



# **URALLA SHIRE COUNCIL BUSINESS PAPER**

## **BUDGET REVIEW AND FINANCE COMMITTEE MEETING**

**12 February 2019**

Uralla Shire Council  
Budget Review and Finance Committee  
Business Paper – 12 February 2019

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**- A G E N D A -**

# **Budget Review & Finance Committee Meeting**

**12 February 2019, 12:30pm, Uralla Community Centre**

- 1. Opening & Welcome**
- 2. Acknowledgement of Country**
- 3. Apologies, Requests for Leave of Absence**
- 4. Disclosures & Declaration of Interests**
- 5. Announcements**
- 6. Tabling of Reports & Petitions**
- 7. Urgent Supplementary & Late Items of Business**
- 8. Reports to Committee**  
Report # 1 / LTFP – Horizontal Service Review – Priority Actions
- 9. Motions on Notice**
- 10. Confidential Business**
- 11. Meeting Close**

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- 1. OPENING & WELCOME**
- 2. ACKNOWLEDGEMENT OF COUNTRY**
- 3. APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE**
- 4. DISCLOSURES & DECLARATIONS OF INTEREST**
- 5. ANNOUNCEMENTS**
- 6. TABLING OF REPORTS & PETITIONS**
- 7. URGENT SUPPLEMENTARY & LATE ITEMS OF BUSINESS**
- 8. REPORTS TO COMMITTEE**



## REPORT TO COMMITTEE

<b>Department:</b>	<b>General Manager's Office</b>
<b>Submitted by:</b>	<i>GM and CFO</i>
<b>Reference/Subject:</b>	<b>Report # 1 / LTFP – Horizontal Service Review – Priority Actions</b>

### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

<b>Goal:</b>	4.2	An effective and efficient organisation
<b>Strategy:</b>	4.2.2	Operate in a financially responsible and sustainable manner
<b>Activity:</b>	4.2.2.1	Maintain and control financial system and improve long term financial sustainability
<b>Action:</b>	4.2.2.1.1	Review and revise the 10-year Long Term Financial Plan

### SUMMARY:

This report addresses the draft Long Term Financial Plan (LTFP) 2019-2028 which was referred to the Budget Review and Finance Committee, from the November Ordinary Council meeting, in December 2018.

The purpose of this report is to outline the potential savings and/or increased revenue opportunities (separate from increasing the General Rate) which were identified in the facilitated Horizontal Service Review undertaken in October 2018.

### OFFICER'S RECOMMENDATION:

*That the Committee:*

*Recommend to Council that the actions identified in the 'First Tranche of Potential Actions' list, in the Report, be addressed as follows:*

- I. Items: 1, 3, 4, and 14 be implemented or researched further then, where viable, implemented by staff as quickly as possible.*
- II. Items: 2, 5, 6, 9, 11, 13, 16 and 18 be researched further and then presented to Council as quickly as possible for consideration and direction.*
- III. Items: 7, 8, 10, 12, 15 and 17 are to have separate cost/benefit assessments prepared and presented to Council prior to, where possible, the final determination of the 2019/20 budget.*

### BACKGROUND:

As part of the 2018/19 Operational Plan requirement to investigate making application to the State Government for a Special Rate Variation (SRV) Council management and supervisory staff and

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several councillors contributed to a Horizontal Service Review. The purpose of this type of review is to put any idea for cost savings or improved revenue (other than an SRV) 'on the table' for review.

**REPORT:**

For several years Uralla Shire Council has been identifying and working towards a number of fundamentally important bodies of work to position itself as a sustainable, effective, efficient and 'fit for purpose' council. These bodies of work have made progress, aggressively in recent years. They have required, as part of their development (or continuing development/implementation), a strong level of interrogation of the way Council goes about its business. These bodies of work are necessary and they have required heavy input from the senior management of council. They include, for example:

