



Ordinary Meeting of Council

26 July 2017

**SUPPLEMENTARY UNDER
SEPARATE COVER ATTACHMENTS**

**QUEANBEYAN-PALERANG REGIONAL COUNCIL
ORDINARY MEETING OF COUNCIL**

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

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ITEM S.2 EXPRESSION OF INTEREST - LEGAL SERVICES

ATTACHMENT 1 EOI ASSESSMENT SUMMARY

S.2 Expression of Interest - Legal Services
Attachment 1 - EOI Assessment Summary (Continued)

Legal Firm	Location	Experience	Client Focus	Eng. Methodology	Regional Benefit	Resources / Ref Material	Score
Bradley Allen Love Lawyers	Canberra	6.50	1.35	0.90	0.50	0.40	9.7
Elringtons Lawyers	Qbyn/CBR	5.20	1.20	0.70	0.50	0.30	7.9
Maddocks	Sydney/CBR	5.20	1.05	0.80	0.40	0.40	7.9
Herring & Associates - Lawyers	Qbyn	5.20	1.05	0.70	0.40	0.25	7.6
Lindsay Taylor Lawyers	Sydney	5.20	1.05	0.90	0.00	0.40	7.6
Hall & Wilcox Lawyers	Sydney	4.55	0.90	0.60	0.25	0.30	6.6
Marsdens Law Group	Sydney	4.55	0.90	0.60	0.00	0.30	6.4
Minter Ellison	Sydney/CBR	3.90	0.90	0.70	0.50	0.30	6.3
Sparke Helmore Lawyers	Sydney	3.90	0.90	0.60	0.40	0.30	6.1
Kell Moore Pty Limited	Albury	4.55	0.90	0.50	0.00	0.10	6.1
Wilshire Webb Staunton Beattie Lawyers	Sydney	3.90	0.90	0.50	0.00	0.20	5.5
Meyer Vandenberg Lawyers	Canberra	3.25	0.90	0.60	0.50	0.20	5.5
Swaab Attorneys	Sydney	3.90	0.75	0.50	0.00	0.25	5.4
RGSLAW	Sydney	3.90	0.90	0.50	0.00	0.00	5.3
Kells the Lawyers	Woolongong	3.25	0.75	0.70	0.00	0.00	4.7
Pikes & Verekers Lawyers	Sydney	3.25	0.90	0.50	0.00	0.00	4.7

S.2 Expression of Interest - Legal Services
Attachment 1 - EOI Assessment Summary (Continued)

Walker Gibbs & King Pty Ltd	Cooma	1.95	0.75	0.30	0.40	0.10		3.5
Clarke Law Pty Ltd	Narooma	1.30	0.75	0.30	0.40	0.00		2.8
JMA Legal Pty Limited	Cootamundra	0.65	0.75	0.40	0.00	0.25		2.1

It is recommended that the following five legal firms be appointed to the Council's Legal Services Panel for advice I respect of the following areas of law.

Bradley Allen Love Lawyers	Planning & Environment, Local Government Law and General Advice
Elringtons Lawyers	General Advice, Conveyancing, Land Acquisition
Maddocks	Probity, Local Government Law and General Advice
Herring & Associates - Lawyers	Prosecutions and General Advice
Lindsay Taylor Lawyers	CBD Development, Planning & Environment, Local Government Law and General Advice

Pricing was not a consideration in the assessment model. All firm fees are within a reasonable pricing range, except it is considered for the work undertaken, that Elringtons fees are not in line with other options and discussion will occur with the firm to ensure that fees and charges are in line with other similar firms.

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

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ITEM 8.16 DRAFT RESOURCING STRATEGY

ATTACHMENT 1 QPRC DRAFT RESOURCING STRATEGY



QPRC Resourcing Strategy

Supporting the Queanbeyan-Palerang Community Strategic Plan 2017-2027

DRAFT



Ref: SF170303

QPRC Resourcing Strategy

Offices: Council headquarters – 256 Crawford St
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QPRC Resourcing Strategy

Part 1	Executive Summary Introduction
Part 2	Strategic Workforce Management Strategy
Part 3	Asset Management Strategy
Part 4	Long Term Financial Plan
Part 5	ICT Strategy
Part 6	Risk Management Strategy



QPRC Resourcing Strategy

Executive Summary

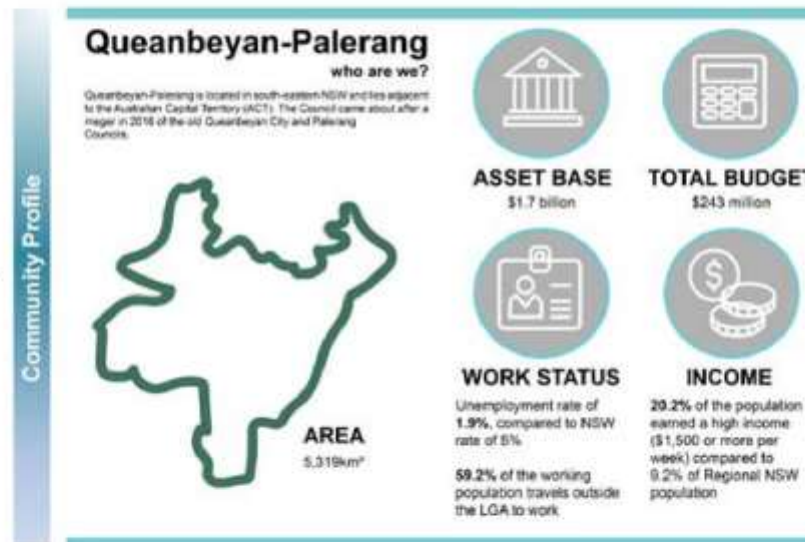
The *Local Government Act 1993* requires NSW councils to prepare a Resourcing Strategy. The Resourcing Strategy makes clear what elements of the Community Strategic Plan the Council will take responsibility for. Other levels of government, business, non-government organisations, community groups and individuals will also have a role in achieving the outcomes of the Community Strategic Plan. The Resourcing Strategy is a critical link when it comes to translating strategic objectives into actions. Each of the elements of the Resourcing Strategy also play a role in resourcing the achievement of the Delivery Program and Operational Plans, as well as any other strategic plans the Council has developed to support the achievement of the Community Strategic Plan.

The community need to have some basic information about community assets and their condition to help inform its strategic planning process, but the final strategy for asset management can't be completed until the Community Strategic Plan has been finalised. The Community Strategic Plan can't be finalised until financial projections and options have been prepared and discussed with the community. The Long Term Financial Plan will not take on a level of detail until the Delivery Program and Operational Plans are developed. The Resourcing Strategy process will allow Council and the community to consider a wider range of options for delivering strategic outcomes.

This Resourcing Strategy is a draft to inform the community and incoming council of the capacity and capability of the organisation based on current levels of service, asset standards and capital projects. The elected council will make decisions on the Delivery Program, asset standards and service levels, in turn altering the asset, workforce and financial plans.

The Community Strategic Planning process provides Council with valuable information about the future. From the exercise, both the Council and the community will have a better understanding of:

- Expected pressures that will affect the community socially, environmentally and economically and the drivers behind this change
- Expected economic growth rates



QPRC Resourcing Strategy

- The community's aspirations and priorities for improving its economic, environmental and social outcomes
- The community's priorities in terms of expected levels of service and community projects

In this context, the Resourcing Strategy has been prepared utilising the DPSIR Model. DPSIR is a systems approach consisting of identifying Drivers – Pressures – State – Impacts – Responses (DPSIR). This framework has proven a valuable tool for organising and communicating complex issues. It was developed by the European Environmental Agency and within Australia it has been used by a range of environmental agencies particularly to produce State of the Environment Reports.

QPRC's draft Resourcing Strategy has identified five key components consisting of:

- Strategic Workforce Management Strategy - aims to provide the Council with the people best able to inform its strategic direction, develop innovative approaches to complex issues and deliver appropriate services effectively and efficiently.
- Asset Management Strategy – takes a 'whole of life' asset management from planning, purchase, operation, and maintenance to disposal of assets. It also encompasses integration of asset and service outcomes.
- Long Term Financial Plan - long term community aspirations and goals are tested against financial realities, and decide what resources councils need to influence and work with other parties
- ICT Strategy – identifies what digital and process tools mobilise delivery of services by staff and access to information by community
- Risk Management Strategy – establishes governance and assigns accountabilities for management of risk, and identification of risk appetite

The DPSIR Framework has been applied to the five components of the draft Resourcing Strategy so that the community can see the Drivers, Pressures, State, Impacts and Responses which apply to the Council's Workforce, Assets, Finances, Technology/Systems and Risk Management. The draft Strategy further identifies the common threads so Council can take a coordinated approach to the priorities.

Many of the planning assumptions will come from the Community Strategic Planning process, others will be derived from general financial planning practices. Assumptions for the Resourcing Strategy which influence workforce, asset and financial projections include:

- Population and property growth forecasts
- Anticipated levels of local economic growth
- Age profile and skill levels of staff
- Major planned expenditure, such as capital works and renewals
- Federal, State and regional economic forecasts
- Inflation forecasts
- Interest rate movements



QPRC Resourcing Strategy

- Fit for Future benchmarks
- Merger expectations

To varying degrees, the component strategies will be subject to modelling - eg. population and property growth forecasts, will influence expectations for new assets, expanded services and with it, pressures for staff resources and skillsets and scheduling of asset maintenance and renewal to keep the asset backlog in check. There are a number of common drivers, pressures and impacts, in turn nominating a number of responses that may be integrated. Ultimately, decisions on risk need to be taken. Council will prepare and publish its appetite for risk.

Drivers	Pressures	Impacts	Response
IPR Framework		New council	Prepare CSP, DP and Resourcing Strategy
Workforce planning	Ageing workforce, skill shortage	Merger (FTE growth and placement; change management, organisation culture, turnover)	Build and retain capability Integrated development and leadership Transition organisation structure
Economic growth	Growing population, urban expansion	Service expectations post-merger	Revise standards and ICLs Partnerships (CBRJO, ACT, SNSW, Icon) for joint services Establish risk appetite
NSW state and regional plans		Merger (rates freeze; benefits targets)	Integrated enterprise platform (finance, asset, records, property, mapping, HR, projects, global collab)
Asset backlog	Asset backlog, risk and serviceability RMS contracts	Levels of service and asset standards	Asset condition assessment and revaluation Align asset renewal to depreciation Revise risk register
Fit for Future	Rates affordability Scale and capacity	Inter-generational equity for assets and debt	LTFP achieve benchmarks over 10 years Partnerships (CBRJO)
Robust, reliable, secure ICT environment	Digital and smart economy Poor telecom connectivity	Federated single ICT platform	Digital platform for mobile delivery Install smart infrastructure Increase self-help, online application
Stronger Councils Framework		Customer views (satisfaction and priorities)	Reflect 'voice of community' in engagement and ICT services Integrated performance reporting



QPRC Resourcing Strategy

Council recognises that there is more detailed work required to refine certain aspects of its Resourcing Strategy. In particular detailed Asset Management Plans are yet to be prepared. It is envisioned that this work will continue over the period of its first Delivery Program (2018-2021) to ensure these documents are in place by the time the next review of the Resourcing Strategy is undertaken (2021).

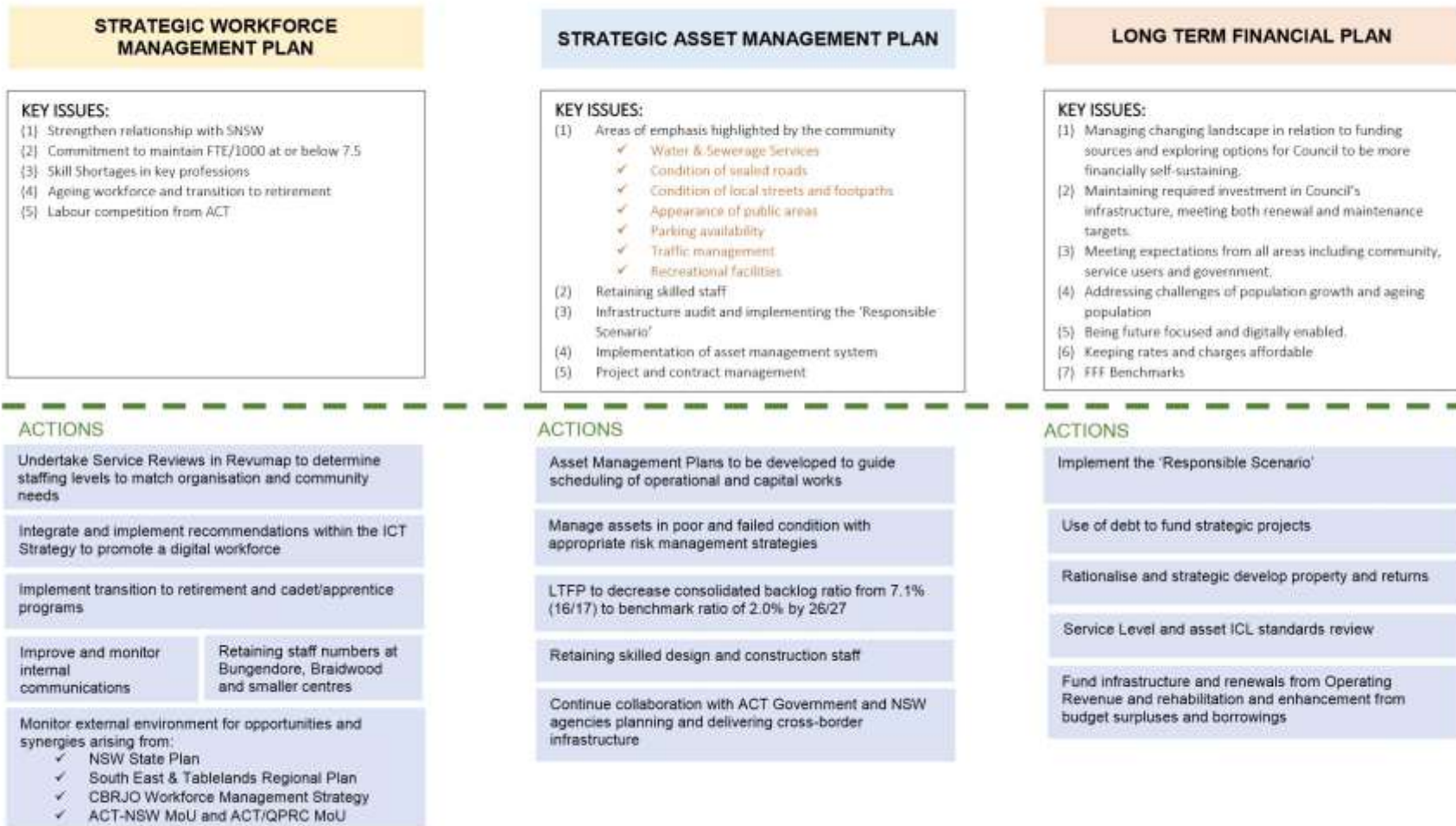
In summary, Council considers to respond to those drivers and pressures, the following actions will be pursued in the Resourcing Strategy:

- Invest in organisational culture and the digital workplace to improve productivity and redeploy staff to front line services
- Continue the transformational actions identified in the merger transition plan
- Continue the investment in a single integrated enterprise software platform, through TechnologyOne and CAMMS
- Increase levels of infrastructure maintenance and renewal to reduce the asset backlog
- Revise the asset 'intervention condition levels' and asset standards at affordable and acceptable levels
- Revise and consolidate the asset management plans
- Review levels of service (frequency, quality, location and mode) and examine impacts on budgets
- Expand levels of capital expenditure and debt and consider a general rate SRV following the rate path freeze and merger staffing protections, to accommodate service expectations and asset backlog
- Having regard to asset and service settings established by elected council, publish the organisation's appetite for risk
- Update the financial plan following elected council's review of assets and service settings
- Continue development of monitoring and reporting framework for organisational performance and risk

The diagram below identifies the key issues and proposed actions in response to the common drivers and pressures within asset management, funding, and ICT. They highlight the importance of appropriate risk management as the final outcome required.



QPRC Resourcing Strategy



QPRC Resourcing Strategy

ICT STRATEGY

KEY ISSUES:

- (1) Meeting specific ICT needs at QPRC:
 - ✓ Staff have the ability to work remotely across the mix of urban and rural areas QPRC covers
 - ✓ Mobile working capability to work across all locations
 - ✓ Enterprise Resource Planning to meet Council's business needs
 - ✓ Promoting a single business system, process and culture across all business centres and locations
- (2) Shift to digital service delivery
- (3) Partnership with NSW and ACT government for digital solutions and smart cities
- (4) Using online channels and social media to engage citizens. QPRC will be required to provide the necessary infrastructure and systems to promote connectedness and accessibility with the community

RISK MANAGEMENT STRATEGY

KEY ISSUES:

- (1) Enterprise perspective needs to be taken to risk management
- (2) Development and implementation of an Enterprise Risk Management Framework which will consist of:
 - ✓ Risk Management Policy
 - ✓ Risk Management Group Charter
 - ✓ Defining Risk Management Practices
 - ✓ Implementation of Reporting Mechanisms
 - ✓ Identify risk appetite

ACTIONS

Maintain a robust, reliable, secure and available ICT environment

Maximise the value from ICT investment and projects

Reflect the voice of the community in ICT products and services

ICT Users and staff are supported and empowered to deliver business outcomes

ACTIONS

Develop Risk Registers and Risk Management Plans

Implement the THREE LINES OF DEFENCE:

- ✓ Operational Management
- ✓ Management Assurance Activity
- ✓ Audit/Review/Testing



QPRC Resourcing Strategy

Part 1 Introduction

1.1 Background

The Local Government Act requires that a Council must have a long term Resourcing Strategy in place to provide for the resources required to implement the strategies established by the Community Strategic Plan. The strategy, must at the very least, include provision for financial planning, workforce management planning and asset management planning. This is in recognition that if the community's long term aspirations are to be achieved as outlined in the Community strategic Plan, then it is important to ensure that sufficient resources – time, money, assets and people are available to translate strategic objectives into actions.

A Resourcing Strategy forms a key part of the Integrated Planning & Reporting Framework (see Diagram below).



The Integrated Planning and Reporting Framework requires that Council prepare:



QPRC Resourcing Strategy

- A 10-year **Community Strategic Plan** to be developed in consultation with the community, State Government agencies and other relevant stakeholders. The purpose of the plan is to identify the community's long term vision and set out its main priorities and aspirations for the future and to plan strategies for achieving these.
- A four (4) year **Delivery Program** that details a Council's response to the Community's long term aspirations by identifying all the activities the Council will be committing to over the next four years of its electoral term to work to assist the Community in moving towards achieving the long term objectives as set out in the Community Strategic Plan.
- An annual **Operational Plan** which functions as a Sub-Plan of the Delivery Program that specifies individual activities (programs and projects) Council will be undertaking during the financial year. This plan is also required to set out the details of income and expenditure estimates for the year.
- A **Resourcing Strategy** which is aimed at ensuring that adequate resources – money, assets and people – required to achieve the long term aspirations identified in the Community Strategic Plan and the strategies and activities outlined within the Delivery Program are available as and when required. The Resourcing Strategy is focussed purely on Council's responsibilities in the roles of provider, funder, regulator, promoter and facilitator.

Queanbeyan-Palerang's Resourcing Strategy goes beyond the basic money, assets, people model. Council recognises there are other critical components within Queanbeyan-Palerang Regional Council (QPRC) which need to be taken into consideration for its Resourcing Strategy. These are:



QPRC in recognition that it is a newly created council arising from the merging of Queanbeyan City and Palerang councils sees issues relating to systems integration and the development and implementation of a unified risk management framework are critical resourcing issues that need to be addressed alongside the three traditional components of a resourcing strategy.



QPRC Resourcing Strategy

1.2 Our approach to the Resourcing Strategy

In developing QPRC's Resourcing Strategy, Council has applied a DPSIR Model (See Figure 1) to the components of its strategy which is based around:

- Drivers
- Pressures
- State
- Impacts
- Responses

DPSIR is a systems approach consisting of a *Drivers – Pressures – State – Impacts – Responses* (DPSIR) framework, which has been a valuable tool for organising and communicating complex issues. The DPSIR framework was developed by the European Environmental Agency and has been used by the United Nations. Within Australia it has been used by the ACT to develop and underpin the findings of its State of the Environment Report. The DPSIR framework is a systems-thinking framework that assumes cause-effect relationships between interacting components of social, economic, and environmental systems. The DPSIR framework has been principally used for many environmental resource applications, including management of agricultural systems, water resources, land and soil resources, biodiversity and marine resources but it also has wider uses. The framework can be used to integrate social, cultural, and economic aspects of environmental and human health into a single framework hence making it an ideal tool to use in something like a Resourcing Strategy.

Drivers are the factors that motivate human activities and fulfil basic human needs, which have been consistently identified as the necessary conditions and materials for a good life, good health, good social relations, security, and freedom. Drivers describe "the social, demographic, and economic developments in societies.

Pressures are defined as human activities, derived from the functioning of Social and Economic *Drivers* that induce changes in the environment, or human behaviours that can influence human health.

State refers to the state of the natural and built environment (e.g., the quantity and quality of physical, chemical, and biological components), and human systems (e.g., population level and individual attributes).

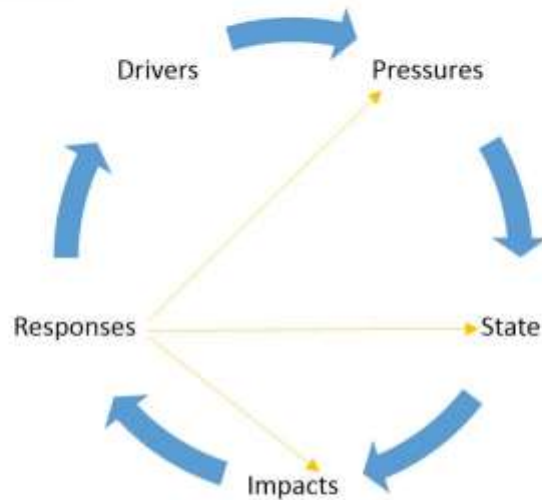
Changes in the quality and functioning of the ecosystem have **impacts** on the welfare of humans, including the production of ecosystem goods and services and ultimately, human well-being. A key benefit in using the DPSIR framework is that it explicitly includes an Action or **Responses** component that can be taken at any level of the causal network. In the DPSIR framework, *Responses* are actions taken by groups or individuals in society and government to prevent, compensate, ameliorate or adapt to changes in the state of the environment, and to modify human behaviours ... to compensate for social or



QPRC Resourcing Strategy

economic impacts of human condition on human well-being. (*Using the DPSIR Framework to Develop a Conceptual Model*, United States Environmental Protection Agency, August 2015)

Figure 1: The DPSIR Model



1.3 How our Resourcing Strategy is set out

As noted Council has decided to structure its Resourcing Strategy around the DPSIR Model. Table 1 below sets out how this Resourcing Strategy is structured. The final chapter of the Resourcing Strategy (Part 7) identifies 'common threads' outlined in each strategy that requires QPRC to take a coordinated response on.



QPRC Resourcing Strategy

Table 1: DPSIR Model and QPRC's Resourcing Strategy

Component of QPRC Resourcing Strategy	Drivers	Pressures	State	Impacts	Responses
Strategic Workforce Management Strategy	Overview of Drivers underpinning QPRC's Workforce	Pressures impacting on QPRC's Workforce	Current State of QPRC's Workforce	Impacts currently occurring to QPRC's Workforce	Responses via Action Plan
Asset Management Strategy	Overview of Drivers underpinning QPRC's Assets	Pressures impacting on QPRC's Asset Management	Current State of QPRC's Assets	Impacts currently occurring on the management of QPRC's Assets	Responses via Asset Management Plan
Long Term Financial Plan	Overview of Drivers underpinning QPRC's Long Term Financial position	Pressures impacting on QPRC's Long Term Financial position	Current State of QPRC's Long Term Financial Position	Impacts currently occurring QPRC's Financial Position	Responses via Long Term Financial Plan
ICT Strategy	Overview of Drivers underpinning QPRC's ICT	Pressures impacting on QPRC's ICT	Current State of QPRC's ICT	Impacts currently occurring to QPRC's ICT	Responses via Implementation Roadmap
Risk Management Strategy	Overview of Drivers underpinning QPRC's Risk Management Framework	Pressures impacting on QPRC's Risk Management Framework	Current State of QPRC's Risk Management Framework	Impacts currently occurring to Risk Management Framework	Responses via Policies and Targets



Part 2: Strategic Workforce Management Strategy



Drivers



- Amalgamation and Proclamation of Council
- Principles of the Stronger Councils Framework
- NSW State Plan Premier Priorities
- Draft South East and Tablelands Regional Plan 2016
- Draft CRBJO Regional Workforce Strategy
- NSW Local Government Workforce Development Strategy 2020
- NSW Local Government Merger Delivery Framework
- Community expectations
- Population and economic growth
- Council ICT Strategic Plan Priorities
- ACT-NSW Memorandum of Understanding for Regional



Pressures



Regional Issues

- Succession planning
- Attraction and retention – key professional and trades
- Competitive packages
- Retaining younger generation
- Cost of training in regional areas
- LG Award is inhibitor to progressive workplace practice
- Workforce reporting metrics

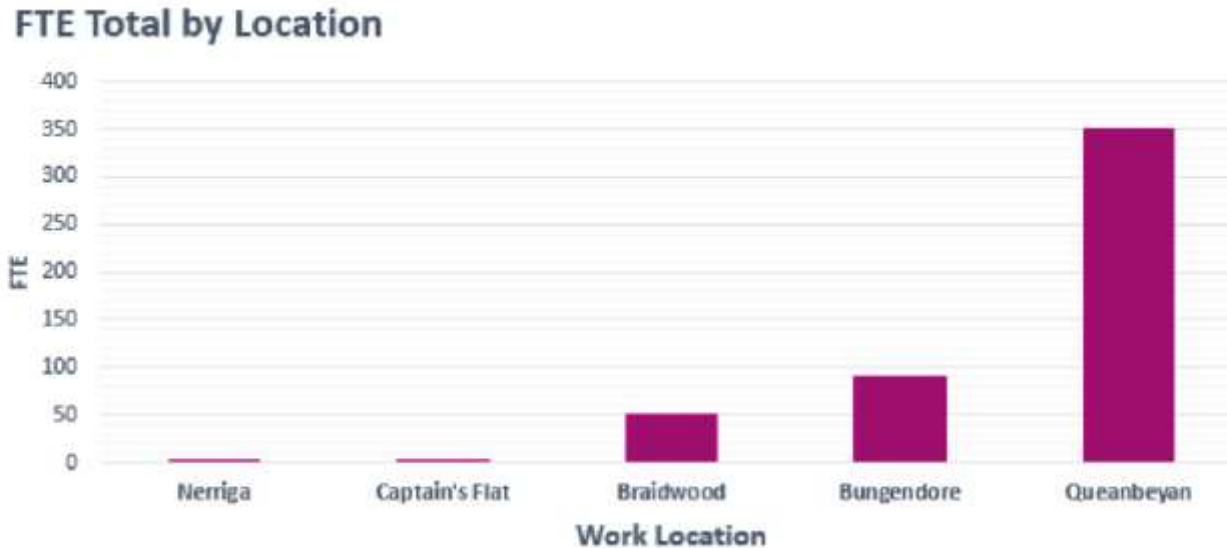


State



Internal Workforce Analysis

QPRC is a mid- sized regional Council, as at 30 June 2017 we were employing a permanent full time equivalent of 417 permanent and contract positions, and an additional 103 casual positions across a diverse range of occupations. Altogether, Council currently employs 520 people across the organisation and all its locations. Our workforce is mainly based in Queanbeyan, with smaller numbers in our remaining regional locations. Unless otherwise indicated, the figures below exclude casual employees.



