stephen Sykes. It was critical that Council forwarded this submission as it not only allowed Council input into the template, it also demonstrated that there is interest in the Rural Council Model.

To also assist Council to prepare its "Fit for the Future" proposal, Local Government NSW (LGNSW) and the Division of Local Government are also conducting various workshops in the near future which should assist in the process.

The attendance at these workshops will be critical particularly in assisting Council make a final determination in regards to the direction our “Fit for the Future” proposal will take as well as assisting in the submission of our proposal.

## **COUNCIL NEWS - 25 FEBRUARY 2015**

The workshop with Mr Glenn Inglis and Mr Stephen Sykes held on Wednesday 18 February, 2015 to assist Council to determine the direction our “Fit for the Future” proposal will take was excellent.

As previously advised Council has previously vehemently opposed amalgamations and the two options available to Council appear to be:-

- Council improvement programme (existing structure)
- Rural Council proposal

The Council improvement program requires Councils to consider if they meet key elements in regards to the following criteria:

- Scale and Capacity
- Sustainability
- Infrastructure and Service Management
- Efficiency

Scale and Capacity is a key criteria that Councils need to demonstrate they have in terms of having a robust revenue base, ability to employ skilled staff, advanced skills in asset management, strategic planning and having the resources to cope with complex and unexpected change.

This option appears to be more suited to larger Councils such as Bathurst, Orange, Wagga and Parkes. If Council chose this option and we were not able to meet the “Fit for the Future” criteria then the only option available to Council would be amalgamations and as previously stated Council vehemently opposes amalgamations. Therefore, in the end the only option available to Council was the Rural Council proposal. The characteristics of a Rural Council are detailed below:

- Long distance to a major regional centre
- High operating costs associated with dispersed population
- Challenges in financial sustainability and service provision
- Local economies that are based on agriculture
- Limited options for mergers
- High importance of retaining local identity
- Low rate base and high grant reliance
- Difficulty in attracting and retaining skilled staff
- Small and static or declining population spread over a large area.

Council appears to have all the characteristics of a Rural Council as listed above. In this regard Council resolved at its February 2015 meeting that Council complete the Rural Council proposal Template 3 in our “Fit for the Future” submission.

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The Local Government Review Panel in their final report identified 11 Councils including Weddin as being potential Rural Councils.

While there is not an exact definition of a Rural Council there are various options which the eleven Councils may initiate as a Rural Council if they are deemed to be appropriate to their Council and these are detailed below:



- Resource Sharing
- Shared Administration
- Specialty Services
- Streamlined Governance
- Streamlined planning, reporting and regulation
- Service review

Proposals do not need to be limited to these options and it is quite possible that Weddin Shire (who would be operating as part of the Central West Joint Organisation (JO)) could also liaise with the other 10 rural Councils outside of the JO where there are common issues and efficiencies and savings can be made. It is planned to organise a meeting with the other Councils who intend to pursue this option.

As Council has now determined our direction in regards to our 'Fit for the Future' proposal there will be discussions with the community and staff in regards to our options between now and the 30th June, 2015 when our "Fit for the Future" proposal is due.

Every one of the 152 Councils in NSW will be required to submit a "Fit for the Future" proposal by 30th June 2015.

Once the proposals are received they will be referred to an independent review panel to assess whether or not the particular Council is deemed to be "Fit for the Future".

The Government recognises that becoming "Fit for the Future" (FFTF) will mean different things for different Councils. However, one thing that is abundantly clear is that every Council will need to be able to demonstrate that looking to the future:

- It will have the scale and capacity to engage effectively across community, industry and government
- It will effectively manage infrastructure and service provision
- It will be sustainable
- It will be efficient

The Rural Council concept potentially offers Weddin Shire a way to maintain our identity and meet these four key criteria and provide effective, fit-for-purpose local government over decades to come.

It will be imperative that we submit the best possible proposal to assist us to remain as Weddin Shire Council in the long term.

### **COUNCIL NEWS - 4 MARCH 2015**

In regard to Local Government Reform and the Rural Council Model there will be an open discussion day held during April and other opportunities such as online engagement for the public to have input into the various options available to Council as outlined last week and listed below:

- Resource Sharing
- Shared Administration
- Specialty Services
- Streamlined Governance
- Streamlined planning, reporting and regulation
- Service review

To become “Fit for the Future” Council will have to be able to demonstrate that it is able to meet key elements in regards to the following criteria:

- Scale and Capacity
- Sustainability
- Infrastructure and Service Management
- Efficiency

For example in regards to sustainability Council will need to demonstrate that it will be able to reduce costs to assist in making an operating surplus and become financially sustainable to the point where we can demonstrate a position of ongoing robustness. The option of streamlined governance will be explored together with other options as a way to reduce costs which will include investigating the number of Councillors and Council Meetings. This will be crucial in demonstrating genuine commitment to the Rural Council model. The Rural Council model will require community engagement and in this regard it is proposed to flag these options for governance changes in the near future to obtain a better view of community attitudes. Similarly, Council staff will also be consulted in regards to the options of shared administration and specialty services before a decision is made in regards to these options. This will include discussions on roles that might add greater strength and capacity to regional services.

Council will be working with Mr Stephen Sykes who has developed an action plan to ensure we are able to submit our “Fit for the Future” submission by 30th June, 2015.

## **COUNCIL NEWS - 25 MARCH 2015**

Local Government NSW (LGNSW) conducted a ‘Fit for the Future’ – Rural Council Bootcamp in Sydney on the 12 – 13 March 2015 and Council was represented by the Mayor and myself.

While the Rural Council template No. 3 has been released the actual definition of what a Rural Council is has not been defined. However, the Local Government Independent Review Panel recommended that a new structural approach be explored which maintains the identity of the community and reduces costs through various options one of which is shared resources. While the Rural Council model not being defined is not ideal, it does give us flexibility and the opportunity to determine our own destiny in submitting our ‘Fit for the Future’ proposal.

Attendees at the bootcamp were addressed by various speakers on different topics as follows:-

- Sarah Artist – overview of templates.
- Martin Bass – rural council characteristics ie low rate bases
- Dennis Banicevic – financial sustainability – reviewed ratios and key strategies for improving financial performance against the benchmarks.
- Melissa Gibbs – Rural Sustainability Project, Victoria – explained how 38 rural Victoria Councils are working together to obtain scale and capacity, service and infrastructure management, efficiencies and long term financial sustainability.
- Martin Bass – developing improvement action plans to improve our ‘fitness’ ie resource sharing, streamlined governance and reporting.

The workshop proved to be very worthwhile in allowing us to consider the various options available in submitting our ‘Fit for the Future’ proposal. In submitting our proposal we will have to demonstrate that we plan to improve our performance against the benchmarks within a reasonable time period, align our strategies and actions with the next cycle of Integrated Planning and



Reporting (IPR) over the 2016 – 2020 timeframe and engage with the community and staff in regards to our proposed options.

The engagement with the community and staff will occur during April/May to allow us to submit our 'Fit for the Future' submission by 30th June, 2015.

### **COUNCIL NEWS - 22 APRIL 2015**

The preparation of Council's 'Fit for the Future' submission, Rural Council proposal – Template 3 is continuing with a community information session to be held next Monday, 27 April 2015 at the Grenfell Community Hub. Please see the adjacent advertisement for further details. Other opportunities such as online engagement for the public to have input into the various options available to Council has also be arranged with feedback being received.

A critical component of being 'Fit for the Future' is being able to demonstrate that we can manage our assets in an efficient and cost effective manner to provide quality services to our ratepayers. An Assets Workshop was held on Wednesday, 8 April 2015 and enabled us to have a critical look at how we manage our assets as well as undertaking a review of our Financial Assets. The various options available to Council in regards to managing our assets in terms of levels of service were also considered and will be discussed at the community information session. Residents will be able to provide feedback at the session as well as online [www.facebook.com/weddinshire](http://www.facebook.com/weddinshire)

An action plan has also been developed to ensure we are able to submit our 'Fit for the Future' submission by 30th June, 2015.

### **COUNCIL NEWS - 29 APRIL 2015**

The preparation of Council's 'Fit for the Future' submission, Rural Council proposal – Template 3 is continuing, with a community information session held last Monday 27 April 2015 at the Grenfell Community Hub.

A Rural Council 'Options for Working Together' paper has been placed on Council's website which outlines key issues and provides an approach for Rural Councils to respond and meet the 'Fit for the Future' criteria. Key issues being canvassed include a proposed variation to the rates, types and levels of service delivery, level of community involvement, governance including lowering the number of councillors and reduced formal meetings, and a greater emphasis on strategic planning.

Online engagement for the public to have input into the key issues and various options available to Council has also been arranged with feedback being received. Council has developed a Facebook page to provide information to the community and seek feedback on Council's Rural Council proposal.

As well as engaging the community in regards to the Rural Council option, there are also a number of messages or 'bites' from Council's Mayor, Cr Mark Liebich, explaining Council's position on the future role that Council may play in the community. Residents are encouraged to visit the website and make comments on the issues presented.

In particular, comments are being sought on Council's resolve to remain as an independent Council which will ensure we retain our local identity, services and jobs. If we are to remain independent as a Rural Council it is imperative that we embrace change, improve our asset management systems,

improve efficiencies in service delivery as well as ensuring we are financially sustainable in the long term.

The Facebook link is [www.facebook.com/weddinshire](https://www.facebook.com/weddinshire) and there is a Q&A factsheet as well as the Options paper mentioned above available on Council's website: [www.weddin.nsw.gov.au](http://www.weddin.nsw.gov.au)

## **COUNCIL NEWS - 6 MAY 2015**

Some very positive on-line comments are being received by Council on its Facebook page specifically established for our 'Fit for the Future' submission.

Residents appear very pleased that Council is pursuing the Rural Council option in regards to our future direction which will ensure we maintain our identity, services and jobs.

As previously advised, a Rural Council 'Options for Working Together' paper has been placed on Council's website which outlines key issues and provides an approach for Rural Councils to respond and meet the 'Fit for the Future' criteria. Key issues being canvassed include a proposed variation to the rates, types and levels of service delivery, level of community involvement, governance including lowering the number of councillors and reduced formal meetings, and a greater emphasis on strategic planning.

The messages or 'bites' from Council's Mayor, Cr Mark Liebich, explaining Council's position on the future role that Council may play in the community are also being very well received as they explain Council's current position and future direction in a clear and concise manner.

Residents are encouraged to visit the websites and make comments on the issues presented.

The Facebook link is [www.facebook.com/weddinshire](http://www.facebook.com/weddinshire) and there is a Q&A factsheet as well as the Options paper mentioned above available on Council's website: [www.weddin.nsw.gov.au](http://www.weddin.nsw.gov.au)

## **COUNCIL NEWS - 3 JUNE 2015**

Council's 'Fit for the Future' Rural Council – Template 3 submission is also continuing with Council's draft proposal nearing completion.

A draft 'Fit for the Future' Proposal Discussion Paper has been developed and has been placed on public exhibition for 28 days. The discussion paper is available at [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au) and comments will be received up until Friday 19 June, 2015.

The Independent Pricing and Regulatory Tribunal (IPART), who will be reviewing all of the 152 Local Government 'Fit for the Future' submissions with the support of South Australian Local Government expert Mr John Comrie, have requested feedback on their draft methodology. A response from Council was prepared and submitted to IPART.

A Councillor Workshop will be conducted mid-June to finalise Council's draft 'Fit for the Future' submission prior to it being submitted to the June Council Meeting for formal adoption. Council's proposal will then be submitted by 30 June 2015.

If we are to remain independent as a Rural Council it is imperative that in our submission due 30 June, 2015 we can demonstrate how we will in the future be 'Fit for the Future'. Our submission needs to detail how we will obtain scale and capacity, improve our asset management systems, improve efficiencies in service delivery as well as demonstrating how we will become financially sustainable in the long term.

## **COUNCIL NEWS - 27 MAY 2015**

Council's 'Fit for the Future' Rural Council – Template 3 submission is continuing with Council's draft proposal nearing completion.

It was planned to place Council's draft Rural Council Proposal – Template 3 on public exhibition for 28 days for comment and then have it re-submitted to the June 2015 Council meeting for formal adoption.

As the Independent Pricing and Regulatory Tribunal's (IPART's) methodology will not be finalised until 1 June 2015 we are unable to complete Template 3 at this stage. However, a draft 'Fit for the Future'

Proposal Discussion Paper has been developed and has been placed on Council's website for information and comment.

The discussion paper is available at [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au) and comments will be received up until Friday 19 June, 2015.

## **COUNCIL NEWS - 24 JUNE 2015**

The preparation of Council's 'Fit for the Future' submission, Rural Council proposal – Template 3 is continuing, and will be submitted by next Tuesday 30 June, 2015.

A further Councillor Workshop will be conducted at 3.00 pm tomorrow to finalise Council's draft 'Fit for the Future' submission prior to it being submitted to the June Council Meeting for formal adoption. Council's proposal will then be submitted.

As residents are aware the Minister for Local Government the Hon Paul Toole MP has announced that the Independent Pricing and Regulatory Tribunal (IPART) supported by South Australian Local Government expert Mr John Comrie will review all of the 152 Local Government 'Fit for the Future' submissions.

IPART's final methodology has been determined and essentially we will have to demonstrate the following in our submission:-


- Ensure we have the characteristics of a Rural Council.
- Ensure we have a plan in place to become 'Fit for the Future' over the next 3 – 4 years.
- Ensure we can obtain future targets for our ratio's.
- Ensure in the next 3 - 4 years we can meet the 'Fit for the Future' criteria of:
  - Scale and Capacity
  - Efficiency
  - Asset/Financial Management
  - Service Delivery

In completing the Rural Council Proposal - Template 3 our submission will have to demonstrate that all the recommendations for Weddin Shire from the ILGRP's final report including proposed amalgamations have been properly assessed before being ruled out. In this regard meetings were held with Forbes and Cowra Shire Councils to discuss Local Government Reform with both Councils advising they wish to stand alone as independent Councils in the future.



If we are to remain independent as a Rural Council it is imperative that in our submission we can demonstrate how we will in the future be 'Fit for the Future' and obtain scale and capacity, improve our asset management systems, improve efficiencies in service delivery as well as demonstrating how we will become financially sustainable in the long term.

## SAMPLE OF THE COUNCIL NEWS



# WEDDIN SHIRE COUNCIL

**CAMP STREET, GRENELL NSW 2810**  
FAX: 6343 1203 PHONE: 6343 1212

WEBSITE:  
[www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au)

**The Independent Pricing and Regulatory Tribunal (IPART)**  
has approved a special rate variation application from Council to increase our income above the rate peg of 2.4% from 1st July, 2015.

A special rate variation under the Local Government Act 1993 (the Act) allows a Council to increase its general income by more than the rate peg.

Council has received approval from IPART for four (4) consecutive increases of 6.4% in 2015/2016 and 7% in each year from 2016/2017 to 2018/2019 which all include the rate peg.

This will generate additional revenue which will assist Council in funding a new Grenfell Medical Centre and Grenfell Swimming Pool for our community. It is estimated that average residential rates across the Shire will increase by \$31 in 2015/2016, business rates by \$63, farmland rates by \$83 and mining rates by \$323.

Council has undertaken extensive consultation with the community over the past twelve (12) months in regard to the special rate variation and was able to demonstrate strong support for the two (2) capital projects which will certainly enhance the economic and social fabric of our community.

It has been previously illustrated that Weddin Shire rates have been historically much lower than surrounding Shires. If we are to remain financially sustainable or viable in the long term it was critical that we applied and gained approval for this special rate variation.

The decision to apply for a special rate variation clearly demonstrates that Council is serious about our long term financial sustainability and remaining as Weddin Shire Council in the long term.

Further information and access to the full report on Council's application is available on IPART's website [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

Council has recently been advised that its application for funding for the construction of the Grenfell Medical Centre under Round One of the National Stronger Regions Fund (NSRF) was unsuccessful which is very disappointing.

Round One of the (NSRF) was heavily subscribed with 405 applications received by the Department, requesting approximately \$1.21 billion in grant funding. Unfortunately, Council's proposed Grenfell Medical Centre project was not selected for funding.

Council has requested feedback from the Department on our (NSRF) application.

Consequently, the options in regards to the construction of the Grenfell Medical Centre available to Council were:

- Grant funding application be re-submitted for the Medical Centre under (NSRF) Round Two; or
- Council's funds be utilised to construct the Grenfell Medical Centre to enable the project to proceed.

The options were considered by Council at its May 2015 Council Meeting whereby Council resolved to commence the process to construct the Grenfell Medical Centre with funding to be sourced from Council's internal reserves.

If the grant funding application was re-submitted it would have taken a long time for Council to be advised of the outcome. As the grants are not retrospective the project could not commence until we were notified of the grant funding application outcome.

The construction of the Grenfell Medical Centre is rated very highly in our strategic planning documents and it is critical in ensuring we are able to attract and retain medical professionals.

In this regard Council resolved to proceed with the project which is very exciting. It is anticipated the new Medical Centre project will commence mid-June, 2015 and bring many benefits to the residents of the Weddin Shire.

In another significant development Council at its May 2015 meeting also resolved to undertake Stage 1 of the new Grenfell Swimming Pool project. It is envisaged the project will be undertaken in three stages over three years with Stage 1 incorporating the construction of the 50m pool, concourse and associated plant.

It is anticipated that tenders will be called in September 2015 with the aim of commencing Stage 1 of the project in March 2016.

Council's 'Fit for the Future' Rural Council – Template 3 submission is continuing with Council's draft proposal nearing completion.

It was planned to place Council's draft Rural Council Proposal – Template 3 on public exhibition for 28 days for comment and then have it re-submitted to the June 2015 Council meeting for formal adoption.

As the Independent Pricing and Regulatory Tribunal's (IPART's) methodology will not be finalised until 1 June 2015 we are unable to complete Template 3 at this stage. However, a draft 'Fit for the Future' Proposal Discussion Paper has been developed and has been placed on Council's website for information and comment.

The discussion paper is available at [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au) and comments will be received up until Friday 19 June, 2015.

Federal Member for Hume, the Hon Angus Taylor MP has advised that a new funding programme has been introduced offering not-for-profit organisations up to \$20,000 for worthy local projects which is excellent news.

As announced in the Federal Budget, the Coalition Government's new Stronger Communities Programme will provide \$45 million over two years to fund small capital projects in local communities.

Mr Taylor has advised Hume will receive funding of \$150,000 per year over two years, to support projects that deliver significant social benefits. Between \$1,000 and \$20,000 will be made available to reputable, not-for-profit organisations. Mr Taylor will be consulting widely to identify high-priority projects in Hume.

While details about applications are not yet available, local groups are encouraged to start thinking about capital projects they could put forward under the Stronger Communities Programme. Guidelines will be available shortly on the Department of Infrastructure and Regional Development website [www.infrastructure.gov.au](http://www.infrastructure.gov.au)

A reminder the Mobile BroadScreen NSW van is currently in Grenfell and will be here until Wednesday 17th June, 2015.

The Mobile Screening van is located at Vaughn Park and is open 9:00am to 4:00pm Monday – Friday. To make an appointment call 13 20 50.

The Art Gallery's next exhibition will be the Henry Lawson Festival Art Exhibition, commencing on Thursday 4th June, 2015. The exhibition will be open for public display throughout the June long weekend festivities up until 2:00 pm on Monday 8th June, 2015.

The next movie at the Grenfell Cinema will be screened after the Henry Lawson Festival.

The "Grenfell Remembers" rare film night was very successful and further consideration is currently being given to show the rare film again if there is enough interest.

For further information please contact Di Donohue on Ph 6343 2059.

- Asset Management Strategy
- Asset Management Plans for
  - Drainage
  - Parks and Gardens
  - Sewer
  - Building
  - Roads and Transport
  - Waste
  - Plant and Equipment
- Workforce Management Plan
- Long Term Financial Management Plan

Copies of the draft Resourcing Strategy components are available for public inspection at the Council Chambers, or they are also available on Council's website [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au)

Written submissions are invited and will be accepted up until 4:00 pm on Friday 19 June 2015, for consideration at the Council Meeting on 25 June 2015.

**DRAFT LOCAL PREFERENCE POLICY**

Weddin Shire Council at its Ordinary meeting held 21 May 2015 adopted to place the Draft Local Preference Policy on exhibition. This policy is committed to supporting the local economy and enhancing the capabilities of local business and industry.

This policy supports Council's commitment to achieve the best value for money outcome to Council and community.

This policy is on public exhibition and submissions can be made until 4:00 pm on Wednesday 17 June 2015 and can be viewed at Council or on the website [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au)

**DRAFT POLICY FOR PROCUREMENT**

Weddin Shire Council at its Ordinary meeting held 21 May 2015 adopted to place the Draft Policy for Procurement on exhibition. This policy is committed to ensuring a fair, transparent and accountable process in the purchase of goods and contracting of services.

A probity plan is inherent in this policy for ensuring overall fairness and integrity in the procurement of materials, equipment and services for Council and the disposal of assets.

This policy is on public exhibition and submissions can be made until 4:00 pm on Wednesday 17 June 2015 and can be viewed at Council or on the website [www.weddin.local-e.nsw.gov.au](http://www.weddin.local-e.nsw.gov.au)

**STREET SWEEPING – GRENELL**

Residents are advised that Weddin Shire Council will be sweeping Grenfell Streets on Monday 1st June 2015, until Friday 5th June 2015. Council apologises for any inconvenience.

**TEMPORARY STREET CLOSURES- HENRY LAWSON FESTIVAL**

Notice is hereby given of street closures between:

- 6.30 am and 5.30 pm on Saturday 6 June 2015 **Burrangong Street** from Camp to Main Street, **Main Street** from Burrangong Street to Rygate Square, **Short Street** from Melyra Street to Burrangong Street, **George Street** from Forbes Street to Short Street, **George Street** from Dalton Street to Grafton Street and **Forbes Street** from Camp Street to George Street.
- 8.00 am to 5.00 pm on Saturday 6 June 2015 **Camp Street (SH6)** from Weddin Street to Grafton Street (parking only), **Grafton Street (SH6)** from Camp Street to Brundah Street, **East Street** from Camp Street to Melyra Street, **Melyra Street** from Cross Street to East Street, **Camp Street** from Tyagong Street to Rygate Square, **George Street** from Dalton Street to Rygate Square and **West Street** north of Young Street to Camp Street.

**Note: the Mid Western Highway will be closed between Weddin Street and Brundah Street (detour will be available).**

- 8.30 am to 5.00 pm on Sunday 7 June 2015 **Main Street** from Forbes Street to Rygate Square for Henry Lawson Festival Street activities.
- 8.30 am to 10.00 am Sunday 7 June 2015 a childrens bicycle ride will take place in the block described by **Wood Street, South Street, West Street and Camp Street** in an anticlockwise direction with the start/finish being at the Railway Station. No roads will be blocked but marshalls will be in attendance.
- 9.30 am to 1.00 pm Sunday 7 June 2015 a cycle ride will take place starting at the Railway Station travelling along **West Street, Camp Street, Mary Gilmore Way to Bimbi**. The ride will turn into **Grenfell Street, Caldwell Street and Young Street** and onto **Mary Gilmore Way** and return to **Grenfell** by the same route. A shorter cycle course will travel the same route as far as Dicks Bridge. Moving escorts will be in attendance.

Dedicated car parking for the Festival on Saturday 6 June 2015 will be available in Camp Street from Weddin Street to Wood Street. Access will be via Weddin Street and Forbes Street. Camp Street will be closed at Wood Street.

The existing taxi rank in Main Street will be temporarily relocated into Forbes Street (east side) just south of Main Street on Saturday 6 June 2015.

This notice is authorised under the provisions of Section 22 of the Roads Act 1993.

All Authorisations in this notice are approved by  
**GLENN CARROLL - GENERAL MANAGER**

The Grenfell Record, Wednesday, May 27, 2015. 3.



## NEWSPAPER ARTICLE - LETTER TO THE EDITOR – 20 MARCH 2015

**Spannerman**  
YOUR ONE-STOP MOTORING SHOP

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Drop in and see Chris at  
43 Camp St or call on 6343 2212

Friday, March 20, 2015

# The Grenfell Record

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**INSIDE TODAY**

■ Anzac Centenary - Page 2 ■ Weddin Whispers - Page 3 ■ Festival Focus - Page 5 ■ Record Sport - Pages 11 and 12



The Aeromedical Retrieval Helicopter from Orange arrives at Lawson oval on Friday February 27.



Emergency Department personnel work together to ensure the best possible treatment for patients. Pictured here are officers from NSW Ambulance Dept, NSW Police Dept and NSW Aeromedical Retrieval Helicopter.



Just four days later the Aeromedical Retrieval Helicopter is again called to Grenfell for an Emergency transfer.

**WEATHER**

**TODAY** - Mostly Sunny. Temperatures 18-29.  
**SATURDAY** - Sunny. Temperatures 12-28.  
**SUNDAY** - Mostly Sunny. Temperatures 12-28.  
**MONDAY** - Possible Shower. Temperatures 14-31.

**Corra Waste Water Management Service**  
\* Septic tank cleaning \* Port-A-Loo Hire  
**0434 946 947**

**WIN WIN WIN!**

**Mum a GOLD COAST Holiday this Mothers Day**  
with the Grenfell Record's **BIGGEST EVER MOTHERS DAY PROMOTION!**

**Prize includes:**

- Four nights accommodation at Surfers Tridewinds Luxury Resort
- Vouchers to Broadwater Canal Cruises, Currumbin Wildlife Sanctuary, Draculas Cabaret and Bluewater Cruises.

Drawn Monday May 4, 2015.  
Simply shop at any participating business to enter.  
(List of businesses to be advised)

## If in doubt call triple zero 000

Grenfell Ambulance personnel are welcoming new measures of technology that have recently been implemented to make the task of saving lives even more efficient.

Ambulance personnel now have the ability to administer more varieties of medication for a larger range of conditions. NSW Ambulance Paramedics are constantly updating their skills through regular training courses to allow them to keep up with changing technology.

Grenfell personnel are equipped with a new heart monitoring machine that, in the event of acute heart attack, sends the diagnosis straight through to a cardiologist (heart specialist), who then immediately advises them on what medications to administer and whether to transport the patient to the nearest hospital, another larger hospital or to transport the patient directly to meet the Aeromedical Retrieval Helicopter that will be

dispatched if necessary.

Each case is individually assessed/triaged by the Ambulance officers who then decide the correct medical treatment required for that particular patient.

When calling triple zero many people can become frustrated by the myriad of questions being asked by the operator.

The Ambulance call-takers also assess each call individually and in most cases the dispatcher will respond an ambulance immediately whilst the call-taker remains on the phone, depending on the circumstances.

Ambulance officers would like to remind people to remain patient when answering the call-takers questions as this information could be vital in treating patients and saving lives and locating you quickly.

Another important reminder for residents is the importance of house numbering.

Ambulances are often delayed in

locating and treating patients because they are unable to locate the house when it does not have a visible house number.

Without house numbers, it is difficult for Ambulance (or any other Emergency Services) to locate you.

In many cases the house number may have been there for so long that it has either faded, fallen off or been obscured by trees, hedges or vines etc.

Sometimes houses are only identifiable by using the numbers on neighbouring houses, however if other houses in the street do not have visible numbers, then the problem is compounded.

Remember that your house number needs to be visible from the street at night.

The best place for most homes to have a house number displayed is on the mailbox, if you do not have a mailbox, the next place they will look is on or near the front door.

If the front door is not visible from the street, then put the number on the wall of the house closest to the street.

Another possibility is to paint the number on the gutter in the street. House numbers are available in a wide variety of sizes, designs and colours and are available at most hardware stores.

Most handymen can screw on a house number or paint it in the gutter in 5-10 minutes.

The first question you will be asked by the operator when calling an Ambulance is "What is the exact address of the emergency?"

Knowing that you live in the third house from the end with a blue roof might be helpful, but the correct house number, street name and suburb are the most important things.

Remember, the postman that has been delivering your mail for the past 10 years may know where you live, but Ambulance personnel do not.

Your house number is vital in being able to locate you quickly.

Some street names in small towns have also changed over the years, so remember to use the correct street name and not a nickname or local name, should your street have one.

Ambulance officers would also like to remind everyone that IF IN DOUBT CALL TRIPLE ZERO 000, as even a few minutes can make a difference in an emergency situation, and sometimes worrying about calling can cause stress and anxiety that can also be harmful.

Keep an eye out for our new column that will appear weekly in the Grenfell Record titled 'GRENFELL AMBULANCE TRIPLE ZERO 000'.

If you have any concerns or further questions/enquiries relating to the Grenfell Ambulance Station, call into the station in Main Street and see Station Officer Andrew Noble or contact NSW Ambulance on 02 9320 7777.

## SAVE OUR SHIRE

## A message to voters this Election day, March 28

Editor 18 April 2015  
Grenfell Record

Dear Madame

With the State election now only one week away, we the undersigned have been surprised that the future of local government has not aroused more attention in the electorate.

We believe that the Weddin Shire Council is held in high regard by local residents who have previously strongly objected to the threat of amalgamation. However if a determined State Government is to be held off, now is the time for our residents to again make their

viewpoint known.

What to do? One answer is for individuals to mount a strong campaign to question the major candidates for the new Cootamundra electorate and put them under pressure, before the election.

The Coalition ostensibly has a policy of "no forced amalgamations", but it is clear they are working behind the scenes to set local councils up for amalgamation by all means at their disposal. For example, they are squeezing them hard financially, then claiming the

councils are unviable. On another front, an early government report criticised councils (like Weddin) which had not borrowed, but then a later report was critical of how many millions were owed by councils. How can councils win in that sort of political climate?

Member for Burninjack the Hon Katrina Hodgkinson has represented people of the Weddin Shire for many years and has been a hard-working, cooperative local member. However she is now a Cabinet Minister which means she is bound by cabinet solidarity to support

whatever the government's position is on this matter (and others). So, if the Coalition and Katrina are re-elected and the government decides to forcibly amalgamate councils, her electorate is left with no-one to speak up for us against the government's agenda. This does not auger well for us. You can write to Katrina at: 133 Comur St Yass 2582 or email to: Charlie.Sheahan@nswlabor.org.au.

It is a pity that Weddin, like many other councils, has worked frugally, lived within its means and served its people well for decades,

but is now threatened with oblivion for no other reason than to make life easier for the State Government and its bureaucrats.

There will be few savings from amalgamations, only reduced expenditures. We urge people to speak up now if they believe this is important.

Yours faithfully  
(Doug Freudenstein, Sh Pres/ Mayor 1980-95) (Maurice Simpson, Mayor 1999-2012)  
(John Phillips, Town/Sh Clerk/GM 1963-95) (Trevor Lobb, GM 1995-2013)

## **EMAILS SENT TO CATEGORY C - RURAL COUNCILS**

The following emails were sent to Category C – Rural Councils which included Councils:- Bogan Shire Council, Carrathool Shire Council, Coolamon Shire Council, Coonamble Shire Council, Gilgandra Shire Council, Hay Shire Council, Lockhart Shire Council, Tumbarumba Shire Council; Wakool Council and Warren Shire Council.

Wednesday, 6 May 2015 - Rural Council Option – Template 3

### **Attachments**

- NSW Rural Councils Compact v2 5-5 15
- FFTF Rural Councils Opportunity Discussion Paper 15-4-15
- Rural Councils Option Paper 31-3-2015

Wednesday, 6 May 2015 - Additional Attachments to previous email

### **Attachments**

- FFTF Operating Performance Ration – Base, Option A & Option B
- FFTF Option A – Achievable Ratios
- FFT Option B – Visionary Ratios
- Guide – Example of how to complete 2 2 and 4 1 of Template 3
- Key Strategies – Actions Time Line & Info,
- SWOTE Graph FFTF 4-5-15
- Weddin Shire Regional Group Options Paper
- Weddin Survey Final Report V5 5-1-15

Tuesday, 12 May 2015 - IPART Draft Response to Methodology

### **Attachments**

- Response to the IPART Methodology Rural Councils Draft V1 Sykes 6-5-15

## Grace MT. Best

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**From:** Grace MT. Best  
**Sent:** Wednesday, 6 May 2015 3:03 PM  
**To:** Bogan Shire Council; Carrathool Shire Council; Coolamon Shire Council; Coonamble Shire Council; Gilgandra Shire Council; Hay Shire Council; Lockhart Shire Council; Tumbarumba Shire Council; Wakool Council; Warren Shire Council  
**Subject:** Rural Council Option - Template 3  
**Attachments:** NSW Rural Councils compact v2 5-5-15.docx; FFTF Rural Councils Opportunity Discussion Paper 15-4-15.pdf; Rural Councils Options Paper 31-3-2015 v4.pdf

Dear Sir

There has been some positive discussion among many of the Rural Councils (Group C) about the advantages of working together and identifying opportunities for collaboration. As a way of furthering this conversation Weddin has prepared a draft Compact that would indicate to the NSW State Government that the Rural Councils have a capacity to work together.

The strategic advantage in doing this goes beyond the compact itself. While the draft document is generic and really a statement of intent it flags the potential for a lobbying and advocacy force that can engage with Governments and in some cases the JO's to get a better deal and highlight the importance of the Rural Councils in sustaining the State and National economy.

Weddin Shire Council has been working with Stephen Sykes well regarded for his experience in cross organisation collaboration (formally Orange City Council and past Chair of Evocities, founder of Netwaste and Chair of the State Regional Waste Group [RENEWNSW] among other things) to assist in developing our response to the FFTF submission.

Please find attached a copy of a draft compact that incorporates issues that were raised at a meeting in Sydney last week at which a number of Rural Councils were present. Stephen has also spoken to a number of Rural Council General Managers. Some of these General Managers have passed on a draft discussion paper, issues paper and had initiated discussion with their Rural Council networks on a form of Rural Council collaboration - each of these documents have reflected various stages of the discussion on the FFTF response. It may be useful to look to consider an annual planning day.

I have included these documents as well as some new ones that you might find useful:

1. The compact - please provide feedback as to your interest in attaching this to you FFTF submission indicating a preparedness to explore a collaboration between the Rural Councils (C) by **15 May 2015** along with any suggested changes or comments. Clearly the more Councils that support this the more impact it will have.
2. A copy of a draft 'Rural Councils Opportunity Paper' setting out some questions and possible actions and responses Rural Councils might have in responding to the FFTF submission
3. A list of points that are crucial to Rural Councils that emerge in the IPART Draft Methodology which might form the basis of a submission - due 28 May 2015
4. A copy of a Community Survey Analysis Report undertaken in Weddin as part of community consultation designed to assist Council to better assess the levels of service and the impact on the Assets Management Plan and the LTFP.
5. Tables showing the current ratio position of our neighbours which is useful in assessing our comparative position, especially as Weddin is the only Rural Council in the Central West NSW JO.
6. Weddin is looking to submit two (2) LTFPs and ratios. One will show an achievable set of ratios the other a more visionary set based on a more challenging set of assumptions. I have attached these graphs demonstrating the Ratio impacts for each and the assumptions. This may be useful for others.



7. I have also attached a graph showing the SWOT analysis.

Council would welcome any feedback or comments by **1 June 2015**. Weddin has held a community open day and placed some short videos and sets of questions and answers on the Council face book page and website and encouraged community feedback.

Stephen Sykes will be in contact with you either today or tomorrow to discuss the Compact.

I am happy to discuss these matters further or feel free to contact Stephen Sykes by email on [sykespeerreview@gmail.com](mailto:sykespeerreview@gmail.com)

Yours faithfully

***Glenn Carroll***  
**GENERAL MANAGER**  
*Weddin Shire Council*

*PO Box 125*  
*GRENFELL NSW 2810*  
*Ph: (02)6343 1212*  
*Fax: (02)6343 1203*

## Grace MT. Best

---

**From:** Grace MT. Best  
**Sent:** Wednesday, 6 May 2015 3:21 PM  
**To:** Bogan Shire Council; Carrathool Shire Council; Coolamon Shire Council; Coonamble Shire Council; Gilgandra Shire Council; Hay Shire Council; Lockhart Shire Council; Tumbarumba Shire Council; Wakool Council; Warren Shire Council  
**Subject:** RE: Rural Council Option - Template 3  
**Attachments:** FFTF Operating Performance Ratio - Base, Option A & Option B.docx; FFTF Option A - Achievable Ratios.xlsx; FFTF Option B - Visionary Ratios.xlsx; Guide - Example of how to complete 2.2 and 4.1 of Template 3 (A419331).pdf; Key Strategies-Actions Time Line & Info.xlsx; SWOTE Graph FFTF 4-5-15.docx; Weddin Shire Regional Group Options Paper.docx; Weddin Survey Final report V5 5-1-15.pdf

Good afternoon,

Please find attached additional documents relating to the previous email.

Regards,

**Grace Best**  
General Manager's Secretary  
Weddin Shire Council

PO Box 125  
GRENFELL NSW 2810  
Ph: (02) 6343 1212  
Fax: (02) 6343 1203

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**Sent:** Wednesday, 6 May 2015 3:03 PM  
**To:** Bogan Shire Council; Carrathool Shire Council; Coolamon Shire Council; Coonamble Shire Council; Gilgandra Shire Council; Hay Shire Council; Lockhart Shire Council; Tumbarumba Shire Council; Wakool Council; Warren Shire Council  
**Subject:** Rural Council Option - Template 3

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Yours faithfully

**Glenn Carroll**  
**GENERAL MANAGER**  
*Weddin Shire Council*

*PO Box 125  
GRENFELL NSW 2810  
Ph: (02)6343 1212  
Fax: (02)6343 1203*

## Nichola Baker

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**From:** Nichola Baker  
**Sent:** Tuesday, 12 May 2015 2:28 PM  
**To:** Bogan Shire Council; Carrathool Shire Council; Coolamon Shire Council; Coonamble Shire Council; Gilgandra Shire Council; Hay Shire Council; Lockhart Shire Council; Tumbarumba Shire Council; Wakool Shire Council; Warren Shire Council  
**Subject:** IPART Draft response to methodology  
**Attachments:** Response to the IPART methodology Rural Councils Draft v1 Sykes 6-5-15.docx

Good Afternoon General Managers,

Please find attached the draft report in response to the IPART Methodology for Rural Councils prepared by Mr Stephen Sykes.

It would be appreciated if you could review the document and forward your comments to either Stephen Sykes [sykespeerreview@gmail.com](mailto:sykespeerreview@gmail.com) or myself Glenn Carroll [glenn@weddin.nsw.gov.au](mailto:glenn@weddin.nsw.gov.au) by Friday, 22 May 2015.

Regards

Glenn Carroll  
GENERAL MANAGER  
Weddin Shire Council

PO Box 125  
GRENFELL NSW 2810  
Ph: (02)6343 1212  
Fax: (02)6343 1203

## NSW Rural Councils<sup>1</sup> Compact

*DRAFT for comment to Weddin by 15 May 2015*

**This compact is attached to the FFTF submission to indicate support for future Rural Council collaboration.**

The Rural Councils are seeking to work collaboratively to explore common interests and jointly develop responses to improve their capacity to be Fit for the Future (FFTF).

Rural Councils agree to enter into a Compact designed to:

- Build trust and goodwill among the members
- Explore opportunities to advocate on common issues and challenges
- Develop skills and capacity over time that can improve the response of rural councils to be FFTF

The Rural Council collaboration is a voluntary one and councils may resolve to participate in some or all of the activities.