- Addressing the 34 general recommendations for improving the operations of council and the additional 14 specific areas of deficiency (against the minimum statutory requirements or appropriate practices) in relation to Council's governance/administration, identified by the 2012 Office of Local Government "Promoting Better Practice Review". Link to report [http://www.uralla.nsw.gov.au/files/uploaded/file/Your%20Council/Promoting%20Better%20Practice%20Review%20Report/Promoting\\_Better\\_Practice\\_Review\\_of\\_the\\_Uralla\\_Shire\\_Council\\_Final\\_Report\\_June\\_2012.pdf](http://www.uralla.nsw.gov.au/files/uploaded/file/Your%20Council/Promoting%20Better%20Practice%20Review%20Report/Promoting_Better_Practice_Review_of_the_Uralla_Shire_Council_Final_Report_June_2012.pdf)
- Implementing the 22 efficiency improvements, revenue improvements, knowledge improvements (eg into the condition of assets) and other interventions into the operations of the Council in accordance with the commitments made to the State Government via Council's "Fit for the Future Improvement Plan" in 2015. Link to report - [https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-section-9-fit-for-the-future-proposal-uralla-shire-council/council\\_improvement\\_proposal.pdf](https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-section-9-fit-for-the-future-proposal-uralla-shire-council/council_improvement_proposal.pdf)
- Successive Operational Plans (including but not limited to the years 2015/16, 2016/17, 2017/18 and 2018/19) which incorporated Action Items to specifically address the improvements identified and/or required by the Promoting Better Practice Review and Fit for the Future Improvement Plan.
- Continuing Development of Asset Management Plans (AMP) and Business Plans (BP) to identify the current state of Council's assets and the intervention and/or maintenance requirements of those assets into the future. These relate to the key assets of roads, footpaths, drainage, water, sewer, buildings, sporting facilities, parks, gardens, plant and equipment and Council's business units.
- The development of the other Integrated Planning and Reporting (IP&R) documents, including Workforce Management Plan and Long Term Financial Plan.
- Overhaul of the Council's IT operating platform to make it user friendly and efficient, thus reducing multiple handling and dependency upon inefficient 'work-a-round' practices.
- Overhaul of the internal 'employee services' aspects of Council with a view to improving the employee experience, recreating a pleasant working environment and fostering a productive and effective workforce.
- Organisational Review of key areas of the Council.

In addition to these bodies of work and as part of the 2018/19 Operational Plan requirement to investigate making application to the State Government for an (SRV), Council management staff and several councillors contributed to a Horizontal Service Review. The purpose of this work was to:

- Revisit financial saving or revenue opportunities that have previously been considered and/or discarded but may be necessary given the current projections.

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- Develop further cost saving opportunities using the combined knowledge of Council's managers, then challenge and test these.
- Provide Council with a list of opportunities that can be considered and prioritised to create financial savings and improve financial capacity.

This type of review puts any idea for cost savings or improved revenue (other than an SRV) 'on the table' for review by all others involved in the process. This process was an opportunity to challenge the 'norm'. It was also an opportunity to critique some of the effects of the above-mentioned strategic initiatives and to identify improvements.

Ideas put forward were to be accompanied by a detailed description of the idea and where possible, an estimate of the degree of difficulty associated with its implementation and the approximate benefit/cost.

The process generated a total of 107 initial ideas that covered a broad range of Council functions – these were then grouped into 77 to remove duplication. Staff participated in a workshop to review (in teams) each of the ideas, ask further questions about them or to challenge/support them and then determine whether the idea was a priority 1, 2 or 3. The priority level was assigned according to the importance of the idea and the ease with which it could be implemented.

The priority lists from the Horizontal Service Review are attached at Attachment A.

The financial benefits and implementation costs for the list of priorities (principally priority levels 1 and 2 only) were estimated, and high priority actions were scheduled over three financial years and modelled as part of Scenario 2 ("Improvement Option") of the SRV report provided for the Extraordinary Meeting to determine whether to commence consultation about an SRV. Scenario 2 (Improvement Option) represented an SRV above the rate peg of 25% (which converts to a 37.3% cumulative rise over a four year period when the rate peg is included).

The costs and benefits for the General Fund of these priority actions were estimated to be as follows:

- 2019-20 (cost = \$236,618)/(benefit = \$277,200).
- 2020-21 (cost = \$68,618)/(benefit = \$304,200).
- 2021-22 (cost = \$8,618)/(benefit = \$344,200). And then,
- Recurring net benefit of \$340,582 annually.

It is important not note that the Horizontal Service Review was not a detailed service review and many of the potential benefits require further research.

(The Scenario 2 ("Improvement Option") also included a reduction of \$500,000pa for asset renewal funded from the General Fund).

The following actions and their corresponding potential or estimated saving/benefit are considered to comprise the immediate priority list, from those included in Attachment A, for Council to consider. It should be noted that this list generally excludes options for service reduction or service cessation or significant alterations to service levels. Matters concerning service changes were proposed to be discussed with the community as part of the community consultation program for the SRV, to help reduce the overall amount of the SRV. Council should give consideration to which services or service levels it could potentially reduce once this process of identifying and implementing initial savings has been resolved.

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It is recommended that the list below be read in conjunction with Attachment A, which contains further information about each of the actions. Please note some dollar values contained in the list below and in Attachment A vary due to subsequent, additional analysis of the underlying estimates.