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Organisational Structure

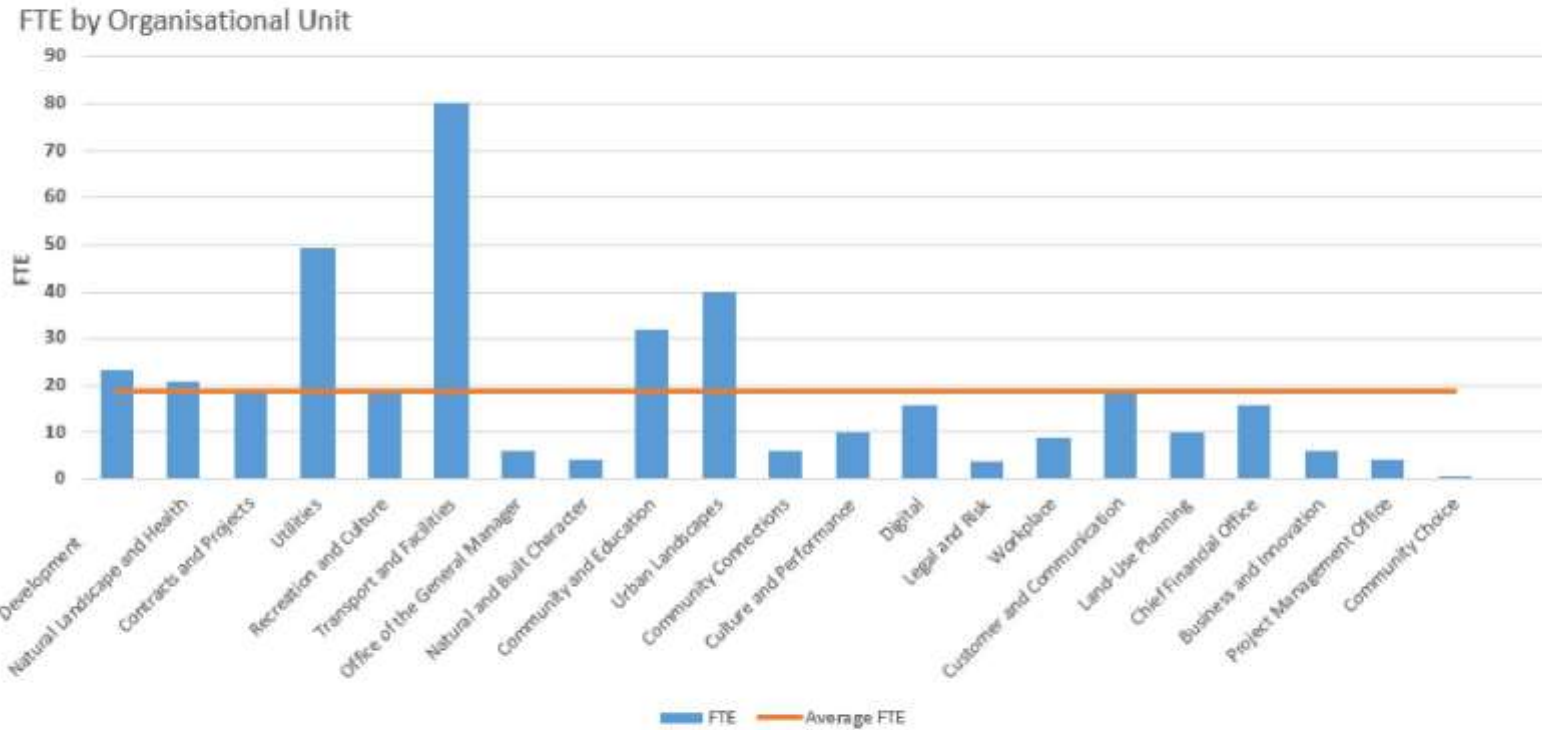
A Transition Structure is underway. Current stage is reviewing and analysing the positions. As part of the Service Review process and community consultation process, we will also make decisions on the levels of service that will help inform the budgets and staff counts going forward.



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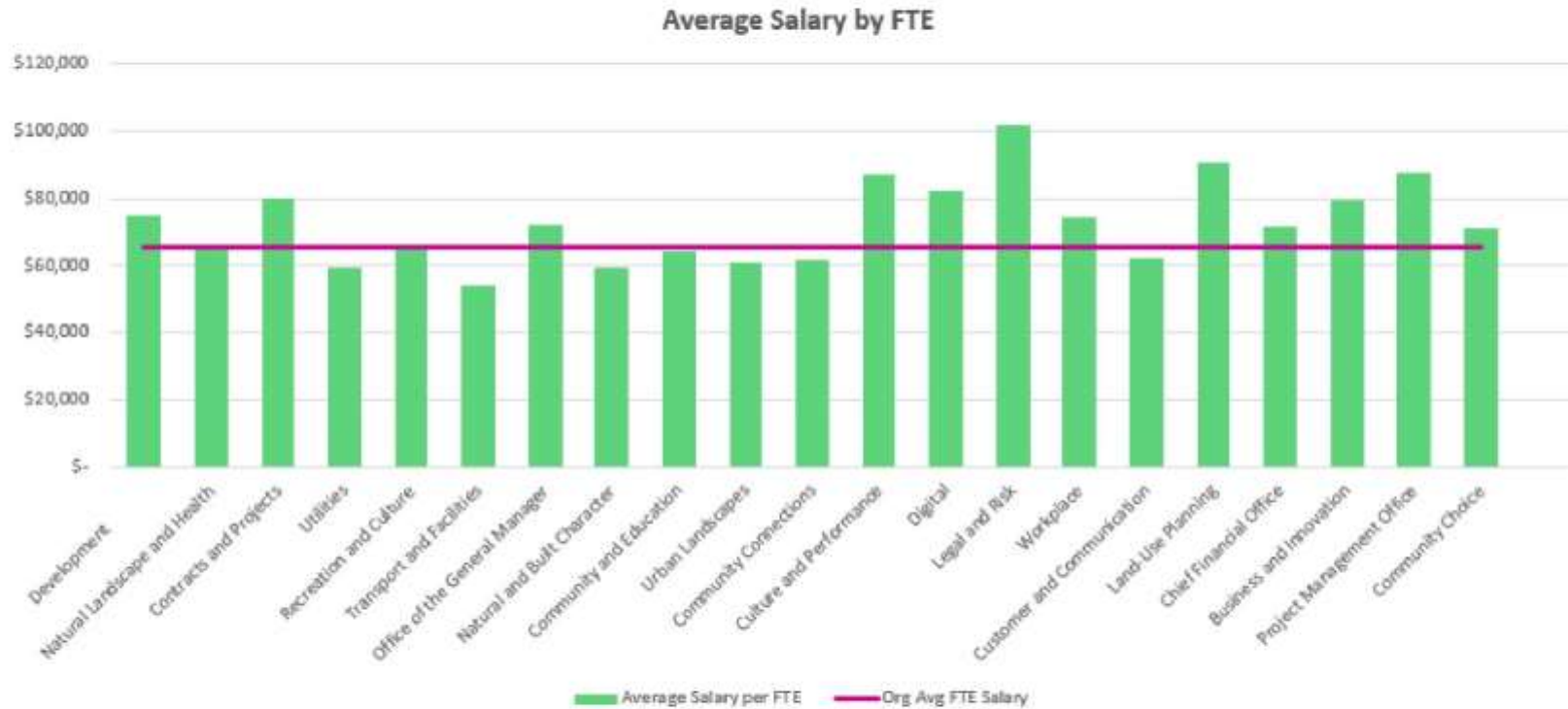
Organisational Structure continued



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Organisational Structure continued

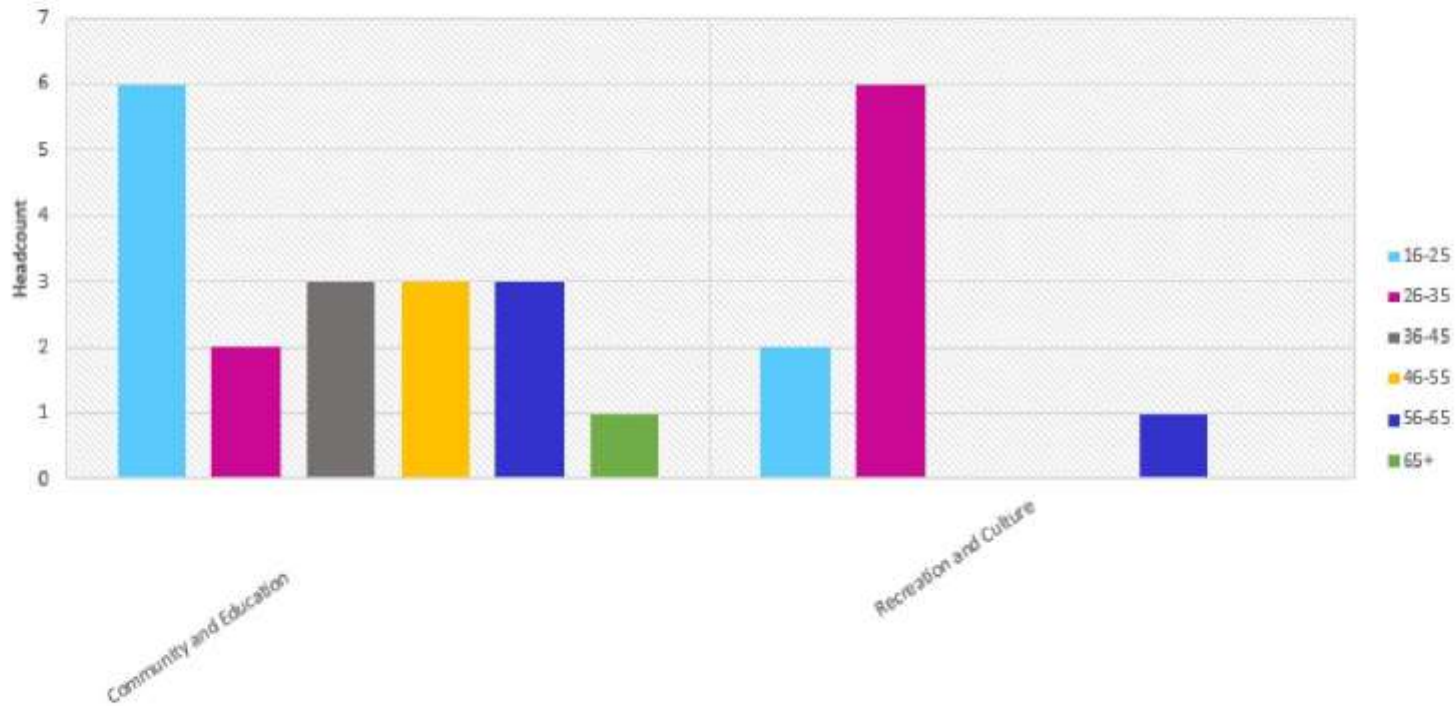


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Casual workforce

Casual Workforce Profile - Top Business Units employing casual staff



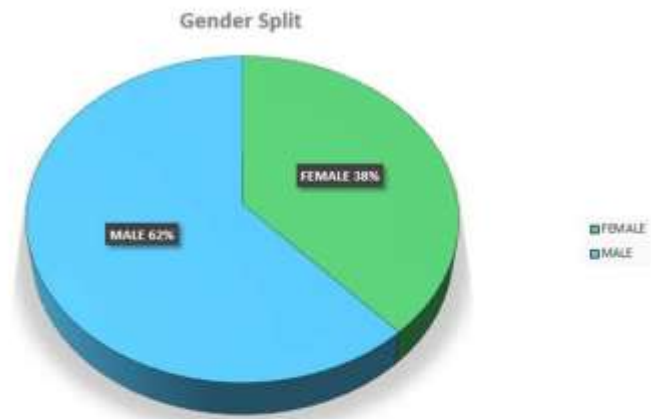
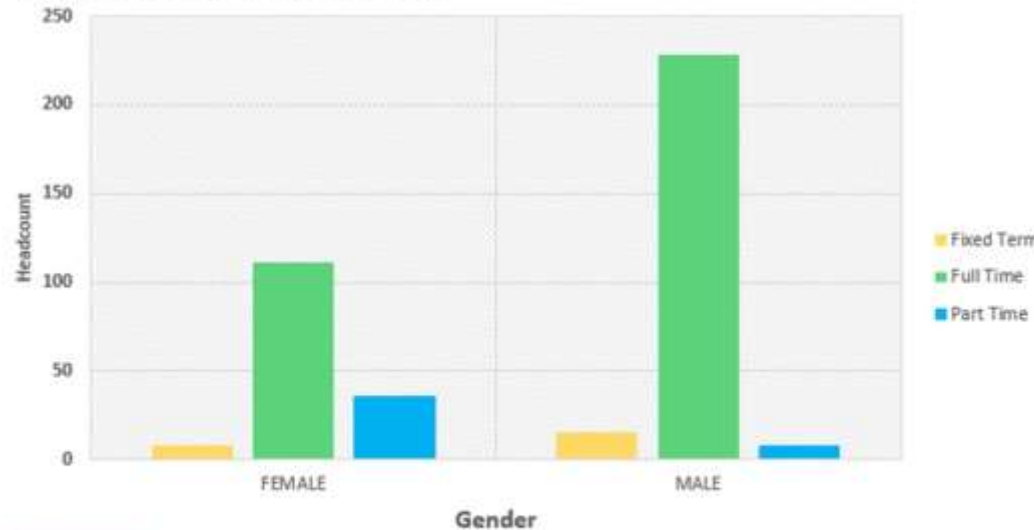
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Gender Profile

Council permanent workforce gender split is 38% female and 62% males. Interestingly, when including the casual workforce, the split changes to 59% male and 41% female. QPRC aims, wherever practicable, to provide flexible working arrangements for staff that balance both organisational requirements with an employee's personal needs. When looking at this data from a work-force pattern perspective, it is evident that females make up a larger percentage of the part-time and casual pools versus males; meaning that females are generally more likely to take up positions that provide flexible working arrangements.

Workforce Pattern by Gender



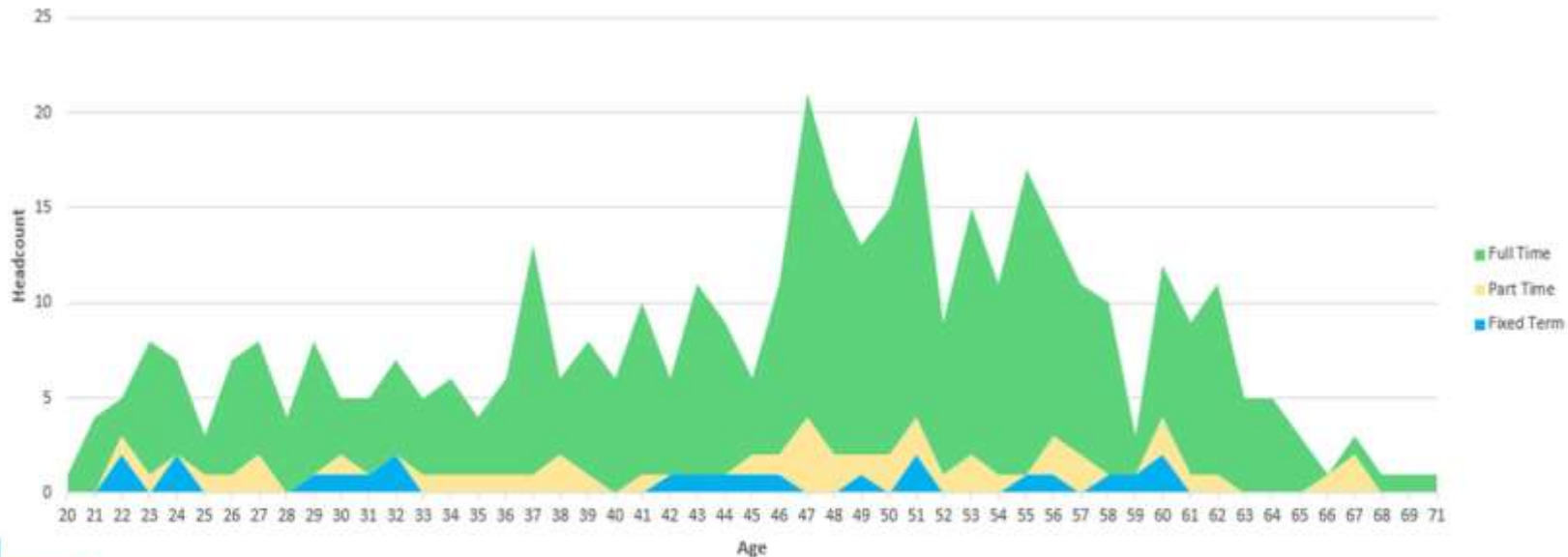
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Age Profile

Below is the age profile across our organisation. It is evident that Council has a wide age profile, with a representation of across all generations, from Millennials to Baby Boomers. This is important when looking at development and training plans, and reward and recognition programs, as the different generations are motivated by different incentives and have varying career values.

Age Profile by Employment Type

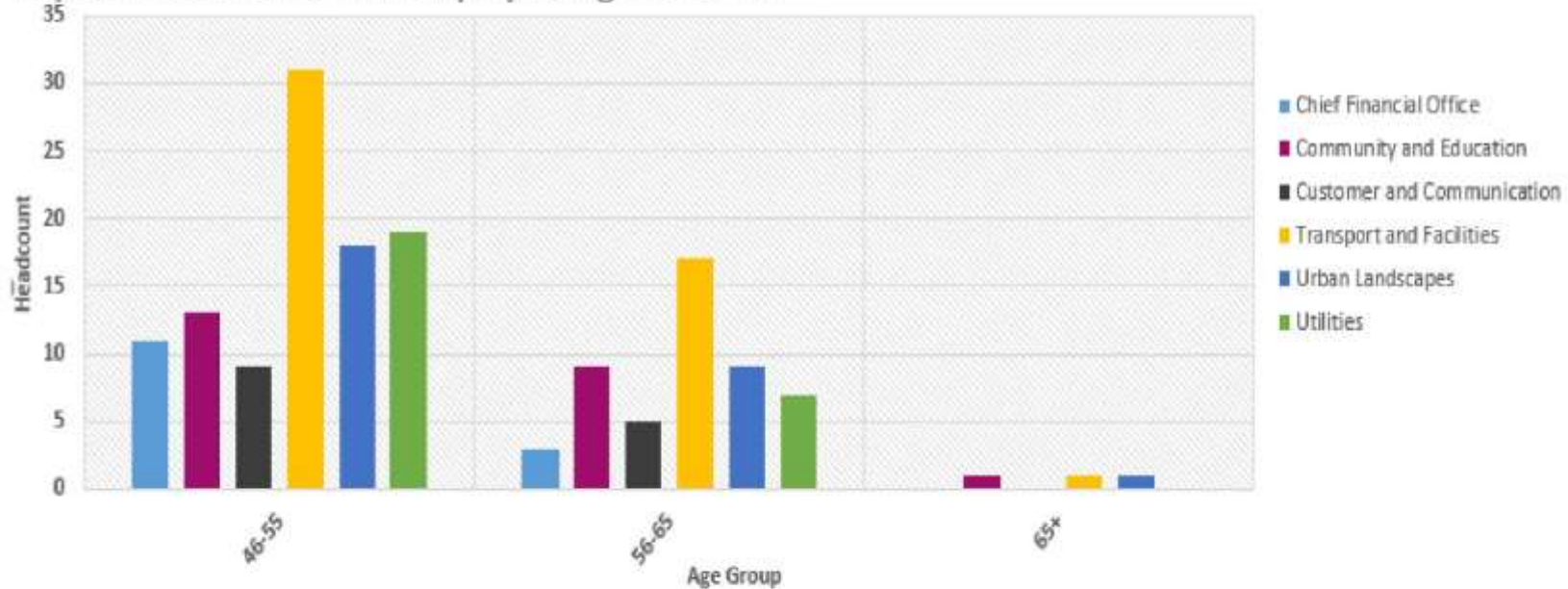


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Age Profile by Comparison cont.

Top 5 Business Units with Employees aged over 45

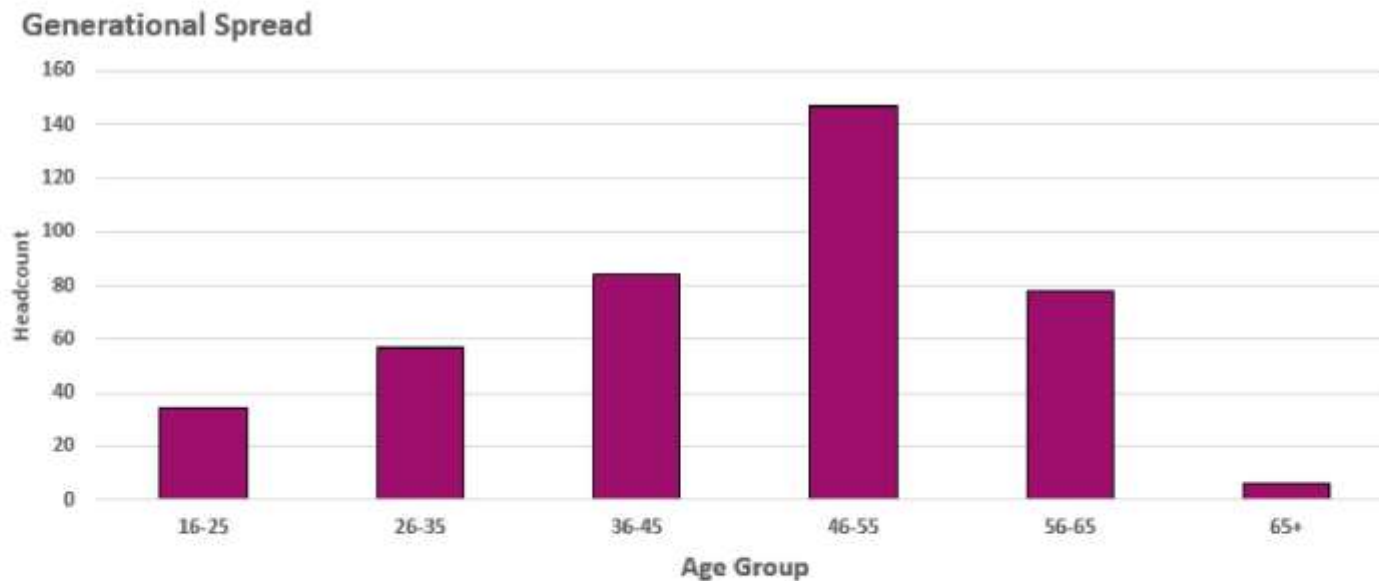


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Generational Spread

The generational spread illustrates which age group Council employees fit into. This information is important to note when looking at succession planning, as it is evident there is a good portion of employees nearing retirement; however, the majority is still more than 10 years outside of the retirement age.