The councils will work collaboratively with their assigned Joint Organisations (JOs), focused on areas of regional planning linked to State Government objectives and in regional advocacy and service delivery as appropriate. In conjunction, the Rural Councils would look to participate in a process that identifies likely areas of commonality relating to service delivery between the Rural Councils.

The structure of the collaboration will evolve over time and utilise the corporate entity of a Rural Council(s) or JO to facilitate project delivery until determined otherwise.

Areas and actions that would be of special interest in the initial phase include:

- Focusing on areas of specialisation in service delivery that could be delivered by one or more of the Rural Councils, jointly or individually\
- Undertaking research on areas where ‘red tape’ in reporting for small entities could be different or improved
- Identifying opportunities to improve responses to requirements from funding authorities. Further, ensuring that both submission and reporting mechanisms are relevant and essential given the statutory nature of the Rural Councils.
- Identifying areas where innovative and strategic responses are required, and developing a response in providing those to Rural Council areas.

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<sup>1</sup> Bogan Shire Council; Carrathool Shire Council; Coolamon Shire Council; Coonamble Shire Council; Gilgandra Shire Council; Hay Shire Council; Lockhart Shire Council; Tumbarumba Shire Council; Wakool Shire Council; Warren Shire Council and Weddin Shire Council (Rural C these are the maximum number of possible parties – some may elect to abstain from participation).

- Developing a sustainable, joint economic argument to advocate for a revised distribution of the Federal Assistance Grants. This requires a greater recognition of unfunded externalities in agricultural and mining production borne inequitably by the Rural Councils.

In collaboration, Rural Councils would develop a proposal to support the preparation of an action plan funded by the Innovation fund for Rural Councils and seek resources facilitating implementation.

# Weddin Shire Council

## 2013-2017 Delivery Program

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*Cobb and Co Coach – Henry Lawson Festival  
courtesy DA Yates Photography and Design*

**Adopted: 21 June 2013**

**Amended**

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## INTRODUCTION AND OVERVIEW

During 2009 the NSW Government enacted the Local Government Amendment (Planning and Reporting) Act which set out requirements referred to as the Integrated Planning and Reporting framework (IP&R). The IP&R framework is intended to ensure that the long term goals of the community are known and articulated and that the activities of Council link directly to them.

During 2011 Weddin Shire Council carried out an extensive community consultation process and from this in 2012 for the first time finalised a full suite of IP&R compliant planning documents. In short these comprised the:

- Weddin Shire Community Strategic Plan 2012-2023 (CSP), endorsed by Councillors on behalf of the community
- Weddin Shire Council 2012-2016 Delivery Program
- Supporting Resourcing Strategy encompassing a long term financial plan (10 years), Workforce Management plan (4 years) and Asset management strategy & plan (10 years)
- Weddin Shire Council 2012-2013 Operational Plan.

The overriding issue highlighted during the 2012-2023 CSP development process was declining population. The community indicated a desire to see the local population increase to at least 4,700 people (increase of about 1,000) by 2023. With this as a backdrop major new initiatives identified during the community consultation were prioritised into 3 separate categories by Weddin Shire Councillors at a workshop held 20 January 2012. These categories were 1. "Already occurring or desired within the next 4 years" 2. "Desirable within 10 years" and 3. "Unlikely within the next 10 years". All category 1 initiatives were incorporated into the 2012-2016 Delivery Program and 2012-2013 Operational Plan documents.

The September 2012 Council elections saw several changes: a reduction in Councillor numbers from 10 to 9, the elimination of the previous 5 electoral Wards, and 5 people elected to Council for the first time. The IP&R framework stipulates that IP&R documents be refined post Council elections. At a Councillors and Senior Management workshop held 31 January 2013 the major assumptions and goals of the Community Strategic Plan 2012-2023 were confirmed as still valid and a refined Community Strategic Plan 2013-2023 has been prepared. At that same workshop the major initiatives that were incorporated into the 2012-16 Delivery Program were reviewed in detail. These have subsequently been prioritised by Council. This 2013-2017 Delivery Program is a refinement of the 2012-2016 document and was reviewed in 2014 and 2015. The document reflects the required changes and also includes some measures and standards not included in the 2012-2016 document due to resource limitation at that time.

The supporting Resourcing Strategy that addresses Council's Asset Management, Long Term Financial Planning and Workforce Planning has also been reviewed in conjunction with the Delivery Program. The document will subsequently be placed on public exhibition for adoption at Council's ordinary meeting on 25 June 2015.

In addition there is the Weddin Shire Council Operational Plan 2015-2016 which breaks the Delivery Program down into activities and tasks that are proposed to be carried out during the 2015-2016 financial year, together with a range of other critical components such as the financial plan / budget and schedule of fees, rates and charges.

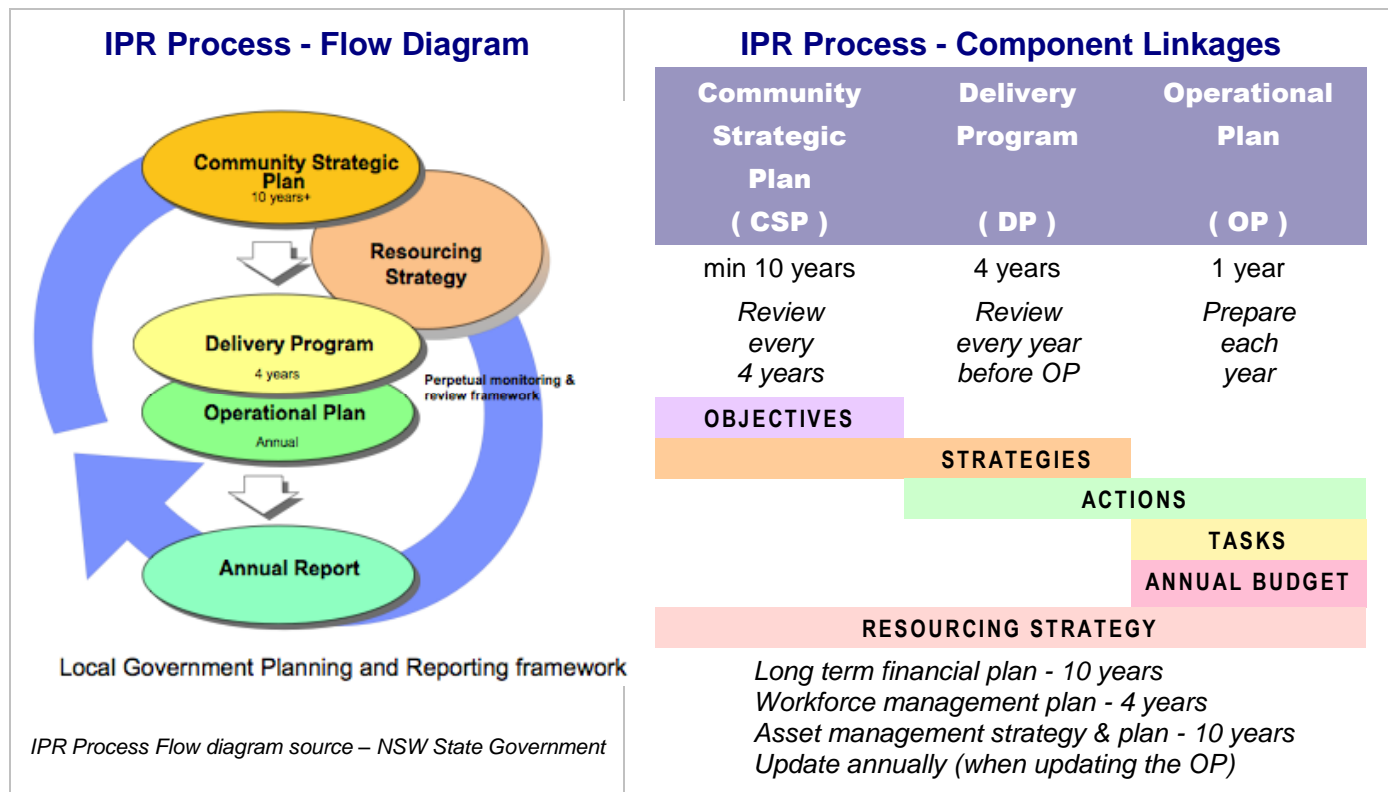
Mark Liebich  
Mayor

Glenn Carroll  
General Manager

## INTEGRATED PLANNING & REPORTING

Below is a summary of the Local Government Planning and Reporting framework which requires long term and supporting planning, introduced by the NSW Government in 2009.

### PLANNING & REPORTING REQUIREMENTS - SUMMARY



The accompanying 2 diagrams above outline the overall process flow and the linkages and overlaps between the various outputs. The underlying principles are that:

- The community is engaged and determines the long term vision and approach, with the main components being:
  1. Where are we now? 2. Where do we want to be? 3. How are we going to get there? 4. How will we know when we've arrived?
- The above is documented at the high level in a Community Strategic Plan; refined regularly
- After each Council election a 4 year Delivery Program of activities is derived from the above long term plan and is progressively implemented during the term of that Council
- Each year a 12 month Operational Plan is derived from the 4 year delivery program and implemented by Council
- Monitoring and reporting on progress of both the 4 year and 12 month plans is done at regular intervals.

## MEASURING & REPORTING

The following table outlines the measuring and reporting methods that Council will adopt across all the Integrated Planning documents:

Plan	What are we measuring?	What measures will be used?	When will results be reported to the community?
<b>Community Strategic Plan</b> 2013 – 2023	Progress towards the goals that focus on the key themes: <ul style="list-style-type: none"> <li>• Community</li> <li>• Environment</li> <li>• Economy</li> <li>• Civic Leadership</li> </ul>	Assessment criteria relevant for each key theme; a range of statistics, broad community surveys and consultation	Plan reviewed every 4 years  A report to be prepared at the end of each Council term
<b>Delivery Program</b> 2013 – 2017	Community satisfaction; is Council making a positive difference for the community through service delivery	Service measures; a range of statistics, service reports and targeted satisfaction survey	Program reviewed every year  A six monthly progress report tabled in Council
<b>Operational Plan</b> 2015 – 2016	Service delivery; is Council delivering the activities as planned and within financial budget	System of key performance indicators, link to staff performance system, are the annual activities on time, within budget and to quality standards required	Plan prepared each year  A quarterly financial progress report tabled in Council
<b>Supporting Documents</b>	<b>What are we measuring?</b>	<b>What measures will be used?</b>	<b>When will results be reported to the community?</b>
<b>Resourcing Strategy</b> 2013 - 2023	Overall performance and viability as an organisation: <ul style="list-style-type: none"> <li>• Long Term Financial Planning</li> <li>• Asset Management Planning</li> <li>• Workforce Planning</li> </ul>	Organisational sustainability measures with a focus on financial, asset and human resource measures	Resourcing Strategy updated annually A progress report to be included in the Annual Report each year
<b>Other Documents</b>			<b>When will results be reported to the community?</b>
<b>Annual Report</b>			The Annual Report (plus audited financial report) is prepared at the end of the financial year

## DELIVERY PROGRAM REQUIREMENTS

The Delivery Program is the mechanism where those components of the **community's** strategic objectives and strategies that Council takes responsibility for, are translated into actions. Thus it covers the principal activities to be undertaken by Council to implement the strategies established by the community strategic plan within the resources available under the resourcing strategy.

### Summary

- ❖ Council prepares the delivery program based on the strategic plan objectives, with assistance from the General Manager and staff
- ❖ the General Manager allocates responsibilities for actions in the delivery program
- ❖ this is the point where **Council takes ownership** of the strategic plan objectives that are within its area of responsibility
- ❖ the program is a **statement of commitment** to the community from each newly elected council
- ❖ is a **fixed-term four (4) year** program to align with council's electoral cycle (each new council is responsible for preparing a new program, in response to the strategic plan) commencing on 1 July following each ordinary election
- ❖ the program is the **single point of reference** for all principal activities undertaken by Council to implement the strategies in the strategic plan (within resources available under the resourcing strategy)
- ❖ all plans, projects, activities and funding allocations must be directly linked to this program; the program must address the full range of Council operations
- ❖ Council is held accountable to prepare and adopt the program within its' term, by 30 June in the year following local ordinary election; the outgoing council will report to the community on what it has achieved
- ❖ replaces the previous Management Plan that was a minimum three year rolling plan

### Other Issues

- ❖ there must be a clear link between the Community Strategic Plan (CSP), the Delivery Program (DP) and Operational Plan (OP), strategies identified in the strategic plan are carried through to the program and expanded into actions and then provided in more detail in the Operational Plan
- ❖ the DP should list all the strategies in the CSP, but focus specifically on the Council's role (example, there will be some strategies where Council will only play the role of advocate, this role should be acknowledged in DP - there will be some strategies which cannot be completed within Council's term of office, these should also be acknowledged in DP)
- ❖ there may be some instances where Council identifies existing activities or directions that do not appear to align with the CSP objectives and strategies - it may be appropriate to undertake a review of these activities to decide whether they should be discontinued or revised.

### Linking Strategic Objectives and Operational Matters

- ❖ there are some activities that Council undertakes that may not, at first, appear to have a strategic focus – activities such as cemetery management, food health inspections and footpath repairs. However, these activities are an important means of achieving a community's strategic objectives and they should be included in the appropriate place in the DP (and ultimately, the OP)

### Linking with the Resourcing Strategy

- ❖ the DP must inform and be informed by, the Resourcing Strategy
- ❖ financial estimates of income and expenditure for the four year period must be included in the DP, in line with its activities

**Allocating Responsibilities**

- ❖ the DP must allocate responsibilities for each action or set of actions

**Determining Assessment Methods**

- ❖ the DP must include a method of assessment to determine the effectiveness of each activity in support of achieving objectives

**Community Comment**

- ❖ Council must consider the priorities and expected levels of service expressed by the community during the engagement process for the CSP when preparing its DP
- ❖ the draft Delivery Program must be exhibited for public comment for a minimum of 28 days and public submissions considered before the final program is adopted

**Monitoring Progress**

- ❖ the General Manager must ensure that progress reports are provided to Council, with respect to the principal activities detailed in the DP, at least every 6 months

**Reviewing the Delivery Program**

- ❖ Council must review the DP each year, before preparing the OP
- ❖ Council may choose to roll the DP forward beyond its elected term to enable effective forward planning, provided it is consistent with the CSP and Resourcing Strategy. Where Council does this, it is still required to report on the implementation of the initial DP - the new council is also still required to prepare a new DP for its electoral term
- ❖ where an amendment to the DP is proposed, it must be included in a Council business paper which outlines the reasons for amendment and be tabled and resolved to be noted at that meeting and considered by Council at its next meeting
- ❖ where significant amendments are proposed, the DP must be re-exhibited for public comment

**REVIEW**

- ❖ the plan is to be reviewed every year, before preparing the operational plan.

**IMPLEMENTATION**

- ❖ Council has an active role in preparing and adopting the DP on behalf of the local government area of Weddin Shire

## CORPORATE STATEMENTS

### OVERARCHING OBJECTIVE

From the community consultation and as outlined in the Community Strategic Plan 2013-2023 the overarching community objective is:

To grow our total resident population to in excess of 4,700 people by 2023

Councillors reconfirmed quantification of the overarching objective at the workshop held 31 January 2013. WSC is not accountable for directly achieving this objective but will work closely with the community and partners with this in mind.

### OUR COMMUNITY VISION

In 2023 Weddin Shire will be:

A progressive rural locality with a vibrant and welcoming community, rich in both heritage and the natural environment, with a diverse and resilient economy that supports local employment and business.

### OUR COMMUNITY VALUES

The following values, determined from community input and Weddin Shire Councillors' review, will guide our future choices and how we work together...

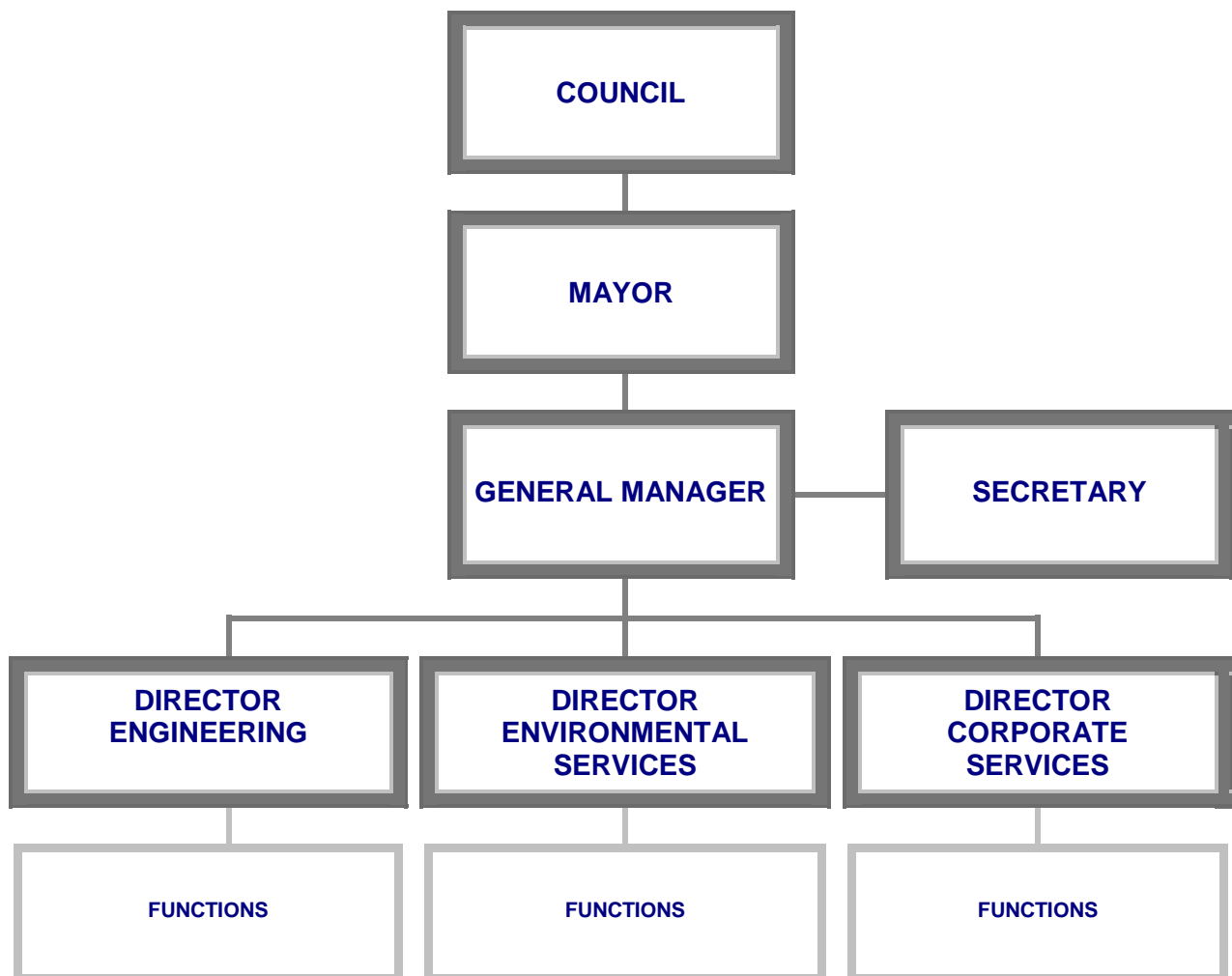
<b>W</b>	Welcoming, friendly, caring and supportive community
<b>E</b>	Equality of our people, willing to participate and work together
<b>D</b>	Deep respect for our heritage and environment
<b>D</b>	Devoted help at hand in times of need
<b>I</b>	Inclusive decision making and engagement
<b>N</b>	New ideas, freedom of choice, and diversity

### STRATEGIC OBJECTIVES

The strategic objectives from the Weddin Shire Community Strategic Plan 2012-2023 are below and cover four key themes - Economic, Social, Environmental and Civic Leadership.

- 1 Strong, diverse and resilient local economy**
- 2 Healthy, safe, and educated community**
- 3 Democratic and engaged community**
- 4 Culturally rich, vibrant and inclusive community**
- 5 Cared for natural, agricultural and built environments**
- 6 Well maintained and improving Shire assets and services**

## ORGANISATIONAL STRUCTURE



Adopted 21 May 2015

## ROLES & RESPONSIBILITIES

### COUNCILLORS / COUNCIL

The role of Council and the Councillors generally is:

- Direction, policy and priority setting
- Oversight of Council activities, but not involvement in day to day operational activities

Our current Councillors are:

Cr Mark Liebich, Mayor

Cr John Niven, Deputy Mayor

Cr Paul Best

Cr Carly Brown

Cr Alan Griffiths

Cr Graeme Halls

Cr Nevin Hughes

Cr Geoff McClelland

Cr Jan Parlett

### SENIOR MANAGEMENT TEAM

The positions of each of the WSC senior management roles are below followed by the name of the present incumbent:

- General Manager – Glenn Carroll
- Director Engineering – Bill Twohill
- Director Environmental Services – Brendan Hayes
- Director Corporate Services – Lachlan Gibson

### FUNCTIONS WITHIN WEDDIN SHIRE COUNCIL

Set out below are the three departmental sections with details of the functions undertaken by Weddin Council. Occupational health and safety and risk management responsibilities overarch all departments of Council.

ENGINEERING	ENVIRONMENTAL SERVICES	CORPORATE SERVICES
Asset Management	Administer LEP	Asset Management
Cemetery Management	Asset Management	Computer Resources
Depot & Stores	Caravan Park	Corporate Planning
Drains and Dams	Catchments Management	Debt Management
Emergency Management	Development Control	Economic Development
Fire Control	Dog & Stock Control	Financial Management
Litter & Street Cleanup	Food Inspections	Funds Investment
Natural Disasters	Health and Building	Information Services
Noxious Weeds Control	Heritage Matters	Information Technology
Parks & Reserves	Natural Resource Management	Insurances
Public Conveniences	On-site sewer schemes	Internal Auditing
Roads and Bridges	Pollution Monitoring	Library Services
Sewers	Public & Council Buildings	Property Leases
Street Trees	Sewerage Treatment Works	Public Officer
Vehicles & Plant	Statutory Town Planning	Rates and Payroll
Waste Collection	Swimming Pools	Records Management
	Vegetation Management	Statutory Reporting
	Waste Management, Tips	Tourism / Promotions



## PARTNERS & STAKEHOLDERS

### Partners / Stakeholder – Government & agencies

- Australian Government Department of Infrastructure and Transport (DoT)
- Transport for NSW, NSW Government (TfNSW)
- NSW Department of Primary Industries (DPI)
- NSW Department of Infrastructure & Industry
- Department of Planning and Infrastructure, NSW Government (DoP)
- National Parks and Wildlife Service (NPWS)
- NSW Department of Heritage and Environment (DHE)
- Central West Division of General Practice (DGP)
- Rural Fire Service NSW (RFS)
- State Emergency Service NSW (SES)
- Fire and Rescue NSW (F & R NSW)
- NSW Health (NSWH)
- NSW Department of Local Government (DLG)
- Local Government and Shires Association of NSW (LGSA)
- Local Land Services (LLS)
- Environment Protection Authority, NSW Government (EPA)
- NSW Public Works (PWD)
- NSW Valuer General (VG)
- Institute of Public Works Engineering Australia (IPWEA)
- Commonwealth Grants Commission (Grants Comm.)
- NSW Public Works (PWD)
- NSW Roads and Maritime Services (RMS)
- Central NSW Region of Councils (CENTROC)
- NSW Department of Heritage
- NSW Department of Lands
- NSW Land & Property Management
- NSW Transport (rail)
- Other Councils
- Regional Development Australia
- Western Local Health Network
- Tourism NSW

### Partner / Stakeholder - local

- Local Progress Societies
- Weddin community

## DELIVERY PROGRAM STRUCTURE

The Delivery Program 2013-2017 has been structured in line with the Strategic Objectives and Strategies contained in the CSP and set out in the 'Corporate Statements' section of this document (above).

Each of the strategies is included in separate tables in the next 6 sections of the document. The headings in each of the tables are explained below:

### Strategic Objective:

- High level community goal taken directly from the CSP
- Appears in full across the top of the relevant table

### Numbering System

The numbering used throughout the Delivery Program is 'cascading' allowing ready identification and association with:

- Strategic Objectives from the first digit (1 through 6)
- Strategy from the second set of digits
- Action from the third set of digits

### Strategy:

- Lower 'level' statement supporting the Strategic Objective/s
- Show how the objective/s will actually be achieved and on which key areas we need to focus
- In more detail than in the CSP as they have responsibilities added
- Some of the strategies have been refined slightly from what is contained in the CSP so that they more accurately describe what it is that WSC is responsible for progressing

### Council Role:

- The role Weddin Shire Council has in progressing or contributing to delivery of the strategy. For the sake of simplicity, the following four different council roles have been defined:

<i>Role</i>	<i>Description</i>
<b>Advocate</b>	<ul style="list-style-type: none"> <li>• Act or intercede on behalf of the community</li> </ul>
<b>Facilitator</b>	<ul style="list-style-type: none"> <li>• Act as a neutral party to assist groups and organisations to work more effectively to accomplish the group's work</li> </ul>
<b>Provider</b>	<ul style="list-style-type: none"> <li>• Provider of a service</li> </ul>
<b>Regulator</b>	<ul style="list-style-type: none"> <li>• Act to ensure that regulations are complied with</li> </ul>

### Director Responsible

The Weddin Shire Council department director responsible for carrying out the 'Council Role' for that particular strategy. For the sake of simplicity just the name of the key word from the name of the department is included:

- Engineering = Engineering
- Environment = Environmental Services
- Corporate = Corporate Services
- General Manager = General Manager

## Primary Strategic Theme

An icon / symbol showing which of the 4 the main (quadruple-bottom line) themes the strategy supports. The table below shows each icon together with the associated theme name.



**Economic**



**Environment**



**Social**



**Civic Leadership**

## Action:

- The principal activities to be undertaken by the Weddin Shire Council to implement the strategies established by the CSP
- Within the resources available under the resourcing strategy

## (Big Ideas) Priority # (number)

A large number of 'Big Ideas' were put forward by the community during the extensive consultation process in the lead-up to drafting the full suite of Integrated Planning and Reporting Process documents. At the Councillors and Senior Managers workshop held at the Grenfell Community Hub on 31<sup>st</sup> January 2013 all of these were reviewed for the purpose of identifying those which are to be included and advanced in the 2013-2017 Delivery Program and downstream Operational Plans. From this process a total of 21 initiatives were selected. At the Council meeting held 21<sup>st</sup> February 2013 the 21 actions were prioritised. All 21 are included in this Delivery Program under the appropriate strategies together with the associated priority number in bold type.

To assist readers of this Delivery Program get a full picture of the prioritised actions all are listed below together with both the associated priority number and action number.

Priority	Action #	Action / Description
1	2.1.1	Establish a Medical / Wellness Centre
2	1.2.1	Create a Visitor Information Centre that would meet minimum tourist information centre requirements (including staffing), train volunteers, improved information maps, signage and web presence
3	6.1.1	Upgrade and maintain on an equitable basis public facilities in Grenfell and the villages – Grenfell Swimming Pool, public parks and spaces, public dams, picnic spots, footpaths, street lighting
4	1.3.1	Grenfell Main Street upgrade including heritage and streetscape
5	2.4.1	Support additional aged care facilities and services
6	1.2.4	Encourage improved accommodation
7	1.2.2	Leverage historical sites: <ul style="list-style-type: none"> <li>• heritage buildings in Grenfell &amp; villages</li> <li>• historical sites in the Shire – O'Briens Hill, landra, old woolsheds and sawmills</li> <li>• better tap excellent historical records and local knowledge</li> <li>• access to indigenous sites</li> </ul>
8	1.2.5	Maintain and support existing events and develop Shire-wide program

Priority	Action #	Action / Description
9	1.4.2	Promote and attract businesses not dependent on agriculture eg: on-line, speciality retailers, industry
10	1.5.1	Promote availability of industrial land and incentives offered by Council and refine incentives to target favoured industry operators
11	1.1.1	Progressive upgrade of roads <b>to B</b> Double + HML standards, etc
12	1.3.3	Assist village progress associations with village improvements
13	6.2.1	Upgrade and maintain drainage in Grenfell and villages
14	1.4.3	Facilitate grants to assist local business development
15	1.6.1	Partner with neighbouring Shires & NPWS to leverage our local natural landscape and tourism attractions (existing and potential) by arranging (initially) day trips / tours /walking trails. Eg. Weddin Mountains NP, State Forests and potential attractions on private land
16	2.2.1	Support our local TAFE in developing and delivering health industry vocation courses
17	1.3.2	Support TAFE in offering additional vocation based courses
18	5.3.2	Encourage local businesses to adopt “best practice” environmental operations
19	1.2.3	Develop / <b>encourage</b> agri-tourism – tours and farmstays
20	1.4.1	Complete and implement findings from rural land use strategy
21	5.3.1	Partner with Local Land Services to encourage sustainability and environment projects – e.g. vegetation corridors / habitat connectivity, wetlands at sewerage treatment works, landscape drainage

### Who Responsible:

- Abbreviated title of the officer within Council who is primarily responsible for owning and progressing the Action
- The following table explains the meaning of the abbreviations that have been used in the various tables in the following section of the DP.

Position Responsible	Legend code
General Manager	<b>GM</b>
Director Corporate Services	<b>DCS</b>
Director Engineering	<b>DE</b>
Director Environmental Services	<b>DES</b>
All The Above	<b>ALL</b>
Economic Development Officer	<b>EDO</b>
Tourism Promotion Officer	<b>TPO</b>

## Resourcing Options:

- Proposed source of funding for the activity
- The following table contains each of the terms used in the various tables under this heading together with explanations.

Description	Term used
General revenue from Council operations; and includes the full range of rates, fees and charges	<b>Revenue</b>
Grants received primarily from State and Federal departments	<b>Grants</b>
Loan funds sourced from a lending institution such as bank	<b>Loans</b>

- Implementation of activities requiring grants or loan funds will be heavily dependent on such funding being approved and made available to Council

## Impacts / Partners:

- Parties who either:
  - Take a lead role of progressing the activity
  - Are the primary beneficiaries of the activity, or
  - Partner with Council in supporting and delivering the activity
- Where abbreviations have been used a corresponding legend has been included at the bottom of the appropriate stable giving the full name of the party involved.

## Assessment / Target / Timing:

- How achievement of the activity will be assessed.
- Timing of implementation and or achievement of the activity. NB: Many of the activities are already underway as part of normal business-as-usual Council operations. Thus the descriptor shows as 'ongoing'. With some of the major new projects it is not yet clear when implementation will commence and no definite time frame has been suggested.

It needs to be borne in mind that the CSP contains high level measures against each of the Strategic Objectives. These will be tracked and reported at various intervals.

## Service Standards


It is acknowledged that service standards for various Council delivered services is a requirement of the Integrated Planning and Reporting process. Only those that have been developed to this point have been included in the DP.

The strategies and actions set out on the following pages depict the priorities for the next 4 years.



## SO # 1 ■ STRONG, DIVERSE AND RESILIENT LOCAL ECONOMY

The strategies and actions to achieve this strategic objective are below:

Strong, Diverse and Resilient Local Economy					
Strategy		Council role	Director responsible	Primary Strategic theme	
<b>1.1</b>	<b>Maintain a strong and progressive agricultural sector</b>	<b>Advocate</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.1.1.	Progressive upgrade of roads to B Double + HML standards, etc. <b>Priority #: 11</b>	DE	Grants	Grants Commission DoT	2013/17
1.1.2	Promote rail freight where feasible	DE	Revenue	TfNSW	2015/16
1.1.3	Lobby for Exceptional Circumstances assistance when required	GM	Revenue	DPI	As required

*legend:*

DoT – Australian Government Department of Infrastructure and Transport

TfNSW – Transport for NSW, NSW Government

DPI – NSW Department of Primary Industries

NB: Noxious plants control is listed under action 5.1.2



## Strong, Diverse and Resilient Local Economy

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>1.2</b>	<b>Maximise the Weddin Shire's tourism potential</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.2.1	Further develop a Visitor Information Centre that would meet minimum tourist information centre requirements (including staffing), train volunteers, improved information maps, signage and web presence <b>Priority #: 2</b>	DCS (TPO)	Revenue	Tourism operators	2017
1.2.2	Leverage historical sites: <ul style="list-style-type: none"> <li>heritage buildings in Grenfell &amp; villages</li> <li>historical sites in the Shire – O'Briens Hill, landra, old woolsheds and sawmills</li> <li>better tap excellent historical records and local knowledge</li> <li>access to indigenous sites</li> </ul> <b>Priority #: 7</b>	DCS DES	Grants & revenue	Property owners	2013/17
1.2.3	Develop / encourage agri-tourism – tours and farmstays <b>Priority #: 19</b>	DCS (TPO)	Grants & revenue	Property owners	2013/17
1.2.4	Encourage improved accommodation <b>Priority #: 6</b>	DCS, DES	Revenue	Accomm. Providers	2013/17
1.2.5	Maintain and support existing events and develop Shire-wide program <b>Priority #: 8</b>	DCS, DES	Grants & revenue	Tourism NSW	2013/17
1.2.6	To provide well maintained and efficiently managed facilities to cater for the requirements of visitors to the area	DE DES	Revenue	-	2013/17
1.2.7	To actively promote Grenfell and the surrounding area as an attractive and interesting location for tourism, business and industry	DCS (TPO)	Revenue	Media	2013/17



## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.3 Provide infrastructure and services to support business activity</b>	<b>Provider</b>	<b>Engineering</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.3.1 Grenfell Main Street upgrade including heritage and streetscape <b>Priority #: 4</b>	DE	Grants, revenue and loan funds	Heritage Advisor, Landscaper	2016/17
1.3.2 Support TAFE in offering additional vocation based courses <b>Priority #: 17</b>	DCS	Revenue	TAFE	2013/17
1.3.3 Assist village progress associations with village improvements <b>Priority #: 12</b>	DE DCS	Revenue	Village progress associations	2013/17

## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.4 Support existing businesses and encourage new industries to increase job opportunities</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.4.1 Complete and implement findings from rural land use strategy <b>Priority #: 20</b>	DES	Grants & revenue	DoP	2015/16
1.4.2 Promote and attract businesses not dependent on agriculture eg: on-line, speciality retailers, industry <b>Priority #: 9</b>	DCS (EDO)	Revenue	Businesses	2013/17
1.4.3 Facilitate grants to assist local business development <b>Priority #: 14</b>	DCS (EDO)	Revenue	Businesses	2013/17
1.4.4 Maximise utilisation of Main Street premises in Grenfell	DCS (EDO)	Revenue	Businesses	2013/17
1.4.5 Provide a specific area for industrial development	GM	Revenue	Businesses	2013/17

legend:

DoP – Department of Planning and Infrastructure, NSW Government





## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.5 Promote the availability of land zoned for development and vacant premises</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.5.1 Promote availability of industrial land and incentives offered by Council and refine incentives to target favoured industry operators <b>Priority #: 10</b>	DCS (EDO)	Revenue	Businesses	2013/17

## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.6 Foster partnerships to advance economic activity</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.6.1 Partner with neighbouring Shires & NPWS to leverage our local natural landscape and tourism attractions (existing and potential) by arranging (initially) day trips / tours / walking trails. Eg. Weddin Mountains NP, State Forests and potential attractions on private land <b>Priority #: 15</b>	DCS (EDO)	Revenue	NPWS Councils NSW Forests	2013/17
1.6.2 Partner with NSW Government business support departments to encourage local businesses to expand & increase employment	DCS (EDO)	Revenue	NSW Trade & Investment	2013/17
1.6.3 Co-operate and liaise with local Progress Societies in expanding economic base in the villages	DCS (EDO)	Revenue		2013/17

legend:

NPWS – National Parks and Wildlife Service



## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.7 Support expanded aged care facilities &amp; services</b>	<b>Advocate</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.7.1 Improve facilities for housing the aged	DCS (EDO)	Revenue	SCWC	2013/17
1.7.2 Provide services for the aged e.g. taxi	DCS	Revenue	Taxi operator	2013/17

legend:

SCWC – Senior Citizens Welfare Committee

## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.8 Support responsible mining</b>	<b>Regulator</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.8.1 Provide inception and pre-DA meetings to prospective applicants	DES	Revenue	Mining companies	2013/17

## Strong, Diverse and Resilient Local Economy

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>1.9 Encourage renewable energy development</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
1.9.1 Actively consider adoption of renewable energy technology	DES	Revenue	DHE	2013/17
1.9.2 Encourage development and property owners to adopt sustainable technology	DES	Revenue		2013/17

legend:

DHE – NSW Department of Heritage and Environment



## SO # 2 ■ HEALTHY, SAFE, AND EDUCATED COMMUNITY

The strategies and actions to achieve this strategic objective are below:


Healthy, Safe, and Educated Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>2.1 Encourage the provision of quality medical facilities</b>	<b>Advocate</b>	<b>General Manager</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.1.1 Establish a Medical Centre <b>Priority #: 1</b>	DES GM	Grant	Western NSW Local Health	2013/15
2.1.2 Facilitate dental and chiropractic services to residents	GM	Revenue		2013/17
2.1.3 Facilitate medical services to residents	GM	Revenue	DGP	2013/17

legend:

DGP – Central West Division of General Practice


Healthy, Safe, and Educated Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>2.2 Promote and develop health education and encourage people to take personal responsibility for their health</b>	<b>Advocate</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.2.1 Support our local TAFE in developing and delivering health industry vocation courses <b>Priority #: 16</b>	DES	Revenue	Western NSW Local Health	2013/17



Healthy, Safe, and Educated Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>2.3 Support community transport</b>	<b>Advocate</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.3.1 Publicise and assist in the local provision of community transport	DCS	Revenue	HACC	2013/17

legend:

HACC – Home and Community Care


Healthy, Safe, and Educated Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>2.4 Support provision of adequate aged care service</b>	<b>Advocate</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.4.1 Support additional aged care facilities and services <b>Priority #: 5</b>	DCS	Revenue	Western NSW Local Health SCWC	2013/17

legend:

SCWC – Senior Citizens Welfare Committee



### Healthy, Safe, and Educated Community

Strategy		Council role	Director responsible	Primary Strategic theme	
2.5	Maximise public health and safety	Advocate Facilitator Provider Regulator	Environment		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.5.1	Collaborate with the Rural Fire Service	DE	Grants & revenue	RFS	2013/17
2.5.2	Suppress any nuisance within the community caused by noisy or straying animals	DES	Revenue	-	2013/17
2.5.3	Support local emergency units	DE	Revenue	SES NSW F&R	2013/17
2.5.4	Control and eliminate public health nuisances	DES	Revenue	NSWH	2013/17
2.5.5	Ensure all places of residential and public accommodation and food premises are properly equipped and maintained	DES	Revenue	NSWH	2013/17
2.5.6	Promote home swimming pool safety	DES	Revenue	DLG RLSSA	2013/17
2.5.7	Provide clean and well maintained public conveniences	DE	Revenue	-	2013/17
2.5.8	Provide and maintain a safe and effective street lighting network to cater for the current and future development of Grenfell and the Villages	DE	Revenue	Essential Energy	2013/17

legend:

RFS – Rural Fire Service NSW

SES – State Emergency Service NSW

F & R NSW – Fire and Rescue NSW


NSWH – NSW Health

DLG – NWS Department of Local Government


RLSSA – Royal Life Saving Society of Australia



### Healthy, Safe, and Educated Community

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>2.6</b>	<b>Support our local education institutions</b>	<b>Facilitator</b>	<b>All</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.6.1	Encourage education achievement	DCS	Revenue	Schools and TAFE	2013/17
2.6.2	Assist with vocational training e.g. work experience, traineeships	All	Revenue	Schools & TAFE	2013/17