First Tranche of Potential Actions

1. Review and increase pricing of stock at the VIC*	\$ 1,500
2. Implement full cost recovery for non-statutory fees and charges+	\$150,000
3. Energy initiatives (eg solar and LED for street lighting)#	\$ 15,000
4. Review overhead costs of community care for full recovery*	\$ 30,000
5. Reduce the number of councillors+	\$ 30,000
6. Close the Bundarra Library+	\$ 2,500
7. Strategic review of waste services+	\$ 25,000
8. Dividends from water and sewer funds@	\$ 40,000
9. Reduce service levels for nature strip mowing at Bundarra+	\$ 30,000
10. Upgrade Bundarra maintenance water truck@	\$ 40,000
11. Reduce number of newsletters (staff cost)/review print and delivery+	\$ 13,000
12. Implement business paper efficiencies (purchase software)@	\$ 12,000
13. Reduce printing, including issuing only digital business papers+	\$ 2,500
14. Savings on phone and internet*	\$ 7,000
15. Employ project management staff@	\$ 48,000
16. Issue fines for infringements+	\$ 39,000
17. Contract out general waste collection services+	\$ 70,000
18. Reduce opening days at tip+	\$ 19,500
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	\$575,000
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**Note:**

\* = actions which will be implemented by staff.

# = actions which will be researched further by staff/others and if viable will be implemented by staff.

+ = actions which will be researched further by staff/others and then presented to Council or which require direction from Council.

@ = actions which cannot be implemented without initial cost or which are dependent upon another action occurring first.

**Recommended way forward.**

Immediate Tasks

Activate the First Tranche of Potential Actions from the Horizontal Service Review as follows:

- I. Items: 1, 3, 4, and 14 will be implemented or researched further then, where viable, implemented by staff as quickly as possible.
- II. Items: 2, 5, 6, 9, 11, 13, 16, and 18 will be researched further and then presented to Council for consideration and direction as quickly as possible.
- III. Items: 7, 8, 10, 12, 15 and 17 require expenditure to be outlaid prior to a benefit being returned. Separate assessment of cost/benefit to be prepared and presented, where possible, to Council prior to the final determination of the 2019/20 budget.

Target Timeframe – current and ongoing.



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Intermediate Tasks

- I. Undertake a review of existing services and service levels to identify potential opportunities for service and service level reduction and consequential expense reductions. Part of this assessment should include consideration of Council's assets and the benefit/cost of retention.
- II. Identify the potential consequential implications to assets, if any, of the outcome of I. (above) upon the Asset Management Plans and identify options for the management of deficiencies.
- III. Identify the resourcing required to achieve the delivery of the services and service levels identified at I., above.
- IV. Assess the implications of the outcomes of the Immediate and Intermediate Tasks and recalibrate the Long Term Financial Plan.

Target Timeframe – March, April and May Budget Review and Finance Committee.

Prepared by staff member:	Andrew Hopkins and Simon Paul
TRIM Reference Number:	UINT/19/813
Approved/Reviewed by Manager:	As above
Department:	General Manager's Office
Attachments:	Attachment A: Priority Actions List

## Priority 1

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
VIC Pricing Review	Review of VIC retail pricing has been planned for some months. Last financial year we increased our profit by nearly \$3.5K and should be able to increase that further with careful reviews of some lines / items. At least some of the increase in profitability has been due to the introduction of EFTPOS but we are slowly increasing our range when appropriate local produce is discovered.	\$ 4,500	\$ 1,500	
Energy Management Systems	Review and assess Council energy management systems following advice from qualified consultant. There is potential for significant savings through consolidation of billing structures, building energy efficiency systems and usage data to change patterns in energy consumption energy management technology. The main advantages of energy management systems are: <ul style="list-style-type: none"> <li>- Simplify finance process;</li> <li>- Flag bill anomalies;</li> <li>- Flag energy anomalies;</li> <li>- Auto import and display data; and</li> <li>- Centralise energy data and account information.</li> </ul> Consolidation of Councils energy providers and billing structure has further potential to reduce costs through negotiated pricing.	\$ 12,000	\$ 5,000	
	Not applicable to McMaugh Gardens, but all other air conditioned areas have limits set for temperature to 20cC in winter and 23oC in Summer. Each additional degree has a measurable cost. Ask staff to participate by wearing less or more clothing. Under desk heaters to be banned in air conditioned areas. ZNET will surely have other suggestions, such as the expansion of PV on all Council buildings to both reduce cost and carbon footprint.			
Solar Power - McMaugh Gardens	Assess McMaugh Gardens current solar energy production and improve capacity to reduce current electricity consumption particularly in regard to heating	\$ 10,000	\$ 10,000	High
Fees and charges review	Wholesale review of fees and charges to identify costs of service, clear identification of commercial services and level of council subsidies. Adoption of appropriate profit margins to compensate the community for the risks and cost of investment of providing user pay services. Clear and consistent application of fees and charges policy across all business units.	\$ 30,000	\$ 10,000	
	Benchmark fees and charges against similar rural councils a quick comparison would indicate that a number of fees and charges in the domestic waste and in facilities charges are low based on a very quick analysis.			
	Review/assess whether current fees and charges are actually applied at cost. Increase those fees and charges for which there is a gap between actual cost and charged amount.			
Fees and charges review - building and development	Full cost recovery for Planning and regulatory Services	\$ 240,000	\$ 80,000	
	Review fees and charges for all town planning, building and health administration/inspection areas to ensure there is appropriate recovery of costs.			
Fees and charges review - cemetery	Recouping costs of contract Building Certifier Increase charges at cemetery to cover costs	\$ 29,000	\$ 13,000	