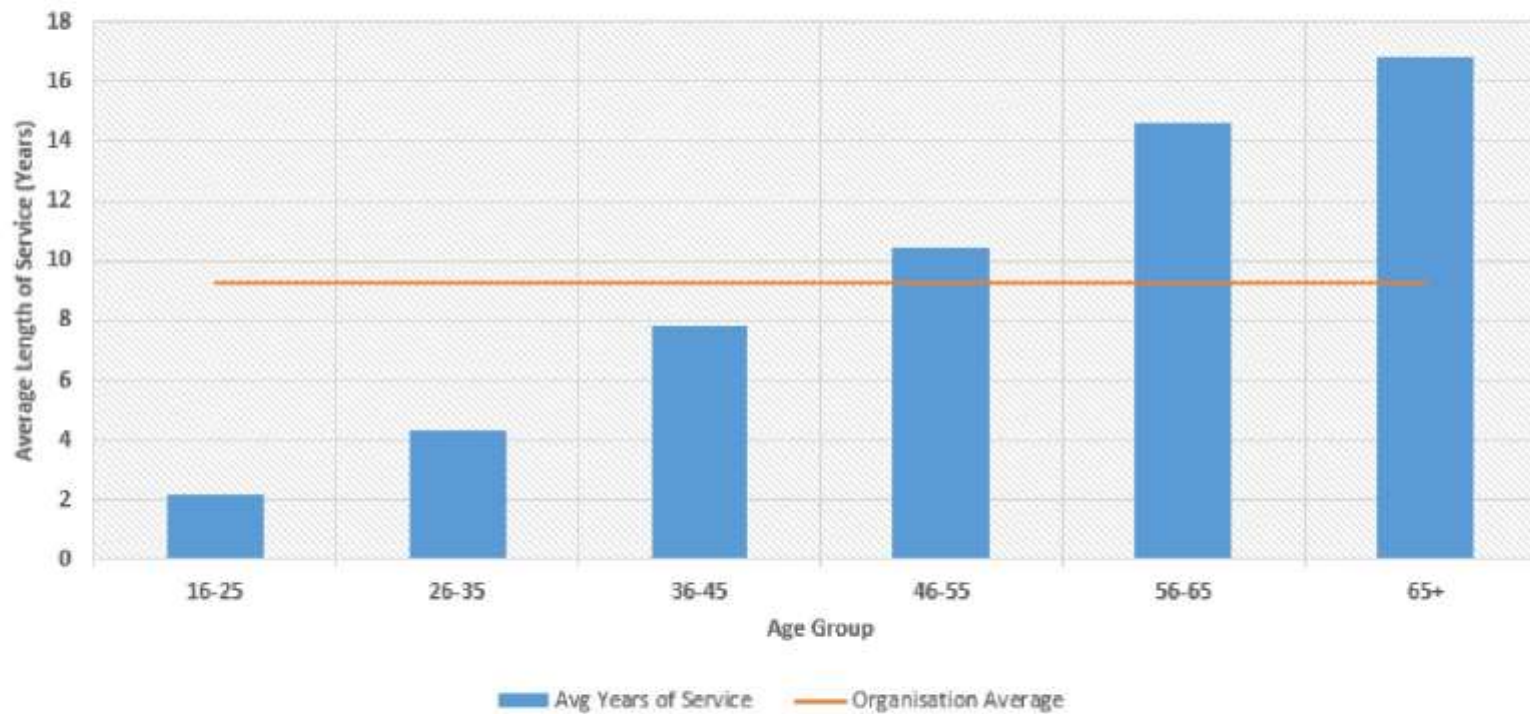


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Generational Spread Continued

Length of Service by Age Group



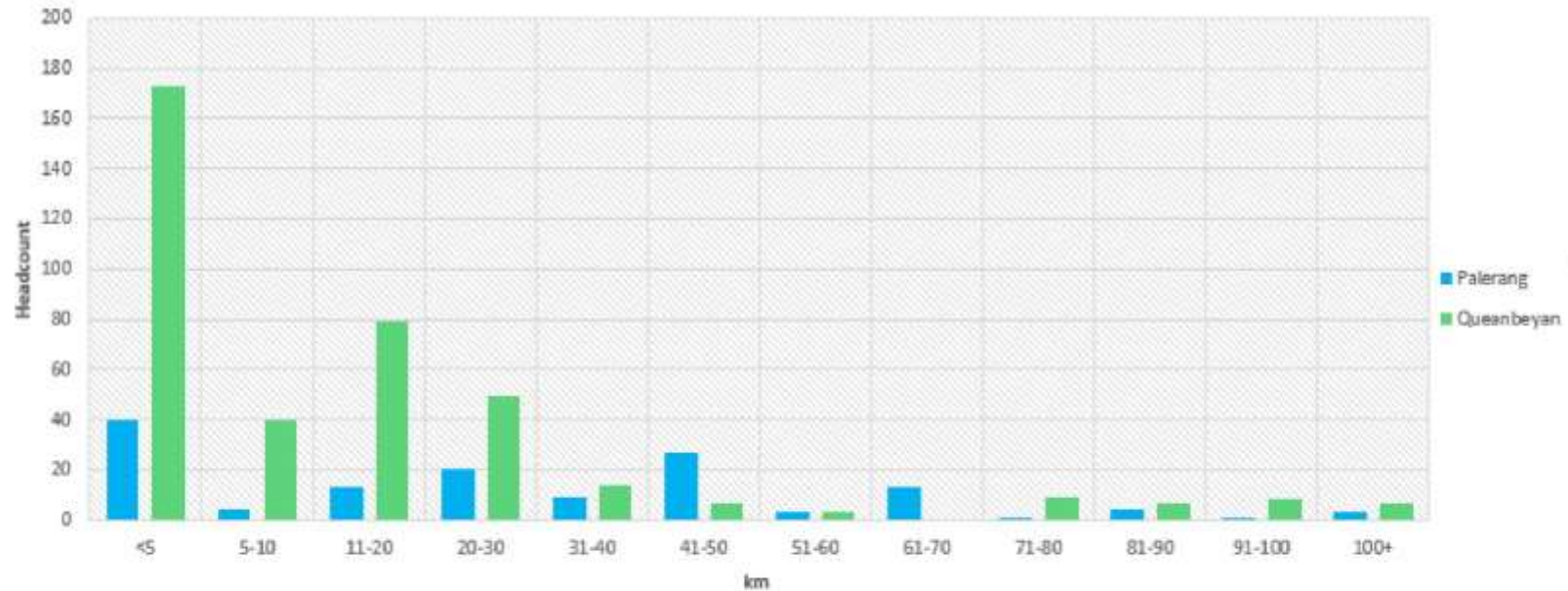
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Distance Travelled to Work

Currently, our employees are travelling on average 23 km to get to their work location each day.

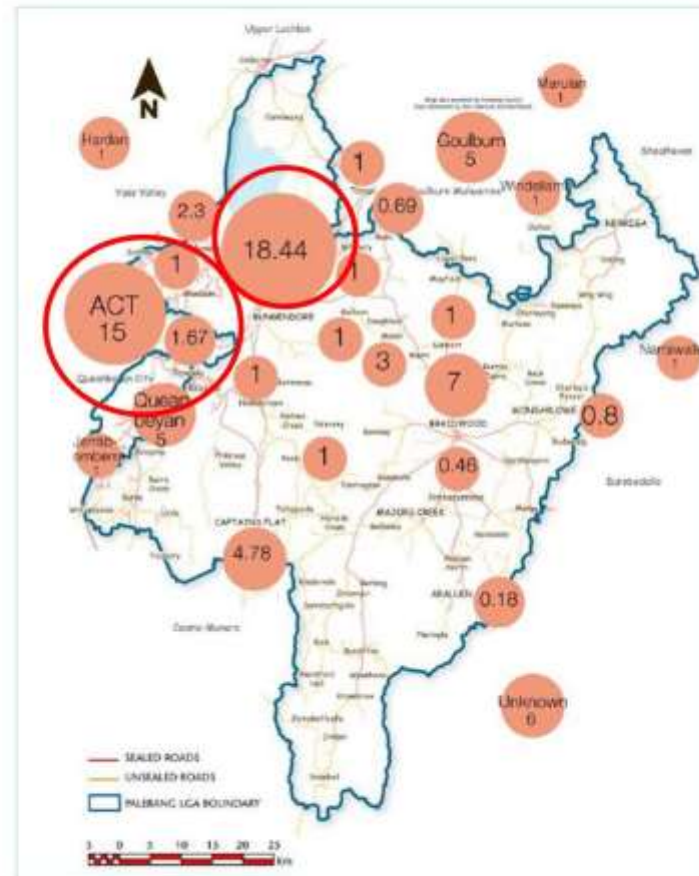
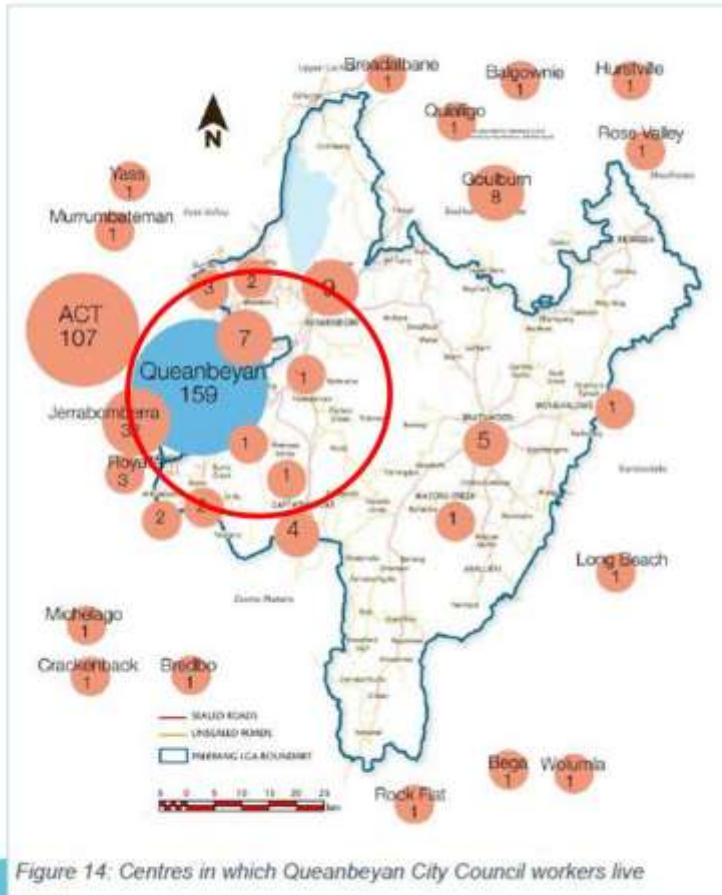
Distance Travelled to Home Office



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Currently more than 50% of our employees live within 20km of the Queanbeyan office, with 138 people living in the locality of Queanbeyan itself. Of the total workforce, only 4% would be traveling over 100km in each direction per day to work in Queanbeyan



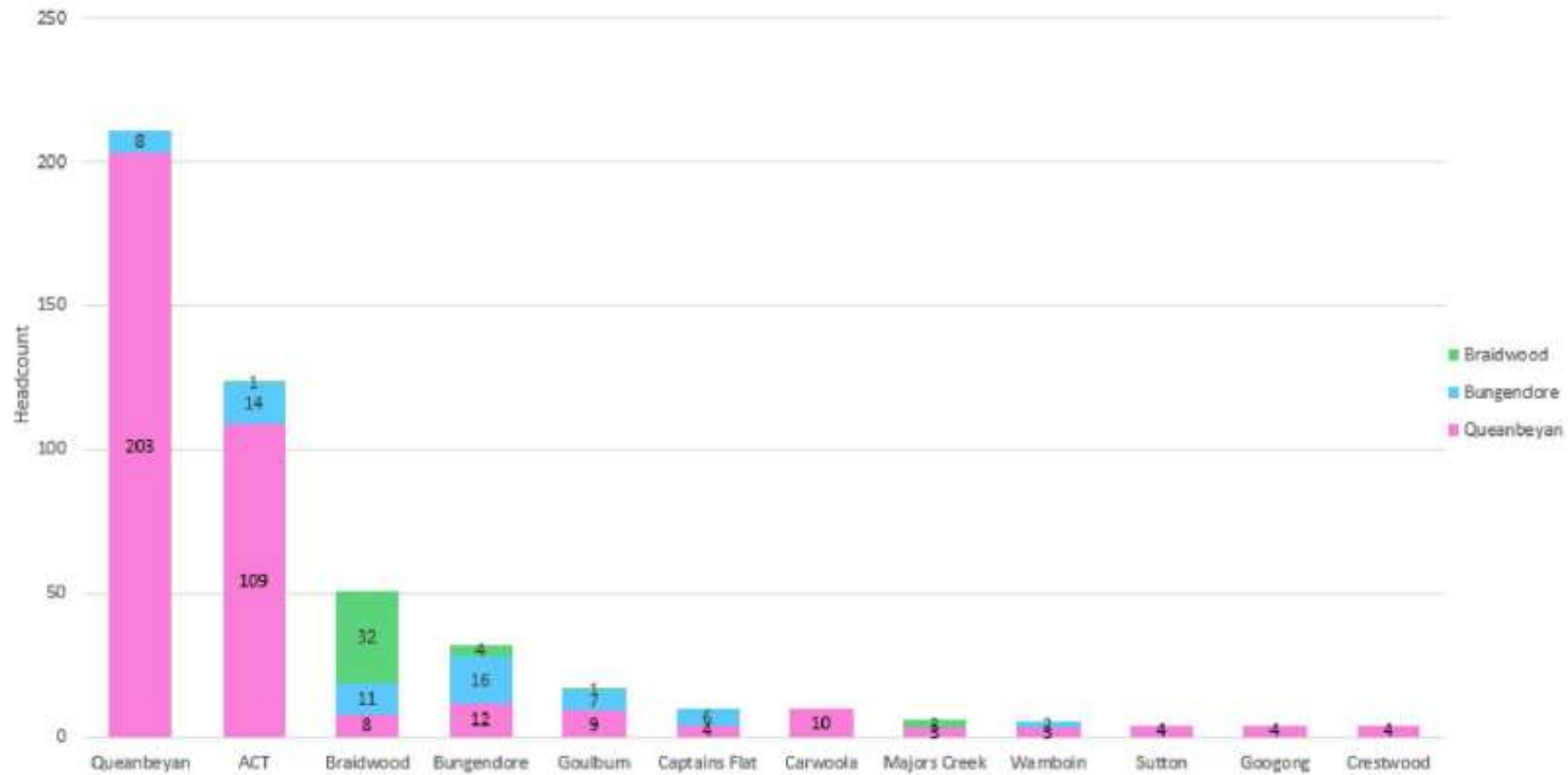
Small towns: retain 130 FTE;
 Yet most staff reside in west

State



Distance Travelled to Work

Top 10 Localities by Office of Employment



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Staff/Resident ratio

The former Queanbeyan and Palerang Councils had a combined staff FTE/1000 residents ratio of approx. 7.5
This compares very favourably with regional councils

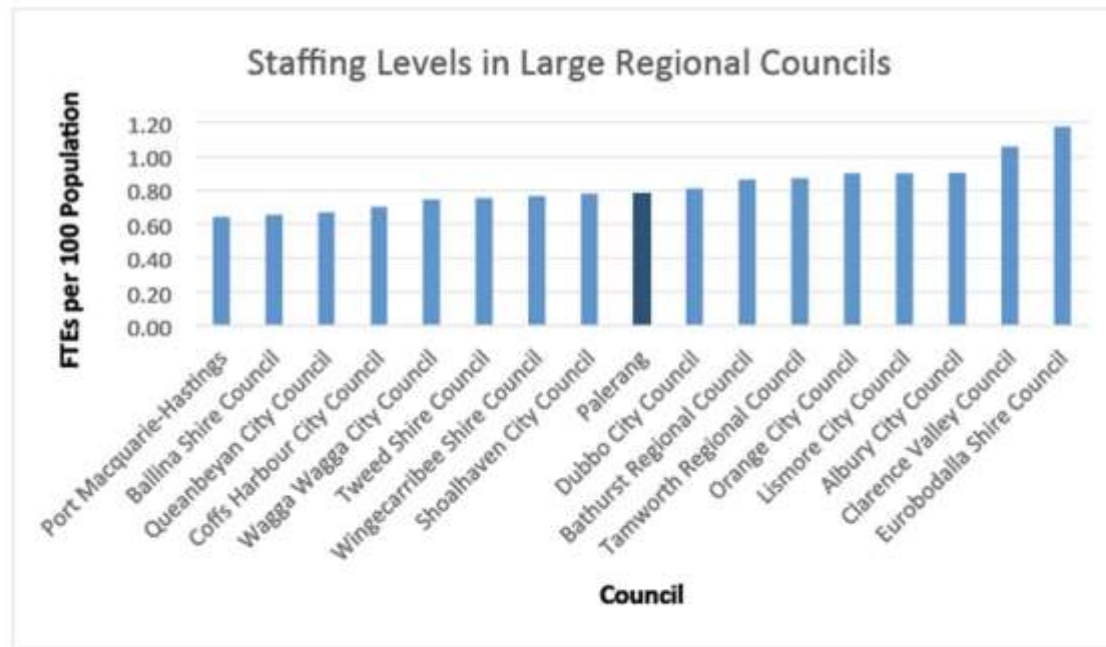


Figure 2-3 Staffing Levels in Large Regional Councils

Impact



Impact Snapshot

- ❑ 64% of responders to the change management survey disagreed or strongly disagreed to the question of *“I was consulted about workplace culture and how to implement business changes in my work area”*
- ❑ 56% of responders replying disagree or strongly disagree to the question of *“I have been provided with the tools, structure, resources and timeframes to help achieve the Transition Plan for my business unit.”*
- ❑ 51 separate industrial relations matters arisen since proclamation. Over 70% required investigation and over 25% required tailored case management.
- ❑ Turnover rates for employees in their first year of employment is above the local government median
- ❑ 33 requests for Voluntary Redundancies have been received, resulting in **xx** separations



Impact



Impact Snapshot

- No additional increase FTE unless funded by grants or utilities (water, sewer, waste)
- Up to 16 FTE required for redeployment (through redesigned back office/support roles, or vacancies) to frontline services to achieve merger and productivity targets
- Strengthened relationship with SNSW to focus on streamlining high volume/low value back office transactions and interactions through that engagement with SNSW
- Commitment to retain FTE/1000 residents at or below 7.5
- Need to increase in apprentice/cadet levels (assumed 2:1 FTE at same cost) being offset by TTRs in next 5 years - that includes allowing for growth to service new assets at Googong for example.



Impact



Skills Shortages

Skills shortages are a major issue across industry sectors in Australia, not just Local Government. Suitably qualified and experienced staff within specific professions are often difficult to attract and retain. As part of this process, recommendations are as follows:

- Source applicants from non-traditional areas.
- Investigate skilled migration initiatives for specialist positions.
- Develop and create career pathways and succession plans for key roles by up skilling current staff where possible.
- Redesign positions where appropriate
- Explore portability between ACT and NSW public service

Following are the range of occupations that have been traditionally difficult to replace and require specific internal and external candidate pooling:

- Health officers
- Building Surveyors
- Town Planners
- Recreation and Leisure
- Accountant
- Governance Support
- ICT Professionals
- Engineering Professionals



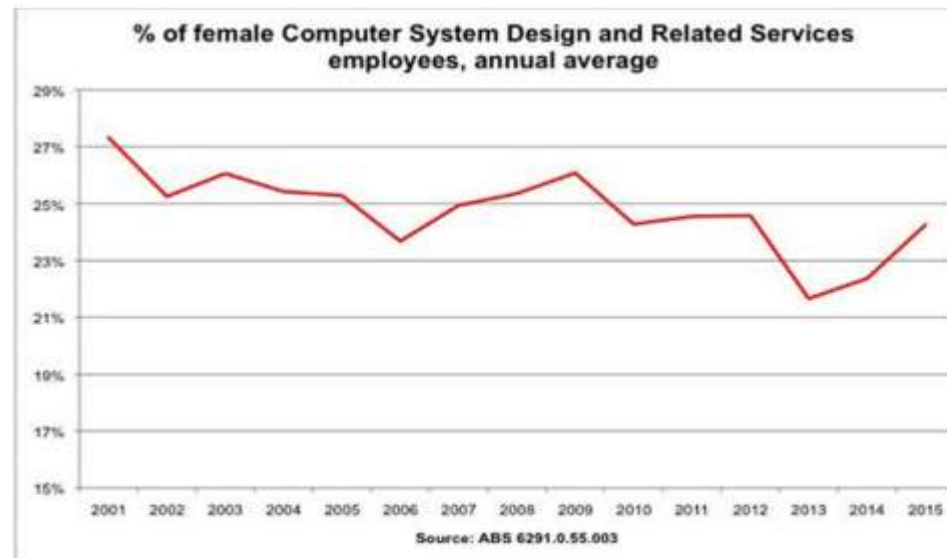
Impact



Skills Shortages cont.

Despite the upward trend in number of jobs created within the information communications technology (ICT) sector, which according to ABS has increased 25% between 2010 and 2015, less than a third of employees in the industry are women. While the sector is expected to expand significantly, the representation of women in the industry is actually expected to decline. Since 2001, female representation in Computer System Design and Related Services has decreased from nearly 30% down to less than 25% in 2015. This decline is only expected to continue as fewer women also choose to not to study IT-related degrees, meaning that over the next decade male representation will account for the a majority of this sector.

% of Females in ICT Roles



Response



Action Plan

Strategy	Actions	Responsible Officer	Integral Approach Link
Improving workforce planning and development	<ul style="list-style-type: none"> Implement systematic reviews of workforce analytics to identify trends and emerging issues to achieve sound organisational health 	Service Manager, Workplace	Developing Systems
	<ul style="list-style-type: none"> Leverage existing IT solutions to model desired future states and link to LTFFP 	Digital specialist	
	<ul style="list-style-type: none"> Undertake service reviews in RevuMap to determine staffing levels to match organisational and community needs 	Service Manager, Culture and Performance	Developing Systems
	<ul style="list-style-type: none"> Align workforce performance indicators and outcomes to Council strategies 	Service Manager, Workplace	Developing Behaviours
	<ul style="list-style-type: none"> Contribute to and align synergies within the CBRJO Workforce Management strategy to improve workforce planning and development 	Service Manager, Culture and Performance	Developing Systems



Response



Action Plan cont.

Promoting local government as a place-based employer	<ul style="list-style-type: none"> Promote work/life balance in recruitment communications 	Service Manager, Workplace	Developing Mindsets
	<ul style="list-style-type: none"> Develop and deploy the Culture & Performance Strategy based on an integrated and interdependent approach 	Service Manager Culture & Performance	Developing systems
	<ul style="list-style-type: none"> Continually monitor and review Health and Wellbeing programs and tailor as required 	Program Coordinator, WHS & Wellbeing	Developing behaviours
	<ul style="list-style-type: none"> Develop a Council employer brand and grow internally and externally via a range of mediums and strategies 	Service Manager Culture & Performance	Developing systems
	<ul style="list-style-type: none"> Develop a transition to retirement program 		
	<ul style="list-style-type: none"> Maintain a strong apprenticeship/traineeship/cadet program to promote Council as an employer of choice for younger generations 	Service Managers, Workplace, Culture & Performance	Developing systems
	<ul style="list-style-type: none"> Ensure application of ACT-NSW MOU considerations in future planning (diversity, boosting apprenticeships, improving services; aboriginal outcomes, digital services and access to jobs) 		
	<ul style="list-style-type: none"> Participate in CBRJO employment initiatives 		

Response



Action Plan cont.

Retaining and attracting a diverse workforce	<ul style="list-style-type: none"> Develop and maintain talent pools for identified skills shortage areas 	Service Manager Culture & Performance	Developing Systems
	<ul style="list-style-type: none"> Review Equal Employment Opportunity(EEO) Management Plan Monitor metrics contained within the EEO plan to retain diversity in the workforce 	Service Manager, Workplace	Developing Relationships
	<ul style="list-style-type: none"> Improve Council's Employee Value Proposition (EVP) by reviewing the balance of reward and recognition programs in return for performance 	Service Manager Culture & Performance	
	<ul style="list-style-type: none"> Complete an analysis of employee home, work location and how employees travel to work to look for opportunities to provide support (e.g. car pool register, flexible work options, telecommuting), and determine optimal work location 	Service Manager Culture & Performance	Developing Relationships
	<ul style="list-style-type: none"> Revise separation and exit process 		



Response



Action Plan cont.

Creating a contemporary workplace	<ul style="list-style-type: none"> Integrate and implement recommendations within ICT Strategic Plan to promote a digital workplace 	Service Manager, Culture & Performance; Digital specialist	Developing Systems Developing Relationships
	<ul style="list-style-type: none"> Improve and monitor internal communication sharing via a range of mediums including access to internal blogs, promoting extensive intranet usage 	Service Manager Culture & Performance	Developing Systems
	<ul style="list-style-type: none"> Utilise e-Platforms for recruitment, learning and career planning 	Service Manager, Workplace	Developing Relationships
	<ul style="list-style-type: none"> Investigate best practice flexible working methodologies and strategies 	Service Manager Culture & Performance	Developing Relationships
	<ul style="list-style-type: none"> Contribute to the design of ideal and functional diverse workspaces that meet a range of needs 	Service Managers Culture & Performance ; Contract & Projects	Developing Relationships

Response



Action Plan cont.

<p>Investing in skills</p>	<ul style="list-style-type: none"> • Develop individual learning plans for new employees within their first month of employment • Monitor staff acting in alternate roles and/or participating in secondment opportunities and conversion rates into available roles or career pathways • Complete a skills matrix for all positions and undertake a skills inventory to identify skills gaps and development opportunities (focusing on critical roles first) • Align people related processes and systems to the LGNSW Capability Framework • Undertake critical role analysis and succession planning to determine priority areas for capacity and capability development 	<p>Service Manager, Culture and Performance</p>	<p>Developing Behaviour, Developing Relationships</p>
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Response



Action Plan cont.

<p>Improving productivity and leveraging technology</p>	<ul style="list-style-type: none"> • Integrate and implement recommendations within ICT Strategic Plan to promote a digital workplace • Review home based work directive to assess any required changes based on current hardware and software • Investigate opportunity to implement a customer centric approach to utilise plant and assets based on seasonal fluctuations • Rollout and utilise existing IT solutions to improve efficiency including: <ul style="list-style-type: none"> ○ ProMapp ○ Global Collaboration/Revumap ○ Personnel Evaluation System ○ Electronic timesheets (when implemented across the organisation) ○ Align staff performance to Stronger Councils Framework and principles, and organisation values 	<p>Service Manager Culture & Performance; and Digital specialist</p> <p>Service Manager, Workplace</p> <p>Service Managers Urban Landscapes, Transport and Culture & Performance</p> <p>Transition PMO Coordinator</p> <p>Service Manager, Culture and Performance</p>	<p>Developing Systems</p>
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Response



Action Plan cont.

<p>Maximising management and leadership</p>	<ul style="list-style-type: none"> • Implement an integrated and interdependent organisational wide approach to leadership development including a developing future leaders program • Evaluate participation in the Local Government Professional Association Challenge to enable development of the leadership team • Provide a tailored evidence based executive coaching framework based on best practice tools and individual diagnostics • Implement peer coaching and mentoring circles • Introduce best practice decision making frameworks to increase capacity and capability 	<p>Service Manager, Culture and Performance</p>	<p>Developing Mindsets, Behaviours, Relationships & Systems</p>
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Response



Action Plan cont.