### Healthy, Safe, and Educated Community

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>2.7</b>	<b>Provide lifelong learning opportunities</b>	<b>Provider</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
2.7.1	Provide a library service facility which largely satisfies the needs of the Community	DCS	Grant and revenue	State Library	2013/17
2.7.2	Provide high standard of IT facilities via the internet centre	DCS	Revenue	-	2013/17



## SO # 3. ■ DEMOCRATIC AND ENGAGED COMMUNITY


The strategies and actions to achieve this strategic objective are below:


Democratic and Engaged Community					
Strategy	Council role	Director responsible	Primary Strategic theme		
<b>3.1 Develop leadership skills in the community</b>	<b>Provider</b>	<b>Corporate</b>			
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing	
3.1.1 Arrange meeting training for community organisations	DCS	Revenue	LGSA	2013/17	
3.1.2 Consider establishment of a Youth Council	DCS	Revenue	THLHS	2016/17	

legend:


LGSA – Local Government and Shires Association of NSW


THLHS – The Henry Lawson High School


Democratic and Engaged Community					
Strategy	Council role	Director responsible	Primary Strategic theme		
<b>3.2 Fully implement the integrated planning and reporting process</b>	<b>Provider</b>	<b>ALL</b>			
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing	
3.2.1 Provide and maintain effective administrative support	DCS	Grants & revenue	-	2013/17	
3.2.2 Co-ordinate strategic/long term planning	GM	Grants & revenue	-	2013/17	
3.2.3 Provide sound financial planning and reporting	DCS	Grants & revenue	-	2013/17	

Democratic and Engaged Community					
Strategy	Council role	Director responsible	Primary Strategic theme		
<b>3.3 Support village progress organisation activities</b>	<b>Facilitator</b>	<b>ALL</b>			
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing	
3.3.1 Liaise with and support of organisations	ALL	Revenue	Progress organisations	2013/17	




Democratic and Engaged Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>3.4 Harness and leverage existing leadership network across the Shire</b>	<b>Facilitator</b>	<b>ALL</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
3.4.1 Engage and consult with community organisations	ALL	Revenue	Community organisations	2013/17

Democratic and Engaged Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>3.5 Ensure all major groups in the community have the opportunity to contribute to major decisions</b>	<b>Provider</b>	<b>ALL</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
3.5.1 Engage and consult with community groups	ALL	Revenue	Community groups	2013/17

Democratic and Engaged Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>3.6 Educate the community on the role of Councillors and the Council, and how best to raise issues and concerns</b>	<b>Provider</b>	<b>GM</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
3.6.1 Provide regular publicity in Council Newsletter	GM	Revenue	Media	2013/17







Democratic and Engaged Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>3.7 Leverage internet and social media to engage community in local leadership and communication</b>	<b>Provider</b>	<b>GM</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
3.7.1 Distribute information and engage community via Council website and Grenfell Tourism Facebook page.	DCS	Revenue	Media	2013/17




## SO # 4. ■ CULTURALLY RICH, VIBRANT & INCLUSIVE COMMUNITY

The strategies and actions to achieve this strategic objective are below:


Culturally Rich, Vibrant and Inclusive Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>4.1 Maintain and develop sporting facilities and events</b>	<b>Provider</b>	<b>Engineering &amp; Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.1.1 Ensure that the Council swimming pools are managed and maintained in a manner which enables and encourages frequent use	DES	Revenue	Swimming clubs	2013/17
4.1.2 Manage and maintain Parks, Reserves and Sporting facilities in a safe and attractive condition which encourages frequent use by residents and visitors	DE	Revenue	Sports clubs	2013/17

Culturally Rich, Vibrant and Inclusive Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>4.2 Maintain and develop recreational facilities and events</b>	<b>Provider</b>	<b>Engineering &amp; Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.2.1 Provide opportunities and improve facilities for local youths	DE DES	Revenue & grants	Dept. Sport & Rec.	2013/17
4.2.2 Develop Bogolong Dam for public use	DE	Revenue	Local organisations	2015/16


Culturally Rich, Vibrant and Inclusive Community				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>4.3 Maintain and develop cultural and arts facilities and events</b>	<b>Provider</b>	<b>Corporate</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.3.1 Support major arts and tourism events: Henry Lawson Festival of Arts, GoldFest, Weddin Mountain Muster, Grenfell Sesquicentenary.	DCS TPO	Revenue	Arts Out West Tourism NSW	2013/17
4.3.2 Provide for and support local cultural organisations	DCS	Revenue	Local organisations	2013/17




## Culturally Rich, Vibrant and Inclusive Community

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>4.4</b>	<b>Develop a strategy for attracting people from diverse cultures</b>	<b>Provider</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.4.1	Arrange introductory meetings	DCS	Revenue	-	2013/17

## Culturally Rich, Vibrant and Inclusive Community

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>4.5</b>	<b>Encourage sense of community and connectiveness</b>	<b>Facilitator</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.5.1	Encourage involvement in Council & community activities	DCS	Revenue	Community groups	2013/17


## Culturally Rich, Vibrant and Inclusive Community

Strategy		Council role	Director responsible	Primary Strategic theme	
<b>4.6</b>	<b>Implement a social activities planning program</b>	<b>Provider</b>	<b>Corporate</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
4.6.1	Develop and maintain activities & facilities to support target & disadvantaged demographic groups throughout the Shire	DCS	Grants and revenue	Premier's Dept	2013/17



## SO # 5. ■ CARED FOR NATURAL, AGRICULTURAL & BUILT ENVIRONMENTS

The strategies and actions to achieve this strategic objective are below:

Cared for Natural, Agricultural and Built Environments					
Strategy		Council role	Director responsible	Primary Strategic theme	
<b>5.1</b>	<b>Implement environmental regulations and control in Council's sphere of operations</b>	<b>Regulator</b>	<b>Environment</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.1.1	Town Planning - to plan and regulate the orderly arrangement and use of land	DES	Revenue	DoP	2013/17
5.1.2	Ensure the control of noxious plants on both public and private land	DE	Grants & revenue	DPI	2013/17
5.1.3	Ensure compliance with environmental regulations	DES	Revenue	DoP	2013/17
5.1.4	Prepare appropriate State of Environment Report	DES	Revenue	Consultant	2013/17
5.1.5	Implement sustainability actions as identified in the RESAP	DES	Revenue	LCMA NetWaste	2013/17
5.1.6	Identify and minimise sources of pollution in order to preserve and improve the natural environment	DES	Revenue	EPA	2013/17
5.1.7	Make adequate provision for urban stormwater	DE	Revenue	-	2013/17
5.1.8	Implement IWCM Strategic Study outcomes	DE	Revenue & possibly grants	Office of Water	2015/16
5.1.9	Manage the Sewerage Scheme	DES, DE	Revenue	PWD	2013/17
5.1.10	Ensure all building work meets relevant codes and standards with regard to aesthetics and the areas heritage	DES	Revenue	-	2013/17

legend:

DoP – Department of Planning and Infrastructure, NSW Government

DPI - NSW Department of Primary Industries


LCMA – Lachlan Catchment Management Authority

EPA – Environment Protection Authority, NSW Government


PWD – NSW Public Works



## Cared for Natural, Agricultural and Built Environments

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.2 Encourage waste reduction and recycling</b>	<b>Provider</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.2.1 Continue to review recyclables collection for Grenfell	DES	Revenue	NetWaste	2013/17
5.2.2 Investigate regular service for all villages	DES	Revenue	NetWaste	2015/16


## Cared for Natural, Agricultural and Built Environments

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.3 Raise awareness of sustainable practices in the community</b>	<b>Provider</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.3.1 Partner with Local Land Services to encourage sustainability and environment projects – e.g. vegetation corridors / habitat connectivity, wetlands at sewerage treatment works, landscape drainage <b>Priority #: 20</b>	DES	Grants	LCMA	2013/17
5.3.2 Encourage local businesses to adopt “best practice” environmental operations <b>Priority #: 18</b>	DES	Revenue	NetWaste	2013/17

legend:

LCMA – Lachlan Catchment Management Authority


## Cared for Natural, Agricultural and Built Environments

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.4 Improve the environmental outcomes of Council operations</b>	<b>Provider</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.4.1 Collect and dispose of domestic, commercial and industrial waste to landfill	DES	Revenue	EPA NetWaste	2013/17
5.4.2 Provide ecologically sustainable landfills with minimal adverse environmental impacts	DES	Revenue	EPA NetWaste	2013/17
5.4.3 Carry out a programme of street tree planting and maintenance in order to preserve and enhance the natural environment	DE	Revenue	-	2013/17

legend:

EPA – Environment Protection Authority, NSW Government  
**Weddin Shire Council 2013-2017 Delivery Program**




Cared for Natural, Agricultural and Built Environments				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.5 Inform local agricultural industry about adopting sustainable and environmentally friendly farming practices in the context of climate change</b>	<b>Facilitator</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.5.1 Support and promote local and regional sustainability forums, public developments	DES	Revenue	LLS DPI	2013/17

Legend:

DPI - NSW Department of Primary Industries

LCMA – Lachlan Catchment Management Authority


Cared for Natural, Agricultural and Built Environments				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.6 Preserve the heritage of built areas</b>	<b>Facilitator Provider</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.6.1 Implement heritage planning controls	DES	Revenue	DoP	2013/17
5.6.2 Provide free heritage service	DES	Grants & revenue	Heritage Office	2013/17
5.6.3 Provide grants for preservation work	DES	Grants & revenue	Heritage Office	2013/17
5.6.4 Promote heritage features of Main Street	DES	Revenue	-	2015/16

Legend:

DoP – Department of Planning and Infrastructure, NSW Government



## Cared for Natural, Agricultural and Built Environments

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>5.7 Enhance broader landscape connectivity for native fauna</b>	<b>Facilitator</b>	<b>Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
5.7.1 Support road corridor projects	DES	Grants	LLS	2013/17
5.7.2 Support 'tree days'	DES	Grants	Landcare	2013/17


legend:

LLS – Local Land Services

## SO # 6. ■ WELL MAINTAINED & IMPROVING SHIRE ASSETS AND SERVICES

The strategies and actions to achieve this strategic objective are below:


## Well Maintained and Improving Shire Assets and Services

Strategy	Council role	Director responsible	Primary Strategic theme	
<b>6.1 Ensure Council operations meet reasonable community expectations</b>	<b>Provider</b>	<b>All</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.1.1 Upgrade and maintain on an equitable basis public facilities in Grenfell and the villages – public parks and spaces, public dams, picnic spots, footpaths, street lighting <b>Priority #: 3</b>	DE	Revenue	-	2013/17
6.1.2 Sewerage Scheme - to meet or exceed minimum levels of service	DES	Revenue	PWD	2013/17
6.1.3 Manage an efficient rates system based on an up-to-date property information base	DCS	Revenue	VG	2013/17
6.1.4 Maximise untied income from government and investment sources	DCS	Grants & revenue	Govt. Depts Banks	2013/17

legend:

PWD – NSW Public Works

VG – NSW Valuer General

Well Maintained and Improving Shire Assets and Services				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>6.2 Maintain and improve Council's transport infrastructure (roads, bridges, footpaths)</b>	<b>Provider</b>	<b>Engineering</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.2.1 Upgrade and maintain drainage in Grenfell and villages <b>Priority #: 13</b>	DE	Revenue	-	2013/17
6.2.2 Provide a management planning system to determine standards and priorities for a safe and effective road network	DE	Grants & revenue	IPWEA DLG	2015/16
6.2.3 Maintain and improve Town/Village streets in accordance with Council priorities	DE	Revenue	-	2013/17
6.2.4 Maintain and improve roads in accordance with Council priorities	DE	Grants & revenue	RMS Grants Comm.	2013/17
6.2.5 Provide and maintain a network of safe and effective bridges, culverts and causeways in accordance with Council adopted standards	DE	Revenue & contributions	RMS Grants Comm.	2013/17
6.2.6 Provide and maintain a network of safe and effective footpaths in accordance with Council adopted standards	DE	Grants and revenue	-	2013/17

Legend:


IPWEA - Institute of Public Works Engineering Australia

DLG – NWS Department of Local Government


Grants Comm. – Commonwealth Grants Commission


PWD – NSW Public Works


RMS – NSW Roads and Maritime Services

Well Maintained and Improving Shire Assets and Services				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>6.3 Maintain structural assets</b>	<b>Provider</b>	<b>Engineering Environment</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.3.1 Manage and maintain all structural assets (e.g. depot, administration building, hub, sewerage treatment works, waste facilities)	DE DES	Revenue	-	2013/17
6.3.2 Manage all cemeteries within the Council area	DE	Revenue	Funeral Directors	2013/17




Well Maintained and Improving Shire Assets and Services					
Strategy		Council role	Director responsible	Primary Strategic theme	
<b>6.4</b>	<b>Position the WSC as an 'employer of choice'</b>	<b>Provider</b>	<b>All</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.4.1	Develop a highly motivated and skilled workforce capable of delivering quality service to all residents	All	Revenue	Unions	2013/17
6.4.2	Provide and maintain Council staff housing	DES	Revenue	-	2013/17
6.4.3	Attain a high level of workplace health and safety	DE DES	Revenue	Training Providers	2013/17

Well Maintained and Improving Shire Assets and Services					
Strategy		Council role	Director responsible	Primary Strategic theme	
<b>6.5</b>	<b>Provide a modern plant fleet</b>	<b>Provider</b>	<b>Engineering</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.5.1	Provide and maintain an efficient and modern public works plant and vehicle fleet	DE	Revenue		2013/17

Well Maintained and Improving Shire Assets and Services					
Strategy		Council role	Director responsible	Primary Strategic theme	
<b>6.6</b>	<b>Manage classified roads on behalf of Roads and Maritime Services</b>	<b>Provider</b>	<b>Engineering</b>		
Actions		Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.6.1	Maintain and upgrade the classified road network in association with Roads and Maritime Services	DE	Grants	RMS	2013/17


legend:

RMS – NSW Roads and Maritime Services

Well Maintained and Improving Shire Assets and Services				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>6.7 Participate in, and support, DESTINATION 2036 initiative as member council of the Central West region</b>	<b>Provider</b>	<b>ALL</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.7.1 Monitor and participate in CENTROC activities	All	Revenue	CENTROC	2013/17

legend:

CENTROC – Central NSW Region of Councils

Well Maintained and Improving Shire Assets and Services				
Strategy	Council role	Director responsible	Primary Strategic theme	
<b>6.8 General liaison and partnership with NSW State and Federal government departments</b>	<b>Provider</b>	<b>ALL</b>		
Actions	Who responsible	Resourcing options	Impacts / Partners	Assessment / Target / Timing
6.8.1 Liaise with State and Federal government departments, partner where appropriate	All	Revenue	State & Federal Govt Depts	2013/17

## FINANCIAL STATEMENTS 2013/2017

The integrated planning and reporting process requires integration between the financial planning process and the asset management planning process. This ensures that the Asset Management Plans are realistic, achievable and implementable.

A 10 year Long Term Financial Plan has been developed as part of the Resourcing Strategy. The income and expenditure statement for the period 2013/2017 is shown below:-

### Income and Expenditure Statement 2013/2017

	Actual 2013-14 \$'000	Budget 2014-15 \$'000	Budget 2015-16 \$'000	Projected 2016-17 \$'000
<b>Operating Revenue</b>				
Rates	2,278	2,376	2,502	2,677
User Charges and Fees	2,469	1,485	1,990	2,040
Grants - For Operating Purposes	2,607	3,420	3,161	3,593
Grants- For Capital Purposes	184	6,155	6,671	2,465
Interest and Investment Income	277	251	140	168
Net gain from disposal of Assets	0	5	5	0
Other	270	109	186	191
<b>Total Operating Revenue</b>	<b>8,085</b>	<b>13,801</b>	<b>14,655</b>	<b>11,133</b>
<b>Operating Expenses</b>				
Employee Costs	3,617	3,680	3,670	3,692
Materials & Contracts	3,205	2,917	3,254	2,965
Depreciation	3,535	3,494	3,538	2,454
Borrowing Costs	14	0	123	119
Net loss from disposal of Assets	0	0	0	0
Other	823	840	754	728
<b>Total Operating Expenses</b>	<b>11,194</b>	<b>10,931</b>	<b>11,339</b>	<b>9,958</b>
<b>Operating Result</b>	<b>(3,109)</b>	<b>2,870</b>	<b>3,316</b>	<b>1,175</b>
<b>Operating Result Excluding Grants for Capital Purposes</b>	<b>(3,293)</b>	<b>(3,285)</b>	<b>(3,355)</b>	<b>(1,290)</b>

## ROAD PROGRAMMES 2013/2017

### Schedule A - RMS State and National Highway Works Program

#### 2013/2014:

Routine Maintenance Services – Mandatory and Supplementary	\$328,000
Provision Services Work Orders (Reseals and Heavy Patching)	<u>\$200,000</u>
	<b><u>\$528,000</u></b>

#### 2014/2015:

Routine Maintenance Services – Mandatory and Supplementary	\$350,000
Provision Services Work Orders (Reseals and Heavy Patching)	<u>\$500,000</u>
	<b><u>\$850,000</u></b>

#### 2015/2016:

Routine Maintenance Services – Mandatory and Supplementary	\$350,000
Provision Services Work Orders (Reseals and Heavy Patching)	<u>\$500,000</u>
	<b><u>\$850,000</u></b>

Additional services such as extra resealing, rehabilitation and extra heavy patching have not been included in these figures as they are not known at this stage.

As the need arises, Council actively submits Works Proposal to the RMS for specific works and carries out the work under RMS Work Orders, which further boosts the income (and expenditure) from the RMS.

### Schedule B - Regional Roads Block Grant Program

Proposals and Locations	2013/2014	2014/2015	2015/2016	2016/2017
a) Maintenance	\$370,000	\$380,000	\$400,000	\$400,000
b) MR239 - Young Road Between Tyagong Hall Road and Martins Lane – reconstruct road to remove dip. Subject to ownership being finalized.	\$100,000	\$100,000	\$150,000	\$10,000 (Reseal)
c) MR 237 Reseals			\$21,000	\$42,000
d) MR398 Bimbi Road extend culverts and widen pavement as part of repair program. (including reseals)	Completed			
e) MR237 rehabilitation and widen 2 km and reseals	\$150,000	\$150,000	\$150,000	\$150,000
f) MR 398 Reseals	\$50,000	\$45,000		\$50,000
g) MR236 Rehabilitation/Reseals	\$58,000		\$50,000	\$50,000
h) MR239 Rehabilitation/Reseals		\$70,000	\$32,000	\$41,000
i) Traffic Facilities			\$47,000	\$48,000
<b>Total</b>	\$728,000	\$745,000	\$768,000	\$791,000

**Schedule C - Rural Local Roads (FAG) Program**

<b>Proposals &amp; Location</b>	<b>Estimate</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
1) General Maintenance		Nil	Nil	Nil	Nil
2) Edge patching & routine patching.		Nil	Nil	Nil	Nil
3) Reseals		\$170,000	\$200,000		
4) Old Young Rd - widen shoulders and reseal 6.5 km	\$75,000/km	Completed			
5) New Forbes Rd – widen and strengthen pavement	\$45,000/km				
6) Bewleys Rd - widen strengthen and reseal 12.5 km (1)	\$35,000/km				
7) Back Piney Range Rd - widen, shoulders & reseal 13.5 km	\$65,000/km				
8) Nowlans Road - form gravel and seal - from Gannons to caves turnoff 4 km	\$100,000/km	Completed			
9) Ballendene Rd - widen, shoulders and reseal 7 km (2)	\$75,000/km	\$82,000	\$88,000		
10) Martins Ln – widen, shoulders & reseal)	\$70,000/km	Completed			
11) Lynchs Road	\$60,000/km				
12) Tyagong Hall Road - widen, shoulders and reseal 5 km	\$60,000/km				
13) Pinnacle Rd from MR No 236 widen, shoulders and reseal	\$75,000/km	\$120,000	\$130,000	Completed	
14) Gravel resheeting on shire needs basis.		\$110,000	\$130,000	\$140,000	\$143,107
15) Driftway Road	\$100,000/km	\$100,000	\$100,000		
16) Quandialla Drainage					
17) Grenfell Streets construction		\$70,000	\$75,000	\$59,107	\$61,000
18) Grenfell kerb and gutter*		\$25,000	\$30,000	\$25,000	\$40,000
19) Grenfell Streets – footpaving*		\$20,000	\$15,000	\$10,000	\$20,000
20) Village Streets - reconstruction		\$5,000	\$10,000		
21) Warraderry Street – drainage	\$100,000				
22) Weddin/Camp/Church Street - replace footpath		\$150,000	\$107,000		
23) Edward Square kerb and gutter					
24) Clayneys Road raise causeway					
25) Adelargo Road raise causeway					
26) Bimbi – Caragabal Road					
27) Greenethorpe – Bumbaldry Road	\$100,000/km			\$500,000	\$600,000
28) Grenfell Medical Centre – kerb and gutter, footpaving, road shoulder – Burrangong/George Streets				\$130,000	
<b>Sub Total</b>		\$852,000	\$885,000	\$864,107	\$864,107
<b>Overheads</b>	<b>8.5%</b>	\$72,000	\$76,000	\$80,000	\$80,000
<b>Totals</b>		\$924,000	\$961,000	\$944,107	\$944,107

## Schedule D – Plant Replacement Program

Plant #	Item Details	Rego No.	Date Purchased	User/Purpose	2013/2014 \$	2014/2015 \$	2015/2016 \$	2016/2017 \$
1083	Station Wagon-Ford Falcon	TC 025	20/11/06	TAXI from 22/5/07				
1098	Sedan – Toyota Aurion	BC 77 AA	10/08/09	Spare from 2/5/11		8,000		
1099	Wagon-Toyota Kluger 4x2 KXR	BF 18 AL	28/05/10	(Mayor)		8,000		
1100	Sedan-Toyota Aurion	BG 22 BL	24/08/10	Nirupan	18,000	8,000		
1101	Sedan-Toyota Aurion	BG 06 BK	13/07/10	G Carroll (DCS)	18,000	8,000		
1102	Sedan-Toyota Aurion	BG 20 BL	26/08/10	T Lobb (GM)	18,000	8,000		
1104	Sedan-Toyota Aurion	BG 21 BL	24/08/10	N Perera (Contracts E)	18,000	8,000		
1105	Wagon-Nissan X-trail	BT 07 9H	05/01/11	Adrian Milne (AsstEng)	18,000	8,000		
1106	Wagon-Nissan X-trail	BW 07 3J	09/06/11	(DES)	18,000	8,000		
1107	Sedan-Toyota Aurion	BK 53 RA	02/05/11	J Montgomery (O'seer)	18,000	8,000		
1108	Sedan-Toyota Aurion	BN 33 KL	02/02/12	W Twohill (DE)	18,000	8,000		
1110	Sedan-Toyota Aurion	BR 94 FO	30/08/12	N Perera (Contracts E)				
1111	Wagon-Toyota Kluger 4x2 KXR	BR 95 FO	30/08/12	J Montgomery				
1112	Wagon-Toyota Kluger 4x2 KXR	BU 73 QC	27/05/13	B Hayes (DES)				16,000
1113	Wagon-Toyota Kluger 4x2 KXR	BU 48 SL	22/11/13	Adrian Milne (AsstEng)			16,000	
1114	Sedan-Toyota Aurion	BV 14 W	26/11/13	Nirupan (Sp.Proj.Eng.)			16,000	16,000
1115	Sedan- Holden Commodore	CPK27T	22/11/13	G Carroll (GM)				16,000
1116	Wagon-Toyota Kluger 4x2 KXR	BX 35 LP	20/12/13	W Twohill (DE)			16,000	
<b>2000 UTILITIES</b>								
2056	Utility-ToyotaHilux Tray Top	YEG 515	12/09/02	S Wood				
2070	Utility-ToyotaHilux Workmate Tipper	AH 06 JN	04/01/06	Works/Traffic	18,000			
2072	Utility-ToyotaHilux WorkmateTrayTop	AH 26 VM	22/12/05	M Horne (storeman)	18,000			
2073	Utility-ToyotaHilux ExtraCab TrayTop	AH 25 VM	22/12/05	Various	18,000			
2074	Utility-ToyotaHilux DualCab TrayTop	AI 25 FZ	11/01/06	Various	18,000			
2075	Utility-Toyota Hilux ExtraCab Tray Top	AM 42 HK	22/11/06	Animal Control				
2077	Utility Toyota Hilux Workmate Extra Cab	AZ 83 VQ	09/04/09	L Howell		9,000		
2078	Utility – Toyota Hilux Workmate Dual Cab	AZ 86 VQ	17/04/09	K Abbott				
2079	Utility – Toyota Hilux Workmate Dual Cab	AZ 82 VQ	07/04/09	N Hockings		9,000		
2080	Utility – Toyota Hilux Workmate Dual C/Tip	BA 81 ZR	27/04/09	Garbage, Sanitation				
2081	Utility – Toyota Hilux Workmate Dual Cab	BA 82 ZR	28/04/09	Traffic Control		9,000		
2082	Utility – Nissan Patrol Cab Chassis	BN 02 KO	14/02/12	K Frost (NOW)				
2083	Utility – Nissan Patrol Tray Top	BM 80 WU	01/02/12	S Browne (Workshop)				
2084	Utility-ToyotaHilux ExtraCab TrayTop	BQ 87 AT	07/05/12	various				
2085	Utility-ToyotaHilux ExtraCab TrayTop	BT 31 CY	11/01/13	Animal Control				10,000
2086	Utility-ToyotaHilux ExtraCab TrayTop	BP 57 NX	21/05/12	various			20,000	10,000
2087	Utility-ToyotaHiluxWorkmateDualCab	BP 53 NX	11/05/12	K Abbott			20,000	15,000
2088	Utility-ToyotaHiluxWorkmateDualCab	BP 56 NX	21/05/12	N Hockings			20,000	15,000
2089	Utility-ToyotaHilux Workmate Tipper	BU 40 SL	04/11/13	Works/Traffic				
2090	Utility-ToyotaHilux DualCab TrayTop	BU 42 SL	04/11/13	various				
2091	Utility-ToyotaHilux DualCab TrayTop	BU 41 SL	04/11/13	Traffic Control			10,000	10,000
2092	Utility-ToyotaHilux SingleCab TrayTop	BX 54 AI	29/10/13	M Horne (Storeman)				
2093	Utility-ToyotaHilux DualCab TrayTop	BV 94 UA	31/10/13	Garbage, Sanitation				10,000
<b>3000 TRUCKS</b>								
3229	Truck-Daihatsu 2t Tipper	WDM 576	26/08/99	Town Tipper			70,000	
3244	Truck-Toyota Dyna 1.4t Tipper	VXR 428	12/07/99	L Howell				
3245	Truck-Toyota Dyna 1.4t Tipper	VXR 427	12/07/99					
3249	Truck-Toyota Dyna 2t Tipper	WRY 568	29/08/00	Parks & Gardens				
3826	Truck-Garbage Compactor (OLD)	UOU 665	05/08/88	Standby for PI 3948				
3933	Low Loader-Rocklea	B 81462	15/02/79	(with P3924)				
3949	Fire Engine- Dennis							
3950	Truck-Iveco 11.5t Tipper	ZBU 128	30/12/03	B Lennane	56,000			
3951	Truck-Iveco 11.5t Tipper	ZBU 406	21/01/04	D Troy	(264,000)			
3952	Prime Mover – Kenworth T401	AD 73 AL	10/05/06	Heavy Plant Transport				
3953	Truck – Garbage Collection	YPJ 776	03/04/07	A Hewen		100,000		
3954	Trailer (semi) – bogie tipper	U97 174	21/10/10	Garbage Tip				
3955	Truck-Isuzu FRR 500 Long	BL 37 ST	28/09/11	L Fisher				
<b>4000 PLANT</b>								
4039	Crane-Bedford	Deregistered	13/12/79	Crane (yellow)				
4047	Grader-Allis Chalmers DD	AWX 953	21/01/70	(orange)				
4052	Grader-Caterpillar 12G	UDQ 896	22/03/96	K Abbott				
4053	Grader-Caterpillar 12H	QZY 120	02/07/97	Various				
4058	Tractor-Massey Ferguson	ELH 826	21/04/67	(Proline)				70,000

Plant #	Item Details	Rego No.	Date Purchased	User/Purpose	2013/2014 \$	2014/2015 \$	2015/2016 \$	2016/2017 \$
4067	Toyota Forklift	UCA 215	03/11/95	Workshop/Depot				
4069	Tractor-Ford 3000	UJL 710	01/08/96	Caragabal – A Riding				
4070	Roller-Cat 613/Grid	QFZ 655	08/01/94	N Hockings				
4071	Roller-Case W.152	UCA 214	21/04/94	small roller (orange)				
4073	Roller-Pacific Vib.Smooth V12D	s/n 568	30/08/77	drawn roller				
4076	Roller-Coates "Crushpactor '72	Top pit	25/11/80	drawn roller				
4082	Case-Vibromax S/P Smooth	RVH 118	31/07/91	Various operators		200,000		200,000
4083	Dynapac S/P Padfoot	TRJ 163	29/05/95	Various operators				
4094	Backhoe/loader- Case 580 SLE	XFR 665	02/04/01					
4095	Tractor-John Deere 601098A	20655C	31/05/02					
4096	Multi-tyred Roller- Multipac VP2400	XZJ 136	28/05/02					
4097	Toro Groundsmaster 228D mower,outfront	YVT 154	12/09/03	Parks & Gardens			40,000	
4098	Patching machine- Isuzu	ZAV 542	22/12/03					
4099	Tip Compactor- Cat 518C		06/02/04					
4100	Roller, rubber-tyred- Bomag BW20	55114C	16/07/04	Various operators				
4101	Wheel Loader- Volvo L60E	AE 04 NK	20/05/05	S Hughes			180,000	200,000
4102	Grader – Caterpillar 120M	AV 08 PY	04/06/08	K Abbott				
4103	Tractor – New Holland TD80D	80 47 OC	04/06/08					
4104	Bad Boy Mower – AOS 60" 35hp	92416C	07/08/09	Parks & Gardens				40,000
4105	Grader – Caterpillar 120M	BL 80 HR	26/07/11	N Hockings				
4106	Backhoe/Loader – Caterpillar 432E	BL 81 HR	26/07/11	P Taylor				
	2 new dog tipping trailers				(140,000)			
	Slide on Water Tank							
	Second Hand Street Sweeper							
	Minor Purchases				48,000			
	Smooth Drum Roller						125,000	
	Rubber Tyred Roller						57,000	
					320,000	407,000	590,000	628,000

### Schedule E - Roads to Recovery Program

Proposals and Locations	2013/2014	2014/2015	2015/2016	2016/2017
Reseals	\$100,000	\$100,000	\$200,000	\$100,000
Old Young Rd widen shoulders & reseals	Completed			
Martins Ln widen shoulders & reseals	Completed			
Pinnacle Rd widen shoulders & reseals	\$350,876	\$200,000		
Ballendene Road			\$345,593	Completed
Driftway Rd widen shoulders & reseals		\$150,876	\$350,000	Completed
Keiths Lane				\$347,796
Deaths Lane				
<b>TOTAL</b>	<b>\$450,876</b>	<b>\$450,876</b>	<b>\$895,593</b>	<b>\$447,796</b>

**Schedule F - Shire Roads Gravel Resheeting Program (FAG Program)****Proposed Road Resheeting Program for:****2013/2014:**

Adams Ln	1 km
Adelargo Rd	3 km
Bald Hills Road	1 km
Barkers Road	1 km
Berrendebba Road	2 km
Grimms Road	1 km
Gerrybang Rd	1 km
Greenethorpe Wirega Rd	1 km
Stewarts Road	2 km
Wheatleys Road	1 km

14 km @ \$8,000/km = \$110,000

**2014/2015:**

Adams Lane (South)	1.00 km
Arramagong Road	2.00 km
Adelargo Road	2.00 km
Bald Hills Road	1.00 km
Barkers Road	1.00 km
Berendebba Road	1.00 km
Greenethorpe-Wirega Road	1.00 km
Nowlans Road	1.00 km
Quondong Road	1.00 km
Stewarts Road	2.00 km
Wheatleys Road	1.00 km

Total 14.0km

---

14.0km @ 9,300/km = \$130,000

**2015/2016**

Adelargo Road	2.00 km
Bald Hills Road	1.00 km
Barkers Road (North)	1.00 km
Greenethorpe-Wirega Road	1.00 km
Holy Camp Road	0.80 km
Hunts Road (Patch Gravel)	1.40 km
Nowlans Road	1.50 km
Stewarts Road	2.00 km
Stock Route Road	2.30 km
Wheatleys Road	1.00 km
Total	14.00km

---

14.0km @ 10,000/km = \$140,000

**2016/2017 Onwards**



Adelargo Road	7.9 km
Arramagong Road	7.4 km
Bald Hills Road	5.7 km
Barkers Road (East)	3.5 km
Borehams Road	3.5 km
Boundary Road	1.9 km
Browns Lane	0.8 km
Eves Lane	0.7 km
Goodes Lane	0.3 km
Greenethorpe-Wirega Road	6.6 km
Griffiths Road	0.9 km
Grimms Lane	2.8 km
Halls Lane	0.4 km
Hancock-Flinns Road	1.7 km
Hancock Williams Road	4.0 km
Holy Camp Road	0.5 km
Hunters Road	5.0 km
Kangaroooby Road	3.0 km
Major West Road	5.0 km
Maddens Lane	0.5 km
Nealons Lane	0.5 km
Newton Street	0.8 km
Peaks Creek Road	0.3 km
Quondong Road	2.6 km
Stewarts Road	2.9 km
Stock Route Road	4.3 km
Taylors Road	1.5 km
Trounsons Lane	1.9 km
Wards Road	1.0 km
Wheatleys Road	1.4 km

**Schedule G - Grenfell Streets and Footpaths****2013/2014**

Description of Works	Street	Kerb & Guttering	Footpath
Brundah Street (West Side) between Grafton and Manganese Road (140m Kerb and Gutter, 3m shoulder)	\$7,000	\$18,500	
North Street (south side) from Bradley Street to last new house (115m Kerb and Gutter, 3m shoulder and causeway)	\$20,000	\$15,000	
North Street (south side) from Warraderry Street to East Street (137 metres kerb and gutter – 137m x 2m)	\$3,000	\$17,200	
Wood Street (east side) from Camp Street to Dagmar Street (360 metres footpaving)			\$40,000
Lane between Young and Camp Streets(Wood/West Streets) 260 m x 4 m	\$12,500		
Lane between North and Melyra Streets (Tyagong and Alexandra Streets ) 200 m x 4 m	\$9,500		
Forbes Street (east side) outside No. 2 Forbes Street (old bank building)	\$2,000	\$3,500	

**2014/2015**

Description of Works	Street	Kerb & Guttering	Footpath
Melyra Street south side between Tyagong Street and Brundah Street (107m kerb and gutter and 2m shoulder)	\$14,000	\$15,000	
South Street outside depot (90m kerb and gutter and 2m shoulder))	\$4,000	\$15,000	
Lane between North and Melyra Streets (Cross / Bogalong St) 200 m x 4 m	\$9,600		
Lane between North and Melyra Streets (East / Bogalong St ) 200 m x 4 m	\$9,600		
Lane between Rose and South Streets (Wood/West Streets) 120 m x 4 m	\$6,000		
Melyra Street northside from Warraderry Street to the teachers carpark (1.2m wide footpath 110m)			\$16,500

**2015/2016**

Description of Works	Street	Kerb & Guttering	Footpath
Lane between North and Melyra Streets (Cross / Bogalong St) 200 m x 4 m	\$10,400		
Brundah Street east side from Melyra Street to Grafton Street, except existing K&G (67m and 2m shoulder)	\$2,000	\$8,800	
Lane between Grafton and Melyra Streets (Brundah and Tyagong St ) 130 m x 4 m	\$7,000		
Lane between Grafton and Melyra Streets (Alexandra and Tyagong St ) 130 m x 4 m	\$7,000		
Lane between Grafton and Camp Streets (Brundah and Tyagong St ) 130 m x 4 m	\$7,000		
Lawson Drive to Stan McCabe Drive (1.2m wide footpath 215m)			\$21,500
Palmer Street (south side) from Gooloogong Road to Parkes Street (210 metres kerb and gutter 210m x 2m)	\$5,400	\$27,300	
Fitches Lane (west side) frontage to No. 52 Melyra Street and Melyra Street (north side) frontage to No. 52 Melyra Street (130m kerb and gutter x 3m shoulder)	\$5,000	\$16,900	

**2016 Onwards**

North Street (south Side) between Tyagong and Alexandra Streets (136m kerb and gutter 3m shoulder)	\$5,300	\$18,000	
North Street (north Side) between Tyagong and Alexandra Streets (136m kerb and gutter 3m shoulder)	\$5,300	\$18,000	
North Street (south side) from East Street to Bogolong Street (98 metres kerb and gutter – 98m x 2m)	\$2,500	\$12,500	
North Street (south side) from lane behind Clarice Johnson carpark to Bogolong Street ( 58 metres kerb and gutter – 58m x 2m shoulder)	\$2,500	\$7,300	
North Street (south Side) between Dalton and Alexandra Streets (100m kerb and gutter 3m shoulder)	\$3,600	\$13,000	
Tyagong Street South of North Street to Emu Creek 7 m x 80 m	\$8,400		
Lane off Young Street northerly to Emu Creek (Tyagong/MR 398) 145 m x 4 m	\$7,500		
Lane off Young Street southerly to Grenfell (Tyagong/MR 398) 120 m x 4 m	\$5,900		
Rose Street (north side) between Wood and West Streets (110m Kerb and Gutter, 3m shoulder)	\$4,000	\$14,600	
Rose Street (south side) between Wood and West Streets (110m Kerb and Gutter, 3m shoulder)	\$4,000	\$14,600	
Cross Street west side from Melyra Street to vehicular entrance to Bowling Club (1.2m wide footpath 190m)			\$28,500



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**Weddin Shire Council**  
**LONG TERM FINANCIAL PLAN**  
**2016 - 2025**

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## 1 Executive Summary

### 1.1 Introduction

The Long Term Financial Plan (LTFP) is one of three components of the Resourcing Strategy under the NSW Integrated Planning and Reporting framework (IP&R), and is an important part of Council's strategic planning process. The LTFP is the document that tests long-term community aspirations and goals against financial realities.

Weddin Shire Council's LTFP details Council's expected income, recurrent and capital expenditure, and the external environment that Council is expected to face in the coming ten years. The LTFP is in effect Council's financial road map for the ten year period commencing with the 2015/16 financial year.

This long term financial plan provides a framework in which the Weddin Shire Council can assess its revenue building capacity to meet the activities and level of services outlined in the Community Strategic Plan.

The plan has identified key financial issues and provides a means of ensuring that the Council can remain financially sustainable in the longer term.

Weddin Shire is a well-connected region within the Central West of New South Wales. With excellent connections to regional centres such as Forbes and Cowra, and within 2 hours of Orange, Canberra, Wagga Wagga and Dubbo, Weddin Shire combines the benefits of a rural location with proximity to a wide variety of regional centres.