Opportunity	Description	Net Benefit after 3 years		Recurrent benefit p.a.		Uncertainty
		\$		\$		
<b>Fees and charges review - Liquid trade waste</b>	Implementation of Liquid Trade Waste charges	\$	15,000	\$	5,000	
<b>Fees and Charges Review - Waste Charge on vacant blocks</b>	Start charging the Waste Management Charge on vacant blocks. This would require a change in revenue policy to specify what the rate would be for vacant land as opposed to occupied land.	\$	11,375	\$	4,125	
<b>Fees and Charges Review - water and sewer</b>	Review and update policy on charging of water and sewer access charges to multiple occupancy dwellings.	\$	72,000	\$	2,000	
<b>Systematic Review of Overhead Costing for full cost recovery</b>	Identify all business activities where fees and revenue is collected including waste, water, sewer, private works, cemetery services, caravan park, aged care, grant funded community services, and any other business services. Critically review methodology for allocation of overhead costing, ensuring that all fee recovery is based on the full direct and indirect cost of service and if there is a level of subsidy, that it is identified and resolved as a decision of council.	\$	90,000	\$	30,000	High
<b>Reduce Councillor numbers</b>	Reduce councillor numbers by at least two. Savings on councillor expenses and facilities, councillor fees and internal support.	\$	70,000	\$	40,000	
<b>Close the Bundarra Library</b>	Close Bundarra Library. Council has an 'outreach' library branch in Bundarra - established approx. 12 months ago. It holds stock, has free WiFi, 2 x public PCs, Internet services, and library resources (books, dvd, etc). It is poorly utilised and operates under extensively reduced hours based on volunteer availability.	\$	2,500	\$	2,500	
	Close the Bundarra Library and offer a monthly mobile service.					
	Close the Bundarra Library. Monthly usage stats show it is hardly utilised. State government subsidies are ending so cost to Council for providing the service (including public NBN access which is also hardly used) will double. Provide a mobile service or a delivery service to the general store.					
<b>Strategic Business Review of Waste Services</b>	Strategic business review of waste services including levels of service, asset management, and fees and charges.	\$	-	\$	25,000	
<b>Dividends to General Fund</b>	Develop a medium term strategy for water and sewer funds to return a surplus and return a minimum dividend payment to general fund. Accepting there is a high upfront cost to be compliant with Best Practice Guidelines before a dividend higher than \$3 per assessment for tax equivalent charges is allowable.	\$	(20,000)	\$	40,000	
<b>Fees and Charges Review - Developer Contributions</b>	Implement Developer Charges - generate additional revenue. Improve Councils compliance with best practice pricing; improve access to funding (compliance with best practice is a criteria for some funding support);	\$	40,000	\$	30,000	
	Section 64 Contributions - upfront payments levied to recover part of the infrastructure costs incurred in servicing new developments or additions/changes to existing developments which impose a loading on Council's water supply and/or sewerage infrastructure.					
<b>Reduce the area of nature strips mowed by Council</b>	Reduce the area of nature strips mowed by Council. Council currently mows a lot of the nature strips in Uralla and Bundarra. This has a very positive visual impact throughout the towns and is appreciated by many residents. In most other Council areas in NSW the Councils maintain nature strips, as needed, on the main thoroughfares and entrances and at Council facilities with most residents maintaining the nature strip adjacent to their property. In Uralla the main thoroughfares are Bridge Street, Thunderbolts Way, Kingstown Road and Gostwyck Road. In Bundarra the main thoroughfares are Thunderbolts Way, Barraba Road and Dawkins Street to the cemetery. There are also many vacant lots in Bundarra where it would be necessary to continue mowing the nature strip. The main mowing season is for about 29 weeks from mid September to the end of March. In Uralla it is estimated that the "rest" of town mowing is every 3 weeks and requires 2 men and ride on mowers for 4 days at \$1,150 per day. Allowing for 10 mowings this equates to 40 days and \$46,000. In Bundarra it is estimated that the "rest" of town mowing is every 2 weeks requiring 2.5 days with an out-front ride on mower at \$663 per day and 2.5 days with a tractor and slasher at \$748 per day. Allowing 26.25 days for each mowing method this equates to 52.5 days and \$37,039. The combined total potential saving is \$83,039 per year.	\$	90,000	\$	30,000	