Implementation and collaboration	<ul style="list-style-type: none"> Publish and promote best practice resources, tools, methodologies professional development opportunities 	Service Manager, Culture and Performance	Developing Behaviours Developing Relationships
	<ul style="list-style-type: none"> Link participation and collaboration LG Associations with General Managers' performance objectives 	All General Managers	
	<ul style="list-style-type: none"> Maintain memberships and subscriptions to Local Government associations and professional bodies (e.g. Scrum alliance, Axis Agile, Integral Life) 	CEO	
	<ul style="list-style-type: none"> Monitor the external environment for opportunities and synergies arising from the NSW State Plan Premier Priorities, Draft South East and Tablelands Regional Plan 2016, CRBJO Regional Workforce Strategy, ACT-NSW Memorandum of Understanding for Regional Collaboration 	Service Manager Culture & Performance	Developing Systems

Part 3: Asset Strategy



Profile



Drivers



Integrated Planning

- The NSW Government introduced the Integrated Planning and Reporting Framework (IPR) for local government
- A component of that framework is the Resourcing Strategy which comprises
 - Asset strategy
 - Workforce strategy
 - Financial plan
- Council has included the following strategies to understand and integrate into the Resourcing Strategy:
 - Risk
 - Technology

Financial Sustainability

- The Percy Allan Report (released 2006) identified that NSW councils had an infrastructure renewal backlog of \$6.3 billion and an annual renewal gap of \$500 million.
- The backlog in asset renewal is a direct result of NSW councils not being able to cash fund depreciation. This means that as assets are consumed, funds are not being put aside to replace the asset at the end of its useful life.
- Council commissioned Prof Percy Allan and Associates and GHD to undertake an asset and financial sustainability review of QPRC in 2016/17.
- The NSW Government established a number of Fit for Future (FFF) benchmarks, including asset renewal and maintenance expenditures, and asset backlog



Drivers



Risk

- Council developed and implemented a Risk Management Framework which is being updated in line with the new Risk Strategy and meets the requirements of Australia/New Zealand Standard AS/NZS ISO31000.
- Key to this framework is the identification of significant risks which required action to reduce the level of risk presented to Council and the Community to tolerable levels. Council's Risk Management Policy recognises that in order to provide services to the community:
"Council must accept and take some level of risk. Council therefore has some appetite for risks which need to be taken in order to:
 - a. improve efficiency, reduce costs and/or generate additional sources of income;*
 - b. develop and maintain Council assets; and*
 - c. maintain and, where necessary, improve levels of service to the community."* check its still the same



Drivers



Community Expectations

- Council has conducted satisfaction surveys and community engagement programs to ascertain the community expectations of services and asset standards
- Both have provided Council with baseline data on community satisfaction and expectation for service delivery.
- The 2016 survey highlighted the areas of priority where the community want to see Council putting their effort into asset management according to the distinct geographic zones.

The areas of emphasis the community highlighted were:

- Water and sewerage services
- Condition of the sealed roads
- Condition of local streets and footpaths
- Appearance of public areas
- Parking availability
- Traffic management
- Recreational facilities



Community	Choice	Character	Connection	Capability
<p>"I want my community to be cohesive and a safe place to be."</p> <p>Citizens </p>	<p>"Can I engage with Council in contemporary and reliable ways?"</p>	<p>"I like places where contemporary art and culture connect with an authentic rural heritage."</p>	<p>"I value the connections between the city and rural surrounds that help me to live a healthy lifestyle."</p>	<p>"I want to feel like a shareholder of my collaborative city."</p>
<p>"Do I have access to open data to drive innovation and resilience in my business?"</p> <p>Business </p>	<p>"My business needs to be collaborating and taking part in the digital economy."</p>	<p>"We rely on infrastructure and places that reinforce community character as well as the visitor economy."</p>	<p>"I want Council, business and citizens develop solutions collaboratively."</p>	<p>"Make it easy for me to do the things that I need to do efficiently and seamlessly."</p>
<p>"We need a clear vision of where we're headed and how to get there."</p> <p>Government </p>	<p>"We must understand the changing nature of working and doing business."</p>	<p>"We should lead the way in attracting new events, activities and exhibitions that reflect the local character."</p>	<p>"We can identify the most important cross-boarder infrastructure and collaborate to deliver it."</p>	<p>"Let's embrace technology with a digital strategy that reflects needs and aspirations."</p>

Pressures



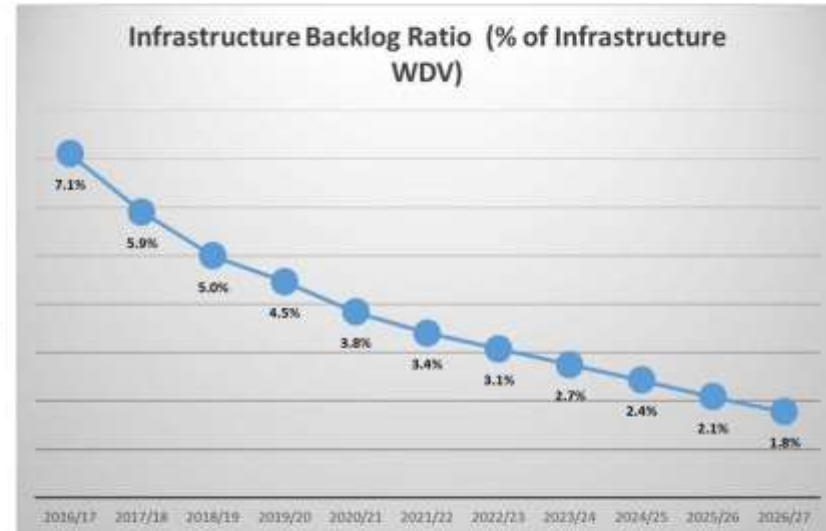
Asset Serviceability

Australian Standards set some levels for local government:

- to guide works and physical infrastructure services/maintenance. These standards govern 'the development of land, buildings, roads, parks and gardens, water supply, sewerage and drainage services'

To maintain the serviceability of assets, Council acknowledges the following issues:

- Managing the asset backlog
- Renewing and replacing ageing assets in accord with their lifecycle
- Aligning asset renewal spend to the rate of depreciation
- Applying generational equity principles to provision, renewal and upgrade of assets
- Differentiating asset operations or servicing from maintenance
- Gifted assets from Googong, Jerra and Bungendore
- Population growth and use of assets



Pressures



Merger

- The NSW Government predicted savings over 20 years for the councils merged in 2016
- Progress towards financial and productivity benefits are reported to government
- General rate structures from the former councils cannot be harmonised or increased beyond the rate cap during the 4 year general rate path freeze
- Unable to rationalise number of offices and depots

Workforce

- Retaining skilled design and construction staff to meet RMCC road construction standards of RMS
- Retaining skilled development and engineering staff to meet turnaround benchmarks of government



State



Asset Classes

- Council is responsible for the provision, maintenance, servicing and renewal of several classes of infrastructure assets, (such as the sample below)
- Each class of asset contains several sub-assets, with the development and renewal of which being guided by asset management plans

<p>Roads (\$601M)</p> <p>SP Urban – Arterial SP Urban – Sub-Collector Arterial SP Urban – Collector SP Urban – Sub-Collector SP Urban – Local Through SP Urban – Local Access SP Rural – Arterial SP Rural – Sub-Collector Arterial SP Rural – Collector SP Rural – Sub-Collector SP Rural – Local Through SP Rural – Local Access Sealed Pavement – Regional Unsealed Pavement – Urban Local Unsealed Pavement – Rural Local Unsealed Pavement – Regional WC Urban – Arterial WC Urban – Sub-Collector Arterial WC Urban – Collector WC Urban – Sub-Collector WC Urban – Local Through WC Urban – Local Access WC Rural – Arterial WC Rural – Sub-Collector Arterial WC Rural – Collector WC Rural – Sub-Collector WC Rural – Local Through WC Rural – Local Access WC – Regional Kerbs & Gutter Footpath – Concrete Footpath – Brick/Asphalt/Other Cycleways – Concrete Cycleways – Brick/Asphalt/Other Off-street Carpark On-street (RMS Road) Carpark On the Verge Carpark (not in AMS yet) Local Roads Sealed – Surface, Pavement, Formation Regional Roads Sealed – Surface, Pavement, Formation</p>	<p>Roadside Assets (\$21M)</p> <p>Stormwater Drains Pedestrian Refuges Kerbs Bus Shelters Truck Wash Facility Footpaths – Concrete, Asphalt, Gravel</p>	<p>Bridges (\$59M)</p> <p>Non-Timber (Local) Older Bridge Pedestrian Bridge – Cable Suspended/Concrete Base Pedestrian Bridge – Recycled Plastic Culverts (Local) Culverts (Regional) Causeways – Pavement, Formation Other Bridges – Concrete, Iron, Timber, Culverts</p>	<p>Stormwater (\$162M)</p> <p>Mains Miscellaneous Structures OPTs</p>
<p>Waste (\$7M)</p> <p>Waste Transfer Stations – Structures, Infrastructure Waste – Resource Recycling Stations</p>	<p>Buildings (\$108M)</p> <p>Toilet Blocks Simple Buildings Building – Industrial Building – Site Features Building – Plant & Equipment Structures – Cattle Structures – Light Pound Shade Structure</p>	<p>Parks & Reserves (\$30M)</p> <p>Park Structure Park Furniture Park Light Park Sporting Facilities/Equipment Park Site Feature (incl. carpark & path)</p>	



State



Infrastructure Audit

- In 2013 the NSW Government released the Local Government Infrastructure Audit Report, which determined Council's infrastructure management as Strong.
- In 2016 Council commissioned PAA and GHD to undertake an asset and financial sustainability review of the former councils, and aggregate the findings into an asset and financial report.
- The review recommended to adopt a 'Responsible Scenario' to the management of assets, and the initial setting of Intervention Condition Levels (ICL) for each class of asset in each former council.
- Those Levels have yet to be established for QPRC, and will be guided by the community engagement of asset standards undertaken in early 2017.
- Council's infrastructure assets are valued at \$1.5 billion and the carrying amount (WDV) is \$1.0 billion.
- New asset valuations will be assessed in 2017 for the merged entity.



State



Infrastructure Backlog

- Council's infrastructure backlog represents the cost to bring assets in a poor and failed condition up to an acceptable standard.
- Council engaged consultants (PAA/GHD) to review the asset registers and the backlog figure. That review differentiated asset maintenance and renewal expenditures.
- A new methodology for determining the infrastructure backlog has been applied. The infrastructure backlog after review, based on 2015/2016 replacement cost is \$46.3million.
- The infrastructure backlog ratio compares the backlog figure to the written down value of our assets (WDV).
- Council's long term financial plan is to decrease the consolidated backlog ratio from 7.1% in 2016/2017 to the NSW local government Fit for Future (FFF) benchmark ratio of 2% in 2026/2027
- Figure 2 shows the Infrastructure backlog for the two Funds over a ten-year period. The projections each year are based on the previous year's backlog, adding depreciating and deducting renewal expenditure

Infrastructure Backlog %	Budget 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
General Fund	3.2	2.8	2.5	2.4	2.2	2.1	2.1	2.0	1.9	1.8	1.8
Water and Sewer	18.4	15.1	12.1	9.9	7.9	6.3	5.4	4.4	3.5	2.6	1.7
Consolidated Backlog	7.1	5.8	4.9	4.5	3.8	3.4	3.1	2.7	2.4	2.1	1.8

Figure 2 Financial status of each fund (identified in the long-term financial model)



Impact

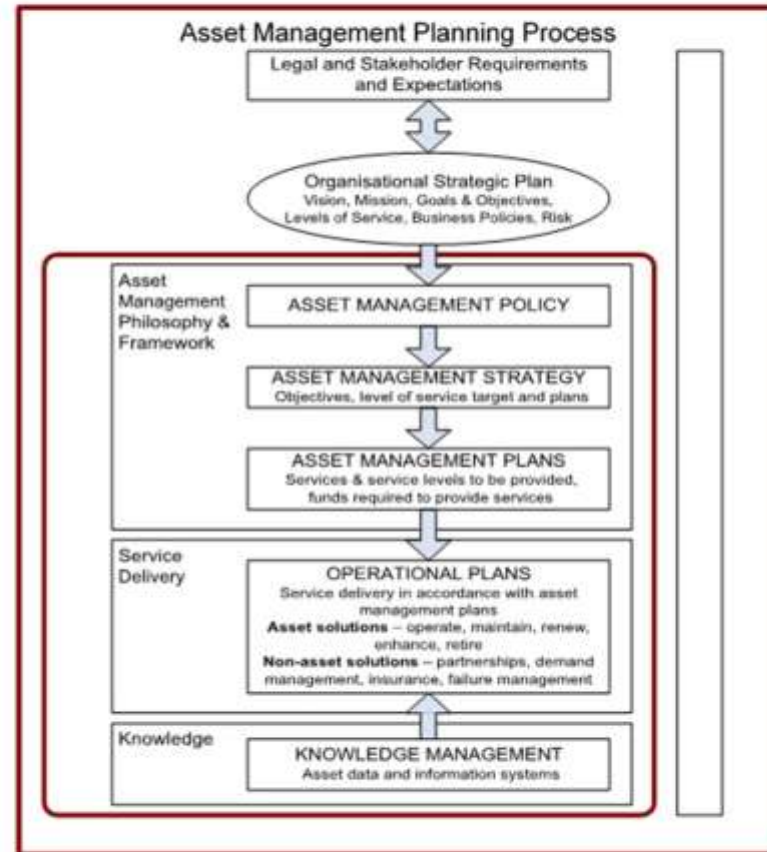


The Asset Strategy has been prepared following engagement with our community on Council's service delivery practices, financial sustainability indicators, and asset management maturity. It:

- includes an asset management improvement plan
- has been guided by the independent analysis and recommendations of Percy Allan and Associates (PAA) and GHD
- has been developed in accordance with the Integrated Planning and Reporting Framework Guidelines and aligns to ISO55000 Series.

The Asset Management Strategy is to enable Council to :

- show how its asset portfolio will support the services delivered to the community into the future
- enable Council's Asset Management Policy to be achieved
- ensure the integration of Council's asset management with its long term strategic plan
- ensure that the assets supporting services are managed with a whole of life asset management approach.
- maintain rigorous asset management processes, assess its risks, maintain and operate its assets efficiently, and explore technologically enhanced tools to monitor and manage assets



Impact



Asset Strategy

Council's Asset Strategy considers:

- Infrastructure condition, renewal and capacity needs,
- Rationalising and optimising existing assets,
- Properly size, site and schedule new assets,
- Prioritise assets on the basis of:
 - Asset condition, age, load, local geography,
 - Risks such as climate change, and
 - Demographic changes
- Asset backlog

Assets should be renewed at appropriate schedules to preserve their utilisation and ability to support agreed service levels, and to minimise the larger capital cost to replace those assets.

Asset Management Plans (AMP) will be prepared per class of asset to guide scheduling of operational and capital works



Impact



Infrastructure Backlog

Asset Condition Rating Table

- In broad terms, backlog may be regarded as those assets whose condition has been assessed at Level 9-10, while assets assessed as being scheduled for renewal or rehabilitation may fall into Level 6-8
- The renewal expenditure adopted in the Long Term Financial Plan will be revised each year to ensure that reallocation renewal to asset groups with a higher backlog figure .

10	An asset that has failed is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.
9	An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. Could also be a risk to remain in service
8	An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance cost would be very high and the asset would be at a point where it needed to be rehabilitated.
7	An asset in poor overall condition deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high
6	An asset in Fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance cost would be rising.
5	An asset in fair overall condition deterioration in condition would be obvious and there would be some serviceability loss.
4	An asset in good overall condition but with some obvious deterioration evident, serviceability would be impaired very slightly.
3	An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration still minor in nature and causing no serviceability problems.
2	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
1	A near new asset with no visible signs of deterioration often moved to condition 1 based upon the time since construction rather than observed condition decline.
0	A new asset or an asset recently rehabilitated back to new condition.








Impact



Intervention Condition Levels

- Initial settings of Intervention Condition Levels (ICL) for each class of asset in each former council were established with the PAA/GHD review
- Asset renewals will be scheduled around the adopted Intervention Condition Levels (eg level 8 for footpaths) to return the assets to good condition and the ability to support agreed service levels
- The ICLs will be revised having regard to community feedback on asset standards
- The Condition table (1-10) descriptors and images may be used to guide those asset standards and ICL

Table 2 – Generic Example - Asset Condition Distribution Data Input Table – Pavement Sealed (Local-Urban)

Condition Rating	Description	Example	% In condition
5	An asset in fair overall condition. The deterioration in condition would be obvious and there would be some serviceability loss.		18.49
4	An asset in good overall condition, but with some obvious deterioration evident, serviceability would be impaired very slightly.		23.19
3	An asset in very good overall condition but with some early stages of deterioration evident. The deterioration could still be minor in nature and causing no serviceability problems.		21.99
2	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.		14.52
1	A near new asset with no visible signs of deterioration often moved to condition 1, based upon the time since construction rather than observed condition decline.		1.52



Impact



Asset Management Definitions

To distinguish operations from asset maintenance for scheduling and accounting purposes, the definitions opposite apply

OPERATIONAL	Operations – regular activities/expenditure to provide services such as running costs, public health, safety and amenity eg street sweeping, grass mowing and utility costs such as street lighting. Generally relates to consumption of resources. (May also include direct asset service related management costs).	These are day to day (often continuous) operational activities that have no effect on asset condition but are necessary to keep the asset appropriately utilised and operating. (Note excludes community service operating costs eg lifeguard staffing of pools or entry counter staff). These activities form part of the asset annual operational budget.
	Maintenance – all periodic or reactive actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day to day work necessary to keep assets operating eg road patching but excluding rehabilitation or renewal. Maintenance ensures asset reaches its expected useful life. Can be Planned/Unplanned, Reactive.	Generally these activities fall into two broad categories: Planned (Proactive) maintenance: Proactive maintenance works planned to prevent asset failure. Work carried out to a predetermined schedule or planned in association with other works. Unplanned (Reactive) Maintenance: Reactive action to correct asset malfunctions and failures on an as-required basis, or in response to reported problems (eg. pothole, repairs, emergency repairs).
CAPITAL	Renewal – restores, rehabilitates, replaces existing asset enabling the asset to achieve fully its original service potential, life, performance and capacity (note partial renewal relates to increasing the service potential of an asset but not up to its original intended service potential)	Rehabilitation activities are defined as the major re-instatement or repair often of structural component assets (of value greater than \$X) to ensure required levels of service are met and prolonged asset life is achieved. Replacement works are defined as the disposal and substitution (complete replacement) of an asset (of value greater than \$X) generally which has reached the end of its life, with an equivalent standard (or agreed alternate) asset.
	Upgrade - creation of a new asset to meet additional service level requirements. Upgrade work enhances asset to provide higher level of service or extends asset life beyond its original life. Activities or works (generally of value greater than \$X) that enhance an asset to provide higher level of service or extends the asset life beyond its original life.	
	Expansion - creation of a new asset to meet additional service level requirements. Expansion extends an existing asset or a new asset at the same standard currently enjoyed by users to a new group of asset users. Activities or works (of value greater than \$X) which extend an existing asset or provides a new asset to a new group of asset users.	



Impact



Maintenance

- Maintenance is the activities required or undertaken by Council to preserve the original condition of the assets.
- The required maintenance, which is reported in Special Schedule 7, is the amount that Council should be spending on their assets and is based on a percentage of the replacement cost.
- Actual maintenance includes the budgeted amount that Council will spend on preventative, corrective and reactive maintenance annually
- Figures 4 compares the required maintenance to the projected maintenance budget. The asset maintenance ratio compares the figures and demonstrates how Council meets the benchmark of 100% in each year of the Long Term Financial Plan.

REQUIRED MAINTENANCE BY FUND \$M	Budget 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
General Fund	7,602	6,667	7,141	7,583	8,020	8,478	8,976	9,494	10,058	10,668	11,326
Water and Sewer	8,237	7,966	8,265	8,548	8,826	9,106	9,393	9,675	9,957	10,239	10,522
Total Budgeted Maintenance	15,839	14,633	15,406	16,131	16,846	17,584	18,369	19,169	20,014	20,907	21,849
Asset Maintenance Ratio	107%	93%	93%	92%	92%	92%	92%	92%	92%	92%	91%

Figure 4 Maintenance Expenditure



Impact



Renewal/Rehabilitation

- Renewal is the activities to refurbish or replace assets with assets of equivalent capacity or performance capacity. Renewal works are included in Council's Capital Works Program
- Figure 5 displays the asset renewal ratio. The asset renewal ratio compares renewal expenditure to the depreciation of assets. The table shows that Council exceeds the benchmark of 100% over the next five years. This begins to level out at approximately 100% from 2020/21



Asset Renewal/Rehabilitation Expenditure \$M	Budget 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
General Fund	7,676	9,919	10,193	12,138	14,707	15,701	16,391	16,983	17,607	18,326	19,126
Water and Sewer	2,842	11,170	19,490	17,336	8,616	11,607	12,265	12,880	13,517	14,171	14,829
Consolidated Renewal/Rehabilitation Exp.	10,518	21,088	29,683	29,474	23,323	27,308	28,656	29,863	31,124	32,497	33,956
Consolidated Depreciation Expense	21,248	23,518	25,958	28,188	29,580	31,750	33,208	34,115	34,958	35,819	37,064
Capital Expenditure Ratio	0.49	0.90	1.14	1.05	0.79	0.85	0.86	0.88	0.89	0.91	0.92

Figure 5 Renewal Expenditure



Impact



Enhancement

- Capital new expenditure creates assets which will deliver a service to community that didn't exist beforehand whilst capital upgrade enhances an existing asset to provide a higher level of service to the community. New and upgrade works are included in Council's Capital Works Program. New assets may be 'gifted' through new developments. Those new assets are then scheduled for future maintenance and renewal.
- Figure 7 shows the ten year capital new and upgrade expenditure forecasts identified in Council's Long Term Financial Plan



Enhancement Expenditure \$M	Budget 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
General Fund	14,359	43,213	74,048	12,475	44,354	2,235	2,529	1,762	1,301	26,164	1,031
Water and Sewer	3,163	20,258	20,215	19,801	38,015	33,387	33	0	0	0	0
Total Enhancement Exp.	17,522	63,470	94,263	32,276	82,369	35,623	2,562	1,762	1,301	26,164	1,031

Figure 7 – Enhancement expenditure



Impact



Risk

While the level of risk that is acceptable will be assessed and determined on a case by case basis, as a public authority, Council has a natural and in some cases statutory predisposition to a conservative attitude to risk.

In particular Council has little or no tolerance for risks which bring a moderate or higher likelihood of any of the following events or circumstances occurring:

- significant negative impact on Council's long term financial sustainability;
- major breach of legislative requirements and/or significant successful litigation against Council;
- compromised safety and welfare of staff, contractors and/or members of the community;
- significant and irreparable damage to the environment;
- major disruption to the delivery of key Council services;
- widespread and sustained damage to Council's reputation;
- significant adverse impact on Council's ability to recruit and retain staff



Risk Rating = Likelihood x Severity

Severity	Catastrophic	5	5	10	15	20	25
	Significant	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Improbable	Remote	Occasional	Probable	Frequent
			Likelihood				

Catastrophic	STOP
Unacceptable	URGENT ACTION
Undesirable	ACTION
Acceptable	MONITOR
Desirable	NO ACTION

State



Asset Values

Asset Class	Assets	Fair Value	WDV	Backlog
Transport	roads, footpaths, car parks, kerb and gutter, bridges and road structures and street furniture	\$809m	\$592m	\$14.3m
Stormwater	pipes, pits, headwalls, gross pollution traps and open channels	\$176m	\$107m	\$0.4m
Water	dams, bores, pumps, reservoirs, pipes, hydrants, valves and water meters	\$203m	\$116m	\$2.3m
Sewer	pipes, pumps and treatment facilities	\$285m	\$145m	\$13.6m
Buildings	offices and depots, commercial leased buildings, public toilet amenities, libraries, child care centres, halls, community centres, clubhouses and shelters	\$111m	\$63m	\$3.5m
Recreational	sports fields, parks and bushland locations, ovals, playgrounds, playing courts, walking tracks and fire trails	\$35m	\$25m	\$2.7m
Waste	waste transfer stations, waste landfills, garbage management facilities, recycled water reservoirs, pipes and meters, bus shelters and other structures	\$13m	\$8m	\$0.0m



Response



Asset Management Objectives

Objectives

- Manage asset backlog and risk
- Support connection of communities and health of the community, local economy and environment
- Sustainably cater for population growth and intergenerational equity
- Integrate with cross border infrastructure and align with regional infrastructure strategies
- Establish affordable and acceptable standards, including intervention levels, gifted assets from developments
- Plan assets spatially taking a corridor/network approach; and to analyse condition and failures

Through

- Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability.
- Improve the condition of our assets over a ten-year period by implementing optimised maintenance and renewal programs based on the remaining useful life, condition and allocated funding.
- Manage assets in a poor and failed condition with appropriate risk management strategies.
- Improve our existing data by ensuring that all assets are assessed and appropriate useful lives and conditions assigned to each component.
- Ensure that any future projects that aim to create or upgrade assets are done with a full understanding of the whole of life costing for the asset.
- Ensure Asset Management Plans are developed into advanced plans that provide detailed service levels, funding and future maintenance and capital works for each asset group.
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets



Response



Asset Management Principles

- Rehabilitate required infrastructure whose condition has fallen below an acceptable standard (i.e. the 'backlog');
- Renew required infrastructure when it falls below agreed minimum standards in future;
- Align the rate of asset renewal expenditure and/or placement into an infrastructure reserves, to the consumption or degradation of those assets (ie depreciation);
- Expand the total infrastructure stock by enough to cope with residential and business growth as informed by Council's asset strategy and demographic projections;
- Identify those core services that would be quarantined from any cost cuts to help fund infrastructure rehabilitation and renewal, or be subject to specific SRVs;
- Fund these initiatives through adequate revenue measures, operational savings, re-ordering spending priorities, asset leases or disposals and extra borrowings;



Response



Asset Management Principles

Life Cycle Management

Council's infrastructure assets information are recorded in the Asset Management Information System (AMIS) currently, Conquest & Assetic; and in ArcGIS as the mapping system. SMEC pavement management system is also used for further road prediction modelling. That asset information is scheduled to be transferred to TechOne, to integrate with the TechOne Financial System. Council also uses TechOne as the financial management system. The AMIS & Finance system are manually aligned at the end of each financial year. Council is currently in the process of procuring a new system which would be synchronised/integrated automatically with finance & asset information.

Future Directions

Council will continue to review asset condition, agreed intervention condition levels, and renewal and maintenance expenditure. Where necessary funding will be reallocated to ensure these assets are maintained to community expectations and the infrastructure backlog is reduced and FFF benchmarks are managed. The Financial Strategy introduced the principle of 'Narrow the Gap', aimed to progressively align asset maintenance, renewal and debt expenditures to the revenue raising capacity of general rates and utility charges. Council has established a MoU with the ACT Government, taking a best for region/borderless infrastructure approach to transport and utility network connections .



