

## FIT FOR THE FUTURE IMPROVEMENT ACTION PLAN 2017-2021

### WATER AND SEWER OPERATIONS

<b>Improvement strategy</b>	<b>Timeframe</b>	<b>Anticipated Outcome</b>	<b>Status</b>
1. Complete the Integrated Water Cycle Management Plan (ICWM)	June 2018	Approval of IWCM by the Office Of Water	Consultant re-appointed after first consultant went into administration Trade Waste strategy to be implemented by June 2018
2. Water Mains - Increase asset renewal of water mains funded from Council's water reserve and ongoing income.	Ongoing from 17/18 to 20/21	\$250K of renewal per annum	Leeton Road completed in 16/17. Narrandera Business Area detailed design completed. Council yet to approve project. Renewal of reservoirs also in Delivery Program.
3. Sewer Mains – Renewal of sewer mains based on priorities identified in the whole of network CCTV inspection carried out in 2015	Ongoing from 17/18 to 20/21	\$250K of renewal per annum	Inspections and works on track
4. Energy audit of Water and Sewer Operations	2016/17	Reduction of operational expenses and electricity costs	Audit complete  Funds for upgrade in 2017-2021 Delivery Program
5. Staff development – A review of the staff structure in 2015 revealed training gaps	2017/2018	Improved skill level amongst staff	Courses booked and progressed in 2016 and will continue to completion
6. Asset management inspections and data recording and predictive modelling	2017/18 – 2020/21	Improved understanding of asset renewal requirements and forecasting future expenditure	Inspections progressing to schedule, and waiting for integrated asset management system implementation in 2017 Project in 2017-2021 Delivery Program

## SUSTAINABILITY

Objectives	Strategies	Key Milestones	Outcome / Impact	Status
1.Reduce costs for unsealed road maintenance and re-sheeting.	Maximise utilisation of local gravel pits to reduce purchase of quarried crushed road base material Utilise chemical stabilisation technology	Trial complete and successful	Reduced gravel cost per tonne. Reduced haulage cost and haulage damage to local roads. Stabilisation reduces the amount of material to be delivered to remote sites for road reconstruction.	Continue implementation  Improved maintenance ratio
2.Reduce cost for reseal of low traffic volume sealed roads	Use Otta spray seal technology for gravel roads and to seal high maintenance unsealed roads	Trial complete and successful	Reduces cost of seal for low traffic roads, increases renewal life of sealed roads through reduced oxidization of seals	Continue implementation Increase asset life with lower maintenance costs.
3.Improve Project Management Skills	Introduced project management methodology.	Methodology adopted. Software implemented and staff trained	Enhanced scoping, costing and scheduling of projects to provide better evaluation, Greater monitoring of projects to identify delivery issues	Continued implementation Improved project assessment and delivery
4.Improve procurement practices	Revise procurement processes to make best use of industry contracts and group purchasing Improve stock control and inventory reporting. Align purchasing to improved project costing to reduce over ordering of materials.	Council has joined the RAMROC LGP procurement group and participated in independent audit of procurement and inventory processes.	Improved purchasing scheduling, lower unit cost and less over ordering.	LGP online training program for all procurement in 17/18 through RAMROC Improved process drives efficiency gains
5.Participation in Joint Organisations (JOs) and resource sharing	Resource share with regional councils to enhance capacity and lower costs	Sharing of technical staff and service operations are in place	Increase capacity through sharing of specialist staff and equipment. Lower costs	Investigating shared services With Leeton Shire through Innovation Fund tool. Joint Asset Management system procurement in 2017.
6. Buildings and structures	Revaluation in 2016/2017	a revaluation decrease of \$812k	Resulted in a reduction of depreciation expense of \$82k.	2017 -2021 Year Delivery Program now includes a structured Buildings maintenance and asset renewal program.

## INFRASTRUCTURE AND SERVICE MANAGEMENT

Objectives	Strategies	Key Milestones	Outcome / Impact	Status
1. Road construction and maintenance service review	To increase efficiency and lower costs of delivering road maintenance and construction services including a review of methods and technology.	Review completed in 2016	Savings will lead to improved operating performance ratio and included in the 2017-2021 Delivery Program	The impact on asset renewal and maintenance ratio to be monitored. Road Hierarchy & service Standards in 2017/2018
2. Plant utilisation service review	Implement productivity monitoring of equipment & assess whether to sell plant and hire instead	To be completed by June 2017	Savings to lead to improved efficiency and better operating performance	GPS in plant in 2016 Report framework 2017/2018 Review in 2017/2018
3. Establishment of long term works program	To determine a minimum of 4 year works program with consideration given to the proportion of renewals, upgrades and new assets	2017/2018 Budget	A guaranteed asset renewal ratio of 100%	Implemented for 2017/2021 Delivery Program
4. Improve accountability of cost allocation	To review all cost centres to ensure costs are classified correctly into operations, maintenance, renewal, upgrade and new assets	New Chart of Accounts implemented March 2017	Improved asset maintenance ratio	Some operational costs reclassified to renewals, which improved the asset renewal ratio. Work done to componentise works Asset renewal versus new classification implemented. Works as Executed Form completed Revision of GL Ledger
5. Staff Skills audit	Review staff skills, identify gaps in training which will be prioritised and addressed	Complete competencies by May 2017	To improve productivity and motivation of staff by undertaking training	Revised Performance Management system implemented. Competencies 90% completed for all positions.