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Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
<b>Upgrade the Bundarra Maintenance Water Truck</b>	<p>The current Bundarra maintenance water truck is a single axle tipper with an approximately 7,000L slip on water tank. In dry periods and during hot weather the current truck does not have the capacity to keep up with the grading crew as has to refill regularly and this results in less grading completed each day. It is sometimes necessary to hire an additional water truck to assist the grading crew and maintain productivity. The current rectangular tank is also subject to fractures and again a water truck is hired while repairs are carried out. The purchase of a dual axle 13,000L dedicated water truck (the same as Councils 2 other water trucks) would minimise the hire of other water trucks and improve efficiency as it would be filling up about half as often. The existing truck could be retained for maintenance works at Bundarra and be available for use across the Council. Over the past 5 years the average water truck hire is 13 weeks per year costing approximately \$42,700 per year for the truck (\$400/day) with a Council operator included (\$330/day). The approximate cost of new dual axle 13,000L water truck is \$200,000. The current internal hire rate for the Bundarra water truck and tank is \$28.13 per hour. The current internal hire rate for a dual axle water truck is \$30.00 per hour. Allowing for 1,400 hours per year the additional annual internal hire cost is \$2,618.</p>	\$ (79,754)	\$ 40,082	

## Priority 2

Opportunity	Description	Net Benefit after 3 years		Recurrent benefit p.a.		Uncertainty
		\$		\$		
Reduce number of newsletters	The Council Newsletter go to being created quarterly instead of monthly.	\$	39,000	\$	13,000	
Fees and charges review - pool	Increase admission fees at swimming pool and reduce discount for bulk buy tickets	\$	15,000	\$	5,000	
Implement business paper efficiencies	Stop printing hard copies of the Council business paper. Average 11 meetings per annum, average cost per page to print \$1.00, average business paper pages 400, x 9 councillors x 11 meetings = \$39,600 (not including toner, paper and labour costs).	\$	18,000	\$	6,000	
	All Council monthly paper be electronic. All of the Councillors have ipads for their use.					
	Business paper efficiencies: Only print 1 copy and offer a photocopying service to Councillors who require hard copies of selected pages. Also save on delivering to outlying locations. Print savings is 11 months X 14 copies X 9c per page + distribution					
Implement business paper efficiencies	Procure InfoCouncil to streamline the production of Business Papers and Minutes for Council, Section 355 and Audit, Risk and Improvement Committee meetings. The current process is burdensome, inefficient and incredibly time consuming. InfoCouncil would realise efficiencies through electronic submission, review and approval of reports, and ensure consistency across templates used.	\$	(7,000)	\$	6,000	
Reduce printing of paper in the office	Making USC a paper-free operation, enabling all staff and entities to take part and circulating printing numbers and costs for each area on a monthly basis. Stop printing all business and Council papers for those with iPads. Also default all print drivers to 'draft' mode the reduce amount of toner used.	\$	7,500	\$	2,500	
	Implement initiatives to reduce the cost of printing and postage including targeting ratepayer take-up of option for email delivery of notices, as well as internal printing targets by increased use of electronic reporting and electronic business papers.					
Communication technology	Review opportunities for cost savings on current telephone and internet services including improving performance and decreasing costs by taking advantage of communications infrastructure, cheap VOIP software options, and telephone account management.	\$	21,000	\$	7,000	
Employ project management staff	2 Additional project management staff to better manage projects. Savings may be up to 5% of capital works projects, current capital budget is \$4m, therefore capital savings of \$200,000pa. Also increase opportunities for grant funding.	\$	144,000	\$	48,000	
Asset rationalisation	Sell any unused Council land/buildings. Old Flats near McMaugh Gardens.	\$	200,000	\$	-	High
	Identify assets not currently in use or where there is potential for better commercial / private use. Consider high-cost assets where maintenance costs are exceeding current service outcomes, or where maintenance costs are currently not being met. Prepare strategy for sale of land and building assets, including consideration of opportunities for development and subdivision by private developers.					
	Sell Council owned Flats. Realise the property value - especially for the ones that are empty due to asbestos (well that is my understanding). Remove administration and maintenance costs					