The service Centre of Grenfell, at the heart of the region, has experienced significant growth over the last few years, attracting professionals seeking a high quality, low stress lifestyle. There is a strong sense of community in Weddin Shire.

While Weddin Shire's economy is focused around agriculture, which makes up 37% of the economy, other important sectors include education, public administration, transport and warehousing and healthcare.

The Council is custodian of \$152 million of community built and natural assets and a key aspect of the financial plan is the development of strategies to ensure appropriate and affordable funding of maintenance and renewal of these assets over the next ten years.

## 1.2 Background to the Long Term Financial Plan

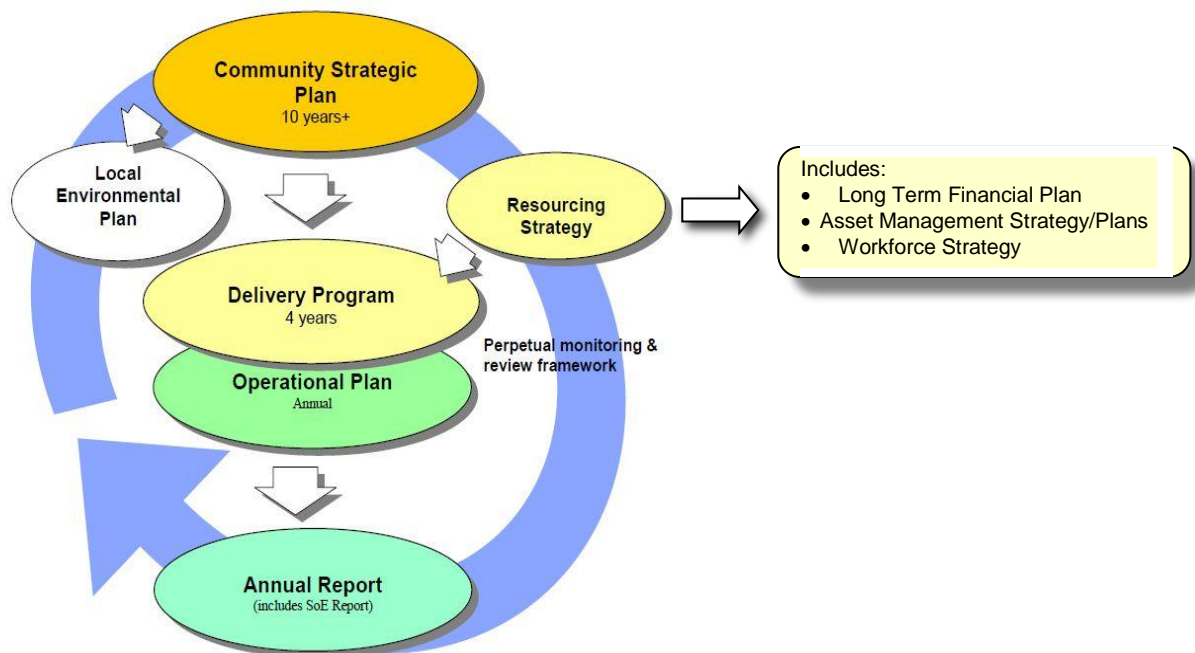
Weddin Shire's agriculturally-based economy is comprised of many family-owned farms specialising in grain and lamb production. While agricultural activity underpins the region's economy, there has been recent growth in the heritage tourism and the professional business sectors.

The most recent Census data (2011) estimates a population of 3665 that roughly equates to the 2006 data when the population of the Shire was 3,797. Males represent 50.7% of the population. Recently, the end of the drought has brought a return to some semblance of a healthy economy for the local rural producers.

The 2011 census indicates that there are 1832 private dwellings and 1045 families in the Shire.

### Integrated Planning & Reporting (IP&R)

Under the IP&R framework councils are required to draw together the various plans (that is the Community Strategic Plan, LTFP, Asset Management Plans and Workforce Plan) to understand how these interact and ensure maximum leverage by planning holistically for the future. The *Community Strategic Plan* provides a vehicle for expressing long term community aspirations. However these aspirations can only be achieved if sufficient resources - time, money, assets and people – are allocated.





The Shire's 2012 – 2023 Community Strategic Plan expresses the community's priorities and aspirations for the future and presents the vision, objectives and strategies for achieving a more sustainable Shire. The Council and the community worked together in the development of this plan that has six interlinked key focus areas:

1. Strong, Diverse & Resilient Local Economy
2. Healthy, Safe, And Educated Community
3. Democratic And Engaged Community
4. Culturally Rich, Vibrant And Inclusive Community
5. Cared For Natural, Agricultural & Built Environments
6. Well Maintained & Improving Shire Assets And Services

The Community Strategic Plan was reviewed in 2013 as required by the Integrated Planning & Reporting legislation, with the determination that all assumptions were still valid.

#### Delivery Program & Operational Plan

Through the Delivery Program the Council outlines how the objectives of the Community Strategic Plan will be implemented through projects and services during the term of office of Council. The implementation will be within the resources identified in the accompanying Resourcing Strategy.

#### Resourcing Strategy

The Resourcing Strategy that underpins the community strategic plan consists of three components:

1. long term financial planning,
2. asset management planning and
3. Workforce planning.

The Resourcing Strategy is the critical link between the community strategic plan and the Delivery Program. Each component of the Resourcing Strategy is crucial to achieving the goals and objectives of the strategic plan.

The Resourcing Strategy is reviewed each year in line with preparation of the annual Operational Plan. It details the provision of resources required to implement strategies for which Council is responsible.

#### Long Term Financial Plan

The Long Term Financial Plan (LTFP) is a decision making tool. It is governed by a series of financial strategies and accompanying performance indicators that Council considers and adopts. The LTFP is not intended to be a document that specifically indicates what services/proposals funds should be allocated; rather it addresses the impact of the Council's ability to fund its services and capital works, whilst living within its means i.e. achieving financial sustainability. It establishes the financial framework upon which sound financial decisions are made in order to meet the levels of services outlined in the Shire's Community Strategic Plan.

The LTFP can be viewed as a roadmap of how Council will finance the expectations of the community as detailed in the Community Strategic Plan, and what the long term (over a ten year horizon) cost of these outcomes will be to the community.

The starting point for the LTFP is Council's expectations in relation to revenue that will be available to the council over the next ten years. The LTFP forecasts the projected revenue that Council will be able to obtain based on general planning assumptions such as demographic, economic and political trends and specific factors that affect individual

revenue line items (e.g. rate pegging, projected new sources of revenue, and the future of individual grant programs).

Once Council has determined the level of revenue projected to be available over the ten year time frame, the next step is to assess the level of expenditure that will be required to meet the day to day cost to Council of providing services to the community.

Expenditure projections depend on both the future level of service forecast to be provided, the planning assumptions, as well as expectations regarding input costs such as expected salary increases, movements in materials costs, and movements in financing costs.

Expenditure of a capital nature such as on the construction of new assets and capital renewal will also impact on the future sustainability of Council. Capital expenditure is dependent on community expectations regarding service levels, as well as the future costs of inputs such as staff costs and material costs (e.g. fuel and bitumen). Capital expenditure is dealt with separately in great detail in the AMP, and assumptions around the future cost of asset construction and rehabilitation from the AMP have been incorporated into the LTFP. This information is captured in the ten year capital program from the AMP, which has been included in the LTFP.

The LTFP also deals with projected movements in balance sheet items such as the payment of loans, and projected movements in working capital.

The LTFP includes the financial statements for Council's base scenario (i.e. income statement, balance sheet, cash flow statement) and alternative scenarios that address weaknesses in the current position of Council.

A risk analysis and sensitivity analysis has been undertaken to strengthen the strategies arising from the plan.

## 1.3 Current Financial Position

In conducting financial sustainability reviews, NSW TCorp relies upon the following definition of sustainability to provide guidance:

"A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community."

As a result, the key elements of any NSW TC review will be:

- Evidence of community engagement on service levels and costs
- An ongoing infrastructure renewal program consistent with community expectations
- An ongoing operating surplus position.

NSW TC regards the recent history of the Council as being more reliable than the financial forecasts that have been provided. This is not unusual and many councils fail to demonstrate consistency between forward financial forecasts and actual planning processes and responses, including annual budgets.

The analysis utilises the 2014-15 & 2015-16 budgets as a starting point and forecast data for the period 2017-16 to 2024-25.

As seen in Scenario 1 being the current position, Council's financial position would currently be regarded as weak with a negative outlook. It is clear however that Council has the capacity to alter its forecasts and improve its financial outlook.

The key aspects to the improvement are:

1. A plan to return to an operating surplus position, and
2. Reduce Service levels and community expectations for asset renewal.
3. Seek operating efficiencies where possible

It is possible for council to revise its current practices and underlying policy settings to improve its sustainability outlook as outlined in Scenario 2 & Scenario 3.

Council needs to consider a greater allocation of funding for renewals, either through use of its own cash and investments or through borrowings. Council also needs to consider the forecasts associated with its asset management plans (AMP's). It is expected that as Council's asset management practices improve the data underlying the AMP's will be increasingly accurate and facilitate enhanced strategic asset management planning. In reviewing the AMP's an interactive process is needed that will:

- Match renewal funding requirements against available funding in the current LTFP, and
- Revise the renewal program to match available funding in the LTFP.

In balancing renewals with available funding, the Council will need to consider service and service level impacts and be prepared to make consequential changes to the asset register to incorporate the changes to expected remaining useful lives.

Council should seek to incorporate a balanced capital renewal program arising from its asset management planning processes with the LTFP.

Changes made to the asset register will affect forecast depreciation expense. Changes made to balance renewal expenditure to available funding will affect Infrastructure WDV forecasts and associated cash flows.

Council may need to reconsider all planned new /upgrade capital expenditures for the period of the forecast and consider renewal funding as a priority, other than for those infrastructure programs that are funded from contributions received previously.

Council needs to consider the operating position and the annual cash position and seek to reduce the annual operating deficit to sustainable levels.

## 1.4 Long Term Financial Plan Objectives

In accordance with the Division of Local Government's Long Term Financial Plan Guidelines (2013), the objectives of the Council's LTFP are to:

- establish a greater transparency and accountability of the Council to the community;
- provide an opportunity for early identification of financial issues and any likely impacts in the longer term;
- provide a mechanism to:
  - solve financial problems as a whole
  - see how various plans fit together
  - understand the impact of some decisions on other plans or strategies;
- provide a means of measuring the Council's success in implementing strategies;
- confirm that the Council can remain financially sustainable in the longer term; and
- Meet the requirements of the Division of Local Government's Integrated Planning & Reporting (IP&R) framework.

The LTFP links to the Organisation's key strategies in the following ways:

Asset Management Strategy and Strategic Asset Management Plans - through the capital works program figures and projected adjustments in future years, in particular;

- The Asset Management Strategy guides the planning, construction, maintenance and operation of the assets essential for the Council to provide services to the community. Funds have been allocated to achieve this in each year of the LTFP from sources such as grants, borrowings, revenue from special variations etc.
- The implementation of the Asset Management Strategy will ensure improved financial and asset management capacity within the Council.
- Asset Management Plans (AMPs) identify key expenditure priorities based on asset condition and risk.

### HR Strategy

- Additional budget has been allocated to accommodate cost rises in the future for superannuation
- Scrutiny on employment costs will ensure the organisation tightly monitors future operational employment costs

### Delivery Program

- Details initiatives, performance measures and resources required to deliver activities for the four years of the program.

## 1.5 Performance Monitoring and Review

Council has at its disposal a wide array of financial performance measures that can be used to track and measure Council's long term financial viability and financial performance. Council will utilise the financial ratios associated with the Fit for the Future (FFTF) reform process as they are the ratios being used to measure our performance and thus to effectively determining our future. Within the LTFP these ratios are calculated on an annual basis. The FFTF Ratios are:

1. Operating Performance Ratio
2. Own Source Revenue Ratio
3. Building and Infrastructure Asset Renewal Ratio
4. Infrastructure Backlog Ratio
5. Asset Maintenance Ratio
6. Debt Service Ratio
7. Real Operating Expenditure Per Capita

These ratios are further explained as follows:

Operating Performance Ratio	<p>Operating performance ratio is an important measure as it provides an indication of how a Council generates revenue and allocates expenditure (e.g. asset maintenance, staffing costs). It is an indication of continued capacity to meet on-going expenditure requirements.</p> <p>Ongoing operating deficits are unsustainable and they are one of the key financial sustainability challenges facing the sector as a whole. While operating deficits are acceptable over a short period, consistent deficits will not allow Councils to maintain or indeed increase their assets and services or execute their infrastructure plans.</p> <p>It is recommended that all Councils should be in an at least break even operating position or better, as a key component of financial sustainability. Consistent with this recommendation the benchmark for this ratio is greater than or equal to break even over a 3 year period.</p>
Own Source Revenue Ratio	<p>Own source revenue measures the degree of reliance on external funding sources (e.g. grants and contributions). This ratio measures fiscal flexibility and robustness. Financial flexibility increases as the level of own source revenue increases. It also gives councils greater ability to manage external shocks or challenges.</p> <p>Councils with higher own source revenue have greater ability to control or manage their own operating performance and financial sustainability.</p> <p>All Councils should aim to meet or exceed the benchmark of greater than 60 per cent of total operating revenue over a three year period.</p>

Building & Infrastructure Asset Renewal Ratio	<p>The building and infrastructure renewals ratio represents the replacement or refurbishment of existing assets to an equivalent capacity or performance, as opposed to the acquisition of new assets or the refurbishment of old assets that increase capacity or performance. The ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration.</p> <p>Performance of less than one hundred percent indicates that a Council's existing assets are deteriorating faster than they are being renewed and that potentially council's infrastructure backlog is worsening. Councils with consistent asset renewals deficits will face degradation of building and infrastructure assets over time.</p> <p>Given this a ratio of greater than one hundred percent is adopted. In recognition of the fact that capital expenditures are sometimes lumpy and can be lagged, this ratio is averaged over three years.</p>
Infrastructure Backlog Ratio	<p>The infrastructure backlog ratio indicates the proportion of backlog against the total value of the Council's infrastructure assets. It is a measure of the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way. This measures how councils are managing their infrastructure which is so critical to effective community sustainability.</p> <p>It is acknowledged, that the reliability of infrastructure data within NSW local government is mixed. However, as asset management practices within councils improve, it is anticipated that infrastructure reporting data reliability and quality will increase.</p> <p>The benchmark for this ratio is less than 2 per cent reflecting the State Government's focus on reducing infrastructure backlogs.</p>
Asset Maintenance Ratio	<p>The asset maintenance ratio reflects the actual asset maintenance expenditure relative to the required asset maintenance as measured by an individual council.</p> <p>The ratio provides a measure of the rate of asset degradation (or renewal) and therefore has a role in informing asset renewal and capital works planning.</p> <p>The benchmark adopted is greater than one hundred percent, which implies that asset maintenance expenditure exceeds the council identified requirements. A ratio of less than one hundred percent indicates that there may be a worsening infrastructure backlog. In recognition of the fact that capital expenditures are sometimes lumpy and can be lagged, this ratio is averaged over three years.</p>

Debt Service Ratio	<p>It is appropriate for Councils to hold some level of debt given their role in the provision and maintenance of key infrastructure and services for their community.</p> <p>Prudent and active debt management is a key part of both funding and managing infrastructure and services over the long term.</p> <p>Prudent debt usage can also assist in smoothing funding costs and promoting intergenerational equity. Given the long life of many council assets it is appropriate that the cost of these assets should be equitably spread across the current and future generations of users and ratepayers. Effective debt usage allows councils to do this. It is considered reasonable for Councils to maintain a Debt Service Ratio of greater than 0 and less than or equal to 20 per cent.</p>
Real Operating Expenditure Per Capita	<p>The capacity to secure efficiency improvements can be measured with respect to a range of factors, for example population, assets, and financial turnover. Assuming that service levels remain constant, decline in real expenditure per capita indicates efficiency improvements (i.e. the same level of output per capita is achieved with reduced expenditure).</p> <p>It is acknowledged that efficiency and service levels are impacted by a broad range of factors, and that it is unreasonable to establish an absolute benchmark across Councils. It is also acknowledged that council service levels are likely to change for a variety of reasons however, it is important that councils prioritise or set service levels in conjunction with their community.</p> <p>Councils will be assessed on a joint consideration of the direction and magnitude of their improvement or deterioration in real expenditure per capita. Given that efficiency improvements require some time for the results to be fully achieved and as a result, this analysis will be based on a 5-year trend.</p>

The financial projections associated with the LTFP will be reviewed at least annually and whenever a major adjustment is made to the agreed budget.



## 1.6 Planning Assumptions

Under the LTFP the Council sets out the approach it has developed as part of the Fit for the Future (FFTF) reform process to improve its ongoing financial sustainability. This will assist it to be in a better position to accommodate asset renewal needs as these fall due.

The key strategies under the LTFP are:

- Rates - A Special Rate Variation (SRV) incorporated into Scenario 3 of 4% above the rate peg introduced in 2015-16 (6.4%) and continued in 2016-17 (7%), 2017-18 (7%) and 2018-19 (7%). Thereafter the forecast rate increases return to the assumed rate peg of 2.5%.
- Operating Grants - An increase of \$1,500,000 in 2018 in the Financial Assistance Grant (FAG) allocation to improve support for disability in Rural Council areas.
- Salaries & Wages – An ongoing reduction of \$70,000 in Salaries & Wages expenses forecast in 2017 & 2018 from anticipated staff retirements.
- Materials & Contracts – An ongoing reduction of \$60,000 in the cost of the plant & vehicle fleet cost in 2017.  
An ongoing reduction of \$30,000 in 2017 representing a reduction in operating costs of health assets as Council seeks full funding or alternate service delivery models for health services.  
An ongoing reduction of \$180,000 in procurement costs being anticipated savings as council matures its procurement model towards best practice.  
An ongoing reduction of \$100,000 targeted from bulk purchasing and resource sharing arrangements established as part of the FFTF reform process.
- Depreciation - A revaluation of Infrastructure assets taking into account current asset performance is expected to reduce depreciation based on the extension of asset useful lives, adoption of proper componentisation and residual value where appropriate. Council is also reviewing the inclusion of Rural Fire Service Assets given the substance of the current arrangement entails a maintenance agreement and thus these assets are deemed to be under Council control. Initial forecasts indicate this could be in excess of a 30% reduction in annual depreciation. Further note on the assumptions underpinning the depreciation reductions is contained within A5 Attachment – Assumptions.
- Other – A reduction of \$45,000 in 2017 as a direct result of a planned reduction in Councillors to 5.

By following the above strategies and ensuring that services are not expanded without corresponding revenue increases, by 2024-2025 the Council will be in a much stronger financial position.

## 1.7 Policy Assumptions

As with economic trends, the impact of political trends is extremely hard to measure. Council has assumed that the current political risks that Council faces include:

- Risk relating to grants and contributions from State and Federal government;
- Pressure on local Councils to amalgamate or share services;
- Increased federal and state pressure for local government to provide increased services without the commensurate financial support (cost shifting).

The main measurable impact of these trends on Council's financial position relates to the risk around Federal and State support. As Council receives roughly 65% (2014 figures, - 55% from 2015 onwards) from grants and contributions it faces significant revenue risk due to this heavy reliance on support from other levels of government.

For the purpose of this plan it has been assumed that there will be no amalgamations that affect Weddin Shire Council within the next ten years, and that the level of service sharing can't be estimated, nor can the potential financial impact that this would entail.

Although there may be a trend towards the responsibility for the provision of certain services being passed down to local government, Council is currently unable to predict what responsibilities would be transferred to Council, nor the financial impact of such transfers and has therefore not addressed this issue in the LTFP.

### Rate Pegging

The Minister for Local Government regulates the growth of annual rates revenue through 'Rate Pegging'. Rate pegging determines the maximum amount by which Councils can increase their annual rates income. This limit applies to Council's total rates base, and individual rates may increase above the limit. Commencing from the 2011/12 financial year, responsibility for determining the annual rate peg has been delegated to the Independent Pricing and Regulatory Tribunal (IPART). Under this framework a new local government cost index has been established by IPART and this index, less a productivity coefficient, forms the basis for the rate peg each year.

The projections in the LTFP assume a rate peg of 2.4% for the 2015/16 financial year and later years (Source: 2015/16 Rate Peg Local Government Fact Sheet December 2014).

A policy framework is necessary to help guide the development of Council budgeting and long term financial planning. Future resource use and decision making by the Council can be guided by the structure provided in the policy framework. Council's Long Term Financial Plan has been drafted to comply with the following policies:

Certain policy assumptions have been applied in creating the scenarios.

Debt	All Scenarios have assumed that the projected capital works program will be partly funded by loans and new borrowings will continue to have a 20 year repayment term. This has been the case in recent years.
Employment	All scenarios have assumed the employment establishment will not be constrained except as a direct result of reduced service levels.

Service Levels	The Scenarios include budget constraints that may impact service levels. The FFTF process has forced Council to review non-core service provisions and the way in which service provisions generally are delivered.
Special Variations	Scenario 3 includes allowance for a special rate variation
Maintenance	An assumption has been made that asset maintenance will continue at the current level despite the fact that some service provisions may be reviewed resulting in a reduced maintenance requirement.
Grant Income	Only recurring Grant Income has been included with the exception of an increased Financial Assistance Grant (FAG) allocation anticipated for Rural Councils.

## 1.8 Financial Management Strategies

The emphasis on asset management planning in local government arises as a result of the reliance that councils have on infrastructure to deliver services and support communities, particularly through the road and bridges network but also through community buildings, water and sewerage networks and stormwater management systems. This emphasis, combined with the broad range of estimates and assumptions associated with valuing and depreciating infrastructure, means that asset management planning practices and financial projections for renewal, maintenance and operations expenditures are critical to understanding and managing the financial position of any council.

Financial sustainability for a council means being able to manage likely developments and unexpected shocks in future periods without having to introduce substantial and economically significant or socially destabilising income or expenditure adjustments.

Expressed a different way, the decisions made by Council must ensure that the needs of the present generation are met without compromising the ability of future generations to meet their own needs<sup>1</sup>.

The financial sustainability evaluation of a local government is undertaken with reference to a properly developed and complete long term financial plan. The financial plan should:

- be based on the achievement of projected performance against carefully developed financial sustainability targets
- fully accommodate in quantum and timing all expenditures as included in the asset management plans for the council's infrastructure assets
- Include a sensitivity analysis highlighting key factors or assumptions most likely to impact on achievement of plans' financial targets.

Financial sustainability indicators are used to support the analysis of a council's long term financial plan.

Evaluations based on the use of the ratios seek to identify whether the infrastructure assets of the council are being maintained whilst the council remains financially viable in the long term (operating surplus) and retains financial capacity to manage risks and unexpected events.

In balancing renewals with available funding, the Council will need to consider service and service level impacts and be prepared to make consequential changes to the asset register to incorporate the changes to expected remaining useful lives.

Council should seek to incorporate a balanced capital renewal program arising from its asset management planning processes within the LTFP.

Changes made to the asset register will affect forecast depreciation expense. Changes made to balance renewal expenditure to available funding will affect Infrastructure written down value (WDV) forecasts and associated cash flows.

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<sup>1</sup>Drawn from Brundtland Commission report "Our Common Future" 1987.

Council may need to reconsider all planned new/upgrade capital expenditures for the period of the forecast and consider renewal funding as a priority, other than for those infrastructure programs that are funded from tied contributions received previously.

Council needs to consider the operating position and the annual cash position and seek to reduce the annual operating deficit to sustainable levels. A focus on the asset register and depreciation expense will be beneficial in this regard.

## 1.9 Risk Analysis

The Long Term Financial Plan assumptions have been tested through a risk assessment process. Issues considered include:

- The accuracy of projected estimates of expenditure;
- The certainty of revenue streams;
- Scenarios which could impact on revenue and expenditures;
- The reliability of investment returns and borrowing costs.

The Council has considered a variety of options and alternatives and has chosen the option that is most likely to succeed whilst being able to manage current and emerging risks.

## 1.10 Sensitivity Analysis

The preferred strategy (Scenario 3) is sensitive to three primary elements:

1. A Special Rate Variation of 4% above the rate peg introduced in 2015-16 (6.4%) and continued in 2016-17 (7%), 2017-18 (7%) and 2018-19 (7%). Thereafter the forecast rate increases return to the assumed rate peg of 2.5%. Council currently has a SRV application before IPART for assessment.
2. An ongoing increase in the allocation of Financial Assistance Grant totaling \$1.5 million introduced in 2018. Anecdotal evidence is that there is an appetite for an adjustment to the distribution of the FAG Grant in acknowledgement of the unfunded externalities in agricultural and mining production borne inequitably by Rural Councils.
3. A reduction in operating expenditure achieved via the identified FFTF strategies. It must be noted that as part of the FFTF reform process Council has also identified numerous visionary strategies to achieve cost reductions and/or additional income. Whilst some of these visionary strategies may be considered challenging to implement achievement of any of these strategies would further enhance Council's financial sustainability.

## 2 Summary of Planning Scenarios

Under this LTFP, a number of scenarios have been modelled to assist the Council in developing the best plan to meet community requirements and expectations as well as the requirements of the FFTF reform process. In summary, these scenarios are:

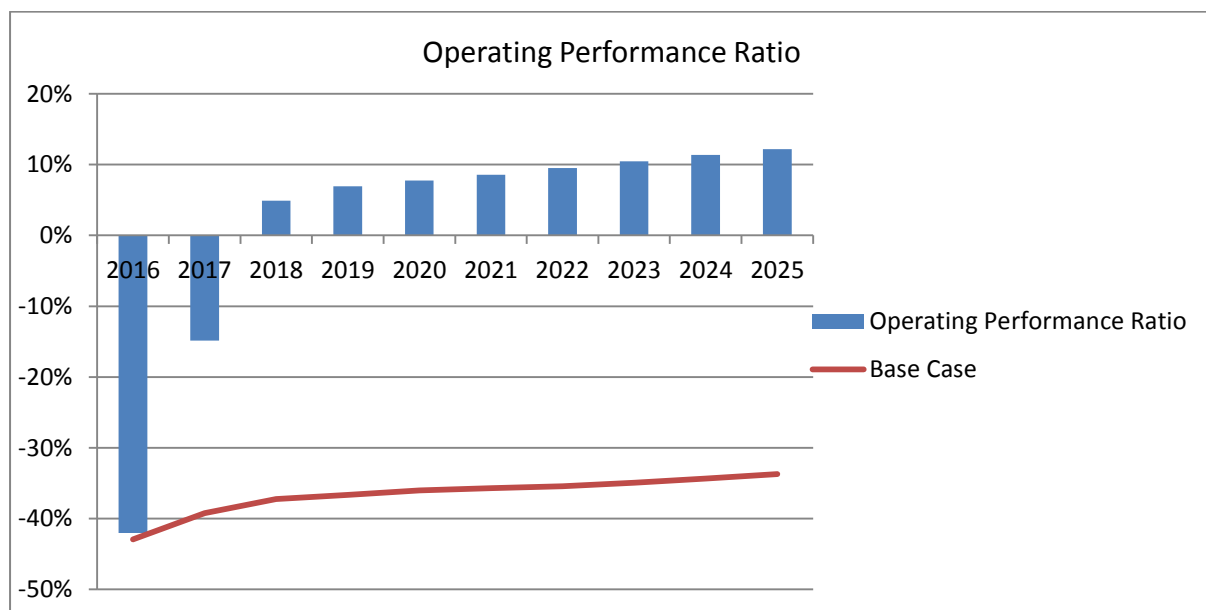
1. **Base Scenario (Scenario 1)** – identifies the current position and outlook from maintaining “business as usual” policy settings
2. **Achievable FFTF Scenario No SRV (Scenario 2)** – Incorporates the achievable FFTF strategies identified by Council however excludes a SRV.
3. **Achievable FFTF Scenario including SRV (Scenario 3)** – Incorporates the achievable FFTF strategies and a SRV.

Each of these positions is outlined in the following sections of this Long Term Financial Plan.

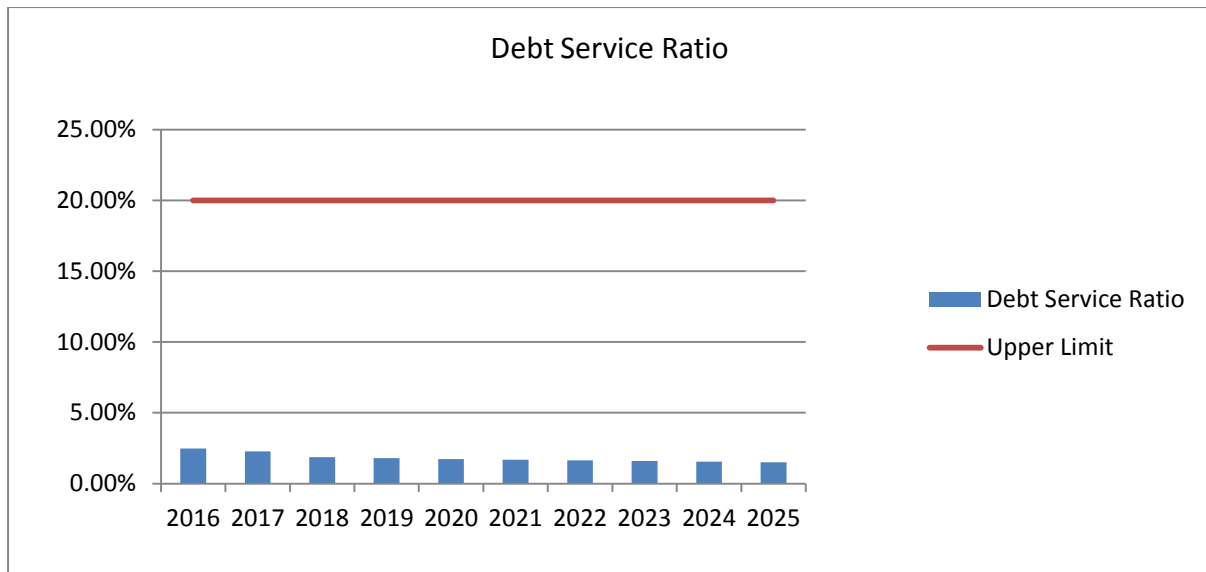
### Preferred Strategy

The preferred scenario is Scenario 3, which provides a number of strategies for the Council to achieve a sustainable financial position.

### Financial Sustainability Evaluation – Preferred Strategy – Scenario 3



The additional revenue and cost reductions result in Council moving to a breakeven position over the forecast period.



The Council remains in a solid position to borrow additional funds as needed with the Debt Service Ratio within the upper limit at all times within the forecast period. The move to funding capital expenditure with debt is a significant strategic change in a Council which has traditionally been debt averse. Council is conscious of being able to meet debt servicing costs and accordingly the levels of borrowings will be managed closely.

On the basis of Scenario 3, Council would be regarded as being in a financially sustainable position enabling it to maintain its asset base and consequently meet its ongoing service provision requirements in accordance with community expectations



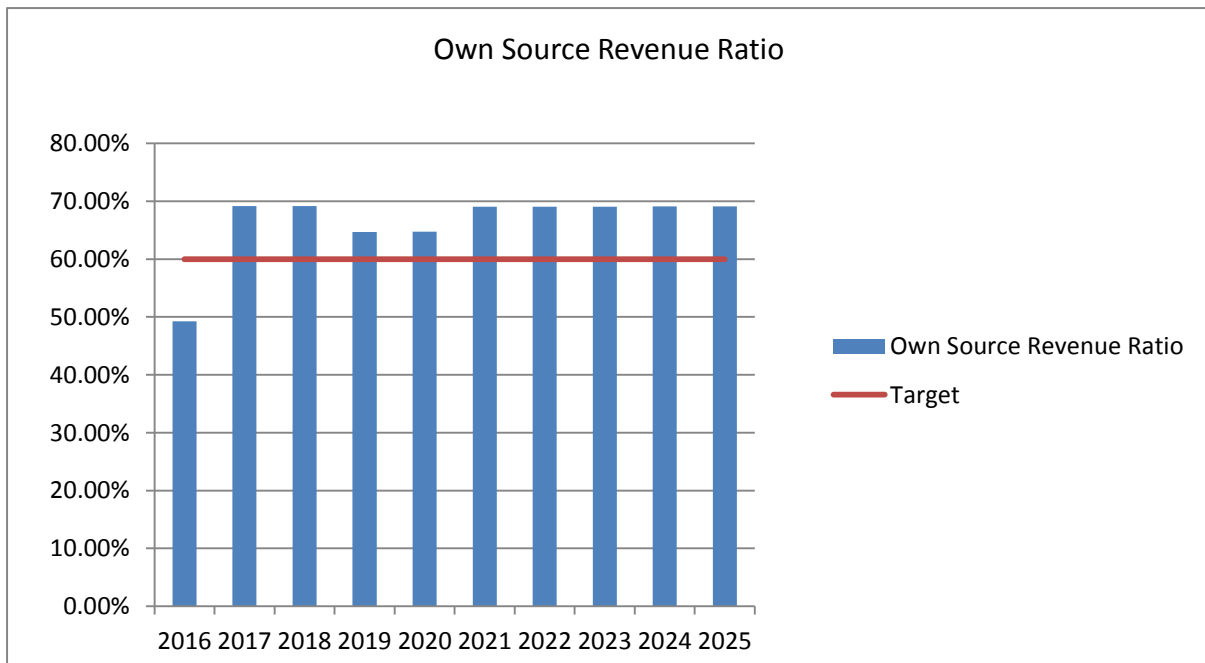
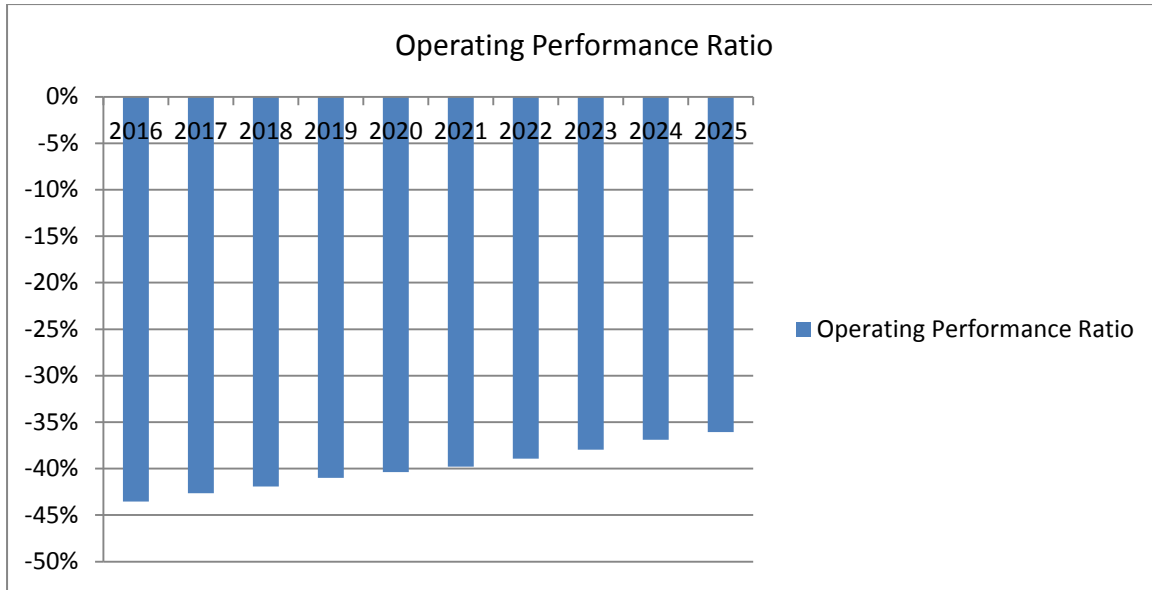
### 3 MODEL - Base Scenario/Current Position (Scenario 1)

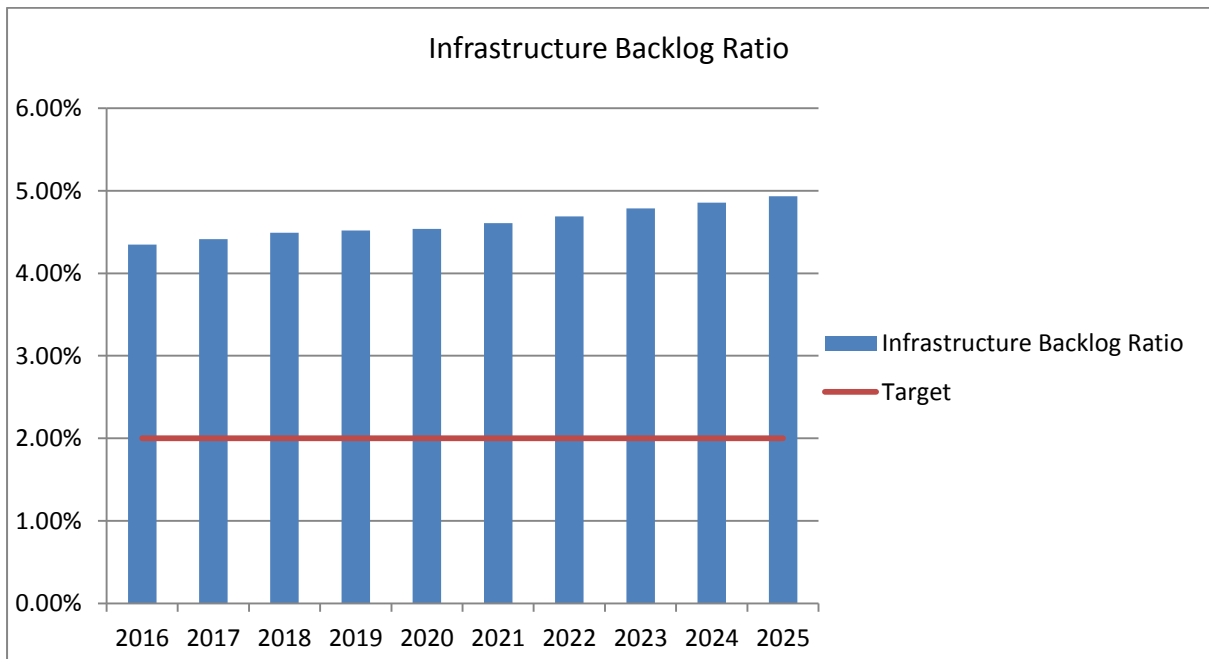
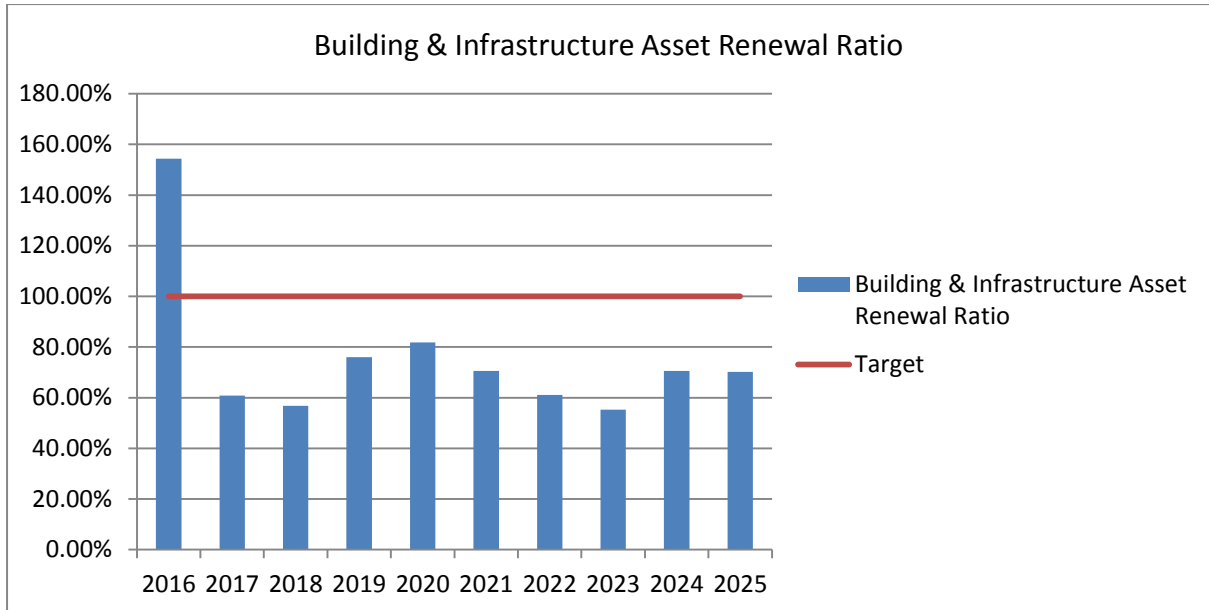
#### BASE CASE ASSUMPTIONS - Summary