6. Increase amount of RMS works	Increase own source revenue. Continue to ensure Project Plans meet specifications and NSC delivers to RMS's standards	Ongoing bidding for RMS tenders	Increase own source income	Meeting RMS funded works. Block grant spent on time
7. Review options to reduce backlog	To formally evaluate options to reduce the infrastructure backlog, particularly road reseals	Complete Road review by June 2016	Identify priorities, review options to fund clearance of the backlog	The outcomes could increase the renewal ratio or increase the debt service ratio  Road review completed. Reduced Carriage way Widths; Reviewed Work practices
8. Ensure robust asset management data	Integrated asset management system	June 2017	Implement system	System chosen.
9. Data reflects type of asset work completed	Revised system to accurately record asset categories	July 2017	Accurate recording of new, renewal, maintenance	Basics completed, new Chart of Accounts complete 2017 Will impact all ratios

## EFFICIENCY

Objectives	Strategies	Key Milestones	Outcome / Impact	Status
1. Service & Efficiency Review. Identify efficiency and cost savings, productivity improvements and service value for money.	Confirm Councils provision of a service and the service level. Review the Fees & Charges applied to each service. Increase efficiency to reduce service costs	3 reviews to be completed in 2017/2018 (cemetery, plant utilisation, town maintenance)	2.5% saving in employment cost and materials and contracts for the 2016-17 budgets.  Enhances sustainability by improving the operating ratio	5 reviews completed (Water & Sewer, Library services, Visitor Information Centre, Roads, Street Trees and Customer Service) and efficiency outcomes factored into 2017/2021 Delivery Program. Teloca House fund closure funds available
2. Strategic Procurement	Active member of RAMROC Strategic Procurement Group. Participated in Procurement Audit Continue to use LGP Tender Panel	LGP online procurement training for staff during 2017	Savings in procurement; rebates; efficient online procurement through Vendor Panel; improved compliance and risk management	Participating in the Insurance market tender gave significant savings
3. Independent Organisational Review	Implement the three outstanding actions of the Organisational Review Action Plan.	Enhanced Internal Audit program in 2017/2021 Delivery Program Asset Management System June 2017	Focuses resources on the outcomes of the CSP and maintenance and renewal of assets	3 outstanding actions: RMS heavy vehicle testing review, HR structure review, Chosen Asset management system to be implemented
4. Economic Development	Implement Councils 2017-2021 Economic Development Strategy  Implement Narrandera CBD Master Plan Development of an Economic Development Strategy	Economic Development Strategy task timelines  Commence 2017/2018	Provide infrastructure and a business case for economic development in the Shire.	New Eco Dev staff structure underway. Grant funding success. Focusing on diversification of economy
5. Better budgeting tools	Implement an Improved Budgeting and reporting system	Ready for 2018/2019 budget process	More efficient budgeting process with less mistakes	In 2017/2018 Operational Plan
6. Energy Audit	Implement energy efficiency	June 2018	Council buildings and facilities energy efficient, cost savings	In 2016 and 2017 budgets

## **SCALE AND CAPACITY ACTIONS**

Finalise Shared Services Innovation Fund Project with Leeton Shire

Continue to explore Shared Services with other Councils

Continue to actively participate in RAMROC initiatives and actively participate in the Murrumbidgee Joint Organisation (JO) when it is established

Implement the Fit for the Future Improvement Plan Actions for 2017-2021 in the tables above

Implement the 2017-2021 Workforce Management Plan including the 2016 Staff Climate Survey Action Plan

Implement the Elected Councillors Professional Development Training Plan

Achieve the adopted 2017-2021 Four Year Delivery Program

Continue to lead regional advocacy efforts including Food Bowl Inland Rail Alliance

## **MONITOR PROGRESS AND REPORTING**

A report will be provided to Council four times a year as part of the Quarterly Budget Review process

The action plan will be a quarterly standing item at the Executive Leadership Meetings and the Senior Management Team meetings

Achievement against the Benchmarks will be published in Council's Annual Report and Annual Audited Financial Statements

Budgeted Improvement Plan projects will be reported against the 2017/2021 Four Year Delivery Program and Community Strategic Plan