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
	Asset rationalisation: What have got What could we develop and sell What can we dispose of What can we develop and keep for a commercial return on investment Do we need to keep the affordable seniors units in Hill street? Is the Industrial Land Project going to yield the best value outcome or should we be looking at other land uses - such as residential development and sale?  Assess what land we own and intended use. Sell surplus to requirements.			
<b>Issue Fines</b>	Issue of infringement notices for circa 80% of offences. Currently below 10%	\$ 147,000	\$ 39,000	
<b>Contract out waste collection</b>	Subcontract general waste collection only and landfill general waste an alternative location. Keep recycling services in house, including the kerbside recycling bin collection.  Contract out waste collection. Review the opportunity to collect by private contractors and identify if there are any cost savings	\$ 180,000	\$ 70,000	High
	Contract out kerbside waste collection; business case would need to be done to identify cost benefit of outsourcing the service over a 10 year period compared to the cost of Council providing the service with a reduction in plant, equipment and staffing costs and taking into account the service provided to Walcha residents and revenue to Council for providing the service.	\$ -	\$ -	
	Assess viability of subcontracting kerbside collection services. Subcontracting kerbside services may not prove to save significantly on operational costs. However, the proposal hasn't been examined for its business case merit. Comparing landfill costs against those at an alternative site could also be considered as part of this review.	\$ -	\$ -	
<b>Reduced opening days at tip</b>	Consider opening the waste facility only on weekends and one or two other days. Divert staff responsible for customer services on current open days to sort recyclables and other duties on some non-open days.	\$ 48,500	\$ 19,500	

### Priority 3

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
Ask community how we can make savings	Ask our community for where they see council could make savings.	\$ -	\$ -	-
Review and reduce the customer service hours at the Council Office, Library and Visitors Information Centre	Reduce the operating hours at the Visitors Information Centre Monday 10am - 3pm, Wednesday 10am - 3pm, Friday 10am - 3pm (retain Saturday/Sunday hours). Effectively reducing operating hours by 20 hours per week and corresponding saving in casual wage costs.	\$ 51,000	\$ 17,000	
	Consolidate Customer Service, Library and Visitor Information Centre to current Library building. This would provide a one-stop-shop for those services and ensure that the library building is open for longer and better utilised, while allowing more space at the Admin building to accommodate staff.	\$ 43,000	\$ 31,000	High
	Council has current service level to open the library 7-days a week. This is a very unusual service level within the NSW Public Library Network. Central Northern Regional Library, who manage our library services, have no other libraries open on a Sunday, a review of other rural library networks has identified nil other libraries open on a Sunday. Current library staffing levels have staff rostered to work in isolation whilst dealing directly with the public, and the remuneration is paid at double time for the Sunday shift.	\$ 28,500	\$ 9,500	
	I don't know of any other local library that is open on a Sunday. Savings will be salaries rate X 6 hours X @ 50 weeks / pa			
	Change the opening times of front counter at council.			
	The library's function has changed. It now serves as a child minding centre and an activities centre for young children, as well as performing multiple other standard library activities. Consider not opening the library on the weekends and only opening for reduced hours during the day eg 10am to 6pm			
	Reduce opening hours for Admin Centre Customer Service to 10am-3pm and Library from 7 days/week to 5 or 6 days/wk. Admin Centre in particular needs more time to process work without regular interruption and this is not an uncommon time frame for LGA services. The Library is unusual to be opening for 7 days, even with restricted hours. Analyse of patron numbers via a counter will indicate if one shift or day is consistently lower for patrons and could be considered for closing.			
	Operate a VIC that is not VIC accredited (so opening hours can be reduced). As an accredited VIC the VIC must be open every day (including public holidays and weekends) and must be open for a minimum number of hours per week. Operating a non-accredited VIC will provide an opportunity to reduce opening hours and therefore reduce expenditure. Just closing for NSW prescribed public holidays will produce a financial saving.			
Rent out the café space at the Visitors Information Centre	Cancel the VIC Improvement Project, proceeding only with smaller, aesthetic improvements and video screens. Rent out the old cafe space at the earliest opportunity to a commercial tenant (but not a drum clinic!).	\$ 40,000	\$ 15,000	High
Solar Power - pool	Increased investment in PV solar power generation by installing a PV solar system at the swimming complex	\$ (4,290)	\$ 1,570	