Response



Financial Principles

- Fund infrastructure maintenance and renewals from operating revenue and rehabilitation and enhancements from budget surpluses, capital revenues and borrowings in accordance with a 'narrow the gap' strategy;
- Borrow sufficiently between now and 2016/27 to help fund infrastructure renewal under the Responsible Scenario;
- Introduce dividend payments from W&S activities, with a 50% dividend payout ratio (against net profit after tax) increasing general operations' revenue
- Use debt and movements in cash reserves to help 'smooth' large injections of assets renewal or upgrades across several years;
- Place cash surpluses following annual audit initially into the merger reserve, then into an infrastructure reserve

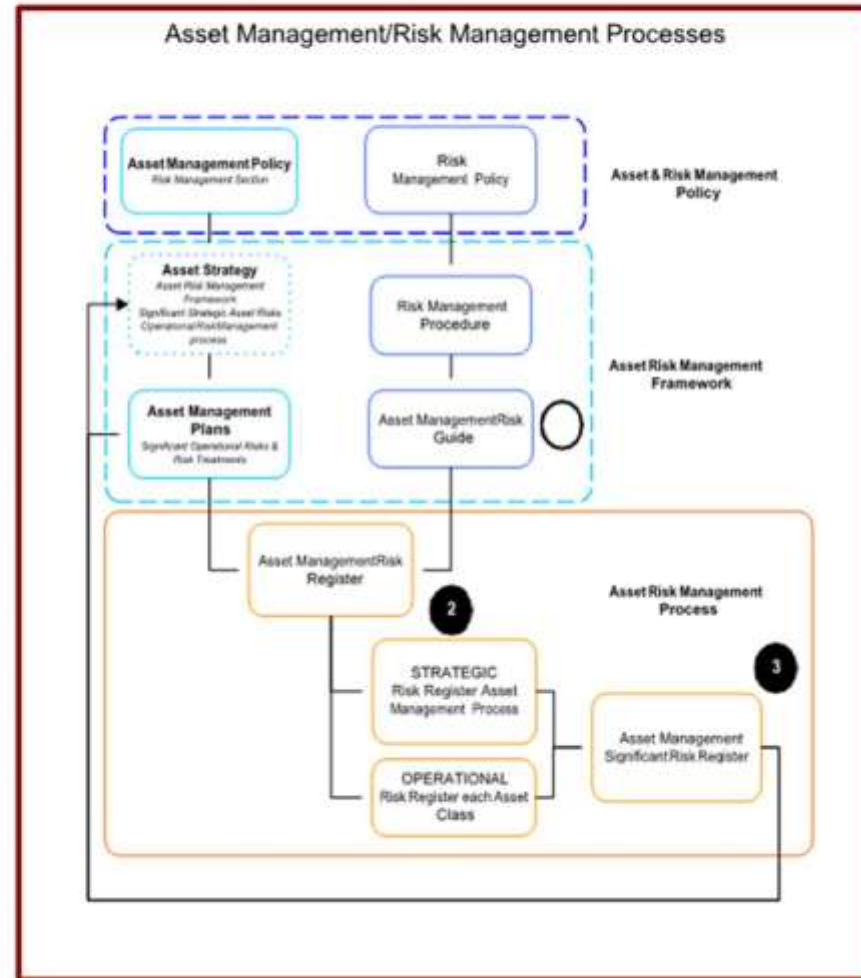


Response



Managing Risk

- Integrated risk management principles will be applied to Council's asset management practices throughout both strategic and operational processes.
- It is important that risk management practices are consistent and documented across all of these processes.
- To ensure this consistency while minimising duplication, the Asset Management Risk Guide (shown in flow chart opposite) defines how the risk management processes are integrated both strategically and operationally
- A number of critical assets where the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation have been identified, and include water and sewer treatment plants, depots and the head office.
- The risks associated with these assets include public health and safety, business continuity and emergencies



Response



Strategic Actions

No	Strategy	Desired Outcome
1	Revise Intervention Condition Levels (ICL), descriptors and indicative images per class of asset	Council and community awareness of indicative asset standards and levels of intervention to renew or replace assets.
2	Review the Asset Management Plans every 4 years to include at least a 10 year planning horizon all major asset classes.	Review of services needed by the community and the identification of required funding to optimise 'whole of life' costs.
3	Review and update asset management plans and long term financial plans after adoption of annual budgets. Asset works schedules aligned to development contribution plans. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community. Asset register aligned to ss7.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure asset management, design and construction capabilities are retained and developed, and responsibilities for asset management are identified in the Asset Management Plans.	Responsibility for asset management is defined.
8	Work with CBRJO to establish regional infrastructure priorities and grant funding opportunities .	Oversight of resource allocation and performance.
9	Utilise technology and drones to improve asset 'smarts', survey, monitoring and performance	Drones utilised for survey and smart infrastructure considered in design and installed in new developments, in line with Smart City Strategy



Part 4: Financial Strategy



Profile



Community Profile

Queanbeyan-Palerang

who are we?

Queanbeyan-Palerang is located in south-eastern NSW and lies adjacent to the Australian Capital Territory (ACT). The Council came about after a merger in 2016 of the old Queanbeyan City and Palerang Councils.



AREA
5,319km²



ASSET BASE

\$1.7 billion



TOTAL BUDGET

\$243 million



WORK STATUS

Unemployment rate of 1.9%, compared to NSW rate of 5%

59.2% of the working population travels outside the LGA to work



INCOME

20.2% of the population earned a high income (\$1,500 or more per week) compared to 9.2% of Regional NSW population



POPULATION

Now 57,850, increasing to 77,221 by 2036. 33.49% increase.

Between now and 2036:

- 14.5% increase of population under working age
- 86.5% increase in retirement age population



ETHNICITY

11% of residents came from countries where English was not the first language

14,694 residents living in our region were born overseas

12% of residents speak a language other than English at home



ECONOMY

Gross Regional Product – \$2.14m, up from \$1.9m in 2009

17,497 local jobs

4,359 local businesses

31,640 employed residents

Tourism and hospitality sales for 2014-15 were \$114.3m



HOUSING

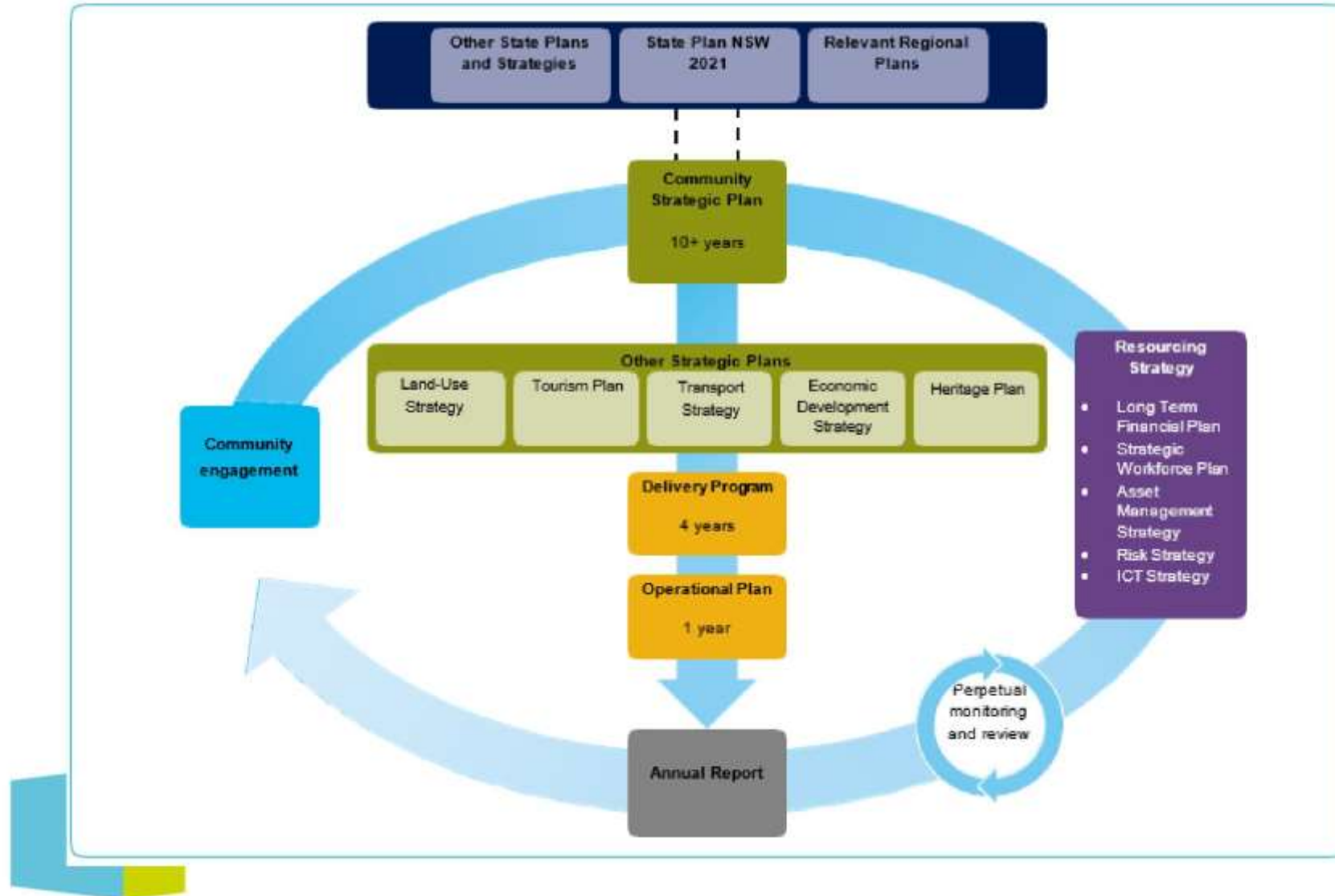
By 2036, Queanbeyan-Palerang will have an additional 6,297 dwellings

The average household size is expected to fall from 2.57 to 2.48 by 2036

Median house valuation is \$563,825 – \$73,708 lower than median house value for NSW



Framework



Framework



- The Long Term Financial Plan (LTFP) is based on the Financial Strategy adopted in 2016 following the Percy Allan review of the asset and financial sustainability of the merged council
- Forming part of the Resourcing Strategy, the LTFP has a 10 year horizon
 - Detailed budgets are published with the Operational Plan
 - Forward estimates are published with the Delivery Program
 - High level provisions are published for the out years
- Planning for major infrastructure, storm water drainage and water supply and sewerage may require a longer planning horizon. For example, the Integrated Water Cycle Management Guidelines (IWCM) required preparation of a 30 year IWCM strategy.



Drivers



- Integrated Planning and Reporting Framework (IPR)
 - Asset management plans
 - Workforce strategy
 - Technology strategy
- Returning to elected council
- Community expectations
- Population and economic growth
- Government grant schedules
- Fit for Future (LG Reforms)



Drivers



Financial Sustainability

- The Percy Allan Report (released 2006) identified that NSW councils had an infrastructure renewal backlog of \$6.3 billion and an annual renewal gap of \$500 million.
- The backlog in asset renewal is a direct result of NSW councils not being able to cash fund depreciation. This means that as assets are consumed, funds are not being put aside to replace the asset at the end of its useful life.
- Councils cannot afford to fund depreciation without compromising existing levels of service. The older assets get, the more they cost a council to maintain.
- In response, the NSW Government commissioned a series of reviews and reports by ILGRP and IPART under its Destination2036 initiative, seeking to ensure councils were Fit for the Future (FFF).
- A series of principles (scale and capacity and financial sustainability) and financial benchmarks were established



State

Tcorp and IPART Assessments

NSW Treasury Corp (Tcorp) ratings of former councils:

QCC

- Moderate financial Sustainability position with a Neutral Outlook
- Employee expenses forecast at conservative levels
 - needs to be carefully controlled forecast a significant increase in population
 - need to ensure sufficient revenue to support existing and potentially new services

PCC

- Moderate financial Sustainability position with a Negative Outlook

Treasury Corp made several recommendations for local councils (opposite)

IPART Review of Sustainability of former councils

- Met the financial benchmarks, but did not meet the scale and capacity benchmark



1. **At least breakeven operating positions are essential** - Councils need to achieve at least a breakeven operating position on an on-going basis. The future sustainability of Councils is dependent upon generating sufficient funds to meet the costs of maintaining and renewing assets to deliver services. Councils who have been operating with deficits and are forecasting to continue to do so, are not generating sufficient funds to continue providing services and renewing assets at their current levels. These Councils need to develop options to correct this position. Such options will necessarily involve extensive consultation with their
2. **Pricing paths are needed for the medium term** - IPART, DLG and Councils should work together to consider the development of a medium or long term, and achievable pricing path so that Councils can achieve at least a breakeven operating position. A clear strategy across the local government sector is needed to promote future sustainability for Councils
3. **Rate increases must meet underlying costs** - Future increases in all rates and annual charges for Council services should be based on the underlying cost of delivering these services and the annual movement in the cost of these services. Where a decision by Council is made to increase rates and charges at a lower than required factor, the impacts of such actions must be clear in the context of each Council's sustainability
4. **Asset management planning must be prioritised** - Councils need to prioritise the completion and validation of their AMP and Infrastructure Backlog values so that a clear picture is available as to the total funding requirements for their assets. Without this certainty, Councils cannot accurately forecast their future funding requirements and put in place appropriate strategies
5. **Councillor and management capacity must be developed** - Councils and the DLG should continue to articulate the benefits of the IP&R process, by increasing the focus on linking long term strategies, asset management planning and long term financial forecasting to assist with decision making and promoting sustainability. Enhancing the knowledge and skills of Council management and elected officials, particularly in respect of the importance of financial and asset management, would greatly assist in this area
6. **Improved use of restricted funds** - A review of the system and guidelines for accessing restricted funds is needed. Under the current requirements, most Councils are required to hold substantial funds in reserve for specific purposes, often for lengthy periods of time. On average 50% to 60% of funds held by Councils are externally restricted. Being able to access more of these funds (eg through s 410 internal borrowing arrangements) could allow Councils to meet current asset renewal and maintenance requirements and be a more efficient use of funds
7. **Increased use of debt** - Debt is underutilised by some Councils and there are opportunities for more cost effective borrowing and debt management. Some Councils have low or zero debt, strong cash flows and outstanding Infrastructure Backlogs. For some of these Councils the use of debt can be an efficient means of addressing Backlog issues, enhancing intergenerational equity and improving asset quality and services. For many Councils with existing debt, overly conservative debt management practices are adopted which could be improved to deliver enhanced value and a lower cost of funds for Councils

State



IPART – Merger Analysis

QUEANBEYAN COUNCIL – CIP

NOT FIT			
Area (km ²)	172	Population 2011	40,000
OLG Group	4	(2031)	58,500
ILGRP Group	E	Merger 2011	54,850
		(2031)	79,050
Operating revenue (2013-14)	\$48.9m	TCorp assessment	Moderate FSR Neutral Outlook
ILGRP options (preference in bold)	Merge with Palerang Council (yellow) or council in South East JO (shaded area).		
Assessment summary	Scale and capacity	Does not satisfy	
	Financial criteria:	Satisfies overall	
	• Sustainability	Satisfies	
	• Infrastructure and service management	Satisfies	
	• Efficiency	Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

- The council was required to consider the ILGRP preferred option and demonstrate its proposal is as good as or better to achieve the scale and capacity objectives for the region.
- The council did not demonstrate its improvement proposal was at least as good as the ILGRP merger option. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- Queanbeyan's proposal is based on a Regional Services Model, which would involve the provision of back office functions for Palerang Council and a coordinating leadership role for neighbouring councils. This model generated better operating results for Queanbeyan than the merger, but limited details about how this model would work in practice and the impacts for Palerang were provided.
- A high level business case was provided for this model, but we were unable to calculate an NPV based on the information provided. We also note Palerang did not provide support for this shared services model in its proposal.
- Our analysis of the business case jointly commissioned by Palerang and Queanbeyan Councils calculates the merger could provide benefits of \$51m (including a Government grant of \$5m) over 20 years.
- Our analysis is consistent with the ILGRP's preferred option for Queanbeyan to merge.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance, building and infrastructure asset renewal and own source revenue ratios by 2019-20.

Infrastructure and service management - satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmarks for the infrastructure backlog, asset maintenance and debt service ratios by 2019-20.

Efficiency - satisfies

- The council satisfies the criterion for efficiency based on its forecast for a decline in real operating expenditure per capita over the period to 2019-20.

PALERANG COUNCIL – CIP

NOT FIT			
Area (km ²)	5,147	Population 2011	14,850
OLG Group	11	(2031)	20,550
ILGRP Group	E	Merger 2011	54,850
		(2031)	79,050
Operating revenue (2013-14)	\$25.5m	TCorp assessment	Moderate FSR Negative outlook
ILGRP options (preference in bold)	Merge with Queanbeyan Council (yellow) or council in South East JO (all shaded).		
Assessment summary	Scale and capacity	Does not satisfy	
	Financial criteria:	Satisfies overall	
	• Sustainability	Satisfies	
	• Infrastructure and service management	Satisfies	
	• Efficiency	Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

- The council was required to consider the ILGRP preferred option and demonstrate its proposal would be at least as good at achieving the scale and capacity objectives for the region.
- The council's proposal to stand alone is not as good as the ILGRP's preferred option to merge with Queanbeyan. When compared to the merger, the council's population of 20,550 in 2031 means it is unlikely to provide services cost-effectively to the local communities and advocate credibly and partner with government.
- A merged council is likely to have improved capabilities and a more robust revenue base, greater scope to undertake new functions and projects, improved integrated planning and regional collaboration.
- Our analysis of the business case jointly commissioned by Palerang and Queanbeyan Councils calculates the merger could provide benefits to the local communities of \$51m (including a Government grant of \$5m) over 20 years.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance, building and infrastructure asset renewal and own source revenue ratios by 2019-20.
- In its proposal, the council relies on the successful application for and adoption of a special variation from 2016-17 of 40.0% cumulative over 5 years (24.0% above the rate peg).

Infrastructure and service management - satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmarks for the infrastructure backlog, asset maintenance and debt service ratios by 2019-20.

Efficiency - satisfies

- The council satisfies the criterion for efficiency based on a decline in real operating expenditure per capita over the period to 2019-20.

Drivers



FFF Financial Benchmarks

Fit for the Future

	Definition:	Criteria/Benchmarks:	
<p>SUSTAINABILITY</p>	<p>Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.</p>	<p>Operating Performance Ratio (> or equal to break-even over 3 years) Own Source Revenue Ratio (>60% over 3 years) Building and Infrastructure Asset Renewal Ratio (>1 over 3 years)</p>	<p>Strategic capacity</p> <p>Sustained improvement against each of the criteria to underpin the strategic capacity of Councils over the long term.</p> <p>This capacity, along with willingness and commitment to collaborate in good faith with government, communities and industry stakeholders will underpin fit for the future councils</p>
<p>EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT</p>	<p>Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.</p>	<p>Infrastructure Backlog Ratio (<2%) Asset Maintenance Ratio (>1) Debt Service Ratio (>0 and less than 0.2)</p>	
<p>EFFICIENCY</p>	<p>Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers</p>	<p>Real Operating Expenditure per capita over time</p>	
<p>SCALE AND CAPACITY</p>	<p>Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government</p>	<p>Has the scale and capacity consistent with the recommendations of the Independent Panel</p>	



Pressures

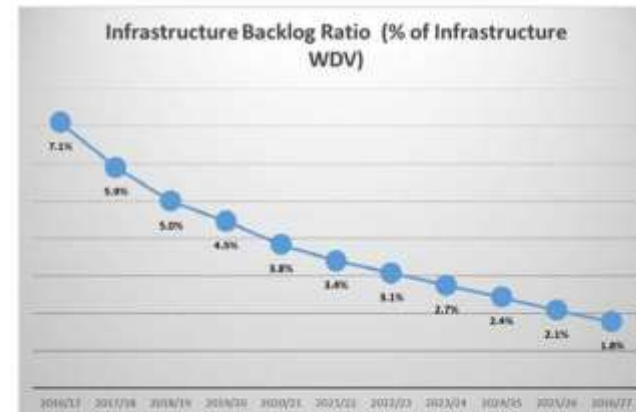
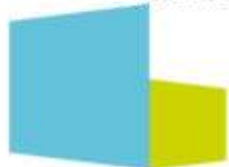


Affordability

- Provide essential public services in line with population growth and organisation capacity
- Keep rates, fees and charges affordable
- Borrow at acceptable levels in line with intergenerational equity
- Growth in pensioner rebate level as population ages
- Meet financial benchmarks to be Fit for Future (FFF)
- Service expectations of community
- Reducing (in real terms) government grants
- Obligations to match grants

Asset Serviceability

- Manage the asset backlog
- Renewal and replacement of ageing assets
- Aligning asset renewal spend to the rate of depreciation
- Applying generational equity principles to provision, renewal and upgrade of assets
- Differentiating asset operations or servicing from maintenance
- Gifted assets from Googong, Jerra and Bungendore



Pressures



Merger

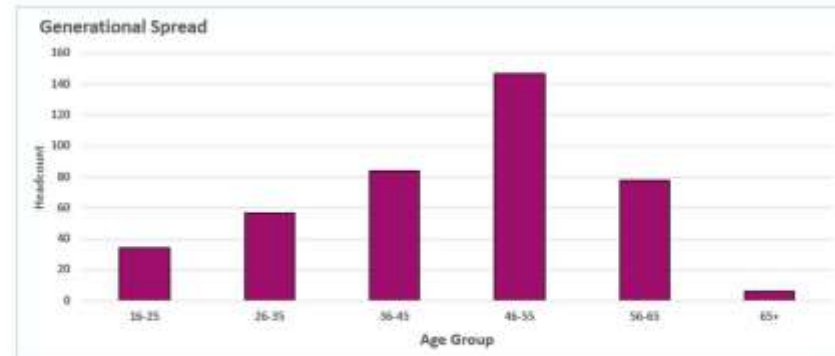
- The NSW Government predicted savings over 20 years for the councils merged in 2016
- Progress towards financial and productivity benefits are reported to government
- General rate structures from the former councils cannot be harmonised or increased beyond the rate cap during the 4 year general rate path freeze
- Unable to rationalise number of offices and depots

Workforce

- Maintaining skilled and motivated workforce, noting long term staff reaching retirement and proposed increased age of retirement to 70
- Remunerating at attractive levels given proximity to ACT competition for skilled and professional labour
- Retaining skilled design and construction staff to meet RMCC road construction standards of RMS
- Retaining skilled development and engineering staff to meet turnaround benchmarks of government
- No forced redundancies
- Retaining staff numbers at Bungendore, Braidwood and smaller centres



	Palerang Council	Queanbeyan City Council	New Council
Population (2014)	15,510	40,858	56,368
Area	5,147 sq km	172 sq km	5,319 sq km
Operating Revenue (2013-14)	\$29.4m	\$64.6	\$158.8m (projected 2019-20)
Operating Result (2013-14)	\$0.5m	\$11.2m	+\$2.5m (projected improvement to 2019-20 operating results)
Asset Base	\$150.0m	\$426.9m	\$695.9m
Infrastructure Backlog	27 per cent	1 per cent	8 per cent



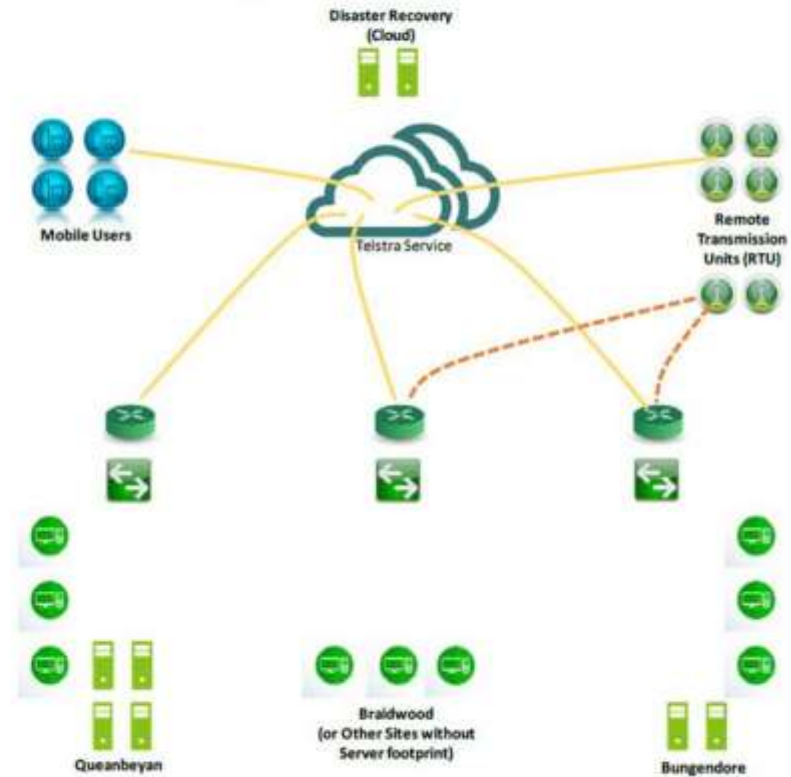
Pressures



Technology

- Limited by depth of enterprise system suppliers to local government
- Exposed to relatively high cost of enterprise systems acquisition, licensing and maintenance of apps to integrate those systems
- Poor connectivity between offices delays the ability to federate the network and telephone systems, requiring duplication of those systems
- Poor mobile and NBN reception in rural areas limits ability to deliver service remotely, and clients' ability to self serve

Figure 5: QPRC (post ICT transition) schematic



Pressures

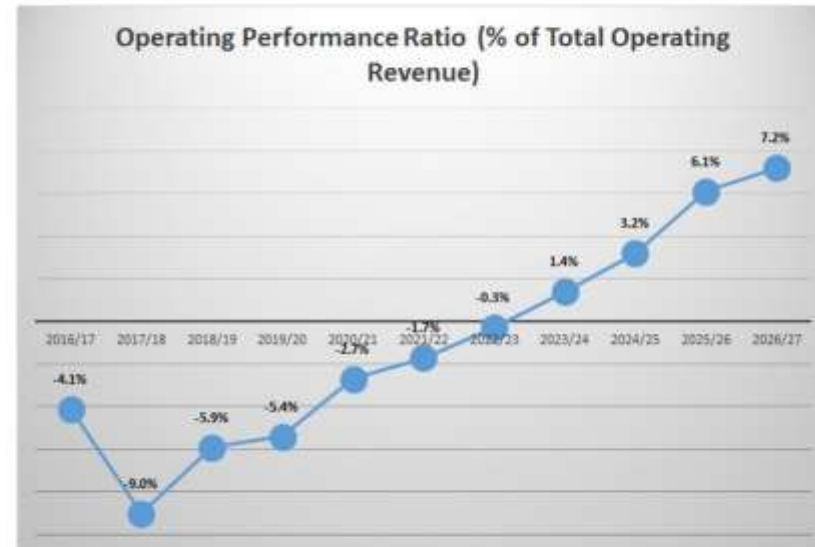


Working capital

- Council should maintain a healthy level of working capital as these funds would be what is called on in case of an emergency or an unforeseen financial event. Anywhere between 3%-5% of total expenditure (Operating & Capital) is considered a healthy level of working capital

Debt

- Use of debt to fund strategic projects that provide improved facilities to future generations of community users.
- The main measure of debt relates to the percentage of debt repayments compared to annual revenues. The Debt Servicing Ratio is benchmarked in local government at being less than 20%.
- Council can access NSW Treasury Corp borrowings generally at > 1% below commercial interest rates
- 'Global borrowing limits' apply to local government



Pressures



LGCI

- The inflationary measure for local government is the Local Government Cost Index (LGCI) - or the Rate Peg. The LGCI is calculated by IPART on behalf of the NSW Office of Local Government (OLG).