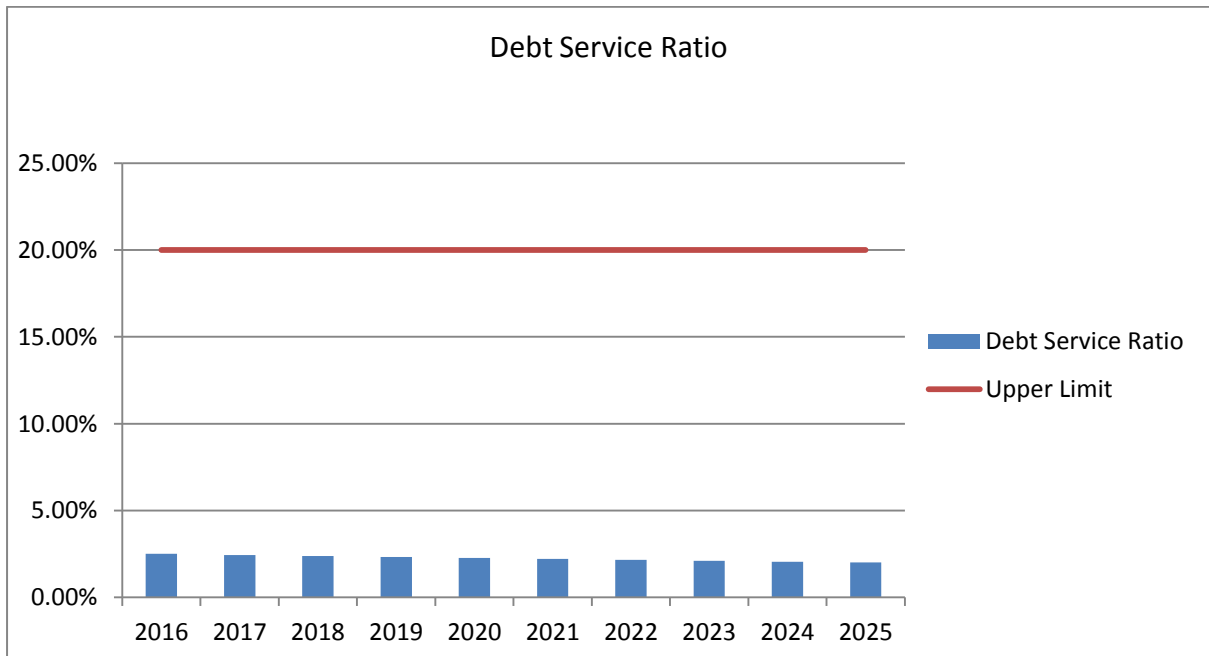
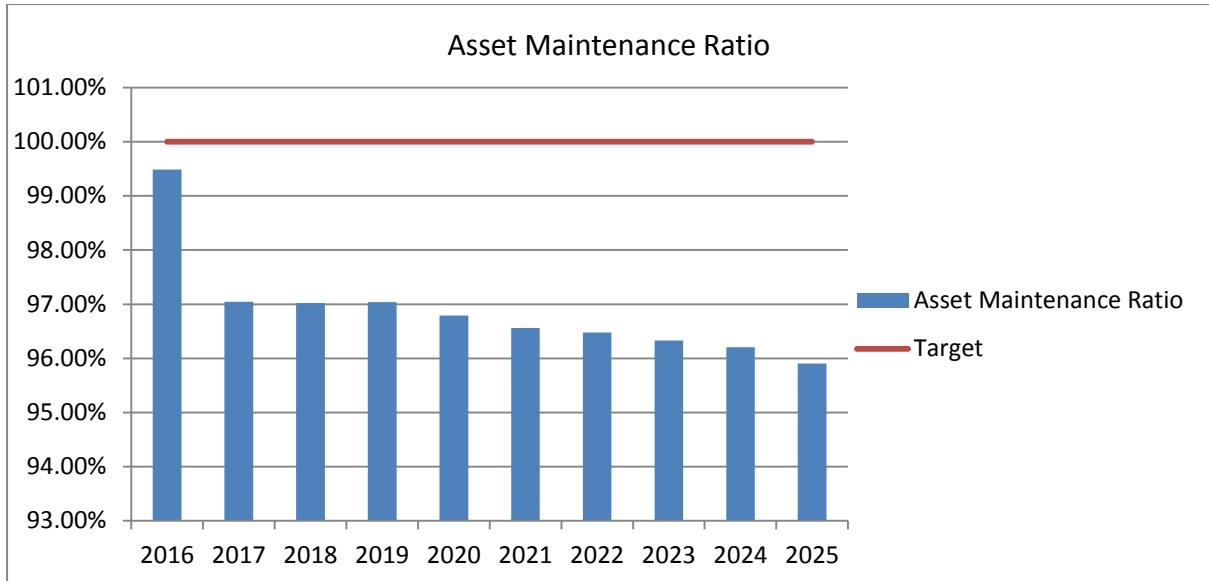
The starting point for the analysis of strategic options available is the Base Case which sets out Councils current position and highlights the challenges ahead. The Base Case is the business as usual approach with no changes factored in.

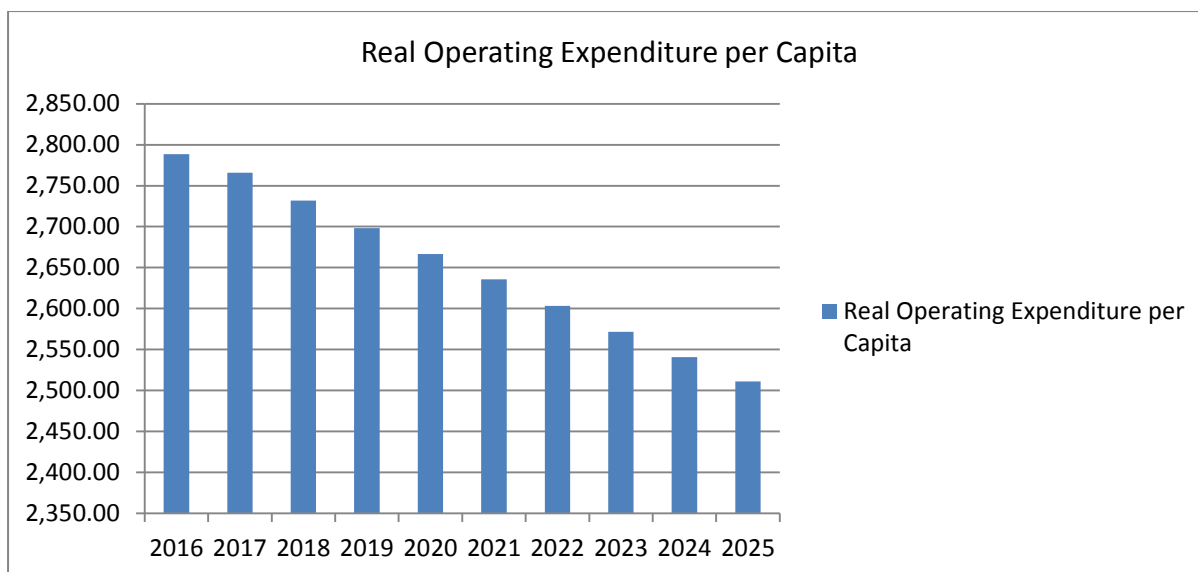
Assumption percentages have been applied to all projection years. The percentages are an indication of the change in value on average over the ten year period, including CPI, and have been determined based on historical trends and external indicators.

INCOME	
Rates	2.4% in 2015-16 in accordance with the rate peg, 3% thereafter being the assumed rate peg
Charges	2.5%
Grants – Operating Purposes	2.5%
Grants – Capital Purposes	2.5%
Investment Income	2.5%
Net Gain from Disposal of Assets	Nil expected
Other	2.5%
EXPENSES	
Salaries & Wages	2.5%
Materials & Contracts	2.5%
Depreciation	Based on current asset management plan data
Borrowings Costs	Based on current loan projections - 5%pa over 20 year term
Net Loss from Disposal of Assets	Nil Expected
Other	2.5%







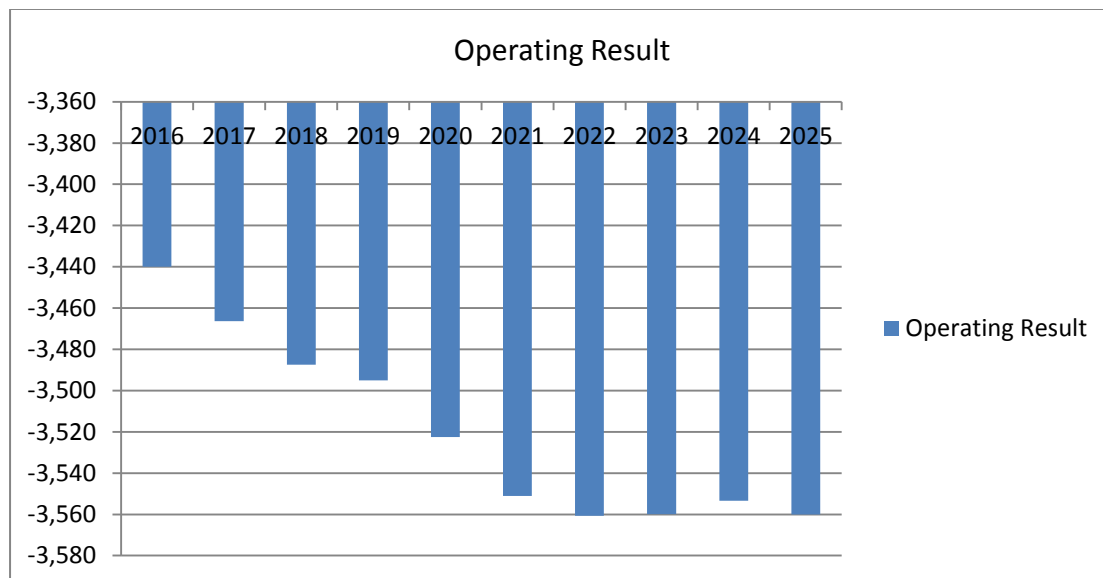


### Financial Sustainability Ratios – Base Case

Operating Performance Ratio	Remains negative throughout the forecast period. An average ratio of -39.91% over the ten year forecast highlights the need for change. Ongoing operating deficits are unsustainable and will not allow Council to maintain its asset base over the long term.
Own Source Revenue Ratio	With the inclusion of the Financial Assistance Grant (FAG) as allowed for Rural Council's this ratio exceeds the 60% benchmark throughout the forecast period with an average of 66.25%. Excluding the FAG sees the ratio drop below the benchmark to a 10 year average of 44.08% with the final year ratio of 46.00%. Given the unique 'Rural Council' characteristics with which Council is faced it will always be reliant on external funding sources.
Building & Infrastructure Asset Renewal Ratio	This ratio does not meet the target benchmark of 100%. Asset renewal is a challenge which Council needs to address. Council is looking to undertake several strategies to improve its asset management performance as part of the Fit for the Future reform process. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.
Infrastructure Backlog Ratio	This ratio does not meet the target benchmark of 2%. The ratio is also trending slightly negatively starting at 4.35% in 2016 and ending at 4.93% in 2025. Despite this negative trend the challenge in front of Council to bring this ratio under the target benchmark of 2% is not unachievable. Council is looking to undertake several strategies to improve its asset management performance as part of the Fit for the Future reform process. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.

Asset Maintenance Ratio	This ratio does not meet target benchmark of 100% averaging 96.89% over the forecast period and ending at 95.90% in 2025. However as with some of the other asset management challenges the closing of the asset maintenance gap and achieving the 100% target benchmark is not unachievable. It would only require an additional \$62,000 to be spent on asset maintenance per year on average over the forecast period to meet the shortfall and achieve the benchmark. Strategies Council is looking to implement to improve its asset management performance as part of the Fit for the Future reform process will have an impact on this ratio. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning.
Debt Service Ratio	This ratio remains within the upper limit throughout the forecast period which indicates Council has the capacity to increase borrowings to address some of the asset management challenges with which it is faced. Council is however conscious of improving the operating position to ensure debt servicing requirements can be met.
Real Operating Expenditure Per Capita	The positive trend in this ratio shows a decline in real operating expenditure per capita over the forecast period which indicates some efficiency gains over the forecast period.

### BASE CASE - OPERATING DEFICITS



The projected cumulative operating deficit (excluding capital revenues) for the base case for the period 2015-16 to 2024-25 is **(\$38.4) M**. The council remains in deficit over the entire projected period. The operating deficit results in a deficit of (\$3,560,000) for the final year 2024-25.

## Other Scenarios

The remaining two scenarios are based on improving weaknesses in the Base Case. Adjustments have been made to show the impact on the Council from the adoption of revised financial management and asset management strategies.

These are discussed in the following sections.

## **4 MODEL – ACHIEVABLE FFTF SCENARIO NO SRV (Scenario 2)**

### **ACHIEVABLE FFTF SCENARIO NO SRV ASSUMPTIONS - Summary**

The Achievable FFTF Scenario No SRV (Scenario 2) includes a number of strategies to reduce the operating deficit and manage community expectations over the course of the LTFP as follows:

- Rates - No special rate variations (SRV) is incorporated into Scenario 2.
- Operating Grants - An increase of \$1,500,000 in 2018 in the Financial Assistance Grant (FAG) allocation to improve support for disability in Rural Council areas.
- Salaries & Wages – An ongoing reduction of \$70,000 in Salaries & Wages expenses forecast in 2017 & 2018 from anticipated staff retirements.
- Materials & Contracts – An ongoing reduction of \$60,000 in the cost of the plant & vehicle fleet cost in 2017.  
An ongoing reduction of \$30,000 in 2017 representing a reduction in operating costs of health assets as Council seeks full funding or alternate service delivery models for health services.  
An ongoing reduction of \$180,000 in procurement costs being anticipated savings as council matures its procurement model towards best practice.  
An ongoing reduction of \$100,000 targeted from bulk purchasing and resource sharing arrangements established as part of the FFTF reform process.
- Depreciation - A revaluation of Infrastructure assets taking into account current asset performance is expected to reduce depreciation based on the extension of asset useful lives, adoption of proper componentisation and residual value where appropriate. Council is also reviewing the inclusion of Rural Fire Service Assets given the substance of the current arrangement entails a maintenance agreement and thus these assets are deemed to be under Council control. Initial forecasts indicate this could be in excess of a 30% reduction in annual depreciation. Further note on the assumptions underpinning the depreciation reductions is contained within A4 Attachment – Assumptions for Depreciation Reduction.
- Other – A reduction of \$45,000 in 2017 as a direct result of a planned reduction in Councillors to 5.



Assumption percentages have been applied to all projection years. The percentages are an indication of the change in value on average over the ten year period, including CPI, and have been determined based on historical trends and external indicators.

### INCOME

Rates	2.4% in 2015-16 in accordance with the rate peg, 3% thereafter being the assumed rate peg
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Charges	2.5%
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Grants – Operating Purposes	2.5%
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Grants – Capital Purposes	2.5%
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Investment Income	2.5%
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Net Gain from Disposal of Assets	Nil expected
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Other	2.5%
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### EXPENSES

Salaries & Wages	2.5%
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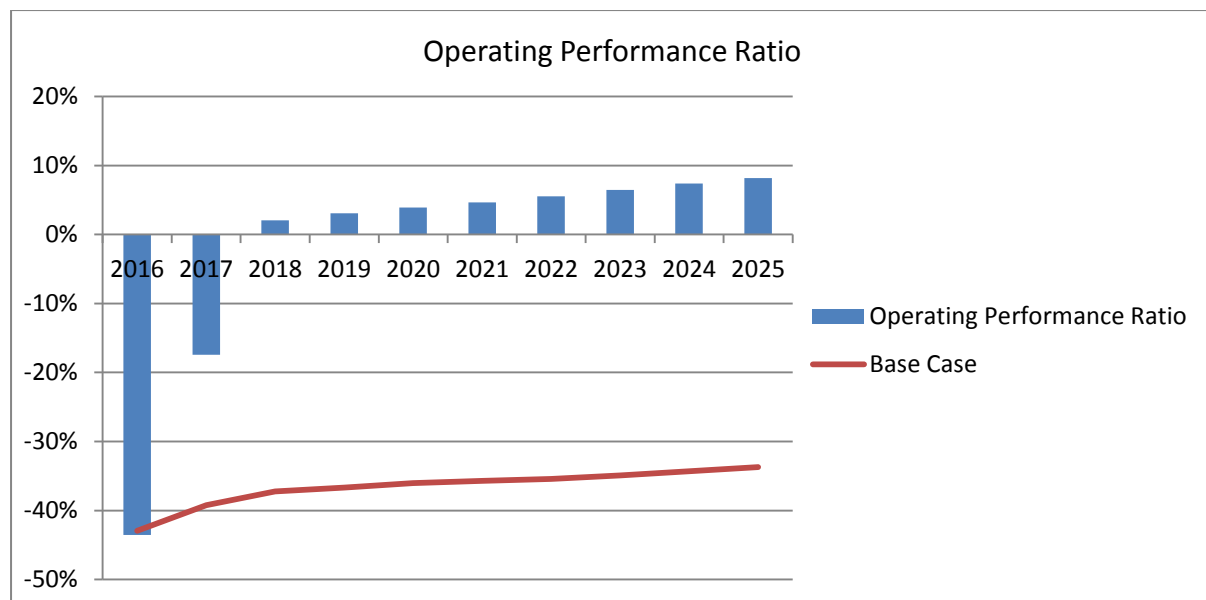
Materials & Contracts	2.5%
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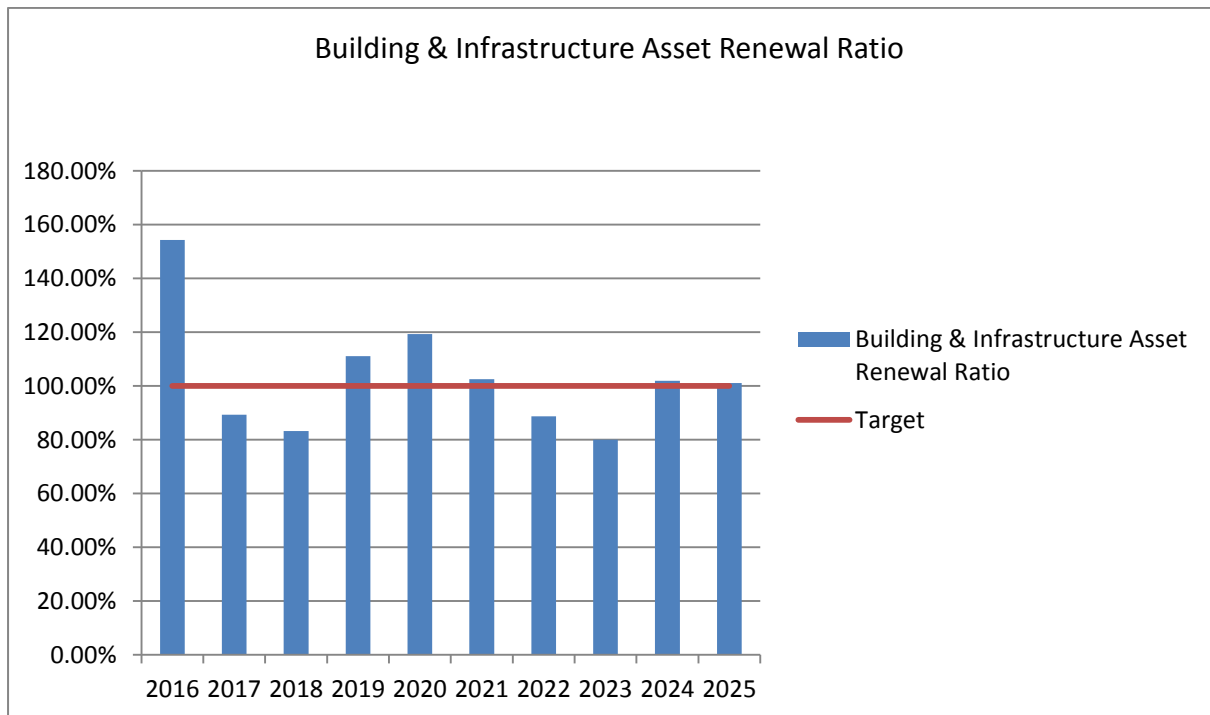
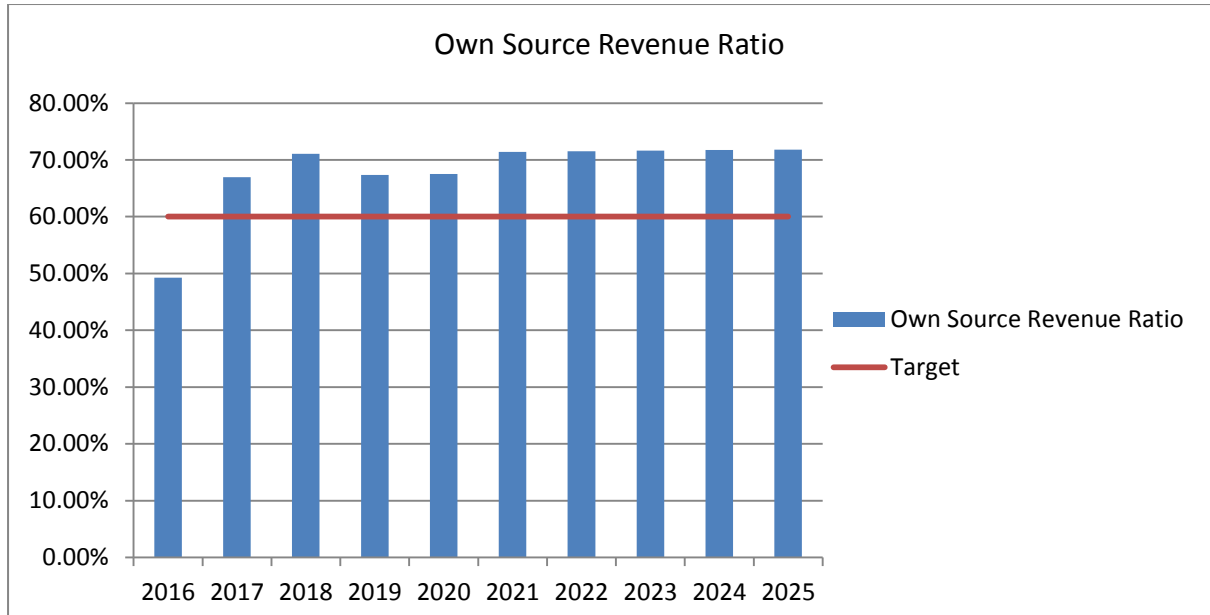
Depreciation	Based on current asset management plan data
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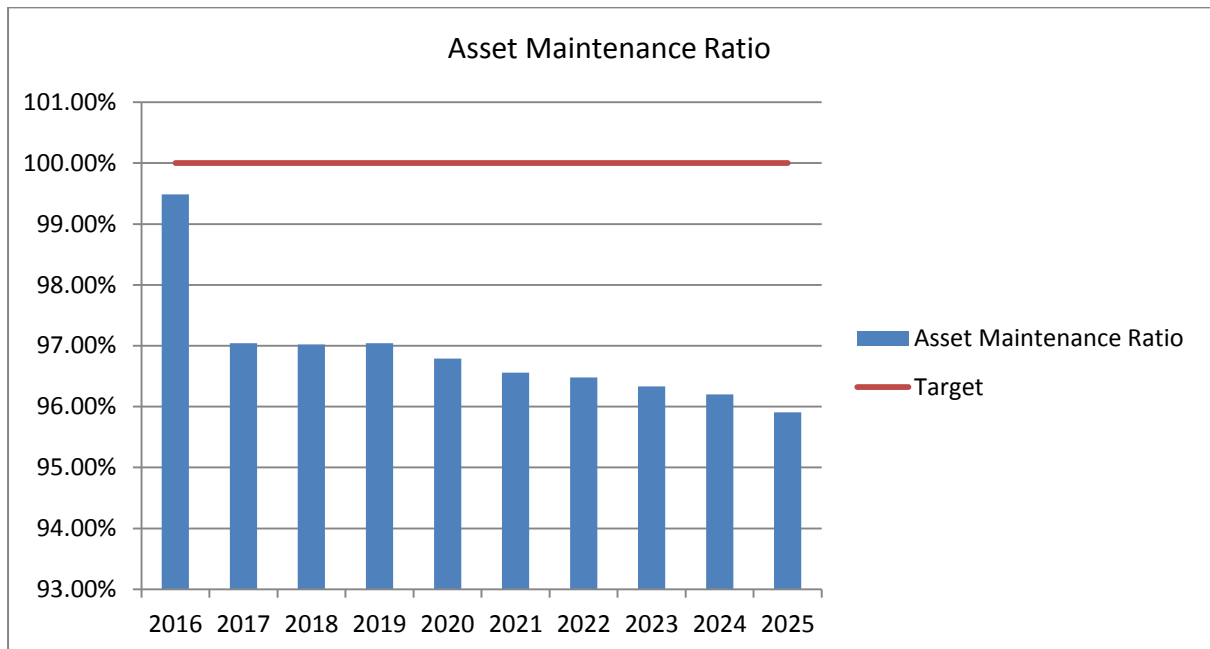
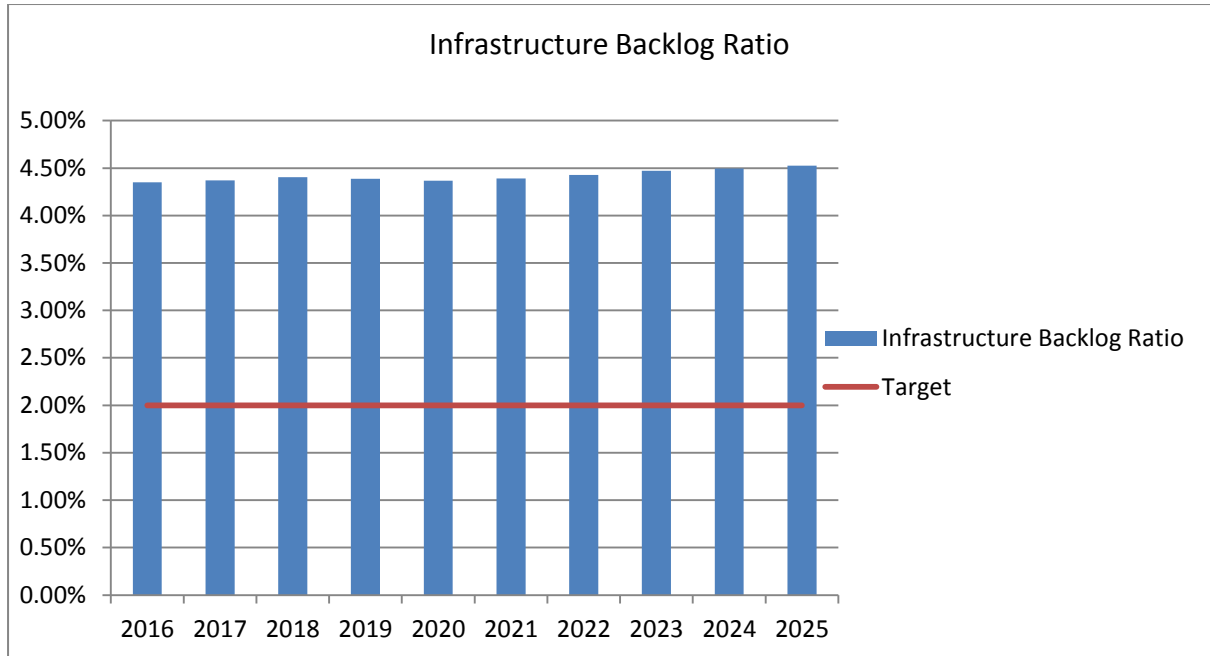
Borrowings Costs	Based on current loan projections - 5%pa over 20 year term
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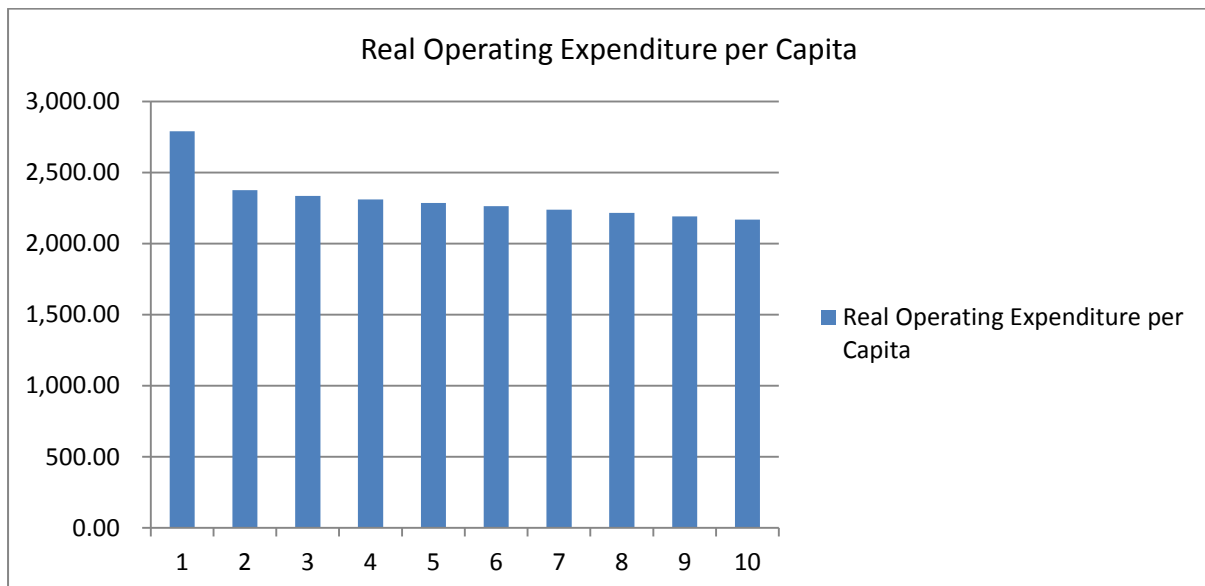
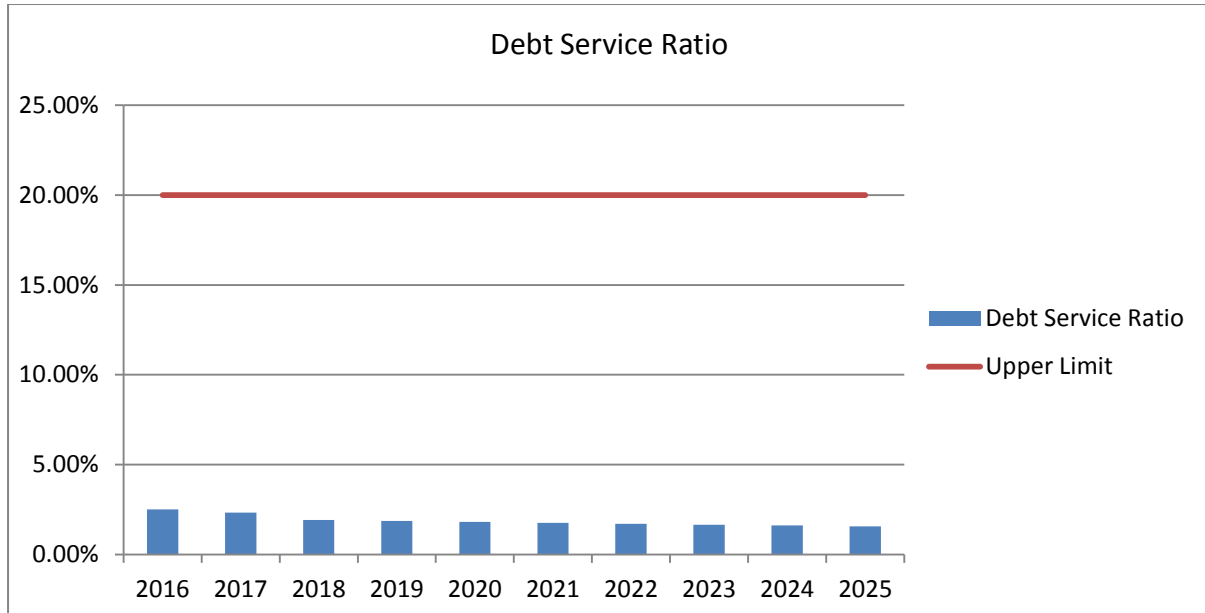
Net Loss from Disposal of Assets	Nil Expected
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Other	2.5%
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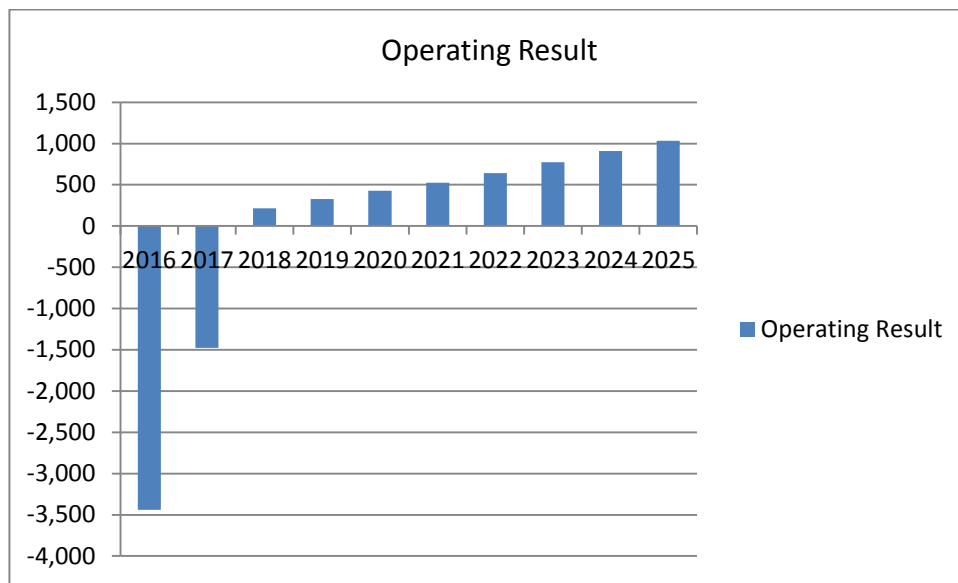






Operating Performance Ratio	This ratio is a key indicator of financial sustainability. The strategies implemented as part of the FFTF reform process see the ratio return to a greater than breakeven position in 2018 exceeding the target benchmark at this time and for all subsequent years.
Own Source Revenue Ratio	As with the base scenario including FAG sees the 60% benchmark exceeded with a 10 year average of approximately 68%. However if the FAG is excluded the 10 year average drops to 39.82% which is under the target benchmark. The reality is that Weddin Shire as a 'Rural Council' will always be reliant on external funding for its financial sustainability.
Building & Infrastructure Asset Renewal Ratio	This ratio fluctuates above and below the target benchmark over the forecast period exceeding the benchmark in 5 of the 10 years. Council is looking to undertake several strategies to improve its

	asset management performance as part of the Fit for the Future reform process. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Infrastructure Backlog Ratio	The infrastructure backlog ratio does not meet the target benchmark of 2% but sits at a relatively consistent 4 – 4.5% over the 10 year forecast. It is expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Asset Maintenance Ratio	This ratio does not meet the benchmark however closing the gap and exceeding the benchmark is not unachievable. It is expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Debt Service Ratio	This ratio remains within the upper limit throughout the forecast period which indicates Council has the capacity to increase borrowings to address some of the asset management challenges with which it is faced. Council is however conscious of improving the operating position to ensure debt servicing requirements can be met.
Real Operating Expenditure Per Capita	The positive trend in this ratio shows a decline in real operating expenditure per capita over the forecast period which indicates some efficiency gains over the forecast period.

**SECNARIO 2 - OPERATING RESULT**

Compared to the base case there is an improvement in the operating result with an operating surplus achieved in 2018 and for all subsequent years. The forecast operating surplus in 2024-25 is a healthy \$1,035,000. The projected cumulative operating deficit (excluding capital revenues) for Scenario 2 for the projection years is **(\$3.3) M**.