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
Solar Power - water and sewer services	Opportunity for solar power usage for water and sewer services. Reduce operational costs: electricity costs treatment plants, pump stations. Assess business case for installing solar/battery on facilities.	\$ 10,000	\$ 20,000	
Upgrade street lighting	Upgrade street lighting. Replace older high energy mercury Vapour and Sodium Fluorescent streetlights with LED luminaries	\$ (12,464)	\$ 16,553	
Fees and charges review - waste	Charge Walcha equivalent of full recovery plus margin/commercial cost for service for the supply of waste collection and ranger services	\$ 10,000	\$ 10,000	
Community Grants Program	Remove the community grants program and review and revise policy for granting section 356 requests for community contributions. Reduce the annual community grant to \$10k - saving \$5k per annum.	\$ 180,000	\$ 60,000	
Procurement management practices, including with Joint Organisation	Focus for this project is on capital and other projects, therefore benefits will be capital; benefit to operating result will be minor; indirectly only affecting depreciation.  In the absence of a broad understanding of Council's current procurement strategies, it seems to me that there may be an opportunity to better exploit the potential offered by NEJO membership for upscaling the procurement of goods and services if member Councils jointly aggregate their orders, prior to seeking quotes from suppliers. Depending on Uralla Councils current procurement strategies the range of goods and services that potentially could be included in the mix might spread from suppliers of electricity, gas and fuel, to providers of "one-off" high level strategic assistance in maybe HR, IT, Risk, Safety, and Audit and, if such are initially successful, supply sources might eventually extend to instances such as a NEJO-wide heavy plant and replacement procurement. ROADBLOCKS This exercise will be easier said than done because it would require NEJO member Councils to synchronise their individual procurement schedules for aggregation with each other maybe 12 months in advance, and might come at an excessive administrative cost (NEJO Executive Officer !!) which could maybe exceed the savings effected. It would also require NEJO Councils, their Mayors and General Managers to take the risk of delegating to say, an Executive Officer (or substitute) of maybe untested capacity, the responsibility of "getting it right". Those Councillors with memories of the short-lived Uralla/Armidale Strategic Alliance debacle are unlikely to show a high level of enthusiasm for delegation of procurement control or any other control to persons unknown, at least in the short term. A further indicator of Councillor support or reluctance in becoming more deeply embedded in NEJO through a joint procurement strategy and/or multiple administrative functions, is the extent to which the notion is held by maybe nervous Councillors that Joint Organisations will eventually morph into Regional Councils if or when the member Councils operational and administrative activity, becomes so intertwined within their JO as to be irretrievably irreversible. Despite the numerous obstacles to implementation of even a small-scale JO-wide trial procurement strategy, I believe that it could be worth the effort and if only partially successful, maybe provide some benefit for Councils NEJO membership fee.	\$ 9,000	\$ 5,000	
	Pursue group buying opportunities across council for items such as stationary; investigate combining clinical procurement with TCS			
Joint Organisation - shared services	Joint Organisation shared Services - across all back end administration services. An example is that ARC is currently recruiting a Governance coordinator who will be performing essentially the same the role and duties as our Governance coordinator.  Utilise the New England Joint Organisation for shared services for specialist functions - for example, procurement and legal services - which could realise savings for both Uralla Shire Council and other NEJO member councils.	\$ 120,000	\$ 40,000	
Transition indoor workforce from 9 day fortnight RDO system to 19 day month (excluding TCS/TCT LG Staff)	Transition indoor workforce from 9 day fortnight RDO system to 19 day month (excluding TCS/TCT LG Staff). Reduced staff costs - particularly casuals for backfilling all our front line service positions for 8 hours each fortnight. Improved productivity and effectiveness	\$ 210,000	\$ 70,000	
Privatise McMaugh Gardens	Sell McMaugh Gardens to an Aged Care provider. Are Council willing to invest in McMaugh Gardens? Not everyone wants to move to McMaughs when they are older. The facility wont leave the area, but Council wont have to invest any money in it.  Uralla residents care that it exists but they don't care who owns it. It adds considerable administrative overhead.	\$ 49,000	\$ 30,000	High



Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
Reduce opening days of swimming pool	only open the pool on weekends and other high usage days	\$ 144,000	\$ 48,000	
Green waste collection	Green waste pick up to cease. Do we need to offer this as a service? Is it financially viable?	\$ 180,000	\$ 60,000	
Review of water and sewer reticulation condition	The current condition of Councils piped assets is based on age rather than actual condition. This is leading to a large backlog in water and sewer assets and increases in annual depreciation. Understanding the typical and likely age of the reticulation network is essential.	\$ (75,000)	\$ -	
Asset Management	Review Transport Asset Management Plan for reduction of proposed service levels and therefore costs associated with this work. Specific areas to review would include bridge maintenance (maybe \$26K), local urban street maintenance (\$40K) and capital (say 20% = \$30K), regional rural unsealed, sealed rural roads (say 20% = \$18K), shared bike path (FAGS reallocated of say half = \$20K)	\$ 392,000	\$ 100,000	
	Roads no longer serving their intended function. Some roads within the shire (eg at Kentucky) were sealed for dust impact upon non-residential activities - eg fruit production. These roads no longer carry traffic volumes or otherwise meet the tests now applied for the sealing of roads. When these roads reach renewal intervention consider returning to gravel.			
Fleet management	Look at the possibility of reducing the fleet and sharing vehicles via a shared calendar with other areas, eg McMaugh's and TCS - uncertain of the excess of availability, but even reduction by a single vehicle would be of benefit. Replace vehicles with electric / hybrid to reduce fuel costs and include more small cars - most vehicles seem rarely to have 3 or more passengers.	\$ 30,000	\$ 10,000	
	Most Councils have too much plant and equipment or underutilised plant which are not economic for the organisation to keep. Council should undertake a review of its current plant and fleet needs			
	Set benchmark utilisation rates for heavy plant and equipment and ensure optimum plant & equipment utilisation			
	Replace fleet vehicles with more fuel efficient models. Consider smaller and/or hybrid vehicles.			
Leaseback vehicle arrangements	Cost / benefit review of staff leaseback vehicle arrangements including consideration of tax benefits, alternative employee remuneration, and options for private salary sacrifice. Consider options to reduce the size of council's fleet to save fleet costs and reduce FBT.	\$ 15,000	\$ 5,000	