Award

- Council is bound by the NSW LG award in terms of indexing wages and allowances. If Council was to apply the listed LGCI of 1.5% (2017) when the award increase is 2.5% (2017), then every salaries budget would be under funded by 1.0%.

Grants

- Grants sought by competitive bid usually require matched funding
- Budgets must illustrate what that grant funds will provide and are napped as contingent funding. In the event the grant is withdrawn the corresponding expenditure is also withdrawn
- The Financial Assistance Grant may not be indexed by the Commonwealth Government



Pressures



Investments

- only invests in cash through term deposits. Council can access the wholesale market and is therefore often offered better than retail interest rates on its investments.
- spreads its investments across a number of financial institutions and our policy outlines the relevant institution rating spread as well as the length of term.
- in a relatively stable (and low) interest climate, although the Reserve Bank may adjust cash rates impacting investment return and borrowing costs

Fee Recoveries

- NSW Government sets several statutory fees that do not recover the cost of delivering those services
- NSW Government may pass legislation requiring councils to undertake programs on its behalf, to which the set fees under-recover the cost (or cost-shift)
- Council may set fees to recover less than the cost, or subsidize services as a 'community service obligation'



State



Prof Allan Analysis - Existing Policy

Existing Spending Policy would see:

- The civic infrastructure backlog grow from about 2.4% of assets to 5.47% in 2026/2027 because assets were not adequately renewed; and
- Ordinary services increase in real terms by 0.4% per annum compared with population growth of 1.5% per annum. This would represent falls of 0.8% per property and 1.1% per resident
- This is notwithstanding demand pressures from an ageing population, rising pensioner concessions and increased tourist numbers
- Council's annual operating deficit would rise to a deficit of \$12.9 million (in today's prices) by 2024/25. This would be caused by Council's operating expenses growing in real terms faster than operating revenues (5.6% versus 3.5%).



Prof Allan Analysis - Existing Policy

Under Existing Policy the Water and Sewer business by 2024/25 is projected to have:

- An annual return on capital of 0.9%, still below the minimum desirable.
- A gearing ratio of 5%, which is well below the minimum 10% considered conservative.
- An interest cover ratio of 9.14x, which is much higher than necessary.
- An infrastructure backlog ratio of 10.7% which is more than five times the safe and sound limit



State



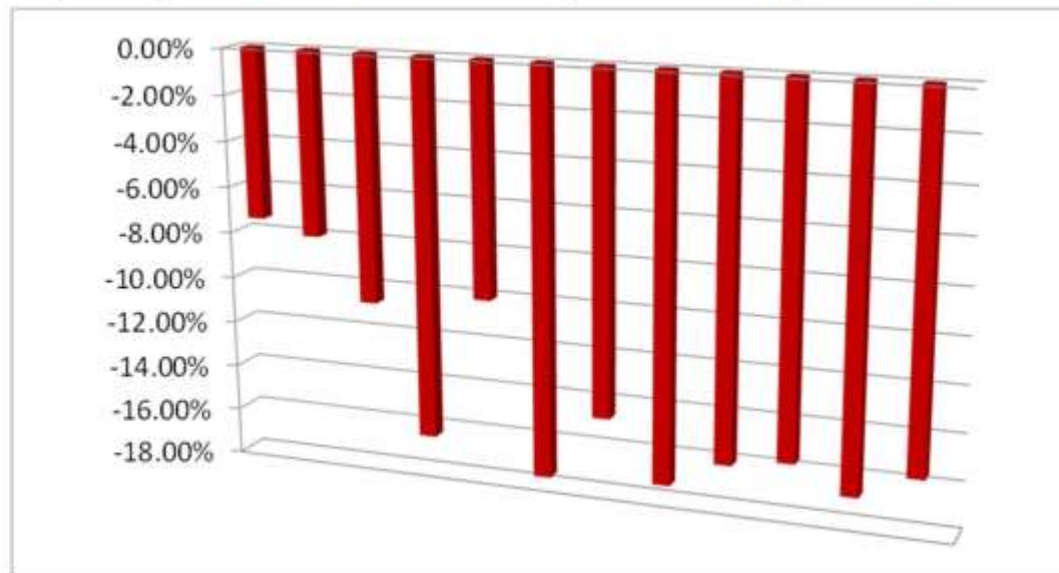
Prof Allan Analysis - Existing Policy

Prof Percy Allan analysis:

By 2024/25 continuation of the Council's existing policies would fail on two key financial sustainability tests:

- *An operating deficit ratio of 7%, well short of a surplus ratio of at least 0%;*
- *A broad debt ratio of 53%, which would be within the tolerable upper limit of 80%; and*
- *An infrastructure backlog ratio of 7.0% which would be three times the prescribed limit.*

Operating Deficit Ratio under Existing Council Policy, 2013/14 – 2024/25

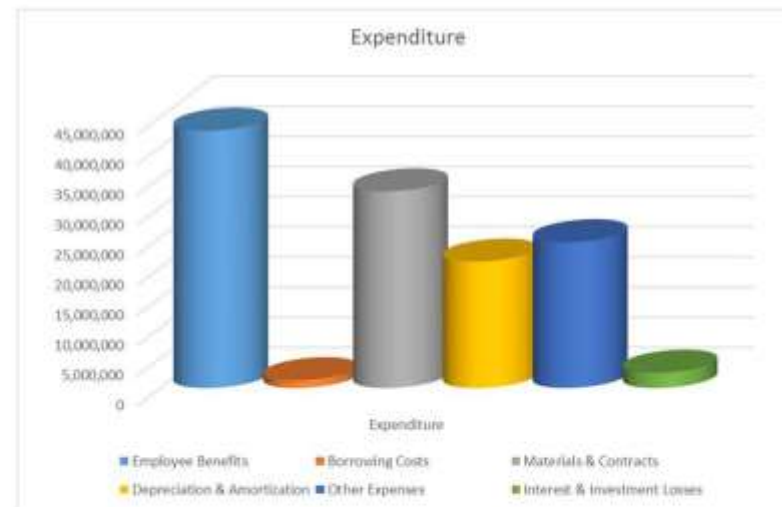
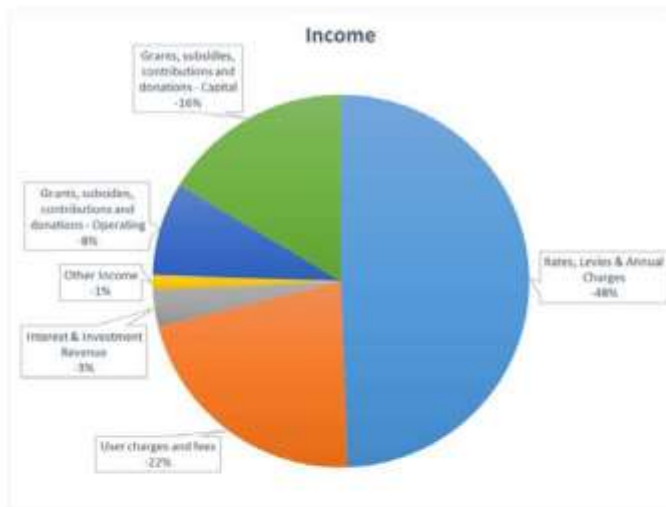


State



Budget Profile

The 2017/18 budget comprises \$123m operational and \$65m capital expenditures, with \$82m committed to asset maintenance and upgrade, and \$79m to provision of services. Around half the operational revenues comprise general rates and utility charges, while grants and contributions, and user fees are around 25% each.



Impact



Assumptions

The Financial Strategy is modelled on a Responsible Scenario with the following growth assumptions over the 10-year projection period:

- average annual growth in resident population is 1.7%;
- average annual growth in rateable properties is 1.0%;
- average annual growth in Canberra's CPI is 2.4%
- average interest expense of 4% (using NSW TCorp borrowing rates)
- current (2016/17) service levels
- adopted asset maintenance and renewal intervention levels

PARAMETER VALUES

- Resident population, annual % increase
- Ratings assessments, annual % increase
- State capital CPI, annual % increase
- Interest expense %
- Interest income %
- Ratings assessments (number)



Policy Settings

Services policy	General, Waste	Water, Sewer	Funding policy	General, Waste	Water, Sewer
Real-terms annual % increase in per-capita (non-maintenance) opex	-2.1%	-4.1%	• Real-terms annual % increase in the average rates and annual charges bill	-0.5%	-0.6%
Capital investment policy			• Average asset life (years)	60.6	58.9
Annual maintenance effort	89%	101%	• Operating cost recovery effort	49%	99%
Annual renewals effort	100%	92%	• Capital cost recovery effort	35%	83%
Annual enhancement effort	132%	153%	• % of outstanding borrowings repaid each year	1.5%	2%
Annual non-infrastructure capex effort	144%	31%			

Response



Strategy

Actions:

- Exploit commercial opportunities;
- Increase operational efficiencies;
- Rationalise non-core services;
- Engage and fund community groups to maintain and service some community assets;
- Sell surplus assets; and
- Obtain extra State or Commonwealth grants

Through:

- Responsible Scenario
- Revenue growth
- Productivity dividend
- Debt
- Property returns
- Narrow the Gap
- Fit for Future



Response



Principles

- Rehabilitate required infrastructure whose condition has fallen below an acceptable standard (i.e. the 'backlog');
- Renew required infrastructure when it falls below agreed minimum standards in future;
- Align the rate of asset renewal expenditure and/or placement into an infrastructure reserves, to the consumption or degradation of those assets (ie depreciation);
- Expand the total infrastructure stock by enough to cope with residential and business growth as informed by Council's asset strategy and demographic projections;
- Identify those core services that would be quarantined from any cost cuts to help fund infrastructure rehabilitation and renewal, or be subject to specific SRVs;
- Fund these initiatives through adequate revenue measures, operational savings, re-ordering spending priorities, asset leases or disposals and extra borrowings;



Response



Principles

- Fund infrastructure maintenance and renewals from operating revenue and rehabilitation and enhancements from budget surpluses, capital revenues and borrowings in accordance with a 'narrow the gap' strategy;
- Ensure that the outcome by year 10 complies with FFF financial targets (e.g. the LGI recommended minimum surplus ratio and maximum broad debt ratio);
- Borrow sufficiently between now and 2016/27 to help fund infrastructure renewal under the Responsible Scenario;
- Introduce dividend payments from Water and Sewer activities, with a 50% dividend payout ratio (against net profit after tax) increasing general operations' revenue
- Consider a 'productivity dividend' from improved business processes, technology and contract management
- Use debt and movements in cash reserves to help 'smooth' large injections of assets renewal or upgrades across several years;
- Place cash surpluses following annual audit initially into the merger reserve, then into an infrastructure reserve



Response



Narrow the Gap

Progressively map and match asset and service expenses to related revenue sources, and to inform and influence opinion about council funding options, on the premise that:

- All property taxes (rates, annual charges, development contributions, and asset specific grants) cover the cost of maintenance, renewal, upgrade and debt costs of assets, and the share of corporate attributed costs
- All usage charges cover the costs of operating and administration costs for water, sewer, waste, and the share of corporate attributed costs
- Other fees and charges, specific grants and specific SRVs cover the cost of non-infrastructure services (eg planning, environment, community etc), and the share of corporate attributed costs
- Governance and corporate overhead costs are attributed across those asset and service areas, with balance of cost met by FAG and direct fees



Response



Actions – General Fund

The Responsible Scenario proposes:

- annual maintenance expense would be capped over the 10 years at an average around 85% of the annual required spend identified by GHD;
- annual renewals capex would be capped at 100% of the annual required spend identified by GHD. Renewals capex should be at least equivalent to depreciation expense;
- the average annual rates bill per property may increase by an average of 1.0% in real-terms each year beyond 2016-17; (*note: can't commence until rate pricing path freeze concludes*)
- the operating fees cost recovery ratio would need to rise slightly more than the increase already planned under continuation of existing policy, to 50%;
- usage-based fees and charges would be increased, in accord with the operating cost recovery ratio increasing;
- dividend payments from W&S activities would need to be introduced, with a 50% dividend payout ratio (against net profit after tax) increasing general operations' revenue;
- annual per-capita spending on services would be cutback by an average of 2% per annum compared with the average cutback of around 1% planned under continuation of existing policy. This will be addressed as an annual efficiency or productivity dividend;
- higher levels of enhancement, renewals and rehabilitation capex over the coming 10 years compared with that proposed under continuation of Existing Policy;
- utilise borrowings to ensure inter-generational equity, and match term of borrowings to accord with expected life of the asset;
- utilise borrowings, reserves and sinking funds to smooth out lumpy capital expenditures; and
- cyclical (as opposed to structural) deficits can be tolerated to ensure that tax smoothing occurs for ratepayers



Response



Actions – Water and Sewer Funds

The Responsible Scenario proposes:

- maintenance spending would be capped over the 10 years at an average around 100% of the required annual level of such spending as assessed by GHD;
- the annual rehabilitation capex necessary to address the present infrastructure backlog would have to be spread out over 10 years;
- the annual renewals effort would be capped at around 98%;
- the operating fees cost recovery ratio would rise to 100%;
- revise the portion of governance overhead and direct charges attributed to W&S Funds;
- the average per-property revenue from usage-based fees and charges increased by around 1% in real-terms each year for the next 10 years; and
- the average water and sewerage-related annual charges bill may increase by an average of 1% in real-terms each year for the next 10 years



Response

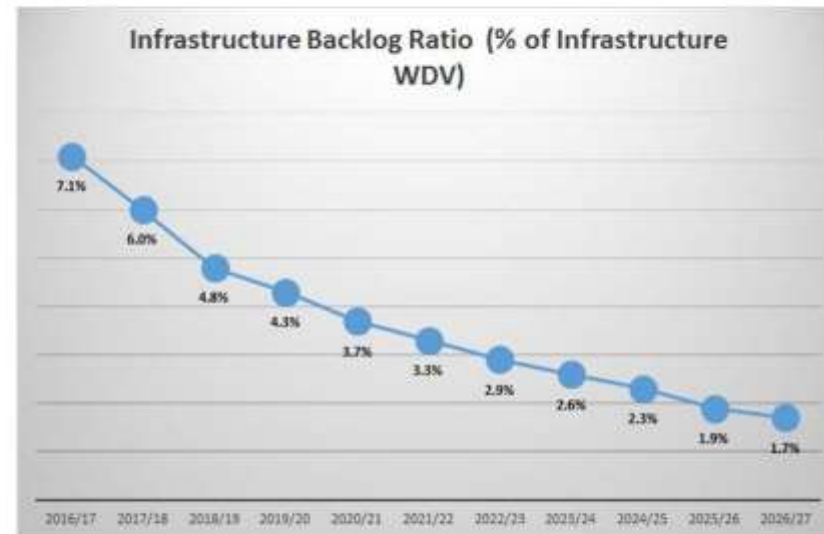


Sustainable Assets

Council's Asset Strategy will be updated to consider:

- Infrastructure condition, renewal and capacity needs,
- Rationalising and optimising existing assets,
- Properly size, site and schedule new assets,
- Prioritise assets on the basis of:
 - Asset condition, age, load, local geography,
 - Risks such as climate change, and
 - Demographic changes
- Asset backlog

Assets should be renewed at appropriate schedules to preserve their utilisation and ability to support agreed service levels, and to minimise the larger capital cost to replace those assets.



Response



Service Levels

The community will be engaged in the preparation of the suite of plans associated with the Community Strategic Plan (asset management plans, workforce plan, long term financial plan) in each council term (ie 4 years), to establish:

- Asset standards
- Levels of service/asset intervention levels.

It is acknowledged that changes above or below those standards and service levels will influence modifications to the asset plans and financial plan, including levels of renewal, borrowings and depreciation.

Australian Standards set some levels for local government:

- to guide works and physical infrastructure services/maintenance. These standards govern 'the development of land, buildings, roads, parks and gardens, water supply, sewerage and drainage services'

Council may also participate in joint procurement and shared services with members of the Canberra Region Joint Organisation (CBRJO)



Level of Service WASTE MANAGEMENT



Response



Service Level Review

- The Services Review established a 'service-program-activity' framework
- The framework is aligned to the organisation structure and accounting structure
- The accounting framework is based on activity based costing
- Budgets have been prepared on current (per-merger) levels of service
- Having regard to community expectations, the elected council will:
 - establish levels of service (frequency, quality, geography and location)
 - mode of delivery (by council, contract etc)
 - reset the budget based on resources required to deliver the service/s

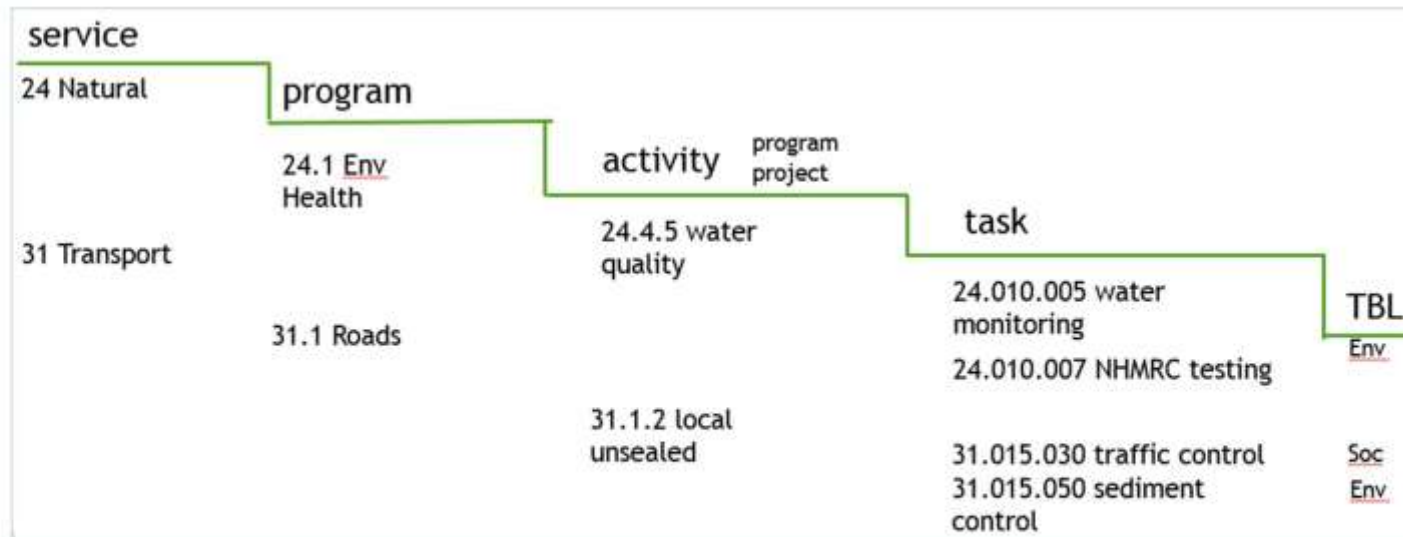


Response



Chart of Accounts

- The Chart of Accounts has been designed to align with the Service and Program framework, adding a further layer 'activity'.
- Budgets are prepared at Program level
- Reporting is arranged into Organisational Structure and TBL units
- The framework reflects the organisation structure so that services are assigned to Level 2, programs to Level 3 and Activities to Level 4. For example:



Response



Financial Goals

The key financial sustainability goals for QPRC general operations over 10 years are to meet Fit for Future benchmarks including:

- a minimum operating surplus ratio of 0%,
- a maximum infrastructure backlog of 2%
- a maximum debt services ratio of 20%
- a services productivity gain of 2%

The key financial sustainability goals for QPRC water and sewer operations over 10 years is:

- a minimum annual rate of return on capital of 1½%, a maximum infrastructure backlog of 2% and maximum gearing ratio of 30%.

Definition:



Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.



Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.



Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers



Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government



Response

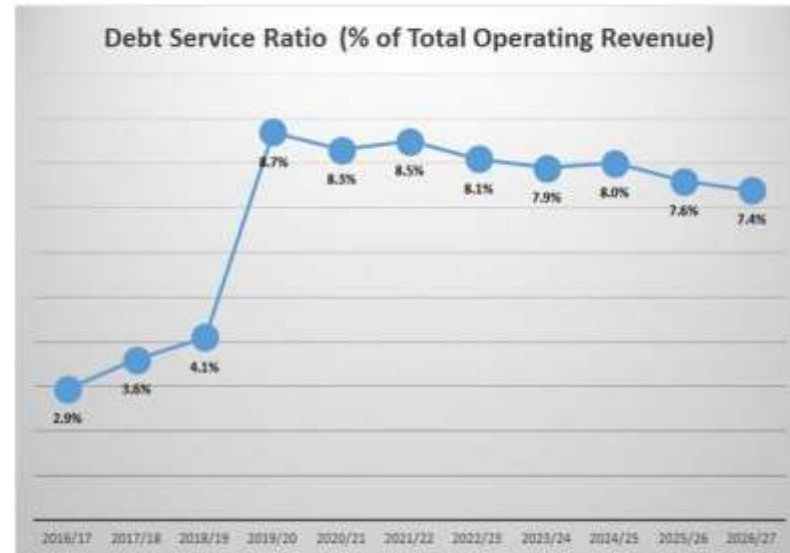


Debt

On inter-generational equity grounds, additional borrowings will be used to fund both:

- enhancement capex, as such capex gives rise to infrastructure services benefiting future (as well as current) residents and ratepayers; and
- rehabilitation capex, the need for which arises mainly because depreciation has been under-funded in the past and the renewal and replacement of existing assets has been deferred when it fell due because of the lack of finance

New debt should be financed from new revenue sources (eg development contributions, lease or rate SRV)



Response



Pricing

- Rates and other property related charges will be expended on maintaining, renewing and operating infrastructure assets and the services they support, or paying debt for those assets.
- Those charges may also be used to match or leverage government grants to be used on those assets and services.
- Fees and charges, other than statutory fees, will be moved to recover the real costs of delivering non-infrastructure services. Where a 'community service obligation (CSO)' is identified, the value of that subsidy will be disclosed, and may be funded from base rates or FAG.
- Grants will be sought to initiate or continue services to the extent that all costs are recovered from the grant and related fees. Council may choose to subsidise those services up to the value of the organisation overhead attributed to those services.
- Commercial property lease returns may be realised (and rebated) in accord with the Rental Policy



Response



Attribution

Council will deploy an 'activity based costing' (ABC) approach to budgeting, pricing and reporting

The costs of supporting services and asset management will be distributed in accord with competitive neutrality principles and be based on a recognised resource effort and transactional drivers:

- Corporate support costs (direct and indirect overhead) will be *attributed* to an activity as a percentage (%) charge on the FTE wage expense allocated to an activity. The rate will be 1.7 times for internal charges and 2.0 times for external commercial charges.
- Governance costs will be *distributed* between Funds (General, Water, Sewer, Waste) on the apportioned share of total rateable assessments or services of those Funds.
- Commercial and competitive pricing will be set at a level to recover attributed costs.