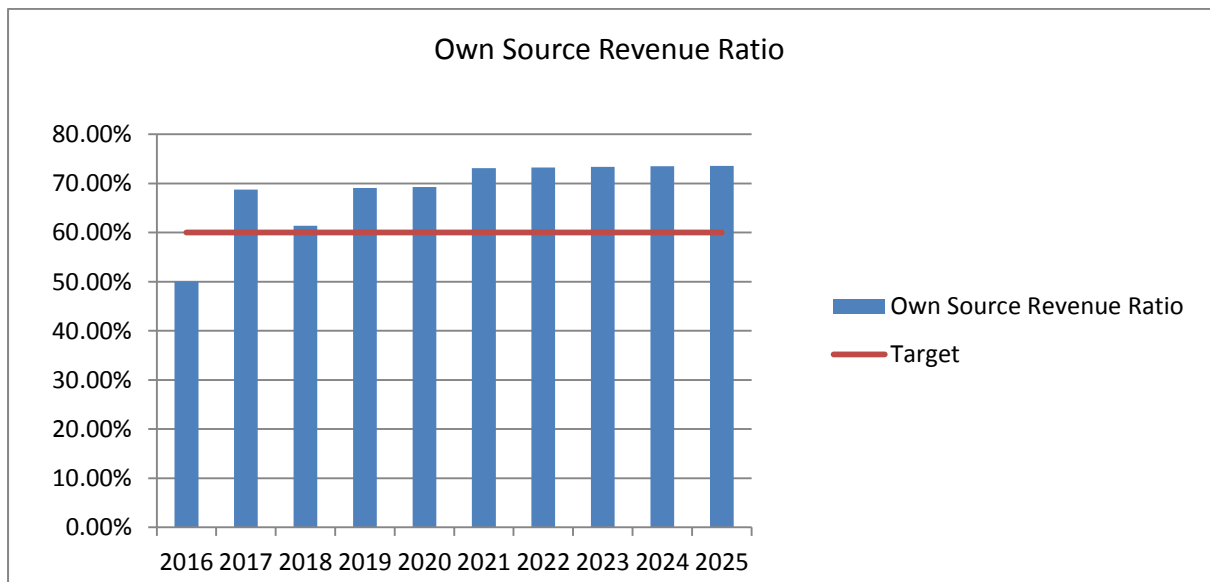
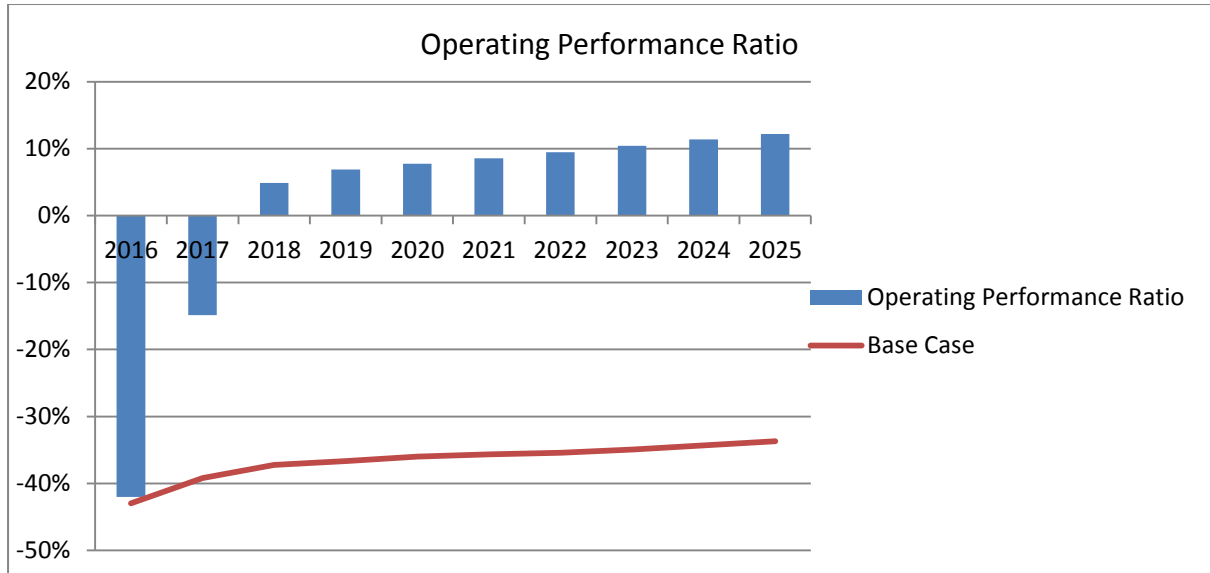
## 5 MODEL – ACHIEVABLE FFTF SCENARIO INCLUDING SRV (Scenario 3)

### ACHIEVABLE FFTF SCENARIO INCLUDING SRV ASSUMPTIONS – Summary

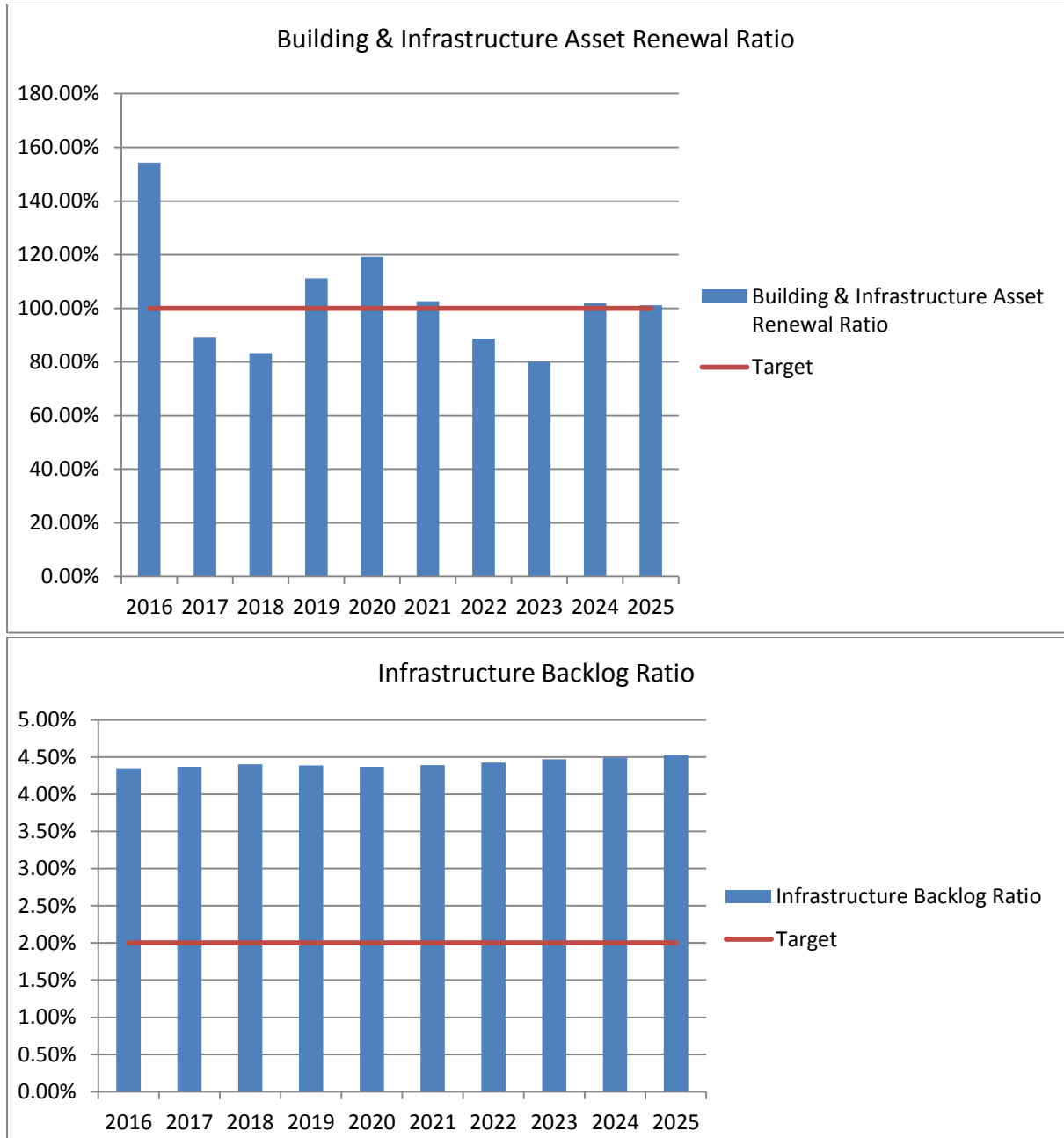
This scenario uses identical assumptions from Scenario 2 however also includes a Special Rate Variation of 4% above the rate peg introduced in 2015-16 (6.4%) and continued in 2016-17 (7%), 2017-18 (7%) and 2018-19 (7%). Thereafter the forecast rate increases return to the assumed rate peg of 2.5%.

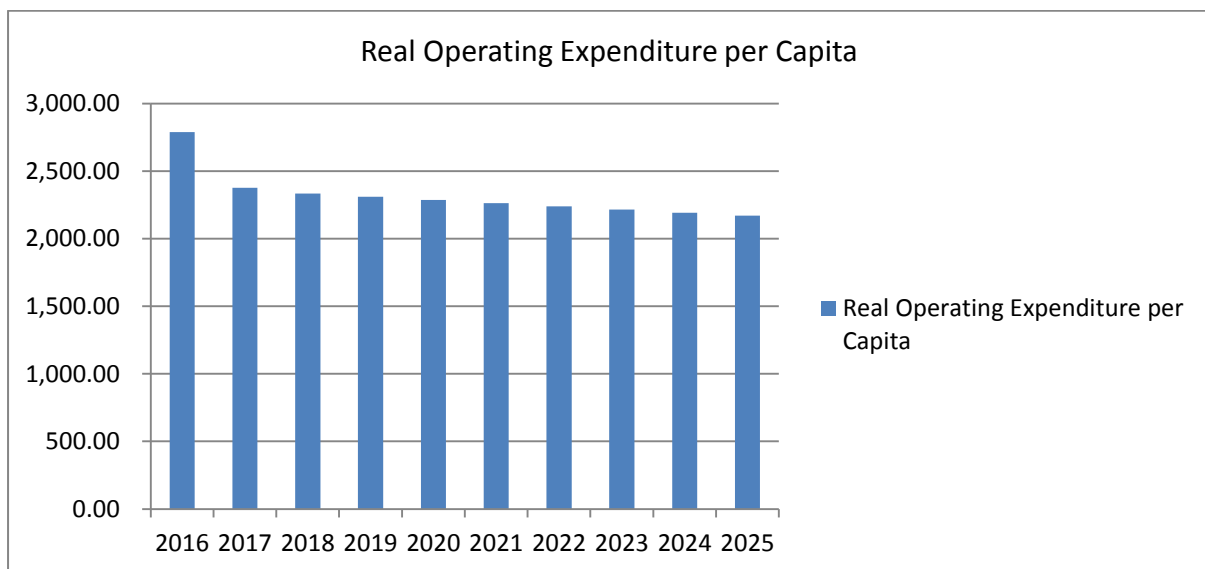
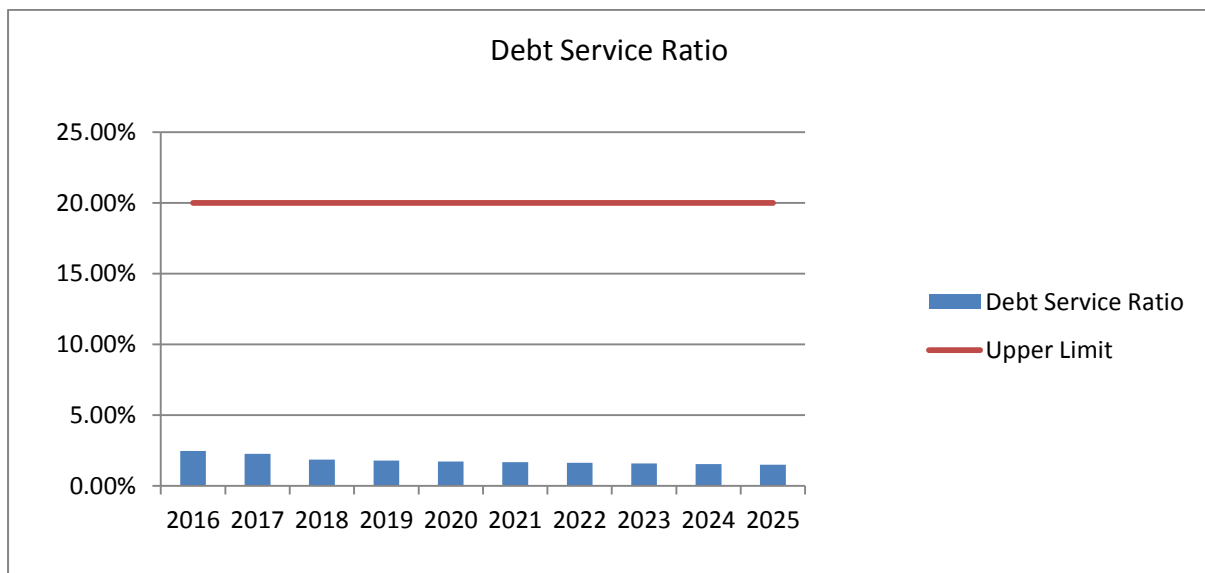
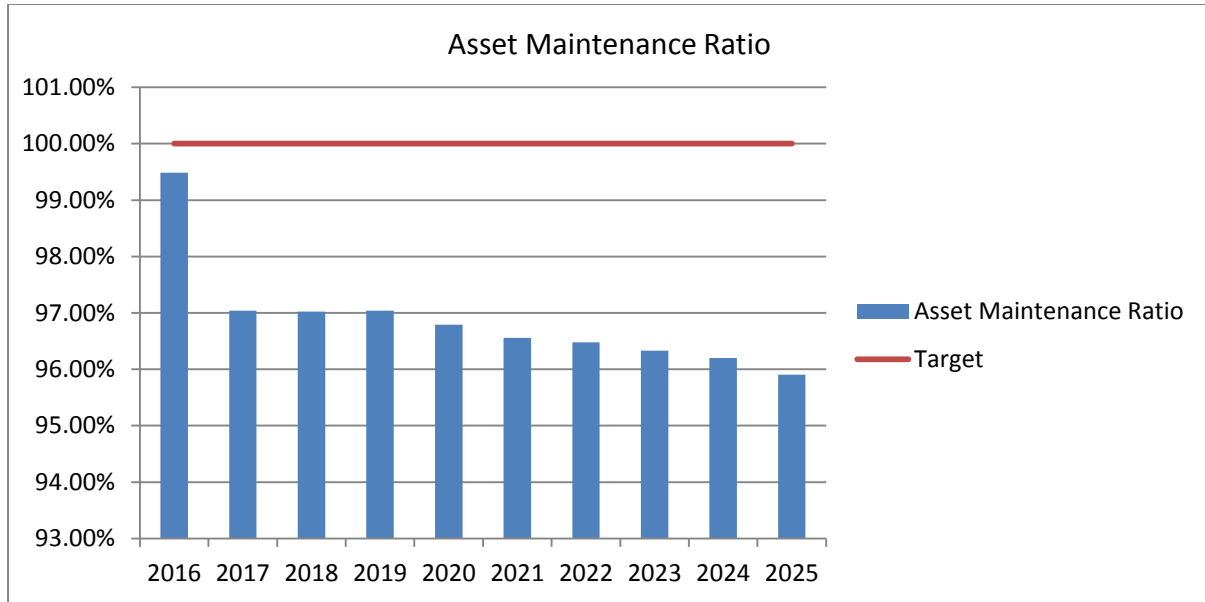
Assumption percentages have been applied to all projection years. The percentages are an indication of the change in value on average over the ten year period, including CPI, and have been determined based on historical trends and external indicators.

INCOME	
Rates	2.4% in 2015-16 in accordance with the rate peg, 2.5% thereafter being the assumed rate peg
Charges	
Grants – Operating Purposes	
Grants – Capital Purposes	2.5%
Investment Income	2.5%
Net Gain from Disposal of Assets	Nil expected
Other	2.5%
EXPENSES	
Salaries & Wages	2.5%
Materials & Contracts	2.5%
Depreciation	Based on current asset management plan data
Borrowings Costs	Based on current
Net Loss from Disposal of Assets	Nil Expected
Other	2.5%



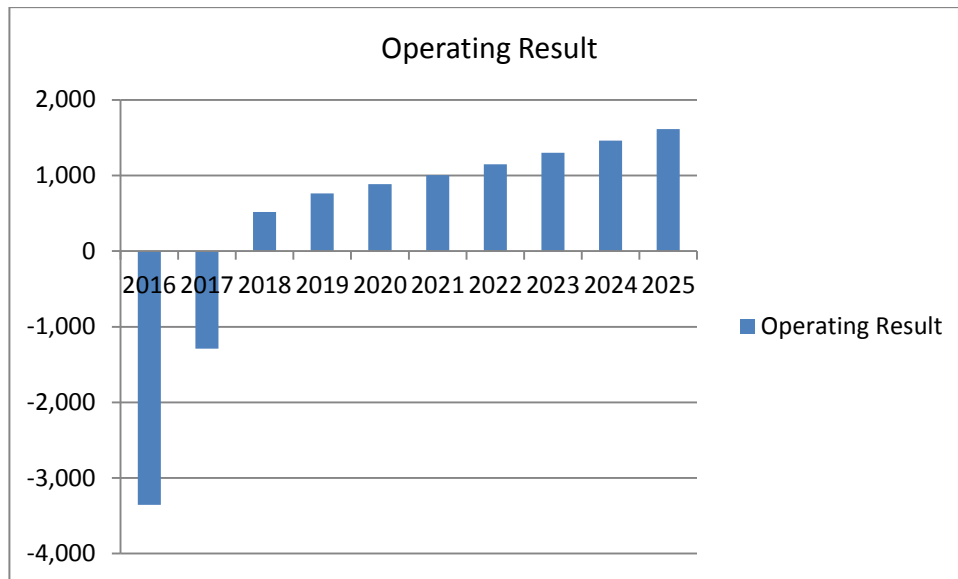






Operating Performance Ratio	Like scenario 2 a greater than breakeven ratio is achieved in 2018 with the ratio exceeding the benchmark at this point and for all subsequent years.
Own Source Revenue Ratio	As with the previous scenarios including FAG sees the 60% benchmark exceeded with a 10 year average of approximately 68%. However if the FAG is excluded the 10 year average drops to approximately 41% which is under the target benchmark. The reality is that Weddin Shire as a 'Rural Council' will always be reliant on external funding for its financial sustainability.
Building & Infrastructure Asset Renewal Ratio	This ratio fluctuates above and below the target benchmark over the forecast period exceeding the benchmark in 5 of the 10 years. Council is looking to undertake several strategies to improve its asset management performance as part of the Fit for the Future reform process. It is also expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Infrastructure Backlog Ratio	The infrastructure backlog ratio does not meet the target benchmark of 2% but sits at a relatively consistent 4 – 4.5% over the 10 year forecast. It is expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Asset Maintenance Ratio	This ratio does not meet the benchmark however closing the gap and exceeding the benchmark is not unachievable. It is expected that as Council's asset management practices improve the data underlying this ratio will be increasingly accurate and facilitate enhanced strategic asset management planning. As the operating position improves and Council builds a surplus, additional Asset maintenance and renewal expenditure is achievable which will have a positive impact on the Asset Management ratios. Additional expenditure on these items has not been factored into the current modelling however this will be reviewed as part of the asset management improvement process.
Debt Service Ratio	This ratio remains within the upper limit throughout the forecast

	period which indicates Council has the capacity to increase borrowings to address some of the asset management challenges with which it is faced. Council is however conscious of improving the operating position to ensure debt servicing requirements can be met.
Real Operating Expenditure Per Capita	The positive trend in this ratio shows a decline in real operating expenditure per capita over the forecast period which indicates some efficiency gains over the forecast period.



In scenario 3 Council moves into an operating surplus in 2017-18 and increase this trend for the remainder of the projected period, resulting in a \$1,612,000 surplus for year 2024-25. The projected cumulative operating deficit (excluding capital revenues) for Scenario 3 is extinguished in 2023-24 with a cumulative surplus of **\$0.7 M** established in the final year 2024-25.

## A1 Attachment – Financial Statements – Base Scenario/ Current Position (Scenario 1)

Year Ending 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>											
Rates	2,376	2,417	2,490	2,564	2,641	2,720	2,802	2,886	2,973	3,062	3,154
Charges	1,485	1,990	2,040	2,091	2,143	2,197	2,252	2,308	2,365	2,425	2,485
Grants - For Operating Purposes	3,420	3,161	3,240	3,321	3,404	3,489	3,576	3,666	3,757	3,851	3,948
Grants- For Capital Purposes	6,155	6,671	2,465	2,527	3,355	3,420	2,721	2,789	2,859	2,930	3,003
Investment Income	251	140	168	147	137	114	88	72	66	64	50
Net gain from disposal of Assets	5	5	0	0	0	0	0	0	0	0	0
Other	109	186	191	195	200	205	210	216	221	227	232
<b>Total Operating Revenue</b>	<b>13,801</b>	<b>14,570</b>	<b>10,593</b>	<b>10,845</b>	<b>11,880</b>	<b>12,145</b>	<b>11,649</b>	<b>11,936</b>	<b>12,241</b>	<b>12,558</b>	<b>12,873</b>
<b>Operating Expenses</b>											
Salaries & Wages	3,680	3,670	3,762	3,856	3,952	4,051	4,152	4,256	4,362	4,472	4,583
Materials & Contracts	2,917	3,254	3,335	3,419	3,504	3,592	3,682	3,774	3,868	3,965	4,064
Depreciation	3,494	3,538	3,605	3,625	3,641	3,666	3,691	3,707	3,723	3,740	3,760
Borrowing Costs	0	123	119	115	111	107	102	97	92	87	81
Net loss from disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Other	840	754	773	792	812	832	853	874	896	919	942
<b>Total Operating Expenses</b>	<b>10,931</b>	<b>11,339</b>	<b>11,594</b>	<b>11,806</b>	<b>12,021</b>	<b>12,248</b>	<b>12,480</b>	<b>12,708</b>	<b>12,942</b>	<b>13,182</b>	<b>13,429</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,870</b>	<b>3,231</b>	<b>(1,001)</b>	<b>(961)</b>	<b>(140)</b>	<b>(103)</b>	<b>(830)</b>	<b>(772)</b>	<b>(701)</b>	<b>(623)</b>	<b>(557)</b>
<b>Operating Surplus / (Deficit) less Capital Grants</b>	<b>(3,285)</b>	<b>(3,440)</b>	<b>(3,466)</b>	<b>(3,487)</b>	<b>(3,495)</b>	<b>(3,523)</b>	<b>(3,551)</b>	<b>(3,561)</b>	<b>(3,560)</b>	<b>(3,553)</b>	<b>(3,560)</b>
<b>Cumulative Impact</b>	<b>(3,285)</b>	<b>(6,725)</b>	<b>(10,191)</b>	<b>(13,679)</b>	<b>(17,174)</b>	<b>(20,696)</b>	<b>(24,248)</b>	<b>(27,808)</b>	<b>(31,368)</b>	<b>(34,922)</b>	<b>(38,482)</b>
Physical Resources Free of Charge	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new or upgraded assets	0	2,425	(79)	(83)	(87)	(91)	(96)	(101)	(106)	(111)	(117)
Gain (loss) on revaluation of I,PP&E	282	289	296	304	311	319	327	335	344	352	361
<b>Net Surplus / (Deficit)</b>	<b>3,152</b>	<b>5,945</b>	<b>(784)</b>	<b>(740)</b>	<b>84</b>	<b>125</b>	<b>(599)</b>	<b>(537)</b>	<b>(464)</b>	<b>(382)</b>	<b>(313)</b>
Other Comprehensive Income											
<b>Total Comprehensive Income</b>	<b>3,152</b>	<b>5,945</b>	<b>(784)</b>	<b>(740)</b>	<b>84</b>	<b>125</b>	<b>(599)</b>	<b>(537)</b>	<b>(464)</b>	<b>(382)</b>	<b>(313)</b>

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As at 30 June:

	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>ASSETS</b>											
<b>Financial Assets</b>											
Cash and Cash Equivalents	5,498	5,635	4,831	4,419	3,491	2,463	1,810	1,556	1,487	948	539
Current Trade & Other Receivables	852	873	873	873	873	873	873	873	873	873	873
Current Other Financial Assets	15	15	15	15	15	15	15	15	15	15	15
Inventories	175	179	179	179	179	179	179	179	179	179	179
<b>Total Financial Assets</b>	<b>6,540</b>	<b>6,704</b>	<b>5,899</b>	<b>5,487</b>	<b>4,559</b>	<b>3,531</b>	<b>2,878</b>	<b>2,624</b>	<b>2,555</b>	<b>2,016</b>	<b>1,607</b>
<b>Non Financial Assets</b>											
Inventories	0	0	0	0	0	0	0	0	0	0	0
Non-current Receivables	0	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	138,965	142,439	142,339	141,908	142,875	144,040	144,113	143,818	143,391	143,621	143,791
Other Non-current Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Financial Assets</b>	<b>138,965</b>	<b>142,439</b>	<b>142,339</b>	<b>141,908</b>	<b>142,875</b>	<b>144,040</b>	<b>144,113</b>	<b>143,818</b>	<b>143,391</b>	<b>143,621</b>	<b>143,791</b>
<b>Total Assets</b>	<b>145,505</b>	<b>149,143</b>	<b>148,238</b>	<b>147,395</b>	<b>147,434</b>	<b>147,572</b>	<b>146,990</b>	<b>146,442</b>	<b>145,946</b>	<b>145,638</b>	<b>145,398</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade & Other Payables	971	995	995	995	995	995	995	995	995	995	995
Borrowings	0	0									
Provisions	1,486	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0
	<b>2,457</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>

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	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>Non-current Liabilities</b>											
Trade & Other Payables			0	0	0	0	0	0	0	0	0
Borrowings		0	0	0	0	0	0	0	0	0	0
Provisions	609	624	624	624	624	624	624	624	624	624	624
Other Non-current Liabilities											
	609	624	624	624	624	624	624	624	624	624	624
<b>Total Liabilities</b>	3,066	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143
<b>Net Assets</b>	142,439	146,000	145,095	144,252	144,291	144,429	143,848	143,300	142,804	142,495	142,255
<b>EQUITY</b>											
Retained Earnings	117,759	120,703	119,919	119,179	119,263	119,388	118,789	118,251	117,787	117,405	117,092
Asset Revaluation Reserves	24,680	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297
Other Reserves			0	0	0	0	0	0	0	0	0
Adjustment to Cash & Borrowings for effects of inflation			(121)	(224)	(268)	(256)	(238)	(248)	(281)	(207)	(134)
<b>Total Equity</b>	142,439	146,000	145,095	144,252	144,291	144,429	143,848	143,300	142,804	142,495	142,255

## A2 Attachment – Financial Statements – Achievable FFTF Scenario No SRV (Scenario 2)

Year Ending 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Budget	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>											
Rates	2,376	2,417	2,490	2,564	2,641	2,720	2,802	2,886	2,973	3,062	3,154
Charges	1,485	1,990	2,040	2,191	2,246	2,302	2,359	2,418	2,479	2,541	2,604
Grants - For Operating Purposes	3,420	3,161	3,593	5,183	5,312	5,445	5,581	5,721	5,864	6,010	6,161
Grants- For Capital Purposes	6,155	6,671	2,465	2,527	3,355	3,420	2,721	2,789	2,859	2,930	3,003
Investment Income	251	140	168	168	218	255	289	332	385	443	488
Net gain from disposal of Assets	5	5	0	0	0	0	0	0	0	0	0
Other	109	186	191	195	200	205	210	216	221	227	232
<b>Total Operating Revenue</b>	<b>13,801</b>	<b>14,570</b>	<b>10,945</b>	<b>12,828</b>	<b>13,972</b>	<b>14,347</b>	<b>13,963</b>	<b>14,362</b>	<b>14,780</b>	<b>15,212</b>	<b>15,642</b>
<b>Operating Expenses</b>											
Salaries & Wages	3,680	3,670	3,692	3,714	3,807	3,902	4,000	4,100	4,202	4,307	4,415
Materials & Contracts	2,917	3,254	2,965	3,039	3,115	3,193	3,273	3,355	3,439	3,525	3,613
Depreciation	3,494	3,538	2,454	2,474	2,490	2,515	2,540	2,556	2,572	2,589	2,609
Borrowing Costs	0	123	119	115	111	107	102	97	92	87	81
Net loss from disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Other	840	754	728	746	765	784	803	823	844	865	887
<b>Total Operating Expenses</b>	<b>10,931</b>	<b>11,339</b>	<b>9,958</b>	<b>10,088</b>	<b>10,288</b>	<b>10,501</b>	<b>10,718</b>	<b>10,931</b>	<b>11,149</b>	<b>11,373</b>	<b>11,604</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,870</b>	<b>3,231</b>	<b>988</b>	<b>2,740</b>	<b>3,683</b>	<b>3,846</b>	<b>3,245</b>	<b>3,431</b>	<b>3,631</b>	<b>3,839</b>	<b>4,038</b>
<b>Operating Surplus / (Deficit) less Capital Grants</b>	<b>(3,285)</b>	<b>(3,440)</b>	<b>(1,477)</b>	<b>213</b>	<b>329</b>	<b>426</b>	<b>524</b>	<b>642</b>	<b>772</b>	<b>909</b>	<b>1,035</b>
<b>Cumulative Impact</b>	<b>(3,285)</b>	<b>(6,725)</b>	<b>(8,202)</b>	<b>(7,989)</b>	<b>(7,661)</b>	<b>(7,235)</b>	<b>(6,711)</b>	<b>(6,069)</b>	<b>(5,297)</b>	<b>(4,387)</b>	<b>(3,353)</b>
Physical Resources Free of Charge	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new or upgraded assets	0	2,425	(79)	(83)	(87)	(91)	(96)	(101)	(106)	(111)	(117)
Gain (loss) on revaluation of I,PP&E	282	289	296	304	311	319	327	335	344	352	361
<b>Net Surplus / (Deficit)</b>	<b>3,152</b>	<b>5,945</b>	<b>1,205</b>	<b>2,960</b>	<b>3,908</b>	<b>4,074</b>	<b>3,476</b>	<b>3,665</b>	<b>3,868</b>	<b>4,080</b>	<b>4,282</b>
Other Comprehensive Income											
<b>Total Comprehensive Income</b>	<b>3,152</b>	<b>5,945</b>	<b>1,205</b>	<b>2,960</b>	<b>3,908</b>	<b>4,074</b>	<b>3,476</b>	<b>3,665</b>	<b>3,868</b>	<b>4,080</b>	<b>4,282</b>



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As at 30 June:

	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>ASSETS</b>											
<b>Financial Assets</b>											
Cash and Cash Equivalents	5,498	5,635	5,648	7,643	9,119	10,488	12,223	14,347	16,642	18,452	20,373
Current Trade & Other Receivables	852	873	873	873	873	873	873	873	873	873	873
Current Other Financial Assets	15	15	15	15	15	15	15	15	15	15	15
Inventories	175	179	179	179	179	179	179	179	179	179	179
<b>Total Financial Assets</b>	<b>6,540</b>	<b>6,704</b>	<b>6,716</b>	<b>8,711</b>	<b>10,187</b>	<b>11,556</b>	<b>13,291</b>	<b>15,415</b>	<b>17,710</b>	<b>19,520</b>	<b>21,441</b>
<b>Non Financial Assets</b>											
Inventories	0	0	0	0	0	0	0	0	0	0	0
Non-current Receivables	0	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	138,965	142,439	143,490	144,210	146,328	148,644	149,868	150,724	151,448	152,829	154,150
Other Non-current Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Financial Assets</b>	<b>138,965</b>	<b>142,439</b>	<b>143,490</b>	<b>144,210</b>	<b>146,328</b>	<b>148,644</b>	<b>149,868</b>	<b>150,724</b>	<b>151,448</b>	<b>152,829</b>	<b>154,150</b>
<b>Total Assets</b>	<b>145,505</b>	<b>149,143</b>	<b>150,206</b>	<b>152,921</b>	<b>156,514</b>	<b>160,200</b>	<b>163,159</b>	<b>166,139</b>	<b>169,158</b>	<b>172,349</b>	<b>175,591</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade & Other Payables	971	995	995	995	995	995	995	995	995	995	995
Borrowings	0	0									
Provisions	1,486	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0
	<b>2,457</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>

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	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>Non-current Liabilities</b>											
Trade & Other Payables			0	0	0	0	0	0	0	0	0
Borrowings			0	0	0	0	0	0	0	0	0
Provisions	609	624	624	624	624	624	624	624	624	624	624
Other Non-current Liabilities											
	609	624	624	624	624	624	624	624	624	624	624
<b>Total Liabilities</b>	3,066	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143
<b>Net Assets</b>	142,439	146,000	147,064	149,778	153,372	157,058	160,016	162,996	166,016	169,206	172,448
<b>EQUITY</b>											
Retained Earnings	117,759	120,703	121,908	124,868	128,776	132,849	136,325	139,991	143,859	147,939	152,221
Asset Revaluation Reserves	24,680	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297
Other Reserves			0	0	0	0	0	0	0	0	0
Adjustment to Cash & Borrowings for effects of inflation			(141)	(387)	(701)	(1,089)	(1,606)	(2,291)	(3,140)	(4,030)	(5,070)
<b>Total Equity</b>	142,439	146,000	147,064	149,778	153,372	157,058	160,016	162,996	166,016	169,206	172,448

### A3 Attachment – Financial Statements – Achievable FFTF Scenario including SRV (Scenario 3)

Year Ending 30 June:	2015 Year 0 Budget \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>Operating Revenue</b>											
Rates	2,376	2,502	2,677	2,865	3,065	3,157	3,252	3,349	3,450	3,553	3,660
Charges	1,485	1,990	2,040	2,191	2,246	2,302	2,359	2,418	2,479	2,541	2,604
Grants - For Operating Purposes	3,420	3,161	3,593	5,183	5,312	5,445	5,581	5,721	5,864	6,010	6,161
Grants- For Capital Purposes	6,155	6,671	2,465	2,527	3,355	3,420	2,721	2,789	2,859	2,930	3,003
Investment Income	251	140	168	172	229	276	320	374	437	504	559
Net gain from disposal of Assets	5	5	0	0	0	0	0	0	0	0	0
Other	109	186	191	195	200	205	210	216	221	227	232
<b>Total Operating Revenue</b>	<b>13,801</b>	<b>14,655</b>	<b>11,133</b>	<b>13,133</b>	<b>14,408</b>	<b>14,805</b>	<b>14,444</b>	<b>14,866</b>	<b>15,309</b>	<b>15,765</b>	<b>16,219</b>
<b>Operating Expenses</b>											
Salaries & Wages	3,680	3,670	3,692	3,714	3,807	3,902	4,000	4,100	4,202	4,307	4,415
Materials & Contracts	2,917	3,254	2,965	3,039	3,115	3,193	3,273	3,355	3,439	3,525	3,613
Depreciation	3,494	3,538	2,454	2,474	2,490	2,515	2,540	2,556	2,572	2,589	2,609
Borrowing Costs	0	123	119	115	111	107	102	97	92	87	81
Net loss from disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Other	840	754	728	746	765	784	803	823	844	865	887
<b>Total Operating Expenses</b>	<b>10,931</b>	<b>11,339</b>	<b>9,958</b>	<b>10,088</b>	<b>10,288</b>	<b>10,501</b>	<b>10,718</b>	<b>10,931</b>	<b>11,149</b>	<b>11,373</b>	<b>11,604</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,870</b>	<b>3,316</b>	<b>1,175</b>	<b>3,044</b>	<b>4,119</b>	<b>4,304</b>	<b>3,726</b>	<b>3,936</b>	<b>4,159</b>	<b>4,392</b>	<b>4,615</b>
<b>Operating Surplus / (Deficit) less Capital Grants</b>	<b>(3,285)</b>	<b>(3,355)</b>	<b>(1,290)</b>	<b>518</b>	<b>764</b>	<b>884</b>	<b>1,005</b>	<b>1,147</b>	<b>1,300</b>	<b>1,462</b>	<b>1,612</b>
<b>Cumulative Impact</b>	<b>(3,285)</b>	<b>(6,640)</b>	<b>(7,930)</b>	<b>(7,412)</b>	<b>(6,648)</b>	<b>(5,763)</b>	<b>(4,758)</b>	<b>(3,612)</b>	<b>(2,311)</b>	<b>(850)</b>	<b>762</b>
Physical Resources Free of Charge	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new or upgraded assets	0	2,425	(79)	(83)	(87)	(91)	(96)	(101)	(106)	(111)	(117)
Gain (loss) on revaluation of I,PP&E	282	289	296	304	311	319	327	335	344	352	361
<b>Net Surplus / (Deficit)</b>	<b>3,152</b>	<b>6,030</b>	<b>1,393</b>	<b>3,265</b>	<b>4,343</b>	<b>4,532</b>	<b>3,957</b>	<b>4,170</b>	<b>4,397</b>	<b>4,633</b>	<b>4,859</b>
Other Comprehensive Income											
<b>Total Comprehensive Income</b>	<b>3,152</b>	<b>6,030</b>	<b>1,393</b>	<b>3,265</b>	<b>4,343</b>	<b>4,532</b>	<b>3,957</b>	<b>4,170</b>	<b>4,397</b>	<b>4,633</b>	<b>4,859</b>

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As at 30 June:

	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>ASSETS</b>											
<b>Financial Assets</b>											
Cash and Cash Equivalents	5,498	5,635	5,831	8,112	9,981	11,744	13,874	16,392	19,082	21,286	23,599
Current Trade & Other Receivables	852	873	873	873	873	873	873	873	873	873	873
Current Other Financial Assets	15	15	15	15	15	15	15	15	15	15	15
Inventories	175	179	179	179	179	179	179	179	179	179	179
<b>Total Financial Assets</b>	<b>6,540</b>	<b>6,704</b>	<b>6,900</b>	<b>9,180</b>	<b>11,049</b>	<b>12,812</b>	<b>14,942</b>	<b>17,460</b>	<b>20,150</b>	<b>22,354</b>	<b>24,667</b>
<b>Non Financial Assets</b>											
Inventories	0	0	0	0	0	0	0	0	0	0	0
Non-current Receivables	0	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	138,965	142,439	143,490	144,210	146,328	148,644	149,868	150,724	151,448	152,829	154,150
Other Non-current Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Financial Assets</b>	<b>138,965</b>	<b>142,439</b>	<b>143,490</b>	<b>144,210</b>	<b>146,328</b>	<b>148,644</b>	<b>149,868</b>	<b>150,724</b>	<b>151,448</b>	<b>152,829</b>	<b>154,150</b>
<b>Total Assets</b>	<b>145,505</b>	<b>149,143</b>	<b>150,389</b>	<b>153,390</b>	<b>157,376</b>	<b>161,456</b>	<b>164,809</b>	<b>168,185</b>	<b>171,598</b>	<b>175,183</b>	<b>178,818</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade & Other Payables	971	995	995	995	995	995	995	995	995	995	995
Borrowings	0	0									
Provisions	1,486	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0
	<b>2,457</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>	<b>2,518</b>

Attachment Eight - LTFP

	2015 Year 0 Actual \$'000	2016 Year 1 Budget \$'000	2017 Year 2 Plan \$'000	2018 Year 3 Plan \$'000	2019 Year 4 Plan \$'000	2020 Year 5 Plan \$'000	2021 Year 6 Plan \$'000	2022 Year 7 Plan \$'000	2023 Year 8 Plan \$'000	2024 Year 9 Plan \$'000	2025 Year 10 Plan \$'000
<b>Non-current Liabilities</b>											
Trade & Other Payables			0	0	0	0	0	0	0	0	0
Borrowings			0	0	0	0	0	0	0	0	0
Provisions	609	624	624	624	624	624	624	624	624	624	624
Other Non-current Liabilities											
	609	624	624	624	624	624	624	624	624	624	624
<b>Total Liabilities</b>	3,066	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143	3,143
<b>Net Assets</b>	142,439	146,000	147,247	150,247	154,234	158,314	161,667	165,042	168,456	172,040	175,675
<b>EQUITY</b>											
Retained Earnings	117,759	120,703	122,096	125,361	129,704	134,236	138,193	142,363	146,759	151,392	156,251
Asset Revaluation Reserves	24,680	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297	25,297
Other Reserves			0	0	0	0	0	0	0	0	0
Adjustment to Cash & Borrowings for effects of inflation			(146)	(411)	(767)	(1,219)	(1,823)	(2,618)	(3,600)	(4,649)	(5,873)
<b>Total Equity</b>	142,439	146,000	147,247	150,247	154,234	158,314	161,667	165,042	168,456	172,040	175,675

## A4 Attachment – Assumptions for Depreciation Reduction

### Assumptions for Depreciation reduction

The following numbers are a high level analysis by Jeff Roorda & Associates taking into account current asset performance. Any actual changes in useful life should be conducted with the help of a professional valuer and should highlight the changes in future service levels, potential risks and be based on the best available evidence.