## Unprioritised

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
Ask community how we can make savings	Ask our community for where they see council could make savings.	\$ -	\$ -	-
Review and reduce the customer service hours at the Council Office, Library and Visitors Information Centre	Reduce the operating hours at the Visitors Information Centre Monday 10am - 3pm, Wednesday 10am - 3pm, Friday 10am - 3pm (retain Saturday/Sunday hours). Effectively reducing operating hours by 20 hours per week and corresponding saving in casual wage costs.	\$ 51,000	\$ 17,000	
	Consolidate Customer Service, Library and Visitor Information Centre to current Library building. This would provide a one-stop-shop for those services and ensure that the library building is open for longer and better utilised, while allowing more space at the Admin building to accommodate staff.	\$ 43,000	\$ 31,000	High
	Council has current service level to open the library 7-days a week. This is a very unusual service level within the NSW Public Library Network. Central Northern Regional Library, who manage our library services, have no other libraries open on a Sunday, a review of other rural library networks has identified nil other libraries open on a Sunday. Current library staffing levels have staff rostered to work in isolation whilst dealing directly with the public, and the remuneration is paid at double time for the Sunday shift.	\$ 28,500	\$ 9,500	
	I don't know of any other local library that is open on a Sunday. Savings will be salaries rate X 6 hours X @ 50 weeks / pa			
	Change the opening times of front counter at council.			
	The library's function has changed. It now serves as a child minding centre and an activities centre for young children, as well as performing multiple other standard library activities. Consider not opening the library on the weekends and only opening for reduced hours during the day eg 10am to 6pm			
	Reduce opening hours for Admin Centre Customer Service to 10am-3pm and Library from 7 days/week to 5 or 6 days/wk. Admin Centre in particular needs more time to process work without regular interruption and this is not an uncommon time frame for LGA services. The Library is unusual to be opening for 7 days, even with restricted hours. Analyse of patron numbers via a counter will indicate if one shift or day is consistently lower for patrons and could be considered for closing.			
	Operate a VIC that is not VIC accredited (so opening hours can be reduced). As an accredited VIC the VIC must be open every day (including public holidays and weekends) and must be open for a minimum number of hours per week. Operating a non-accredited VIC will provide an opportunity to reduce opening hours and therefore reduce expenditure. Just closing for NSW prescribed public holidays will produce a financial saving.			
Rent out the café space at the Visitors Information Centre	Cancel the VIC Improvement Project, proceeding only with smaller, aesthetic improvements and video screens. Rent out the old cafe space at the earliest opportunity to a commercial tenant (but not a drum clinic!).	\$ 40,000	\$ 15,000	High
Solar Power - pool	Increased investment in PV solar power generation by installing a PV solar system at the swimming complex	\$ (4,290)	\$ 1,570	

Opportunity	Description	Net Benefit after 3 years	Recurrent benefit p.a.	Uncertainty
Solar Power - water and sewer services	Opportunity for solar power usage for water and sewer services. Reduce operational costs: electricity costs treatment plants, pump stations. Assess business case for installing solar/battery on facilities.	\$ 10,000	\$ 20,000	
Upgrade street lighting	Upgrade street lighting. Replace older high energy mercury Vapour and Sodium Fluorescent streetlights with LED luminaries	\$ (12,464)	\$ 16,553	
Fees and charges review - waste	Charge Walcha equivalent of full recovery plus margin/commercial cost for service for the supply of waste collection and ranger services	\$ 10,000	\$ 10,000	
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**9. MOTIONS ON NOTICE**

There are no Motions on Notice.

**10. CONFIDENTIAL BUSINESS**

There are no Confidential Business Items.

**END OF BUSINESS PAPER**