Response



Financial Reviews

QBRs

- Quarterly financial reporting on specific notification of any substantial variance to the year to date (YTD) budget.
- The definition of significance is set by the individual council. Significance is defined as a variance that is greater than 10% of the total vote or \$100k for that element, whichever is the lowest



Response



Merger Benefits

Merger Benefits (rather than savings forecast by KPMG) have been proposed to Government:

- A rate pricing path lower than that published by the councils prior to merger
- A FTE/Resident ratio at or below levels prior to merger
- A back office support/external services FTE ratio below levels prior to merger
- An FTE growth path (from WFP) at or below levels prior to merger
- Meeting FFF sustainability benchmarks

QPRC concludes the following over 10 years, based on our LTFP horizon:

'Savings'	KPMG	QPRC
Staff: cash	14.1	3.0
Staff: redeployed		6.0
Materials	3.1	3.1
Other (cldr fee)	0.1	0.9
TOTAL	17.3	13.0

External Costs	KPMG	QPRC
ICT and telecoms	2.6	4.2
Reviews, systems	2.9	2.4
(Grant)	(5.0)	(5.0)
NETT COST	0.8	1.6



Response



Capital Plan Source: 46% debt, 38% grant)

Service	Type	Purpose	Year	Total	Loan	s94/VPA	s64	Offset (\$,000)					W&S Cont	
								Grant	SRV	Sale	Gift	Reserve		
Transport	New	Ellerton Drive Extension	2017-19	86,000	36,000			50,000						
		Morriset carpark	2020-22	10,000	10,000									
		Lowe carpark	2018-20	10,000	10,000									
		BWD carpark	2020-21	500	500									
		BGD carpark	2019-20	500	500									
	QBN Park'n'Ride	2020-22	5,000	2,500				2,500						
	Upgrade	BWD MR92	2017-19	39,000					39,000					
		QBN Old Cooma Road	2017-19	31,000					31,000					
		BWD Lascelle Street	2017-18	800					800					
	Renew	Reseals (pa)	2017-27	3,000	3,000									
Resheet (bi)		2017-27	1,000	1,000										
Bridges		2017-18	875					875						
Building	New	QBN Office/Smart Hub	2017-19	27,000	25,000								2,000	
	Upgrade	BWD Depot/office	2019-21	2,500	2,500									
		BGD Depot	2022-24	3,000	2,500						500			
		QJSC	2017-18	5,000	2,500				2,500					
	Renew													
Recreation	New	QCBD civic plaza - Lowe	2018-20	5,000							5,000			
		QCBD civic plaza - Rutledge	2019-21	2,000							2,000			
		QBN Regional Sports #1	2020-22	35,000	30,000				5,000					
		BGD Sports #1	2017-19	1,500					1,500					
		QBN Riverside walk	2017-19	760					760					
	Upgrade	BWD Recreation #2	2017-19	300					300					
		BGD main street	2017-19	500					500					
		BWD main street	2017-19	500					500					
		BWD Showground	2017-19	100					100					
	Renew	Eastern pools	2017-18	400					400					
		Rusten House	2017-18	550					550					
		QBN aquatic centre	2017-18	600					600					
		QBN Showground	2017-18	350					350					
	Playgrounds	2017-18	360					360						
	QBN Seiffert Oval	2017-18	400					400						



Response



Capital Plan

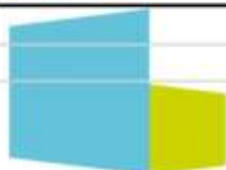
Service	Type	Purpose	Year	Total	Offset (\$,000)								
					Loan	s94/VPA	s64	Grant	SRV	Sale	Gift	Reserve	W&S Cont
Water	New	BGD water bores	2017-19	500								500	
	Upgrade												
	Renew	Mains pa Reservoirs	2017-22 2017-22	850								850	
Sewer	New	Googong QRP #2	2017-20	20,000							20,000		
	Upgrade	QBN STP Treatment	2017-22 2017-18	130,000 1,350	70,000		30,000	30,000				1,350	
	Renew	Mains pa Pump stations	2017-22 2017-22	2,500								2,500	
Stormwater	Renew	Mains pa	2017-22	500								500	
Waste	New	BWD Waste Transfer Station	2017-18	2,750	2,750								
	Upgrade												
	Renew	QBN WAMI	2017-18	600								600	
	Rehab	Old landfills	2017-18	1,650								1,650	
Property	Acquire	QBN: Lowe QBN: Crawford QBN: Royalla	2017-18 2018-19 2017-18	1,000 1,000 2,250								1,000 1,000	
Fleet	Trade		2017-22	2,000						1,000			

Response



Debt Plan

Purpose	FY	Loan (\$,000)			P&I/yr	Offset				Nett
		Total	Term	%		Rent	s94/A	s64	SRV	
Ellerton Drive Extension	2018	36,000	20	4	2,616		2,616			-
Morriset carpark	2020	10,000	20	4	727	50	30			647
Lowe carpark	2019	10,000	20	4	727					727
BWD carpark	2020	500	20	4	36					36
BGD carpark	2019	500	20	4	36					36
QBN Park'n'Ride	2022	2,500	20	4	180					180
QBN Office/Smart Hub	2018	25,000	20	4	1,820	1,500				320
BWD Depot/office	2020	2,500	20	4	180					180
BGD Depot	2023	2,500	20	4	180					180
QBN Sewer Treatment Plant	2019	70,000	20	4	5,100					5,100
QBN Indoor Sports (QISC)	2018	2,500	20	4	180					180
Regional Sports Facility	2021	30,000	20	4	2,180		2,180			-
Regional cemetery	2018	2,250	20	4	158					158
BWD Waste Transfer Station	2018	2,750	20	4	200					200
										-
Reseals	pa	3,000	20	4	216				216	-
Resheets	bi	1,000	20	4	73				73	-
Relining: water	pa	-								-
Relining: sewer	pa									-
TOTAL		201,000			14,609	1,550	4,826	-	289	7,944
									General	2,644
									W&S	5,300



LTFP – General Fund

In line with the Financial Strategy (based on Responsible Scenario), the LTFP for General, Water and Sewer Funds are designed to meet FFF benchmarks over the 10 year planning horizon. The Consolidated Position indicates the asset backlog (<2%), debt service (<20%) and operating results (>0%) meet those benchmarks. The net results per year indicate the level of borrowings or reserve movements, noting some debt retires each year as new debt is taken up.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
General Operations (i.e., excl water & sewerage)	budget	projection	projection	projection	projection	projection	projection	projection	projection	projection	projection
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Operating Budget (all projections expressed in constant 2016/17 dollars)											
Rates & annual charges	43,258	44,633	44,647	45,363	46,535	47,733	48,956	50,206	51,483	53,608	54,973
Fees & user charges	10,790	12,279	15,580	17,116	17,525	19,169	20,050	20,040	20,681	21,302	21,993
Government operating grants	12,263	10,110	10,519	10,507	10,493	10,481	10,472	10,927	10,790	11,092	10,944
Operating contributions & other revenue n.e.i. (incl interest)	6,270	4,203	6,002	6,424	6,011	5,934	5,571	5,519	5,536	5,441	5,528
Dividends from commercial operations (water & sewerage)	0,000	0,000	0,136	0,000	0,000	0,000	0,000	0,125	0,326	0,648	0,884
Total Revenue	72,581	71,225	76,884	79,410	80,564	83,318	85,049	86,817	88,816	92,092	94,321
Service provision (opex minus int, maint & depn expenses)	55,633	65,834	57,930	56,828	53,972	53,756	53,550	53,330	53,140	52,950	52,761
Interest expense	1,013	1,537	3,126	4,389	4,406	5,809	5,757	5,709	5,660	5,593	5,525
Asset maintenance	7,602	7,841	6,810	7,062	7,294	7,530	7,785	8,042	8,319	8,618	8,935
Asset depreciation	13,652	13,380	17,013	18,146	18,358	19,317	19,443	19,556	19,611	19,655	20,576
Total Expenses	77,899	88,592	84,880	86,426	84,029	86,412	86,535	86,637	86,730	86,816	87,797
Operating Surplus/(Deficit)	-5,318	-17,367	-7,996	-7,016	-3,465	-3,095	-1,486	0,180	2,086	5,276	6,525
Capital Budget (all projections expressed in constant 2016/17 dollars)											
Government capital grants	2,481	4,379	53,873	3,731	8,964	0,740	0,738	0,789	0,704	57,233	0,671
Capital contributions (cash)	5,131	0,726	30,064	1,618	8,346	0,993	1,097	0,746	0,538	0,470	0,407
Asset sales	0,887	0,630	7,535	0,846	1,287	0,819	0,808	0,789	0,770	0,752	0,734
Cashflow generated by annual depreciation charge	13,652	13,380	17,013	18,146	18,358	19,317	19,443	19,556	19,611	19,655	20,576
Total Receipts	22,151	19,315	108,485	24,341	36,955	21,869	22,086	21,879	21,623	78,110	22,368
Infrastructure rehabilitation	0,000	1,796	1,878	1,879	1,881	1,882	1,883	1,884	1,885	1,886	1,888
Infrastructure renewals	7,676	4,136	7,843	9,425	11,496	12,064	12,334	12,501	12,679	12,917	13,200
Infrastructure enhancements	14,359	50,045	74,909	7,427	58,075	5,094	5,229	4,457	3,972	60,313	3,575
Acquisition of non-infrastructure assets	4,452	3,618	3,415	3,520	3,609	2,031	2,037	1,994	2,043	2,031	2,019
Total Payments	26,486	59,595	88,045	22,251	75,061	21,070	21,483	20,837	20,579	77,148	20,681
Capital Surplus/(Deficit)	-4,335	-40,280	20,439	2,090	-38,105	0,798	0,602	1,042	1,045	0,962	1,707
OVERALL SURPLUS/(DEFICIT)	-9,653	-57,647	12,443	-4,926	-41,571	-2,296	-0,884	1,223	3,131	6,239	8,232

LTFP – Water & Sewer Funds

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Water & Sewer	budget	budget	projection	projection	projection	projection	projection	projection	projection	projection	projection
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Operating Budget (all projections expressed in constant 2016/17 dollars)											
Rates & annual charges	20,535	21,945	20,066	20,377	20,690	21,006	21,324	21,644	21,967	22,632	23,036
Fees & user charges	9,716	16,791	8,031	7,719	7,769	9,354	9,807	10,094	10,369	10,502	10,735
Government operating grants	0,122	0,763	9,654	9,429	0,114	0,112	0,109	0,108	0,106	0,105	0,103
Operating contributions & other revenue n.e.i. (incl interest income)	0,560	1,817	-9,164	-7,970	1,835	1,133	0,876	0,802	0,734	0,814	0,797
Dividends from commercial operations (water & sewerage)	0,000	0,000	0,136	0,000	0,000	0,000	0,000	0,125	0,326	0,648	0,884
Total Revenue	30,932	41,316	28,723	29,555	30,407	31,605	32,117	32,774	33,502	34,702	35,554
Service provision (opex minus int, maint & depr expenses)	13,278	11,383	11,594	11,455	11,336	11,320	11,307	11,292	11,283	11,275	11,267
Interest expense	0,741	1,082	0,576	1,858	2,870	2,758	2,674	2,591	2,510	2,430	2,351
Asset maintenance	8,237	14,425	7,882	7,961	8,028	8,088	8,147	8,195	8,236	8,271	8,301
Asset depreciation	7,596	7,580	8,146	8,632	9,059	9,674	10,193	10,213	10,215	10,225	10,226
Total Expenses	29,852	34,469	28,198	29,906	31,292	31,839	32,321	32,290	32,244	32,201	32,146
Operating Surplus/ (Deficit)	1,081	6,846	0,525	-0,352	-0,885	-0,235	-0,204	0,483	1,258	2,501	3,408
Capital Budget (all projections expressed in constant 2016/17 dollars)											
Government capital grants	0,000	0,000	9,537	9,313	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Capital contributions (cash)	12,537	0,030	1,612	1,168	13,830	11,862	0,023	0,000	0,000	0,000	0,000
Asset sales	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Cashflow generated by annual depreciation charge	7,596	7,580	8,146	8,632	9,059	9,674	10,193	10,213	10,215	10,225	10,226
Total Receipts	20,133	7,609	19,294	19,113	22,889	21,535	10,216	10,213	10,215	10,225	10,226
Infrastructure rehabilitation	0,000	0,000	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618
Infrastructure renewals	2,842	4,742	14,970	12,527	4,218	6,692	7,020	7,292	7,563	7,829	8,080
Infrastructure enhancements	3,163	9,123	23,093	22,166	34,574	29,654	0,029	0,000	0,000	0,000	0,000
Acquisition of non-infrastructure assets	0,260	0,504	0,282	0,310	0,335	0,312	0,312	0,302	0,310	0,307	0,303
Total Payments	6,266	14,369	41,963	38,621	42,746	40,275	10,979	11,212	11,491	11,754	12,001
Capital Surplus/ (Deficit)	13,867	-6,760	-22,668	-19,508	-19,857	-18,740	-0,763	-0,999	-1,276	-1,529	-1,775
OVERALL SURPLUS/(DEFICIT)	14,948	0,087	-22,143	-19,860	-20,742	-18,974	-0,968	-0,516	-0,018	0,972	1,633

LTFP - Consolidated

QPRC	Long-term Financial Plan, post-merger										
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Consolidated	Budget	Budget	projection	projection	projection	projection	projection	projection	projection	projection	projection
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Operating Budget (all projections expressed in constant 2016/17 dollars)											
Rates & annual charges	63,793	66,578	64,712	65,740	67,225	68,739	70,281	71,850	73,450	76,240	78,009
Fees & user charges	20,506	29,070	23,611	24,836	25,294	28,523	29,857	30,134	31,050	31,805	32,728
Government operating grants	12,385	10,873	10,636	10,622	10,606	10,593	10,581	11,035	10,896	11,197	11,046
Operating contributions & other revenue n.e.i. (incl int)	6,830	6,020	6,375	7,767	7,846	7,067	6,447	6,322	6,270	6,256	6,324
Dividends from commercial operations (water & sew)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Total Revenue	103,514	112,541	105,335	108,965	110,971	114,922	117,166	119,340	121,665	125,497	128,108
Service provision (opex minus int, maint & depn expe)	68,910	77,217	69,525	69,284	65,307	65,076	64,857	64,622	64,422	64,225	64,028
Interest expense	1,754	2,619	3,702	6,247	7,276	6,667	8,431	8,301	8,170	8,024	7,877
Asset maintenance	15,839	22,266	14,662	15,023	15,321	15,618	15,932	16,236	16,555	16,889	17,235
Asset depreciation	21,248	20,960	25,160	26,779	27,417	28,990	29,636	29,768	29,826	29,880	30,802
Total Expenses	107,751	123,062	113,079	116,332	115,321	118,251	118,857	118,927	118,973	119,017	119,942
Operating Surplus/ (Deficit)	-4,237	-10,521	-7,744	-7,368	-4,350	-3,329	-1,691	0,413	2,692	6,480	8,166
Capital Budget (all projections expressed in constant 2016/17 dollars)											
Government capital grants	2,481	4,379	63,409	13,044	8,964	0,740	0,738	0,789	0,704	57,233	0,671
Capital contributions (cash)	17,668	0,756	31,675	2,786	22,176	12,854	1,120	0,746	0,538	0,470	0,407
Asset sales	0,887	0,830	7,535	0,848	1,287	0,819	0,809	0,789	0,770	0,752	0,734
Cashflow generated by annual depreciation charge	21,248	20,960	25,160	26,779	27,417	28,990	29,636	29,768	29,826	29,880	30,802
Total Receipts	42,284	26,925	127,779	43,454	59,844	43,404	32,302	32,092	31,838	88,335	32,614
Infrastructure rehabilitation	0,000	1,796	5,496	5,497	5,498	5,500	5,501	5,502	5,503	5,504	5,506
Infrastructure renewals	10,518	8,878	22,812	21,952	15,714	18,755	19,354	19,793	20,242	20,746	21,281
Infrastructure enhancements	17,522	59,168	98,002	29,593	92,649	34,748	5,258	4,457	3,972	60,313	3,575
Acquisition of non-infrastructure assets	4,712	4,123	3,698	3,830	3,945	2,343	2,349	2,297	2,353	2,338	2,322
Total Payments	32,752	73,964	130,008	60,873	117,807	61,345	32,463	32,049	32,070	88,902	32,683
Capital Surplus/ (Deficit)	9,532	-47,040	-2,229	-17,419	-57,962	-17,941	-0,161	0,043	-0,231	-0,566	-0,068
OVERALL SURPLUS/(DEFICIT)	5,295	-57,561	-9,973	-24,786	-62,313	-21,271	-1,852	0,456	2,460	5,914	8,097
Key sustainability indicators											
Operating Performance Ratio (% of Total Operating Rev)	-4.1%	-9.0%	-5.9%	-5.4%	-2.7%	-1.7%	-0.3%	1.4%	3.2%	6.1%	7.2%
Infrastructure Backlog Ratio (% of Infrastructure WDV)	7.1%	6.0%	4.8%	4.3%	3.7%	3.3%	2.9%	2.6%	2.3%	1.9%	1.7%
Debt Service Ratio (% of Total Operating Revenue)	2.9%	3.6%	4.1%	8.7%	8.3%	8.5%	8.1%	7.9%	8.0%	7.6%	7.4%

Policy Settings

POLICY SETTINGS														
Services policy:														
Real-terms annual % increase in per-capita (non-maintenance)	-2.3%	5.9%	-8.4%	2.6%	-4.3%	-3.4%	-6.1%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Capital investment policy:														
Annual maintenance effort	#N/A	#N/A	107%	93%	93%	92%	92%	92%	92%	92%	92%	92%	92%	91%
Annual renewals effort	#N/A	#N/A	70%	97%	98%	99%	100%	99%	100%	100%	100%	100%	100%	100%
Annual rehabilitation effort				10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Annual enhancement effort	216.2%	32.1%	117.0%	664%	630%	157%	437%	163%	24%	20%	17%	264%	15%	
Annual non-infrastructure capex effort	150.2%	41.9%	201.4%	145%	140%	132%	125%	80%	80%	80%	80%	79%	80%	80%
Funding policy:														
Real-terms annual % increase in the average rates and annual c	6.1%	5.2%	0.8%	-1.3%	0.5%	0.5%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%
Average asset life (years)		57.4	60.0	59.7	59.8	60.1	60.1	60.1	60.1	60.0	60.0	60.0	60.0	60.0
Operating cost recovery effort	64.9%	70.3%	73.1%	62%	62%	63%	64%	66%	66%	67%	68%	68%	68%	68%
Capital cost recovery effort	33.3%	93.6%	28.3%	9%	32%	9%	24%	37%	21%	17%	14%	1%	11%	
Financing policy:														
% of outstanding borrowings repaid each year		3.1%	3.1%	3.5%	0.8%	2.2%	1.1%	0.6%	0.6%	0.6%	0.6%	0.8%	0.8%	0.9%
PARAMETER VALUES														
Resident population, annual % increase		0.4%	2.3%	1.3%	1.4%	1.6%	1.7%	1.8%	1.8%	1.8%	1.8%	1.6%	1.6%	1.6%
Ratings assessments, annual % increase		1.7%	-2.5%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	2.6%	1.0%
State capital CPI, annual % increase		1.5%	1.0%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Interest expense %		6.1%	5.8%	4.4%	4.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Interest income %		4.3%	3.1%	2.8%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%	2.6%
Ratings assessments (number)	24,347	24,756	25,386	25,344	25,625	25,903	26,181	26,460	26,740	27,020	27,300	27,581	28,287	28,579
Resident population (number)	55,838	56,088	57,398	58,107	58,891	59,721	60,655	61,688	62,872	63,684	64,691	65,755	66,838	67,938
Required renewals capex		#N/A	#N/A	15,011	15,867	24,501	23,833	17,328	21,290	22,408	23,438	24,523	25,722	27,011
Required maintenance expense		#N/A	#N/A	14,851	15,790	16,647	17,454	18,251	19,077	19,967	20,657	21,812	22,823	23,894

Part 5: ICT Strategy



26 June 2017

Ref No: CO888888

Drivers



Merger

- Council is undergoing a major reform process influenced by both internal and external drivers.
- A key internal driver has been the merger of the previous Queanbeyan and Palerang Councils.
- The transition process has resulted in extensive changes to Council's organisational structure, processes and systems.
- These changes have a significant impact on how ICT supports this reform and the changing nature of the organisation.
- The merger transition process will present opportunities for rationalisation, systems improvements and changes, and better integration of business systems.
- The merger process has also directly impacted the ICT organisation itself in having to bring together two different teams, processes, governance arrangements, infrastructure etc. into a single, unified ICT environment



Figure 1: Council profiles

	Palerang Council	Queanbeyan City Council	New Council
Population (2014)	15,510	40,858	56,368
Area	5,147 sq km	172 sq km	5,319 sq km
Operating Revenue (2013-14)	\$29.4m	\$84.5	\$150.8m (projected 2019-20)
Operating Result (2013-14)	\$0.1m	\$1.2m	+ \$3.5m projected improvement to 2019-20 operating results
Asset Base	\$190.0m	\$435.9m	\$685.8m
Infrastructure Backlog	27 per cent	1 per cent	8 per cent

Drivers



ICT Platform

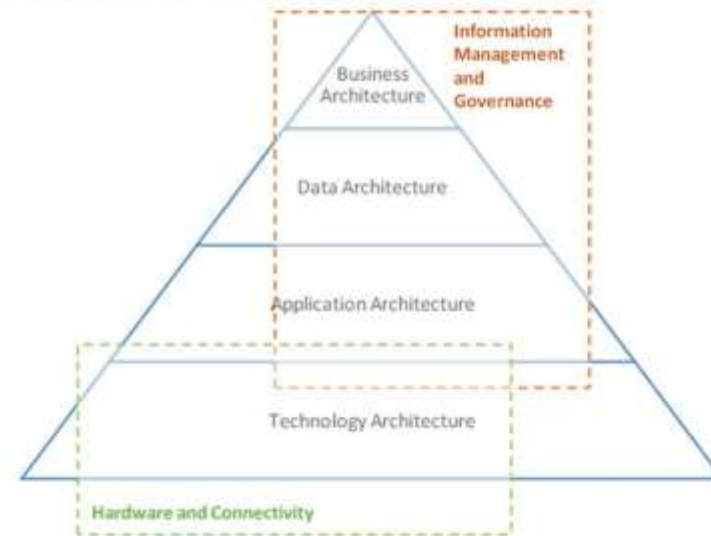
There is a strong platform for providing ICT products and services that meet the diverse needs of staff and residents:

- the former Queanbeyan City Council has made significant investments in its ICT infrastructure which provides a stable and robust platform for growth
- the former Palerang Regional Council has established a lean, agile and responsive approach to ICT governance and project delivery that can be reused and repurposed across the new organisation.
- need to view ICT as a key enabler of the organisation's transformation process

The independent consultancy Noetic undertook a current and future state review of Council's ICT capability in 2016/17:

- The *Comparative Architecture Assessment* is a *Quick Look* assessment to determine the alignment of extant Queanbeyan and Palerang ICT landscape to the proposed Council ICT landscape, post the planned transition

Figure 1: Relationship between assessment lenses and TOGAF domains



Drivers



Delivering business outcomes

There are a number of specific ICT needs and priority projects over the next three years:

- This includes ensuring that staff have ability to work remotely across the mix of urban and rural areas that Council covers.
- This mobile working capability will also provide the ability for staff to work across all locations and Council offices to promote collaboration and innovation.
- Council will also implement a new Enterprise Resource Planning system and seek integrated solutions which best meet Council's business needs.
- This will seek to break down organisational silos, aggregate management information to enable informed decision making, and promote a single system, process and culture across all business areas and locations



Pressures



Digital Workplace and Economy

- Technological advances will continue to support the increasing shift to digital service delivery and automation, and more sophisticated, better integrated systems.
- The rapid uptake of digital services and innovative technologies is also driving increased user expectations as the community demands a better customer experience, commonly characterised by digital/online services.
- Government policies, directions and investments are also driving changes in the ICT environment.
- Commonwealth, state and local government continue to make investments in digital workplace policies and there are opportunities for Council to partner with other organisations to promote innovation in ICT service delivery.
- The recent partnership with ServiceNSW and ACT Government for digital solutions and Smart Cities initiatives is demonstration of this intent



Pressures



Robust, reliable and secure ICT environment

- Council has made significant investment in its ICT infrastructure - there is a strong base from which to build a federated network and fit for purpose IT architecture.
- Ensuring that user needs around performance and reliability are met across all Council locations as a merged entity is a key priority.
- This includes refining the service management approach to support more systematic identification, planning, delivery and support of ICT services to the business.
- This also includes ensuring that security controls are effective, but do not hamper business outcomes or compromise performance and convenience



Pressures



Suppliers

There are several limiting factors adding to the complexity and cost of technology delivery:

- Limited by depth of enterprise system suppliers to local government
- Exposed to relatively high cost of enterprise systems acquisition, licensing and maintenance of apps to integrate those systems
- Poor connectivity between offices delays the ability to federate the network and telephone systems, requiring duplication of those systems
- Poor mobile and NBN reception in rural areas limits ability to deliver service remotely, and clients' ability to self serve



Pressures



Customer digital services

- There is a universal demand for a good customer experience regardless of location or service delivery method.
- For those that prefer digital services, this may include making innovative digital/online services available 24/7, or using online channels and social media to engage citizens.
- Council will be required to provide the necessary infrastructure and systems to promote connectedness and accessibility with the community through face-to-face channels and community engagement in urban and rural locations.



State



Current ICT

- The former QCC's current server infrastructure utilises processor technology which delivers virtual server technology, which optimally allows QCC to run multiple (virtual) servers on a single physical server
- Provides saving on the materials and energy needs of the previous multiple separate physical server environment.
- QCC's storage capacity is provided by a mix of disk and tape storage systems located primarily off site.
- A range of backup solutions is used across the network.
- QCC's network and datalinks provides delivery of local and remote access and connectivity from fixed and remote sites to applications, data and services.
- QCC operates a network supporting over 250 desktops, 50 notebooks and approximately 300 users.
- There are concerns over the speed and responsiveness of QCC's network in remote sites.
- Some remote sites are required to access the network via a VPN which results in slow response times.



Figure 2: Summary of Key Findings of the ICT Current State Discussion Paper

	PEOPLE	PROCESS	TECHNOLOGY
STRENGTHS	KF1: Appetite for change KF11: ICT issues management & service	KF9: Defined project & governance framework	KF16: ICT infrastructure investment
WEAKNESSES	KF2.4: ICT training / user maturity KF8: ICT management approach	KF11: Resolving ongoing ICT problems	KF14: Effectiveness of key systems KF15: Integration between business systems
OPPORTUNITIES	KF1.7: Better defined, championed change KF6: Whole-of-QCC approach to business analysis & improvement	KF8.10: System ownership & business partnership KF9: Governance focus on business needs, not just technology solutions KF12: Improved ICT Service Management Merger opportunities	KF13: Improved mobile work capability KF15: Integration between business systems
THREATS	KF3: Reliance on key individuals KF3: Recruiting & retaining skills Merger challenges		KF17: Misaligned investment

State



Current ICT

- The former Palerang Council's server infrastructure consists of fifteen physical servers running a mixture of Microsoft Server 2012, 2008 and 2003 editions.
- 46 virtual servers were hosted within the council and are provided to Braidwood via Telstra's managed fibre network.
- Palerang is utilising Dell hardware replication between the production storage arrays and the Braidwood DR array.
- Palerang may have a copy of the current data residing on the production arrays, this data may be unusable due to data integrity issues, incomplete data transfers or the fact that there are no hardware resources to access the data.
- The Sennell Information Technology Audit Report (Q3 – 2015) proposed an optimised design for implementation to reduce overall cost and increase efficiency.



Impact



Empowered staff

- Appropriately skilled people, both internal and external to ICT, are a key enabler in providing effective and efficient ICT services.
- ICT staff need to be empowered in order to deliver services expected of them.
- Users also need to be skilled and supported in order to access and use these services to best effect.
- To support users and staff, Council will proactively build the capacity of ICT users to make maximum use of existing and future ICT services
- The Systems Analysis Unit will seek to build effective partnerships between ICT and the business.
- The value of either Google G Suite or Microsoft Office 365 as a transformative office productivity and collaboration capability, depends in some degree on the level of effective integration with business systems.
- Modernising the business systems suite first will increase the benefits of adoption of either of these products.