#### Transport reduced by 40%

- Sub Base non depreciable
- K & G increase life to 90 years
- All Bitumen Seals to 30 years
- Gravel re-sheets to 20years
- Culverts to 120 years

#### Buildings reduced by 30%

- Council Chambers Superstructure to 80 years
- Council Chambers floor to 20 years
- Depot, Library and Bank - componentised and lives extended. Residual added
- Doctors Surgery componentised and life extended
- Museum componentised and life extended
- Grandstand componentised and life extended
- swimming pool life extended

#### Drainage reduced by >30%

- Componentisation of pipework, trenching to become non-depreciable and a preferred strategy of pipe re-lining for future works.
- Lives extended to 100 years for all pipes and pits

#### Parks & Rec reduced by 20%

- memorials to 120 years
- playgrounds to 20 years
- Skate park to 80 years
- Fencing to 30 years
- BBQ's 40 years

#### Plant & Equipment reduced by 20%

- Large plant to have lives extended to between 12 – 15 years

#### Sewerage reduced by 20%

- Extend lives to 100 years

**Note to File C2.10.9**

**WEDDIN SHIRE COUNCIL**

**LOCAL GOVERNMENT REFORM – ‘FIT FOR THE FUTURE’**

A telephone conversation in regards to Local Government Reform – ‘Fit for the Future’ between Mr Glenn Colley from the Division of Local Government and myself was recently held.

It was explained to Mr Colley that Council in our FFTF submission plans to work inside the Central West JO, sub-regionally with neighbouring JO Councils and collaborate with the other ten (10) proposed Rural Councils outside the JO.

It was also discussed that in working with the other Rural Councils there are a number of initiatives and proposals that could be developed over time possibly utilising the Rural Council innovation fund.

GLENN CARROLL  
GENERAL MANAGER

# **Special Variation Application Form – Part B**

**Council application for 2015/16**

**Insert Name of Council: Weddin Shire Council**

Date Submitted to IPART:

Council Contact Person: Lachlan Gibson

Council Contact Phone: 02 6343 1212

Council Contact Email: [mail@weddin.nsw.gov.au](mailto:mail@weddin.nsw.gov.au)



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ISBN [Click **here** and type in book number, inserting spaces in correct positions.]

The Tribunal members for this review are:

Dr Peter J. Boxall AO, Chairman

Ms Catherine Jones

Inquiries regarding this document should be directed to a staff member:

Michael Seery (02) 9290 8421

Tony Camenzuli (02) 9113 7706

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## Introduction

IPART will assess each application against the criteria set out in the Office of Local Government's (OLG) *Guidelines for the preparation of an application for a special variation to general income for 2015/2016* (the Guidelines). Councils should refer to these guidelines before completing this application form.<sup>1</sup>

Each council must complete this Part B application form when applying for a special variation to general income either under section 508A or under section 508(2) of the *Local Government Act 1993*.

The Part B form must be completed together with the Part A (spreadsheet) form for both s508(2) and s508A applications. The Guidelines also require the council to have resolved to apply for a special variation. You must attach a copy of the council's resolution to make a special variation application. IPART's assessment of the application cannot commence without it.

## Completing the application form

This form is structured to provide guidance on the information we consider necessary to assess a special variation application. To complete the form, the council will need to respond to questions and insert text in the boxed area following each section or sub-section.

The amount of information that a council provides will be a matter of judgement for the council, but it should be sufficient for us to make an evidence-based assessment of the application. Generally, the extent of the evidence should reflect the size of the variation sought. More complex applications or requests for a high cumulative percentage increase should be supported by stronger, more extensive evidence.

Councils may submit additional supporting documents as attachments to the application (refer to section 8). These should be clearly identified in Part B and cross-referenced. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. You should provide details of how we can access the complete publication should this be necessary.

We publish Fact Sheets on how IPART assesses special variations and on the nature of community engagement for special variation applications. These will assist in preparing the application. The latest Fact Sheets on these topics are dated October 2014 and are available on IPART's website.<sup>2</sup>

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

---

<sup>1</sup> The Guidelines are available at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)

<sup>2</sup> See [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

This application form consists of:

Section 2 – Preliminaries

Section 3 – Assessment criterion 1

Section 4 – Assessment criterion 2

Section 5 – Assessment criterion 3

Section 6 – Assessment criterion 4

Section 7 – Assessment criterion 5

Section 8 – List of attachments

Section 9 – Certification.

### Using the Council Portal to submit the application

All councils intending to apply for a special variation must use the Council Portal on IPART's website to register as an applicant council and to submit an application.

The Portal is at [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt). The [User Guide](#) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact Himali Ranasinghe on (02) 9113 7710 or by email [himali\\_ranasinghe@ipart.nsw.gov.au](mailto:himali_ranasinghe@ipart.nsw.gov.au)

Councils intending to submit an application under either section 508(2) or section 508A must notify us of their intention to apply by **COB Friday, 12 December 2014**.

Councils should submit their applications via the Portal. File size limits apply to each part of the application. For Part B the limit is 10MB. The limit for supporting documents is 70MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We ask that councils also submit one hard copy of their application to us (with a table of contents and appropriate cross referencing of attachments). Note, early in 2015 IPART will be relocating to the following address:

Local Government Team  
Independent Pricing and Regulatory Tribunal  
PO Box K35,  
Haymarket Post Shop NSW 1230

Level 15, 2-24 Rawson Place, Sydney NSW 2000

We must receive your application via the Council Portal no later than **COB Monday, 16 February 2015**.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART do not expose confidential content.

Councils should also post their application on their own website for the community to access.

## Preliminaries

### Focus on Integrated Planning and Reporting

Councils must identify the need for a special variation to their General Fund's rates revenue as part of their Integrated Planning and Reporting (IP&R) process.<sup>3</sup> The IP&R documents will need to be publicly exhibited and adopted by the council prior to it submitting its application to us. Also refer to section 6 for a more detailed explanation.

The key IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, the Asset Management Plan. A council's application may also include supplementary and/or background publications used within its IP&R processes. You should refer to these documents to support your application for a special variation where appropriate.

### Key purpose of special variation

At the highest level, indicate the key purpose(s) of the special variation by marking one or more of the boxes below with an "x".

Maintain existing services	<input checked="" type="checkbox"/>
Enhance financial sustainability	<input checked="" type="checkbox"/>
Environmental services or works	<input type="checkbox"/>
Infrastructure maintenance / renewal	<input checked="" type="checkbox"/>
Reduce infrastructure backlogs	<input type="checkbox"/>
New infrastructure investment	<input checked="" type="checkbox"/>
Other (specify)	<input type="checkbox"/>

---

<sup>3</sup> The OLG's October 2014 *Guidelines* and the IP&R Manual outline this link between the special variation and the IP&R process.

You should summarise below the key aspects of the council's application, including the purpose and the steps undertaken in reaching a decision to make an application.

The Special Rate Variation (SRV) application is made to address financial and infrastructure funding challenges set out Weddin Shire council's Long term Financial Plan (LTFP) (Attachment 3). The LTFP demonstrates that business as usual is not an option as the deficit position in 2025 will be \$3.4 million. The SRV along with a review of the Assets Management Plan (AMP) (see Attachment 10), consequent changes in levels of service over the next three years, and a reduction in depreciation of 30% as projected and justified in the LTFP will see a return to a small surplus by 2020 of \$151,000.

The SRV will also allow council to maintain community assets and services in line with an AMP that will more closely reflect the community expectations. These expectations were determined through extensive community consultation and surveys and had regard to the community's expressed capacity to pay. The result will see the rebuilding of a swimming pool as an Aquatic Centre and the construction of a new Medical Centre. The Aquatic Centre replaces a facility that is failing. Recurrent maintenance, closures for water treatment, as well as loss of water through leakage, threatens the ongoing capacity of the facility to meet the needs of the community. A new medical centre is critical to the ongoing provision of medical services in the community. The need to service an aging community as well as a stable younger population is essential to the survival of the Shire as a significant farming, education, warehousing and health sector delivering some \$156 million in gross regional product (GRP) (Refer Attachment 13).

Weddin is a small rural council and has been identified in the Fit For The Future (FFTF) Report as a potential 'rural council'. It is serving the community with limited resources including 58 full time equivalent staff and manages an annual budget of approximately \$9 million. WSC is currently debt free, internally restricted reserves along with borrowings will be utilised to address the modest capital projects proposed in the Delivery Plan (Aquatic and Medical Centre). This is essential to ongoing basic service delivery.

Council has a very low historical rates base, has not previously increased its rates above the rate pegging level and has always increased rates by the minimum amount. This is the Council's second consecutive application for a SRV with the previous application deficiencies addressed as follows:

- IPART indicated that Council needed to make the impact of the SRV clear by rating category. The Council has made clear the impact of the rates changes, by percentage and value, in terms of rate categories (Attachment 5). The fact sheet that was distributed as part of the community consultation included indicative average general rate increases, illustrating the dollar and

percentage impacts in the rating categories. The consultation material also noted that a new land valuation is required to be used in 2015/16 which will also impact on rates paid. The new valuations could not be used in the indicative rate information as they were not known at the time of consultation.

- The rate category comparison to the group 9 councils<sup>4</sup> was regarded as having anomalies in the farmland and business rate. This continues to be at variance. The anomaly has been due to a policy position by Council to reflect the capacity of those holding farmland to pay following the 10 year drought and also the relative isolation of their businesses compared with those closer to Grenfell, the major centre. However, in terms of neighbouring councils to Weddin, the farmland rates (Cowra) and business rates (Bland) are similar. It is intended to review these 'anomalies' following the FFTF determination<sup>5</sup>.
- A hardship policy (Attachment 7) has now been developed and was highlighted in the fact sheet that accompanied community consultation. The Hardship Policy has also been made available via Council's website and communicated to prospective beneficiaries by Council staff.
- Council has included information on its commitment to cost containment and efficiencies in the application. The FFTF process has identified other opportunities to share backend business support across the pilot Joint Organisation (JO).
- An external consultant has been engaged to support the SRV application development and also to review the LTFP that will also inform the operational plan and the delivery plan into the future.

The Special Rate Variation (SRV) is made to respond to the need to provide and replace major community infrastructure and to facilitate a sustainable financial future.

The SRV seeks to fund the following infrastructure which has strong community support:

- Demolition and reconstruction of the Weddin Aquatic Centre
- The construction of a new medical centre

The financial sustainability of the council as established in the Long Term Financial Plan (Attachment 3) identified that an increase in rates is essential if the Shire is to be able to sustain a level of service expected by the community around the centre of Grenfell and its surrounds (Attachment 6).

---

<sup>4</sup>Office of Local Government Group 9 Councils are defined as Rural Council with a population of between 1,000 – 5,000.

<sup>5</sup> In terms of Farmland rates Cowra has similar agricultural land type to Weddin and in terms of business rates Bland business centre is similar to the Weddin (Grenfell) business centre and the rates for both these categories are exactly similar.

Weddin Shire Council has resolved to sustain its service delivery with a view to:

- Fund assets management to a level in line with community expectations
- Meeting community expectations in terms of ongoing service delivery
- Meeting shifting costs and services to the Shire, especially in insurances, fire services and medical service support
- Meeting rising power and utility costs
- Meeting public liability and insurance costs
- Meeting fixed operating costs which have increased beyond rate pegging over time

Failure to provide basic community infrastructure will lead to major social dislocation for a community that increasingly relies upon the local service delivery. Such reliance is evident in the decreasing capacity of the community to afford to travel to access facilities and have limited opportunity to “vote with their feet” and move to new areas that can offer services as this is at a price point beyond their financial capability<sup>6</sup>.

The following is a summary of the key elements of the application:

Special Variation Sought	Section 508A application of fixed 7% per annum inclusive of the Rate pegging allowance for 4 years, after which the increases would form the new base rate.
Revenue to be raised by the Special Rate Variation	\$3,530,540 cumulative Net Present Value over 10 years
Support for Capital Projects	Those under 55 strongly supported both facilities with the health centre rated the most important (72%), over 55s (67%). For the aquatic centre, the support from under 55 (60%), over 55s (54%) (Attachment 6).
Overall community support for the Special	The lowest average weekly increase

<sup>6</sup> Weddin ranks 44 on the Economic Index Rating which places it in the lowest third which indicates capacity to access services is limited.



Rate Variation	supported by the community was \$3.85. Some 96% support an increase. Only 3.65% are not prepared to pay any increase (Attachment 6).
Operating Margin 2019/20 with variation	1.2%
Operating Margin 2019/20 without variation	-26.0%
Operating Margin 2023/24 with variation	3.1%
Operating Margin 2023/24 without variation	-26.1% (Attachment 3)

### Community Preparedness to Pay:

Consultation on the increase has been through a wide variety of processes over a number of years. Community priorities were established based on extensive consultation on the provision of services as part of developing the initial Delivery Plan adopted by the Shire under the Integrated Planning & Reporting IP&R framework. This involved partnership with the community in developing the Community Strategic Plan (CSP) utilising the 10 Melbourne principles<sup>7</sup>. The consultation targeted key sectors as well as the general community and included consultation with the older, younger, isolated and socially disadvantaged residents. There was press advertising, surveys including among students at the local schools, 1850 newsletters sent out to all households, as well as five community workshops. There were also individual visits to business in the Shire, a Council staff survey, and a civic leadership discussion night. In all, some 380 residents directly participated in the process or 10% of the total population and some 30% of those of voting age. The comprehensive CSP report is attached (Attachment 1). The CSP also links to the State Plan goals.

The Delivery Plan (Attachment 2) reflects the CSP's objective of building a progressive community with solid and sustainable levels of service. This was expressed as "bucking the trend" of decline in rural communities and "taking the bull by the horns" and delivering a wide range of initiatives, recognising that "above base-line Council rates and borrowings may be needed" (Weddin Shire 2013-2023 CSP p. 4). There was supplementary community discussion with the swimming community on replacing the Grenfell pool with a new Weddin Aquatic Centre that provided better community access. Extensive community consultation was undertaken and this is set out in the attached Weddin Aquatic Centre Capital Expenditure Review and Business Feasibility Study (Attachment 13). There was also discussion with the community on the development of a modern medical

<sup>7</sup> <http://www.sustainablemelbourne.com/visions/the-melbourne-principles-for-sustainable-cities/>

facility to meet the ongoing needs of the Shire and to continue to attract doctors. In addition to the above consultation, SRV specific consultation was undertaken as outlined in section 4.1.

A review of the Council's assets has led to an Assets Management Plan (AMP; Attachment 10) and Strategy (AMS) defining the assets backlog that has to be funded as part of this SRV application. The Workforce Management Plan (WFMP) underpins the Delivery Plan and Operational Plan. A Long Term Financial Plan (LTFP; Attachment 3) also formed part of the suite of plans advertised as part of the 2013-2017 Delivery Program (Attachment 2). The LTFP has been refined as part of the Shire's response to the FTFF process and was adopted by the Council on 31 January 2014. These documents form the basis of this application and the Council's likely FTFF application under the Rural Council Model. Weddin Shire Council has been identified as a Council that may be eligible to stand alone as a Rural Council utilising the template 3 approach.

The SRV application is of significant importance to meeting the targets and objects of the FTFF template 3.

To better demonstrate the comparative disadvantage to WSC's financial sustainability of historically low rates against neighbouring councils, the following data is instructive. The following tables also provide regional context and demonstrate the overall position of Weddin Shire Council in relation to the neighbouring councils. Comparisons are the base case position and will be improved by a successful SRV application.

The following tables provide comparative data on the neighbouring councils – regional characteristics based on published data.

### Weddin Regional Characteristics

	Weddin Regional Group	Bland	Cowra	Forbes	Weddin	Young
Geographical Area (km2)	22,191	8,560	2,809	4,720	3,409	2,693
Population 2013	44,635	6,055	12,622	9,526	3,730	12,702
Projected population 2031	42,900	5,500	11,700	9,200	3,500	13,000
No of Councillors	n/a	9	9	9	9	9
Population per Councillor	n/a	672	1,402	1,058	414	1,411
Electoral Arrangements	n/a	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council	No wards. 9 councillors. Mayor elected by council
Average Taxable Incomes (\$)	\$33,178	\$32,124	\$33,910	\$34,242	\$30,621	\$34,997
Socio Economic Index Ranking (1 = low , 152 high)	n/a	77	24	44	52	42

## Financial Sustainability

	Bland	Cowra	Forbes	Weddin	Young	Rural Council Template
Sustainability Rating	Weak	Sound	Moderate	Moderate	Sound	
Outlook	Neutral	Negative	Neutral	Negative	Negative	

## Performance

	Bland	Cowra	Forbes	Weddin	Young	
Operating Ratio (%)	(2.3)	(5.7)	(5.2)	(4.3)	11.5	RC Template
Debt Service Cover Ratio	14.7	1.3	3.5	177	6	RC Template
Unrestricted Current Ratio	5.4	2.8	10.5	7.1	3.1	
Own Source Operating Revenue Ratio (%)	33	72	62	55	54	RC Template
Cash Expense Ratio	2.7 months	8 months	10.9 months	10.5 months	17.6 months	

## Infrastructure

	Bland	Cowra	Forbes	Weddin	Young	
Infrastructure Backlog Ratio (%)	0.9	4.7	4.1	3.4	15	RC Template
Asset Maintenance Ratio	0.7	0.8	1.1	0.7	0.7	RC Template
Roads, Bridges and Footpaths (\$) per capita	\$2,216	\$376	\$852	\$1,007	\$292	
Building & Infrastructure Renewal Ratio (%)	41	52	47	48	268	RC Template

## Regional outlook

All five councils are facing infrastructure challenges into the future. Only Forbes and Bland have a neutral Financial Sustainability Rating (FSR) outlook. A collaborative arrangement may help to improve internal revenue options for the group and provide a regional perspective on service delivery. The area relies heavily on agriculture for its economic stability. This means that councils and communities within the area are subject to the seasonal and economic fluctuations that define this industry. Extreme weather events, changes in commodities pricing and farming practices can impact significantly. Five of the six LGAs are expected to see continued population decline. TCorp also predicts declining financial sustainability for most Councils within the area and increasing infrastructure backlogs (Attachment 4).

## Financial Data

Revenue Source	Bland	Cowra	Forbes	Weddin	Young
Average Residential Rates	\$423	\$382	\$622	\$381	\$528
Average Business Rates	\$960	\$2,628	\$2,374	\$786	\$2,625
Average Farmland Rates	\$2,451	\$1,428	\$2,107	\$1,216	\$1,912
Average Mining Rates	\$407,500	\$76,000	\$0	\$4,000	\$18,000
Total Revenue 12/13 (000's)	\$27,438	\$31,039	\$33,886	\$12,858	\$30,038
Grants/Contributions (%)	63	23	31	41	40
Typical Residential, Water & Sewer Bill (including usage)	\$598	\$1,467	\$914	\$297	\$1,278
Average Domestic Waste Management Charge	\$237	\$396	\$296	\$180	\$143

## Infrastructure management

Although infrastructure backlogs for the grouping are substantial, they are not totally out of character with other regions in NSW. All Councils need to ensure they have sound planning processes to ensure that the community's assets are managed efficiently and effectively. Asset management planning should have a service delivery focus and the assets provided should be appropriate to meet the needs of the community. A collaborative approach via a Joint Organisation model which are currently being piloted in five regions of NSW may help to address regional infrastructure issues more holistically. The NSW Government's LIR's scheme may provide assistance for Council's with the capacity to increase borrowings.

## Current asset position

While roads and bridges make up the major asset classes for all councils, there are also substantial water and sewerage assets within the grouping. Young receives bulk supplies from Goldenfields Water for Council distribution. Bland receives direct services from Goldenfields Water with Weddin receiving direct services from Central Tablelands Water. Young and Cowra manage their own supplies.

	Bland	Cowra	Forbes	Weddin	Young
Total Roads Length (KM's)	3,093	1,271	1,869	1,094	1,175
Total Public Halls (No)	2	1	1	0	8
Total Open Space (ha)	1,750	48	48	12	152
Total Infrastructure Backlog (TCorp 000's) 2012	\$15,254	\$10,229	\$11,946	\$9,645	\$34,395
Infrastructure Backlog Per Capita	\$2,534	\$816	\$1,261	\$2,583	\$2,748
Total Assets 2012 (TCorp 000's)	\$234,180	\$616,506	\$344,497	\$151,636	\$173,577
Assets per capita	\$38,913	\$49,218	\$36,374	\$40,610	\$13,871
Access to Internet at home (%)	62	57	60	64	62

## Accessibility

Consideration should always be given to distances when developing options for shared service delivery, any mergers or boundary changes.

Main journey distances and travel times are shown.

Journey	Distance	Travel time
Grenfell – West Wyalong	104 k's	77 minutes
Grenfell – Cowra	55 k's	42 minutes
Grenfell – Forbes	64 k's	49 minutes
Grenfell – Young	52 k's	55 minutes

## Stronger centres, stronger voice

### Regional services and planning

The grouping fits between a number of Regional Action Plans. Cowra, Weddin and Forbes reside within the Central West RAP. Young is included in the South East RAP and Bland in the Riverina RAP. The proposed Joint Organisation model could provide a strong voice in this process and help to connect council's integrated planning and reporting frameworks with the State planning processes.

The grouping is also spilt between Regional Development Plans, with Cowra, Forbes and Weddin being in the Central West RDA planning area. Young is in the Southern Inland Plan and Bland in the Riverina Plan. Similarly, the grouping covers three Local Land Services Boundaries, with Bland being included in the South West Riverina, Cowra and Young in Central Tablelands and the remainder in the Central West.

### Health Services

The grouping is spilt between two Local Health Districts, with Young and Bland being in the Murrumbidgee District and the remaining Councils in the Western NSW Health District.

### Water supply

Young receives bulk supplies from Goldenfields Water for Council distribution. Bland receives direct services from Goldenfields Water with Weddin receiving direct services from Central Tablelands Water. Young and Cowra manage their own supplies.

### Transport

Councils within the grouping have limited access to public transport, with coach services to Cowra, Forbes and West Wyalong.

### **Economic Development**

The regional economy is heavily based on agriculture, with cattle, sheep, wool, cereal and grain crops.

### **Demographics**

There are established community links between many of the LGA's in the grouping. The Joint Organisation model would allow these community links to be preserved while opening opportunities for more strategic service delivery.

Cowra had a higher rate of migration to and from Young than anywhere else. There has been movement between Parkes and Forbes with moderate cross-border flows connecting Lachlan with Parkes and Forbes. Bland and Weddin have connections both north (to Lachlan and Forbes) and south (to Temora and Young).



### Community Service and infrastructure challenges in Weddin Council

Infrastructure and community services are critical in retaining skills and residents in the Shire. Labour drifts to the major centres if basic services are not readily available. This is highlighted in a Reserve Bank of Australia report on Labour Market Movement During Periods of Shock Events (Dwyer 2002) that links positive labour market movements to good community amenity and services<sup>8</sup>. Capacity to pay is balanced with the need to have the services in a community in which residents can afford to live. Low housing (and rental prices) can be offset by increased service provision for basic services. The community has identified these as medical facilities to support an aging and a younger population and to rebuild the pool. Other services such as rural roads have strong support for improved levels of service.

The following table sets out the community expectations in terms of service levels resulting from the community survey:

<b>Exceeding Expectations</b> (Lower Importance & Higher Satisfaction) <ul style="list-style-type: none"><li>• Footpaths and cycleways</li></ul>	<b>Meeting Priorities</b> (Higher Importance & Higher Satisfaction) <ul style="list-style-type: none"><li>• Public gardens</li><li>• Library and internet</li><li>• Public toilets</li><li>• Cemeteries</li><li>• Rural sealed roads</li><li>• Sealed roads in towns and villages</li><li>• Sealed road maintenance</li><li>• Sewer</li><li>• Bridges</li><li>• Waste collection and disposal</li><li>• Sporting facilities</li></ul>
<b>Less Important</b> (Lower Importance & Lower Satisfaction)	<b>Areas of Concern</b> (Higher Importance & Lower Satisfaction)

<sup>8</sup> <http://www.rba.gov.au/publications/rdp/2002/pdf/rdp2002-04.pdf>

<p>Satisfaction)</p> <ul style="list-style-type: none"> <li>• Other community</li> <li>• Animal control</li> <li>• Kerb &amp; guttering</li> </ul>	<p>Satisfaction)</p> <ul style="list-style-type: none"> <li>• Unsealed road maintenance</li> <li>• Swimming pool</li> <li>• Rural road shoulders</li> <li>• Town and village footpaths</li> </ul>
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Aquatic facility:

Attached is a copy of the Capital Expenditure Review and Business Feasibility Study on the pool which includes a condition report (Attachment 13). In short, the pool is not functioning effectively. After major use days, the pool has to be closed early to allow the pump systems to effectively clean the water.

The pictures indicate the extent of asset deterioration that has to be addressed before the facility fails completely





Examples of Other Capital Replacement Challenges:



## Capital expenditure review

You should complete this section if council is undertaking major capital projects that are required to comply with the OLG's Capital Expenditure Guidelines, as outlined in OLG Circular 10-34. A capital expenditure review is required for projects that are not exempt and cost in excess of 10% of council's annual ordinary rates revenue or \$1 million (GST exclusive), whichever is the greater.

A capital expenditure review is a necessary part of a council's capital budgeting process and should have been undertaken as part of the Integrated Planning and Reporting requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

Does the proposed special variation require council to do a capital expenditure review in accordance with OLG Circular to Councils, Circular No 10-34 dated 20 December 2010

Yes ☒ No ☐

If Yes, has a review been done and submitted to OLG?

Yes ☒ No ☐

## Assessment Criterion 1: Need for the variation

Criterion 1 within the OLG Guidelines is:

*The need for and purpose of a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, including its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:*

*Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and*

*Special variation scenario – the result of approving the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.*

*Evidence to establish this criterion could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.*

*Evidence could also include the assessment of the council's financial sustainability conducted by the NSW Treasury Corporation.*

The response to this criterion should summarise the council's case for the proposed special variation. It is necessary to show how the council has identified and considered its community's needs, alternative funding options (to a rates rise) and the assessment of its financial sustainability as conducted by the NSW Treasury Corporation (TCorp).

The criterion states that the need for the special variation must be identified and clearly articulated in the council's IP&R documents especially the Long Term Financial Plan (LTFP) and the Delivery Program, and, where appropriate, the Asset Management Plan (AMP). The purpose of the special variation should also be consistent with the priorities of the Community Strategic Plan (CSP).

### **Case for special variation - community need**

Summarise and explain below:

How the council identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.

How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.

Why the special variation is the most appropriate option. For example, typically other options would include introducing new or higher user charges and/or an increase in council loan borrowings, or private public partnerships or joint ventures.

How the proposed special variation impacts the LTFP forecasts and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council's LTFP forecasts.

In addressing this criterion, you should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

#### **Purpose of the application:**

The SRV seeks to raise an additional \$3,530,540 over the 10 years as set out this application (Part A) in addition to loans and the use of reserves to fund two major capital works as well as to fund depreciation and critical maintenance that has been identified through three years of community discourse. Council will spend a total of \$5.6 million over the next two years to replace a pool that is no longer technically capable of serving the community, as well as to build a medical centre to allow the Shire to continue to attract and retain medical professionals. Finally, the future maintenance of community assets needs the increased resources that will come partly as a result of a SRV application approval.

In respect of the capital works, increases in charges to access the new Aquatic Centre will be subject to determination once the facility is completed. The Aquatic



Centre is an integral part of community amenity where the community has indicated a preparedness to pay for the facility through rate increases. While a small increase in charges may be beneficial to the ongoing maintenance of the facility it will have little impact on the capital provision.

In relation to the Medical Centre there is some opportunity to recover costs and this is dealt with in the Weddin Medical Centre Capital Expenditure Review and Business Feasibility Study.

Opportunities for Public Private Partnerships (PPP) and Joint Ventures are limited as there is not sufficient capital appreciation to attract private investment, in what are essentially community service obligations, over the long term.

The rate changes across categories have been widely advertised and have been subject of a community survey.

Weddin Shire's location impacts its socioeconomic characteristics. The community is geographically isolated and is centred on the town of Grenfell. It has strong workforce participation in agriculture that delivers significantly to the Gross National Product (GNP). Many farmers have utilised limited resources to retire to Grenfell and the villages in Weddin. Australian Bureau of Statistics (ABS) data shows that under 34s represent 38% of the workforce and are producing families that are consistent with state average. Some 40% of the community are families with children under 15 yrs., with a quarter of these single parent families. The SRV will be utilised fund community infrastructure targeting these sectors.

#### The socioeconomic characteristics

The Weddin Shire is geographically isolated from major services and is 360 kms from Sydney, a travel time of some five hours in good traffic. There is no airport with the closest being Parkes, 60 mins drive away. There is road access to four other neighbouring council areas with each centre approximately 45-80 mins driving distance away.

Weddin Shire has the lowest business, residential and farmland rates among the contiguous councils of Bland, Cowra, Forbes and Young (except with Forbes where farmland rates are equal). The average rate for the 5 councils is \$468 with Weddin Shire some 20% below this average.

Community needs have been established after some three years of consultation. Assessment of the social fabric of the Weddin Shire and a series of community surveys and meetings have revealed the needs of the community in relations to existing assets and what is essential to the life of the community now and into the future. As part of developing the 2012 Integrated Planning and Reporting (IP&R) framework, Weddin Shire undertook extensive community consultation to determine community priorities.

In 2012, the residents had a view that the sustainability of the community as a viable centre with a focus around the largest town of Grenfell was critical to the sustainability of daily life within the Shire. The community supported an increase in the rates to continue to provide quality community amenity then and reinforced this in another survey in 2014.

The community input identified medical facilities and the aquatic centre as being critical community infrastructure.

A supplementary survey was undertaken in 2014 to gauge the willingness to pay for improved services that meet the fundamental needs of an isolated community, as well as market testing the importance and satisfaction of existing services. The survey also canvassed the impact of the special rate variation on each of the rate categories. The community again supported a rate variation well above the level being sought in this application.

Weddin Shire sits at 44 on the Socio Economic Ranking which is higher than 2 of the 5 surrounding councils. Both of whom have higher rates in all major categories. Weddin has an aging population with some 50% being over 50 years of age while the under 20s population mirrors the state average. Some 30% of the working population works in the farming sector which accounts for more than 58% of industry type (ABS 2011).

Weddin generates a gross regional product (GRP) of \$156 million annually with one third coming from agriculture and with education, transport, health care and wholesale accounting equally for the next third. The medium house price in Weddin is \$115,000 while the Median house price in Orange is \$322,000 and the average taxable income for Weddin \$30,621 pa. Weddin has the lowest average taxable income of the surrounding neighbouring council areas (ABS 2011). This data reinforces the challenge that Weddin community members have in 'voting with their feet' and having the capacity to move to communities with good community amenity.

The analysis of the data in the context of the community desire to retain services is important to understanding the need to increase Weddin Shire's income to support service provision. The survey results expose limited community opportunities to access facilities and services in other ways. Many farmers are moving off farming into the villages and the main town of Grenfell.

The following graph sets out where the community currently sits in respect to service provision importance and satisfaction levels:

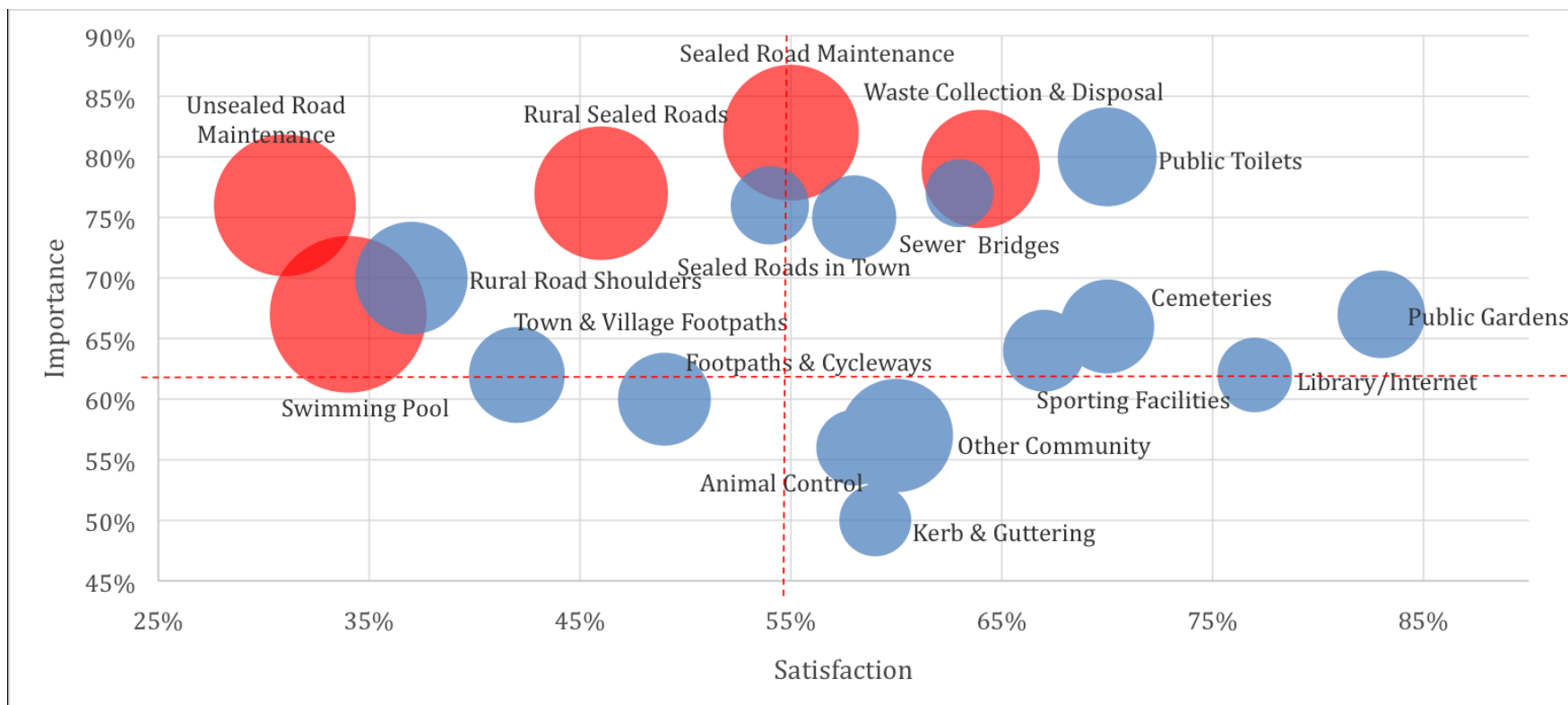


Figure 1: Importance versus satisfaction with priority overlay

Q7: Please rate your satisfaction level with each of the Council's current services. Base: All respondents (n=358) | Q8: Please rate the importance of each of the Council's current services. Base: All respondents (n=353) | Q9: Which of the following services would you wish to be given more priority? Please choose the top three. Base: All respondents (n=352)

Note: Bubble size indicates the % of respondents who wish the service was given greater priority. Red bubbles are the top service priorities for respondents.



The above graph shows the community considers the pool to be highly important and also not currently meeting expectations with low satisfaction. The closure of the pool would have a significant impact on community amenity in Weddin Shire, impacting school fitness, and 'learn to swim' programs in a rural community where swimming skills are critical. Waterway and dam drowning account for over 35% of drowning deaths in NSW each year. The loss of the pool would reduce access to fitness for retirees and force the least disadvantaged to find ways of accessing aquatic facilities at major towns over 60kms away. The SRV assist Council to service borrowings undertaken to support the identified capital projects subject to this application.

A failure to address the medical needs into the future with the construction of a new medical centre will challenge the provision of fundamental health services and reduce affordable access to medical services for the aging and disadvantaged. Due to market failure Council has a community service obligation to provide facilities at less than market value to secure ongoing medical services.

The capacity to fund depreciation is severely limited by the disparity in rates across the region especially compared with Forbes and Bland that have the nearest population sizes (Forbes has twice the average residential rate in Weddin). The population size prohibits raising greater revenue by way of entry fees and the cost of medical facilities is driven by the need to attract and retain medical service staff.

The long term financial plan has been based on improving the income and service charges across a number of areas, on a review of the AMP, and the retention of levels of service that are indicated in the survey measuring community importance and satisfaction of services. The AMP seeks to reflect the levels of service that the community has indicated that it can live with. The capital infrastructure of an aquatic facility in the major town of Grenfell and high quality medical facilities has consistently emerged as important services. The LTFP has been reviewed with the SRV application and the FFTF requirements in mind. Weddin Shire Council will use the SRV scenario as the new base case (on the variation being approved) to further improve its capacity as it looks to share resources and seek economies of scale through the joint ventures with other councils. Under the FFTF assessment, notwithstanding alternatives of amalgamation WSC will still require a variation in the rates in order to meet community expectations that have been strongly expressed through three years of local consultation.

The LTFP can return the Council to a sustainable footing by 2020 subject to approval of the SRV application, notwithstanding further economies that are possible in the FFTF negotiations.

## Financial sustainability

The special variation may be intended to improve the council's underlying financial position, or to fund specific projects or programs of expenditure, or a combination of the two. We will consider evidence about the council's current and future financial sustainability and the assumptions it has made in coming to a view on its financial sustainability.

You should explain below:

The council's understanding of its current state of financial sustainability, its long-term projections based on alternative scenarios and assumptions about revenue and expenditure.

Any external assessment of the council's financial sustainability, e.g., by auditors or TCorp. Indicate how such assessments of the council's financial sustainability is relevant to supporting the decision to apply for a special variation.

The council's view of the impact of the special variation on its financial sustainability.

The LTFP base case shows an operating surplus ratio of -26.1% in 2024 while the SRV scenario shows 3.1% in 2024. The SRV scenario shows a positive operating surplus in 2020 of 1.1% in 2020 and into the future. Among other assumptions there will be reduced funds for road works, and hence administrative income, as well as a realistic return from non-general fund overheads (Attachment 3).

The LTFP has been independently prepared by Jeff Roorda & Associates and then assessed by Stephen Sykes of Sykes Peer Review. TCorp figures are set out in the introduction and demonstrate that business as usual is not an option regardless of the outcome of the FFTF policy initiative.

Weddin Shire Council is currently debt free. However, plans to rebuild the aquatic centre and to build a new medical centre will require borrowings and the use of some reserves.

As set out in the FFTF Panels final report:

"As TCorp makes clear, a concerted, medium-long term strategy is required. This will need to combine fiscal discipline with improved financial and asset planning, accelerated increases in rates and charges where required, redistribution of grant funding, and improved efficiency and productivity."

The LTFP SRV Scenario for Weddin indicates that financial sustainability is possible based on the achievable assumptions underlying this application.

The LTFP has been endorsed by the Council as being consistent with the community expectation of improved service delivery to retain services and advance the Shire of Weddin.

## Financial indicators

How will the special variation affect the council's key financial indicators (General Fund) over the 10-year planning period? Please provide an analysis of council's performance based on key indicators (current and forecast) which may include:

Operating balance ratio excluding capital items (i.e., net operating result before capital grants and contributions as percentage of operating revenue before capital grants and contributions).

Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities).

Rates and annual charges ratio (rates and annual charges divided by operating revenue).

Debt service ratio (principal and interest debt service costs divided by operating revenue excluding capital grants and contributions).

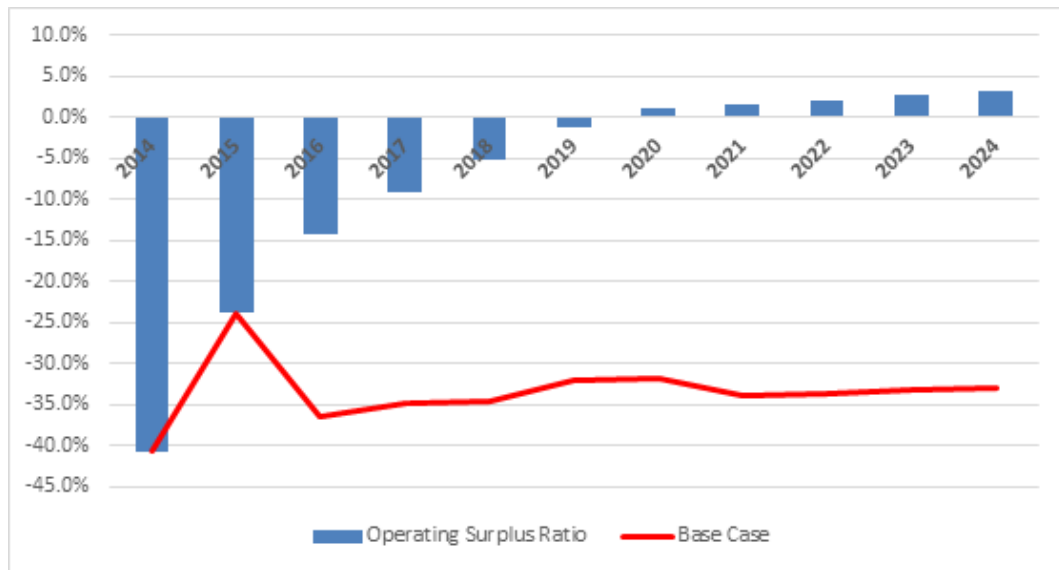
Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs as per Special Schedule 7 divided by operating revenue).

Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).

### Operating Surplus Ratio:

The Operating Surplus Ratio is considered one of the most important sustainability ratios.

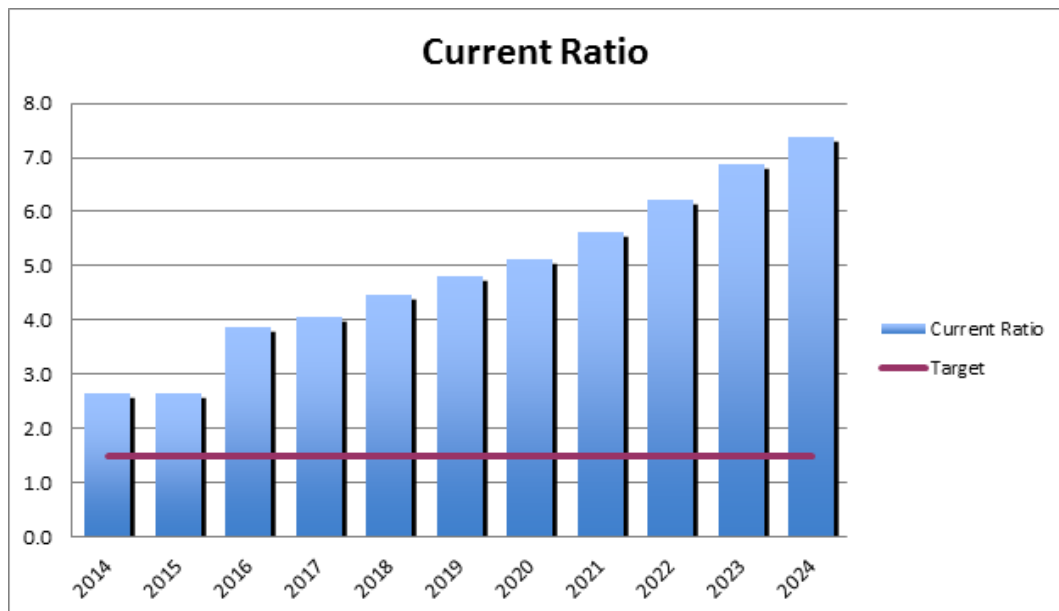
The operating surplus graph below clearly shows the impact the SRV and other improvement measures have on Council's path to financial sustainability. It shows a gradual improvement in this ratio over the forecast period with a positive ratio reached in the 2019/20 year. At this point, the Council's operating revenues will fully exceed operating costs meaning Council is generating levels of revenues that can be used to fund proposed capital expenditure and/or debt repayments, and is less likely to compromise the levels of service expected by ratepayers.



#### Current Ratio:

This ratio is a measure of Councils liquidity or ability to meet its short-term financial obligations.

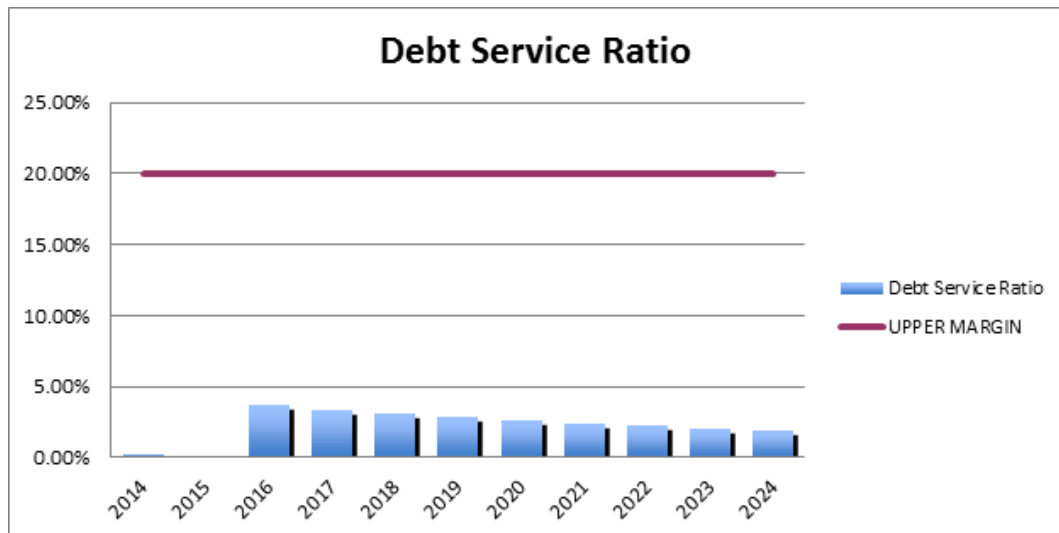
As the graph below shows, Council's liquidity improves over the forecast period to a ratio of 7.4:1 in 2023/24. At all times, the ratio remains above the desired target level of 1.5:1.



### Debt Service Ratio:

Council plans to borrow \$3.6 million in order to complete the Grenfell Pool renewal.

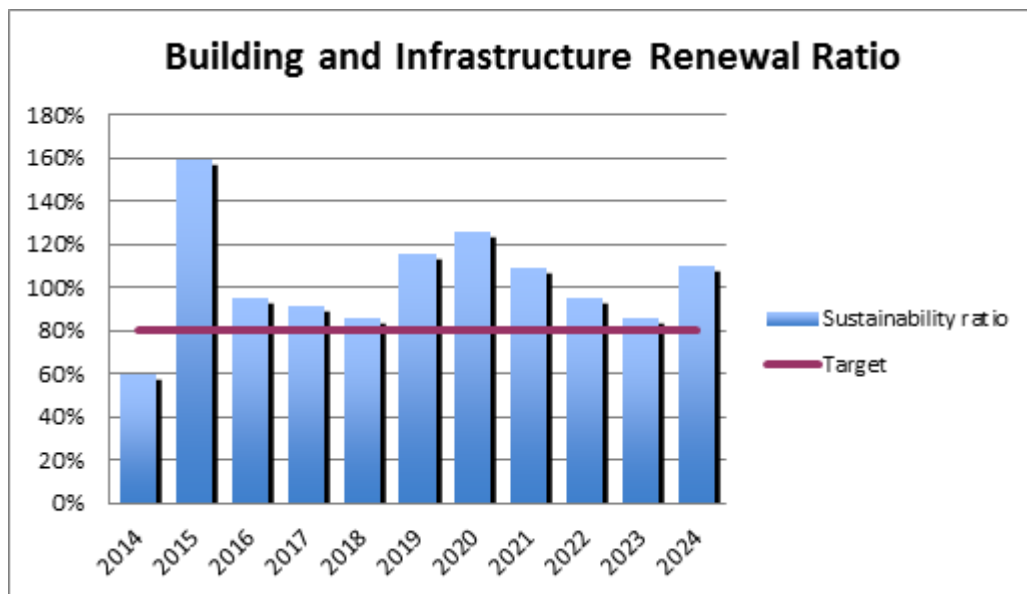
The Debt Service Ratio indicates Councils capacity to service this debt. As shown in the graph below Council maintains a Debt Service Ratio of less than 5% over the forecast period which is well within the target benchmark of 0-20%.



### Assets Renewals Ratio:

This ratio outlines the rate at which assets are being renewed relative to the rate at which they are depreciating.

Implementation of the SRV will assist the Council in achieving an improvement in the assets renewal ratio and in achieving the renewal of the Grenfell Pool. Under the SRV scenario, the asset renewal ratio remains above the target benchmark of 80%, assisting Council in maintaining its assets base over the longer term.



### Contribution plan costs above the cap

You should complete this section if the special variation seeks funding for contributions plan costs above the development contributions cap. Otherwise, leave this section blank.

Please explain how the council has established the need for a special variation to meet the shortfall in development contributions.

For costs above the cap in contributions plans, a council must provide:<sup>9</sup>

a copy of the council's section 94 contributions plan

a copy of the Minister for Planning's response to IPART's review and details of how the council has subsequently amended the contributions plan

details of any other funding sources that the council is proposing to use

any reference to the proposed contributions (which were previously to be funded by developers) in the council's planning documents (e.g., LTFP and Asset Management Plan (AMP)).

<sup>9</sup> See Planning Circular 10-025 dated 24 November 2010 at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) and for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act* 1979. See also Planning Circular PS 10-022 dated 16 September 2010.

## Assessment criterion 2: Community awareness and engagement

Criterion 2 within the OLG Guidelines is:

*Evidence that the community is aware of the need for and extent of a rate rise. The IP&R documentation should clearly set out the extent of the General Fund rate rise under the special variation. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure an opportunity for community awareness and input to occur.*

In responding to this criterion, the council must provide evidence that:

it has consulted and engaged the community about the special variation using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases

it provided opportunities for input and gathered input/feedback from the community about the proposal

the IP&R documents clearly set out the extent of the requested rate increases.

In assessing the evidence, we will consider how transparent the engagement with the community has been, especially in relation to explaining:

the proposed cumulative special variation rate increases including the rate peg for each rating category (in both percentage and dollar terms)

the annual increase in rates that will result if the special variation is approved in full (and not just the increase in daily or weekly terms)

the size and impact of any expiring special variation (see Box 4.1 below for further detail)

the rate levels that would apply without the special variation

proposed increases in any other council charges (e.g., waste management, water and sewer), especially if these are likely to exceed the increase in the CPI.

More information about how the council may engage the community is to be found in the OLG *Guidelines*, the IP&R manual, and IPART's Fact Sheet *Community Awareness and Engagement for special variation applications*, October 2014.

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**Box Error! No text of specified style in document..1 Where a council is renewing or replacing an expiring special variation**

The council's application should show how you have explained to its community:

There is a special variation due to expire at the end of the current financial year or during the period covered by the proposed special variation. This needs to include when the expiring special variation was originally approved, for what purpose and the percentage of (General Fund) general income originally approved.

The corresponding percentage of general income that the expiring special variation represents for the relevant year.

Whether the temporary expiring special variation is being replaced with another temporary or a permanent increase to the rate base.

The percentage value of any additional variation amount, above the rate peg, for which the council is applying for through a special variation.

If the proposed special variation was not approved i.e., only the rate peg applies, the year-on-year change in rates would be lower, or that rates may fall.

The council also must attach, to its application to IPART, a copy of the Instrument of Approval that has been signed by the Minister or IPART Chairman.

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## The consultation strategy

The council is required to provide details of the consultation strategy undertaken, including the range of methods used to inform and engage with the community about the proposed special variation and to obtain community input and feedback. The engagement activities could include media releases, mail outs, focus groups, statistically valid random or opt-in surveys, online discussions, public meetings, newspaper advertisements and public exhibition of documents.

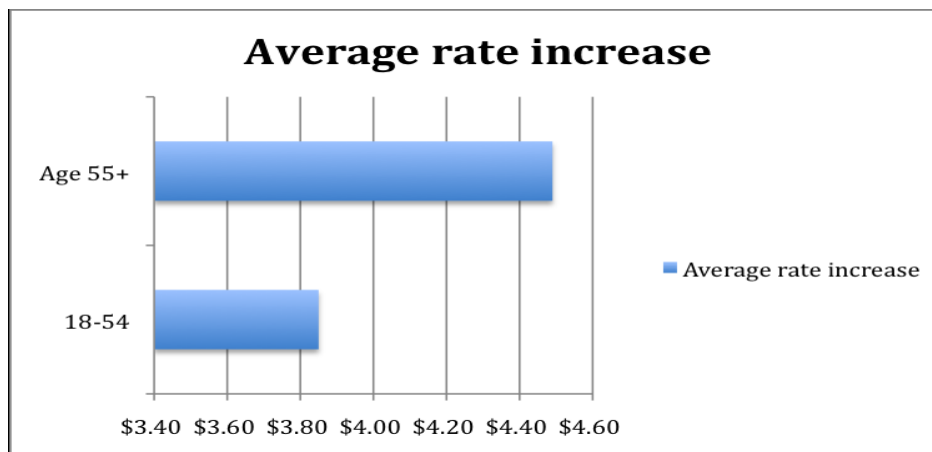
The council is to provide relevant extracts of the IP&R documents that explain the proposed rate rises under the special variation and attach relevant samples of the council's consultation material.

The consultation strategy has provided direction to extensive community engagement. A number of Council press articles and advertisements in the paper have highlighted the proposed SRV application over two years (Attachment 5). The Community had also discussed the proposal prior to a previous application last year which was unsuccessful partly due to concerns over the extent of consultation.

During November/December 2014 Council provided a full explanation on the dollar and percentage impact of the SRV across all rating categories through a direct mail out and a notice in the local paper, followed by a survey of community satisfaction and importance of existing services. These assisted in reinforcing the priorities indicated in the development of the CSP and the Delivery Plan. The results of the survey indicated a broad support for a much greater increase in the rate than the one that is the subject of this application.

Sykes Peer Review undertook the statistically significant survey in conjunction with Mathew Daniel, previously with Roy Morgan (Attachment 6). The survey was accompanied by the fact sheet which set out the annual implications of the rate variation on each rate category.

"Asked to respond on a scale of \$0-\$5 per week, "how much you would be prepared to pay in increased rent or rates to provide these (medical and aquatic facilities) [over and above existing rates]", the respondents indicated a split between the two age groups with under 55s prepared to pay on average \$3.85 more and over 55s prepared to pay \$4.50 more per week. Interestingly, while being marginally less inclined to support the facilities, the older age group had a higher preparedness to pay. Only 3.65% would not be prepared to pay any increase" (Community Survey p. 5).



Graph showing results of weekly rate income preparedness by age grouping

The community was invited to attend two open days, one in December and another in February, to discuss their views on the SRV. Overall, three community people attended along with the Mayor and Councillors. There was no significant negative comment, although one person expressed concern at the impact of the increase on multiple assessment ratepayers. Indeed the lack of comment is of itself noteworthy and supports the overall view of the survey which indicated a 96% agreement that an increase was acceptable. It is the nature of smaller rural communities that awareness of proposed increases in charges or rates are very quickly acknowledged and negative perceptions are relayed to elected representatives. In the confidential community survey free comments have generally favoured recognition that rates are too low. Attached is the Fact Sheet that was sent to all households, setting out the rate impact by category of the SRV proposed, as well as the levels that would apply without the variation.

There has been an agreed increase in the sewer charge of 20% each year for three years which commenced in the 2013/14 year. This increase is supported by a long term sewer plan with the average sewer charge increasing from \$297 in 2012/13 to \$512 in 2015/16.

Weddin Shire Council has never successfully sought a SRV and has utilised the services of an independent consultant to undertake the community consultation, research, LTFP and work with the Council on the application.

### Feedback from the community consultations

Summarise the outcomes and feedback from the council's community engagement activities. Outcomes could include the number of attendees at events and participants in online forums, as well as evidence of media reports and other indicators of public awareness of the council's special variation intentions. Where applicable, provide evidence of responses to surveys, particularly the level of support for specific programs or projects, levels and

types of services, investment in assets, as well as the options proposed for funding them by rate increases.

Where the council has received submissions from the community relevant to the special variation, the application should set out the views expressed in those submissions. Please refer to Section 1.2 concerning how the council should handle confidential content in feedback received from the community. The council should also identify and document any action that it has taken, or will take, to address issues of common concern within the community.

There was a survey undertaken accompanied by a Fact Sheet setting out the impacts of the variation across all rating categories. The following is an extract from the fact sheet.

#### “A Message from Your Councillors

Council is committed to maintaining a vibrant Weddin Shire community. To do this, Council needs to continue to provide services that meet the needs of our villages and towns. This investment will support the proud rural traditions of New South Wales by sustaining strong population growth that contributes to the success of agricultural, mining and small businesses. As a community, we need to secure sufficient funds to ensure that quality services are provided.

At its June 2014 meeting Council resolved to submit an application to the Independent Pricing and Regulatory Tribunal (IPART) for a special variation to general rate income of 4% above the anticipated rate pegging level of 3% each year. This would apply for the next four years. Following the special rate variation rates would increase on the new base by the amount allocated under the current NSW Government rate pegging policy.

Council has been considering its long term direction and its ability to deliver not only the services expected of it by our ratepayers but also the desired long term strategic direction of growing the local population, an objective identified by the community in developing Council's Integrated Planning & Reporting (IP&R) documents.

Weddin Shire Council, like the majority of Councils in NSW, faces the challenge of having the capital to maintain the ageing assets and infrastructure under its control and the additional challenge posed when they have to be replaced.

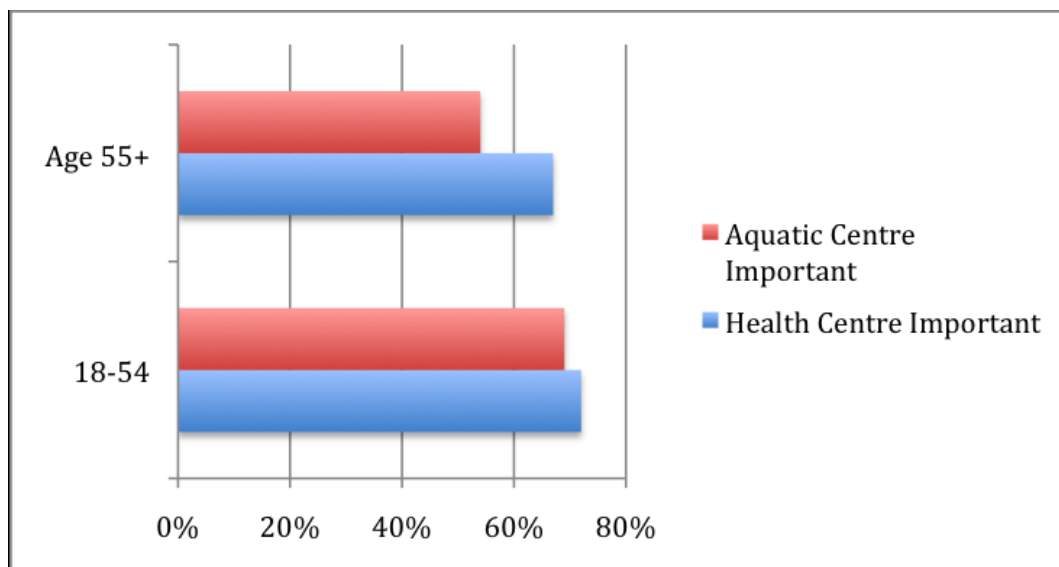
NSW is the only state in Australia where the State Government controls Local Government rate increases. Under this Rate Pegging system the State usually approves a General Council rate increase of between 3% and 4% each year. Unfortunately these rate increases have not kept pace with the

real cost of delivering the services expected of Councils. In addition, cost shifting has seen extra responsibilities being given to Council without any extra funding to help us provide them. According to an independent review of NSW Councils by the NSW Treasury Corporation, councils in NSW are financially unsustainable unless changes are made. Specifically in relation to Weddin Shire Council the NSW Treasury Corporation review found:

Weddin Shire Council was moderately sustainable in the short to medium term with its financial situation deteriorating. Continued operating deficits will eventually have a negative impact on Council's ability to replace key infrastructure assets when they become due for renewal.

The decision to apply for a special rate variation has not been taken lightly but is a necessary step towards long term financial sustainability and to ensure the community has assets that provide for the future."

Overall, there was strong support for the development of both the aquatic and medical centres with some small variations according to age. Those under 55 strongly supported both facilities with the health centre most important at 72%, with over 55s at 67%. As for the aquatic centre, the support from under 55s was 60%, with over 55s at 54% (Community Survey p. 5). The survey report also summarises the general comments and these are linked to a confidential and comprehensive list of unedited responses not forming part of the final analysis. A separate consultant, completely independent of the survey design and analysis process, undertook this assessment. These comments were generally in favour of the SRV application where that matter was discussed and reflect the overall support for assets maintenance, the aquatic centre and the medical centre projects.



Community engagement was structured around the Council's Community Engagement Strategy (although a telephone survey was not undertaken) Attachment 6.

## Assessment criterion 3: Impact on ratepayers

Criterion 3 within the OLG Guidelines is:

*The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation.*

*The IP&R processes should:*

*clearly show the impact of any rises upon the community*

*include the council's consideration of the community's capacity and willingness to pay rates and*

*establish that the proposed rate increases are affordable having regard to the local community's capacity to pay.*

The impact of the council's proposed special variation on ratepayers must be reasonable. To do this, we take into account current rate levels, the existing ratepayer base and the purpose of the special variation. We also review how the council's IP&R processes have assessed whether that the proposed rate rises are affordable having regard to the community's capacity and willingness to pay.

### Impact on rates

Much of the quantitative information we need on the impact of the special variation on (General Fund) rate levels will already be contained in Worksheet 5a and 5b of Part A of the application.

To assist us further, the application should set out the rating structure under the proposed special variation, and how this may differ from the current rating structure, or that which would apply if the special variation is not approved.

Councils should also indicate the impact of any other anticipated changes in the rating structure.

## Minimum Rates

Does the council have residential minimum rates? Yes ☐ No ☒

The rate peg percentage ☐

The special variation percentage ☐

Another amount ☐ Indicate this amount \_\_\_\_\_

You should also explain the types of ratepayers or properties currently paying minimum rates, and the rationale for the application of the special variation to minimum rate levels.

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## **Consideration of affordability and the community's capacity and willingness to pay**

The council is required to provide evidence through its IP&R processes, and in its application, of how it assessed the community's capacity and willingness to pay the proposed rate increases. This is to include an explanation of how the council established that the proposed rate rises are affordable for the community.

Evidence about capacity to pay could include a discussion of such indicators as SEIFA rankings, land values, average rates, disposable incomes, the outstanding rates ratio and rates as a proportion of household/business/farmland income and expenditure, and how these measures relate to those in comparable or neighbouring council areas.

As many of these measures are highly aggregated, it may also be useful to discuss other factors that could better explain the impact on ratepayers affected by the proposed rate increases, particularly if the impact varies across different categories of ratepayers.

We may also consider how the council's hardship policy (see Section 5.3 below) might reduce the impact on socio-economically disadvantaged ratepayers.

As previously indicated, the continued provision of basic services that enhance community connectedness is seen as critical to the ongoing strength of the community. Community members are united in wanting to access services locally. Weddin is not a wealthy community and transport costs and accessibility is compromised if facilities such as the Aquatic Centre and the ongoing medical service provision deteriorate.

The application is part of an overall process to bring resources to a level that allows long-term sustainability both financially and for service delivery. The process to follow is the FFTF application; a failure to secure a SRV will severely compromise the capacity of the community to be sustainable (either as a Rural Council or as an amalgamated community). Indeed as the base case shows, there is no future without ongoing structural change and a Rural Council model appears best able to achieve and outcome that the community can afford and supports.

The Fact Sheet sent to all residents also set out the availability of the hardship provisions.

## Addressing hardship

In addition to the statutory requirement for pensioner rebates, most councils have a policy, formal or otherwise to address issues of hardship.

Does the council have a Hardship Policy? Yes ☒ No ☐

If Yes, is an interest charge applied to late rate payments? Yes ☐ No ☒

Does the council propose to introduce any measures to limit the impact of the proposed special variation on specific groups in the community? Yes ☐ No ☒

You should attach a copy of the Hardship Policy and explain below who the potential beneficiaries are and how they are assisted.

Please provide details of any other measures addressing hardship to be adopted, or alternatively, explain why no measures are proposed.

The council is also to indicate whether the policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Following last year's determination, IPART advised Council of the desirability of adopting a Hardship Policy. As a consequence, Council resolved to adopt a Hardship Policy on 18<sup>th</sup> September 2014. The Hardship Policy adopted by the Council is designed to assist any ratepayer who cannot pay their rates or charges for reason of financial hardship. Each individual case is considered on its merits.

The criteria for financial hardship involve an inability of the ratepayer to pay their rates, rather than an unwillingness to do so. Hardship may result from any of the following:

- Loss of employment by ratepayer or family member
- Family breakdown
- Illness of the ratepayer or family member
- Death in the family
- Loss of income due to natural disasters

The criteria for assessment include:

- The amount of any rate increase when compared to the average rate increase for the rate category
- The amount of rates levied compared to the average rate of the rate category
- Income from all sources
- Living expenses
- Reason for financial hardship
- Length of occupancy



Available assistance includes:

- Deferral of outstanding amounts for a set period of time
- Charging an interest rate of 0% on overdue amounts for a set period of time
- Arranging an appropriate payment schedule
- Any combination of the above

While the Hardship Policy is not referred to directly in Council's IP&R documentation, it has been referred to in the consultation material circulated as part of the SRV consultation process including in the Fact Sheet distributed to all households in the Weddin Shire. The policy is also available on Council's website and is promoted by Council staff to potential beneficiaries as appropriate.

## Assessment criterion 4: Public exhibition of relevant IP&R documents

Criterion 4 within the OLG Guidelines is:

*The relevant IP&R documents<sup>10</sup> must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.*

Briefly outline the significant IP&R processes the council has undertaken to reach the decision to apply for a special variation. Include the details of and dates for key document revisions, public exhibition period(s) and the date(s) that the council adopted the relevant IP&R documents.

You should also include extracts from council minutes as evidence that the documents were adopted.

The council is reminded that amendments to the Community Strategic Plan and Delivery Program require public exhibition for at least 28 days prior to adoption, while amendments to the Long Term Financial Plan and Asset Management Plan/s do not require public exhibition.<sup>11</sup>

Under the IP&R process, priorities were established based on extensive consultation on the provision of services as part of developing the delivery plan. This involved partnership in developing the Community Strategic Plan (CSP; Attachment 1) and utilised the 10 Melbourne Principles. The consultation targeted key sectors as well as the general community, included accessible consultation with older, younger, isolated and socially disadvantaged residents. There was

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<sup>10</sup> Relevant documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, the Asset Management Plan.

<sup>11</sup> Office of Local Government (the then Division of Local Government), *Integrated Planning and Reporting Manual for local government in NSW*, March 2013, pp 5 - 6. See <http://www.olg.nsw.gov.au/sites/default/files/Integrated-Planning-and-Reporting-Manual-March-2013.pdf>

press advertising, surveys including among students at the local schools, 1850 newsletters sent out to all households, as well as five community workshops. There were individual visits to business in the Shire, a council staff survey, and a civic leadership discussion night. In all, some 380 residents directly participated in the process, which is 10% of the total population, and some 30% of those of voting age. The report of the CSP is comprehensive and is attached. The CSP also links to the State Plan goals.

The Delivery Plan was developed from the outcomes of the CSP with the stated preference of the community to build a progressive community with a solid and sustainable service level. This was expressed as “bucking the trend” of decline in rural communities and “taking the bull by the horns” by delivering a wide range of initiatives, recognising that “above base-line Council rates and borrowings may be needed” (Weddin Shire 2013-2023 CSP p. 4).

The current Delivery Plan & Operational Plan was advertised during May 2014 and then adopted by Council during its meeting on 18<sup>th</sup> June 2014.

The revised LTFP was adopted by Council on the 30<sup>th</sup> January 2015 (Attachment 3).

Reference is made to Attachment 12 of extracts from Council minutes confirming adoption of the documents.

## Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 within the OLG Guidelines is:

*The IP&R document or the council's application must explain 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, you must provide details of any productivity improvements and cost containment strategies that you have implemented in the last two years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation.

These strategies, which may be capital or recurrent in nature, must be aimed at reducing costs and/or improving efficiency. Indicate if any initiatives are to increase revenue e.g., user charges. Identify if the proposed initiatives (i.e., cost savings), have been factored into the council's resourcing strategy (eg, LTFP and AMP).

Where possible, the council is to quantify in dollar terms the past and future productivity improvements and cost savings.

The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and OLG data provided to us.

Council is a member of CENTROC and regularly participates in regional tenders and cost savings measures. A recent example of this is its participation in a Procurement Road Mapping program. The aim of this program is to assist councils to move towards a more advanced procurement model. Conditional evidence from the consultants Arc Blue who have run this program with numerous councils across Australia suggests achievable savings in the order of 2-5% across Council's procurement activities. As an example, WSC's procurement activities during the 2012/13 financial year totalled approximately \$9 million. This represents a potential saving in the order of \$450,000 and this is reflected as a general principal in the SRV scenario of the LTFP.

Other regional collaboration WSC participates in includes NetWaste which has seen and continues to see benefits in regional contracting especially in scrap steel collection and sales.

Council has also participated in regional contracts for Green Waste chipping and waste oil collection services as part of the NetWaste contractual arrangements. These programs have delivered both an income stream to the Council and reduced waste to landfill.

The Council's waste collection service was subject to a competitive tender process through the regional waste organisation NetWaste. The outcome of the tender process was compared to Weddin Shire Council day labour rates. The day labour rates proved to be more competitive.

The CENTROC region has been identified as a pilot Joint Organisation as part of the FFTF strategy. Participation in this pilot program should enable WSC to collaborate more effectively with a view to divesting some governance and planning responsibilities consistent with the panel report. This should deliver reduced costs and enhanced asset management and service delivery outcomes over time, yet to be identified.

Council has demonstrated efficiency in the market place having attained R1 status as a provider eligible for Roads and Maritime Services (RMS) construction work.

Additionally, as part of the FFTF process, the Council is planning to undertake a review of its service provisions and asset base informed by the community feedback on our current service provisions received as part of the SRV consultation process. The aim of undertaking this review is to identify areas where the level of service provision can be changed to match the community's expectations (possibly extending life of assets into preservation mode where they are meeting current expectation without renewal) and, indeed, to identify areas where cost savings can be achieved. The review will also attempt to identify assets that are no longer required to deliver expected services and develop a strategy for disposal of those assets.

FFTF has seen Council turn its attention to alternate service provision models not traditionally part of the local government responsibilities. Possible innovative solutions to unique service provision problems faced by Rural Councils such as Weddin Shire have been identified and warrant further exploration. One such model being considered by Council is the bundling of Rural Medical Centres which can then be tendered to a private service provider. This will enable the Council to foster the delivery of medical services while minimising financial risk.

Council constantly reviews its operational expenditure with a view to identifying cost savings.

## List of attachments

The following is a list of the supporting documents to include with your application. Some of these attachments will be mandatory to all special variation applications eg, Attachment 1, extracts from the Community Strategic Plan.

Other attachments will be required from some, but not all, councils. For example, Attachment 10, extracts from the Asset Management Plan, would be required from a council seeking approval of a special variation to fund infrastructure. Councils should submit their application forms and attachments online through the Council Portal in the following order.

Item	Included?
<b>Mandatory forms and Attachments</b>	
Part A Section 508A and Section 508(2) Application form (Excel spreadsheet)	<input checked="" type="checkbox"/>
Part B Application form (Word document) – this document	<input checked="" type="checkbox"/>
Attachment 1: Relevant extracts from the Community Strategic Plan	<input checked="" type="checkbox"/>
Attachment 2: Delivery Program	<input checked="" type="checkbox"/>
Attachment 3: Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	<input checked="" type="checkbox"/>
Attachment 4: TCorp report on financial sustainability	<input checked="" type="checkbox"/>
Attachment 5: Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and special variation	<input checked="" type="checkbox"/>
Attachment 6: Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
Attachment 7: Hardship Policy	<input checked="" type="checkbox"/>
Attachment 8: Resolution to apply for the special variation	<input checked="" type="checkbox"/>
Attachment 9: Certification	<input checked="" type="checkbox"/>
<b>Other Attachments</b>	
Attachment 10: Relevant extracts from the Asset Management Plan	<input type="checkbox"/>
Attachment 11: Past Instruments of Approval (if applicable)	<input type="checkbox"/>
Attachment 12: Resolution to adopt the revised Community Strategic Plan (if necessary) and/or Delivery Program	<input checked="" type="checkbox"/>
Attachment 13: Other (please specify)	<input checked="" type="checkbox"/>

## **Certification**

### **APPLICATION FOR A SPECIAL RATE VARIATION**

**To be completed by General Manager and Responsible Accounting Officer**

Name of council:

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name):

Signature and Date:

Responsible Accounting Officer (name):

Signature and Date:

Once completed, please scan the signed certification and attach it as a public supporting document online via the Council Portal on IPART's website.



Weddin Shire is a well-connected region within the Central West of New South Wales. With excellent connections to regional centres such as Forbes and Cowra, and within 2 hours of Orange, Canberra, Wagga Wagga and Dubbo, Weddin Shire combines the benefits of a rural location with proximity to a wide variety of regional centres.

The service centre of Grenfell, at the heart of the region, has experienced significant growth over the last few years, attracting professionals seeking a high quality, low stress lifestyle. There is a strong sense of community in Weddin Shire.

If you are searching for a low cost, well-serviced location with a reliable workforce to establish your business, Weddin Shire could be the place for you!

## WEDDIN REGIONAL OVERVIEW 2011-12

STATISTIC	INDICATOR
Population/Demographics	
Population	3,734
Employment	1,252
Unemployment	4.2%
Average Wage (weekly)	\$745
Economy	
Gross Regional Product	\$156 million
Key Sectors	
Agriculture	\$51 million
Education and training	\$11.1 million
Transport and warehousing	\$10.9 million
Health care	\$9.7 million
Wholesale trade	\$9.5 million
Investment	
Non-residential Investment	\$0.1 million
Residential Investment	\$3.5 million
Median House Price	\$115,000

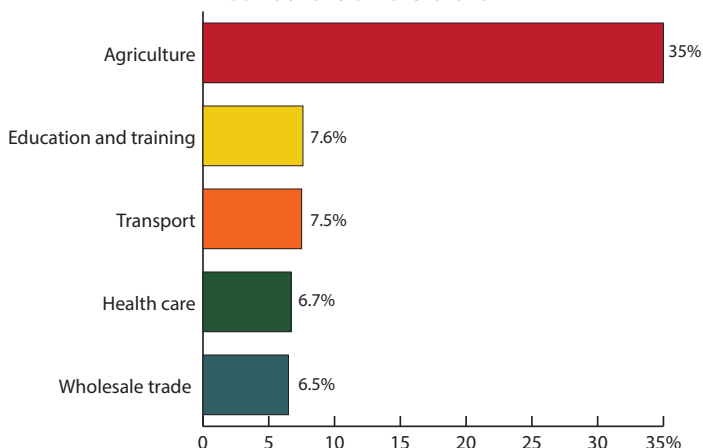
Sources: ABS (2012a,b), DEEWR (2012), AECgroup (2012), Housing NSW (2012)



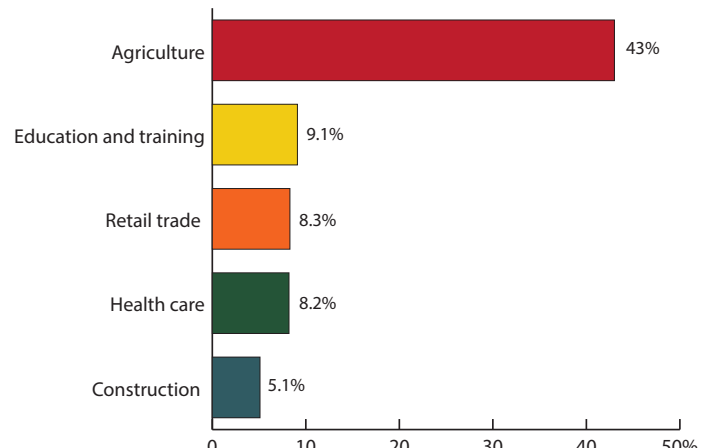
While Weddin Shire's economy is focused around agriculture, which makes up 35% of the economy, other important sectors include:

- ▶ Education and training ▶ Transport and warehousing
- ▶ Health care ▶ Wholesale trade

WEDDIN'S TOP 5 GRP SECTORS 2011



WEDDIN'S TOP 5 EMPLOYERS 2011



Sources: AECgroup (2012), A.P.SHEERE CONSULTING (2013)





# WEDDIN



Weddin Shire's agriculturally-based economy is comprised of many family-owned farms specialising in grain and lamb production. While agricultural activity underpins the region's economy, there has been recent growth in the heritage tourism and the professional business sectors.

Opportunities for economic development are outlined below:

- ▶ **Healthcare** – particularly the aged care sector to accommodate an aging population.
- ▶ **Tourism** – Weddin Shire's heritage is well-preserved, with its old-fashioned charm attracting visitors looking to take a break from a fast-paced lifestyle.
- ▶ **Agricultural Value Adding** – given the strength of the local agricultural sector, there are opportunities to value-add to products locally, primarily through further processing and manufacturing.



Photo courtesy of Weddin Shire Council - By D.A Yates

## Henry Lawson Festival



Grenfell is the birthplace of Henry Lawson and hosts an annual festival on the June long weekend. A celebration of poetry, artwork and dramatic arts is combined with less mainstream pursuits, such as guinea pig racing and a wood chopping competition. The event draws large crowds.

## Grenfell Show

Run by Grenfell's Pastoral, Agricultural, Horticultural and Industrial Association Inc., Grenfell's annual show is in its 135th year. This agricultural, entertainment, arts and crafts show has something for everyone (including a tractor pull!) and demonstrates the strong sense of community in Weddin Shire.

## Weddin Shire Council's Assistance to Business

Industrial land is available for sale in Grenfell's Industrial Estate. Up to 8 hectares of land is available starting from just \$24 per square metre. Land can be purchased under a five-year interest free mortgage from Council. Weddin Shire Council will consider other incentives for businesses looking to locate in the area, as well as providing additional incentives to skilled trades people.

### CONTACT INFORMATION

**Economic Development and Tourism Officer**

**Weddin Shire Council, PO Box 125,  
GRENFELL NSW 2810**

**Phone** 02 6343 2855 **Fax** 02 6343 2546

**Email** [edo@grenfell.org.au](mailto:edo@grenfell.org.au) [www.weddin.nsw.gov.au](http://www.weddin.nsw.gov.au)



[www.rdacentralwest.org.au](http://www.rdacentralwest.org.au)