Impact



Core Services

Council must not lose sight of its core role of providing services to its community:

- the way in which some of these services are provided will change (e.g. digital/online services) - the actual services and needs of the community will remain largely stable.
- need to provide ICT products and services as effectively and efficiently as possible to support QRPC's role in supporting the community, local economy, infrastructure, the natural environment and development needs
- needs to provide a stable ICT platform to ensure both business and ICT stakeholders can undertake their everyday roles. Council will therefore continue to maintain the integrity of existing technologies and services, while exploring opportunities to strengthen the current ICT infrastructure and the supporting workforce



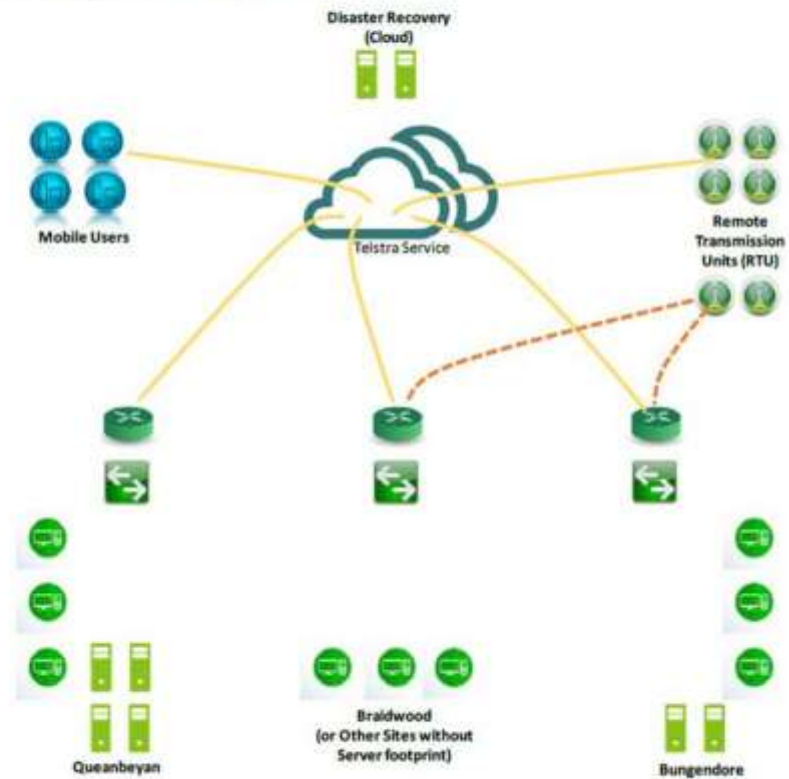
Impact



System Security

- The current volume of hardware and server licenses offers Council a unique opportunity to consolidate, streamline, reduce operational costs and gain efficiencies.
- Consolidation of the assets into a primary and secondary DC has the potential to support high availability and robust disaster recovery opportunities.
- It will also allow Council to progressively retire ageing infrastructure and move towards a primary or secondary DC in the cloud to potentially reduce operating expenses
- The opposite figure represents the understanding of the network layer and connectivity design to be delivered as part of the ICT Transition
- The current plan is to have the primary DC in Queanbeyan with secondary DC in Bungendore for geospatial or other specific requirements and a Disaster Recovery environment in the cloud.
- Council is already planning a robust Security Assessment and Penetration testing to ensure that the network is secure and can support the Council requirements

Figure 5: QPRC (post ICT transition) schematic



Impact



Challenges

- The former QCC and Palerang have existing integration and automation challenges in their current Information Management landscape.
- The absence of an Information Management plan underpinned by an agreed Business Capability Model has created the potential of point in time decision making without proper consideration of the total business need.
- Integration during merger is not a simple ICT initiative but needs to cater for a greater business goal. A slow or poorly handled ICT integration between merging organisations can jeopardise their business goals.
- Balancing the competing priorities of a fast transition with the organic development of the Business Capability Model will be a challenge for Council.
- The other major challenge for Council will be the cultural change required to move former QCC and Palerang business teams to a unified business process
- Most of the merger grant provided by government will be expended on technology harmonisation, integration and expansion



Impact



Reflect the voice of the community

- It is essential that Council actively incorporates the voices and needs of the community into service provision across the organisation, including ICT.
- Council will broadly deliver the same range of services going forward to those previously offered by former Queanbeyan and Palerang Councils
- the fundamental needs of citizens are likely to be relatively constant
- there is a growing shift in expectations around the ways services are delivered. That said, there is no single voice that represents the community.
- different environments necessitate different ways of doing business and ensuring that ICT supports a blend of digitally enabled services and face-to-face contact



Response



Principles

The ICT Review supported a versatile strategy for the future:

- Data Centre Strategy
- Productivity benefits of cloud-based hosting
- Options to build scale and host external organisations

The Review recommended that Council develops in-house or through contractual arrangements the following artefacts to safeguard from vendor lock in:

- naming standard for all logical and physical components to be deployed
- detailed network design aligned to the naming standards
- configuration management database (CMDB) to sustain and manage all changes
- naming standard for all end point devices for effective asset and device management
- half-yearly security assessment and penetration testing regime



Response



Integrated ERP

- The review suggested an alternate approach would be to acquire a pre-integrated commercial off the shelf (COTS) platform that meets more than 80% of the Council requirements, as a 3 – 5-year strategy.
- This approach is supported by the Council's exemption from tender for the Technology One suite, and would allow Council to move quickly onto a common platform and provide enough time to develop the Information Management strategy to underpin the longer term future state
- The transition to the Technology One suite may present a long term business systems solution for Council, but it could also provide a medium term stabilisation period for Council to consider different longer term options.
- There are pros and cons to using single technology platform, with the major disadvantage being the dependence on a single vendor and consultant base

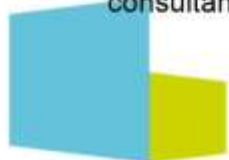


Figure 5: QPRC (post ICT transition) schematic



Response



Optimise value from ICT investments

To optimise value from ICT:

- will adopt a disciplined focus on enabling business outcomes, as opposed to delivering specified technologies and products.
- will be guided by Council's business strategy to ensure that ICT products and services are driven by needs and address identified business problems
- will be a focus on identifying and delivering benefits and value for money from ICT investments, that is to say the organisation has not over-invested or under-utilised.
- will be vital to support the merger transition, ongoing transformation, and the continuous improvement of customer services.
- will be focused on realising the intended return from its investments.
 - delivering successful projects and programs,
 - integrating benefits realisation with enterprise governance arrangements
 - seek to maximise the efficient use of existing assets through partnerships with other organisations, shared service arrangements and more advanced data analytics.
- Council will measure ongoing progress against achievement of the strategies and objectives contained in this ICT Strategic Plan.
- This will be achieved through the collection of metrics relevant to each objective.
- Council will determine what needs to be measured, in order to be managed, based on individual project needs and integration with existing governance arrangements and reporting requirements



Response



Strategy Map

This Strategy Map provides an overview of the four key **strategies** (highlighted in green) that underpin this ICT Strategic Plan, and the underlying **objectives** (highlighted with a white background) that will enable each strategy to be realised. Each objective has also been grouped into the three components that collectively make up Council's ICT capability: people, process and technology (highlighted in blue). This allows Council to view the key priorities as they relate to each strategy (shown by each vertical section of the Strategy Map), or the supporting capabilities required to enable these priorities (shown by each horizontal section of the Strategy Map).

	Strategy 1: Maintain a robust, reliable, secure and available ICT environment	Strategy 2: Maximise the value from ICT investments and projects	Strategy 3: Reflect the voice of the community in ICT products and services	Strategy 4: ICT users and staff are supported and empowered to deliver business outcomes
People	<p>Develop an ICT workforce plan that focuses on the sourcing, retention and attraction of ICT staff</p> <p>Build on the commitment and desire to champion and drive change within ICT and across the Council</p>	<p>Build and leverage external partnerships to share, scale up and reuse common ICT capabilities and needs</p>	<p>Promote the voice of the community in ICT products and services through co-design and collaboration</p>	<p>Build user maturity in the effective use of ICT through ongoing learning and development</p> <p>Ensure ICT supports the merger process and a single approach and culture across the ICT team</p>
Process	<p>Implement a right-sized ICT service management approach to deliver and report on ICT services</p> <p>Implement a robust information management strategy and approach</p>	<p>Refine the project management framework to promote scalable, flexible and agile practices</p> <p>Develop and implement a benefits management approach (integrated with governance arrangements)</p>	<p>Institute a regular mechanism to engage the community and collect their input and insights</p>	<p>Resource and position the workforce to work proactively to enable business outcomes</p>
Technology	<p>Ensure an appropriate balance between security, performance and convenience</p> <p>Drive a common approach to ICT systems, technology and architecture across all locations and functions</p>	<p>Utilise business intelligence and analytics capabilities to extract value from existing and future data holdings</p>	<p>Utilise digitally enabled services, the 'Internet of things' and smart city technology to meet community expectations</p>	<p>Improve mobile working capability and support more flexible / activity based working arrangements</p> <p>Implement an integrated Enterprise Resource Planning (ERP) system</p>

Implementation Roadmap



This Implementation Roadmap provides an indicative plan to meet the strategies and objectives contained within the ICT Strategic Plan. It is positioned as 'indicative' given that the owner of each accountable area needs to continually review and refine the underlying approach to ensure the objectives and outcomes are achieved, rather than following a pre-defined activity based plan.

Strategy 1: Maintain a robust, reliable, secure and available ICT environment

ID	Objective	Outcomes	Potential Tasks	Timeframe	Owner
1.1.	Develop an ICT Workforce Plan that focuses on the sourcing, retention and attraction of ICT staff	<ul style="list-style-type: none"> Increased candidate pool for vacancies Increased investment in ICT training Increased access to contingent skills Improved retention rate 	<ul style="list-style-type: none"> Develop ICT Workforce Plan Implement identified workforce strategies (including strategic sourcing arrangements for labour needs, filling identified training gaps, targeted recruitment and succession planning) 	<ul style="list-style-type: none"> Q3-Q4 2017 2018 onwards 	Manager Culture and Performance
1.2.	Build on the commitment and desire to champion and drive change within ICT and across the Council	<ul style="list-style-type: none"> Increased awareness of ICT capabilities to support business outcomes / reform 	<ul style="list-style-type: none"> Identify and implement ICT change champions program (integrated into project management framework as per Objective 2.2.) 	<ul style="list-style-type: none"> Q3 2017 	General Manager – Organisational Capability
1.3.	Implement a right-sized ICT service management approach to deliver and report on ICT services	<ul style="list-style-type: none"> Improved user satisfaction for core ICT services Increased visibility of ICT performance and key metrics 	<ul style="list-style-type: none"> Design and implement ICT service management approach (sequenced to improve monitoring/reporting, problem management and configuration management) 	<ul style="list-style-type: none"> 2018 onwards 	Manager Digital
1.4.	Implement a robust Information Management Strategy and approach	<ul style="list-style-type: none"> Improved alignment between business capabilities and information systems Improved access to and sharing of data and records across the business 	<ul style="list-style-type: none"> Develop and implement Information Management Strategy (tiered to address enterprise architecture, information architecture, records management and data governance) 	<ul style="list-style-type: none"> Q3-Q4 2017 	Manager Digital

Implementation Roadmap



Strategy 1: Maintain a robust, reliable, secure and available ICT environment (continued)

ID	Objective	Outcomes	Potential Tasks	Timeframe	Owner
1.5.	Ensure an appropriate balance between security, performance and convenience	<ul style="list-style-type: none"> Reduced risk / occurrence of information / data breaches Increased user appreciation of the need for, and use of, balanced security controls 	<ul style="list-style-type: none"> Conduct security assessments and penetration testing Refine network layer protection and identity and access management Engage business to ensure controls are not overly restrictive or hampering business outcomes, and educate users on need for appropriate security controls 	<ul style="list-style-type: none"> 2018 onwards 	Manager Digital
1.6.	Drive a common approach to ICT systems, technology and architecture across all locations and functions	<ul style="list-style-type: none"> Consistent user experience across all Council locations and business areas 	<ul style="list-style-type: none"> Ongoing development and refinement of ICT systems architecture, network design and data centre strategy as part of the transition / merger process 	<ul style="list-style-type: none"> Q3 2017 onwards 	General Manager – Organisational Capability



Implementation Roadmap



Strategy 2: Maximise the value from ICT investments and projects

ID	Objective	Outcomes	Potential Tasks	Timeframe	Owner
2.1.	Build and leverage external partnerships to share and reuse common ICT capabilities and needs	<ul style="list-style-type: none"> Increased reuse of existing Council capabilities (<i>lead</i>) Increase use of other partner organisations' capabilities (<i>leverage</i>) 	<ul style="list-style-type: none"> Develop and implement Partnership Strategy that identifies potential partners, opportunities, and tangible actions to lead and leverage ICT capabilities (e.g. roadmap for Service NSW digital service offerings) In line with Partnership Strategy, conduct feasibility study for building a shared services hub for other organisations 	<ul style="list-style-type: none"> 2018 onwards 	Digital Strategy Specialist
2.2.	Refine the project management framework to promote scalable, flexible and agile practices	<ul style="list-style-type: none"> Increased delivery of projects on time, budget and scope 	<ul style="list-style-type: none"> Refine project management framework Train staff in use of the new framework Pilot and refine framework 	<ul style="list-style-type: none"> Q3-4 2017 	TP PMO Coordinator
2.3.	Develop and implement a benefits management approach (integrated with governance arrangements)	<ul style="list-style-type: none"> Increased scrutiny of new project proposals based on problem analysis and intended benefits Increased delivery of business benefits from ICT investments 	<ul style="list-style-type: none"> Develop benefits management framework Train staff in use of the new framework Pilot and refine framework 	<ul style="list-style-type: none"> Q1-2 2018 	General Manager – Organisational Capability
2.4.	Utilise business intelligence and analytics capabilities to extract value from existing and future data holdings	<ul style="list-style-type: none"> Increased use of data to inform decisions 	<ul style="list-style-type: none"> Scope business intelligence and analytics capabilities as part of Objective 4.5. Explore opportunities to partner with other government organisations to exploit big data and open government (as part of Objective 2.1.) 	<ul style="list-style-type: none"> Q3-4 2017 Q3-4 2018 	Digital Strategy Specialist

Implementation Roadmap



Strategy 3: Reflect the voice of the community in ICT products and services

ID	Objective	Outcomes	Potential Tasks	Timeframe	Owner
3.1.	Promote the voice of the community in ICT products and services through co-design and collaboration	<ul style="list-style-type: none"> Improved community satisfaction with ICT services 	<ul style="list-style-type: none"> Embed user-centered design and co-design practices into project management approach (see Objective 2.2.) and whole-of-organisation change initiatives 	<ul style="list-style-type: none"> 2018 onwards 	General Manager – Organisational Capability
3.2.	Institute a regular mechanism to engage the community and collect their input and insights	<ul style="list-style-type: none"> Increased user involvement in ICT service and product planning and delivery 	<ul style="list-style-type: none"> Conduct regular ICT forums with community members Establish mechanism for community members to initiate feedback on ICT products and services 	<ul style="list-style-type: none"> 2018 onwards 	General Manager – Organisational Capability
3.3.	Utilise digitally enabled services and smart city technology to meet community expectations	<ul style="list-style-type: none"> Increase in digital service uptake Improved perception of Council regions as 'smart cities' 	<ul style="list-style-type: none"> Explore opportunities to partner with other government organisations to implement digital service and smart city technologies (as part of Objective 2.1.) 	<ul style="list-style-type: none"> Q3-4 2018 	Digital Strategy Specialist



Implementation Roadmap



Strategy 4: ICT users and staff are supported and empowered to deliver business outcomes

ID	Objective	Outcomes	Potential Tasks	Timeframe	Owner
4.1.	Build user maturity in the effective use of ICT through ongoing learning and development	<ul style="list-style-type: none"> Increase use of self-help services and ICT training products Reduced demand on ICT service desk for user training issues 	<ul style="list-style-type: none"> Develop and promote existing training products Build enhanced knowledge base for self-help services Target strategies for reducing service desk enquiries 	<ul style="list-style-type: none"> Q3 2017 onwards 	Manager Culture and Performance
4.2.	Ensure ICT supports the merger process and a single approach and culture across the ICT team	<ul style="list-style-type: none"> Consistent user experience across all Council locations and business areas 	<ul style="list-style-type: none"> Ongoing development and refinement of ICT services and products across Council 	<ul style="list-style-type: none"> 2017 onwards 	Manager Digital
4.3.	Resource and position the Business Analysis Unit (BAU) to work proactively to enable business outcomes.	<ul style="list-style-type: none"> Increased engagement between BAU and business stakeholders 	<ul style="list-style-type: none"> Refocus BAU on business engagement and outcomes Review resourcing and explore strategic sourcing model to provide surge capacity to proactively engage stakeholders and respond to fluctuating demand for engagement 	<ul style="list-style-type: none"> 2018 onwards 	Manager Culture and Performance
4.4.	Improve mobile working capability and support more flexible / activity based working arrangements	<ul style="list-style-type: none"> Increased staff mobility 	<ul style="list-style-type: none"> Review and expand mobile working capabilities through engagement with the BAU (see objective 4.3.) Trial and implement activity based working 	<ul style="list-style-type: none"> 2018 onwards 2019 onwards 	Digital Strategy Specialist
4.5.	Implement an integrated Enterprise Resource Planning (ERP) system	<ul style="list-style-type: none"> Improved ERP capabilities Increased integration of key information systems / asset classes 	<ul style="list-style-type: none"> Continue project to scope and implement an integrated ERP system 	<ul style="list-style-type: none"> Q3 2017 onwards 	ERP Coordinator

Part 6: Risk Management Strategy



Drivers



Overview

Risk management in Local Government is seen as good business practice and developed from an appreciation of insurable risk and is progressing to Enterprise Risk Management. Both the Queanbeyan City Council and the Palerang Council had in place Risk Management systems that had been developed to suit the needs of the individual Council. The systems were at a different level of maturity with differing emphasis. Queanbeyan had in place a dedicated Risk Management Committee and specialist staff where as Palerang used its Executive for this purpose.

Amendments to the *Local Government Act 1991* recognise that Councils must undertake sound risk management practices and extends the scope of the Audit Committee to also capture "Risk Management" and "Business Improvement". This Committee will now be known as the Audit, Risk Management and Improvement Committee and its charter has been broadened to reflex this expanded role.

An Assurance Framework review was undertaken by independent auditors following the merger, identifying any gaps in the three lines of defence and recommending an audit schedule for QPRC.



Drivers



Assurance Review

An assurance review was undertaken to identify gaps and risks in the governance framework, and considered by the Audit Committee

Scope:

- Identify Council activities and controls, in the context of the existing Council Delivery Program and Business Continuity approach and methodology. This included examination of supporting structure, systems, policies, delegations and monitoring arrangements
- Develop an Assurance Map that evaluates the control effectiveness
- Identify areas where the control effectiveness could be improved and suggest how these may be better managed and controlled by business areas in the most efficient and effective way
- Identify any duplication and assurance costs.

Key findings

- there are generally effective 'first line' controls and activities in place to address the key risks faced by the Council.
- key operational risks in relation to compliance, such as risks around the approval of land develop applications, or the public safety of Council facilities are effectively addressed through compliance and quality checks
- existing system to manage policies, directives and procedures does not automatically update, or prompt an update
- need to rationalise the risk register
- identify and focus on enterprise strategic risks at Executive level
- implement intuitive online tool to identify risks, their treatments and appetite, inform decisions and report on risk performance

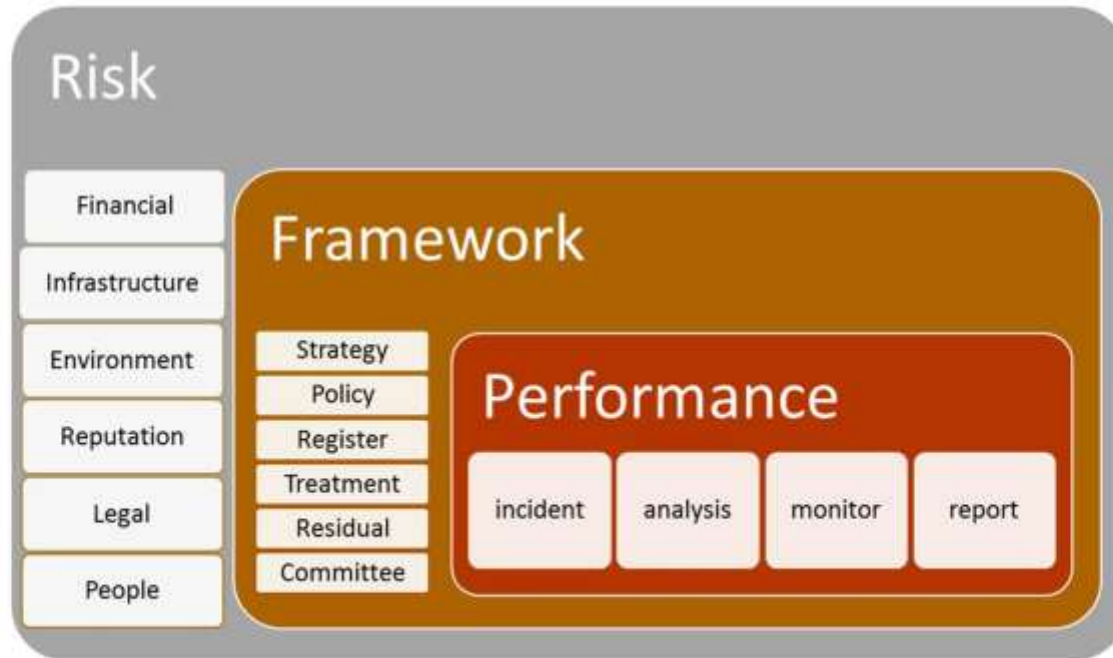
A probity review was also undertaken, resulting in preparation and adoption of a probity management framework in 2016

Pressures



Enterprise Risk Framework

It is proposed that an "enterprise" perspective will be taken to Risk Management and the implementation of an Enterprise Risk Management framework is being progressed as outlined below





Drivers – Pressures – State – Impact – Responses

Drivers	Pressures	State	Impact	Responses
<ul style="list-style-type: none"> - Good Practice - Legislation - Existing obligation - Community expectation - Strategic focus - Enterprise perspective - Assurance audit - Audit Committee role 	<ul style="list-style-type: none"> - Existing Risks - Emerging risks - Corporate alignment - Attitude statement - Local Government benchmarking 	<ul style="list-style-type: none"> - Former Council initiatives - Policies - Risk Register - Audit Committee - Risk Management system 	<ul style="list-style-type: none"> - Good strategy - Emerging risk controls and treatments - Risk Appetite considerations 	<ul style="list-style-type: none"> - Enterprise Risk Management - Risk system and mapping - Defined treatments - Three lines of defence - Strategy implementation

Impact



Responsibilities

Council's Plans	Audit, Risk and Improvement Committee	Council Executive	Risk Management Group ¹	Portfolio General Managers	Service Managers and Project Managers	Legal and Risk
<p>Detail Council's objectives for the long, medium & short term.</p> <p>Provide the vantage point from which risks are identified & assessed.</p> <p>Risks include those that are shared with other levels of government, other councils, key suppliers, & the community.</p> <p>Council's Plans include:</p> <ul style="list-style-type: none"> Community Strategic Plan Delivery Program Operational Plan Financial Plan Change Management Plan Resourcing Strategy 	<p>Examine significant risk management issues to support & inform their consideration by the Executive.</p>	<p>Establish Council's risk appetite & approve frameworks, policies & practices that will be used to assess & evaluate risk in accordance with that appetite.</p> <p>Identify Council's strategic risks², & determines their mitigation.</p> <p>On advice from the Risk Management Group, consider treatment of risks that exceed Council's risk appetite.</p> <p>Review Council's strategic risks, including their mitigation, & risk appetite annually as part of the business planning process.</p>	<p>Consider Council's risk management framework, policies & practices, & recommend their adoption to Council Executive.</p> <p>Monitor Council's risk profile, including strategic, business unit & project risks & their mitigation.</p> <p>Provide advice to the Executive on the management of risks that exceeds Council's risk appetite.</p> <p>Act as a forum to support council managers in the management of specific risks & types of risk.</p> <p>Review & recommend to the Executive reports to Council dealing with risk management matters.</p>	<p>Implement treatments to Council's strategic risks.</p> <p>Identify business unit risks & manage their mitigation in accordance with Council's risk appetite.</p> <p>Formally develop & adopt the Business Unit risk register & risk management plan, updating both at least annually in line with the business planning cycle.</p> <p>Report to the Risk Management Group on the management of business unit risks & relevant aspects of strategic risks, including identification & referral of significant issues.</p>	<p>Line Managers:</p> <p>Implement relevant treatments to Council's strategic risks & business unit risks.</p> <p>Identify business process level risks & manage their mitigation in accordance with Council's risk appetite.</p> <p>Project Managers:</p> <p>Identify risks associated with reportable³ projects & manage their mitigation in accordance with Council's risk appetite.</p> <p>Report to the Risk Management Group on the management of project risk.</p>	<p>In consultation with staff & managers, develop proposed risk management frameworks, policies & practices for consideration by the Risk Management Group & endorsement by Council Executive.</p> <p>Assist council staff in the application of those policies & practices, including the provision of training & support.</p> <p>Coordinate provision of reports to the Risk Management Group, Council Executive & Council.</p>

Response



Enterprise Risk Framework

Element	Major activities
Framework definition	<ol style="list-style-type: none"> 1. Draft Risk Management Policy that gives effect & authority to agreed roles & responsibilities of Council Executive, the Risk Management Group, the Council Executive, Portfolio General Managers, Service Managers, Project Managers & the risk management advisory function. <ul style="list-style-type: none"> • Draft policy provided to the inaugural meeting of the QPRC risk committee. • Draft policy to be submitted to General Manager & Administrator for endorsement & approval. 2. Draft Risk Management Group Charter based on agreed responsibilities. <ul style="list-style-type: none"> • Draft charter provided to the inaugural meeting of the QPRC risk committee. • Draft charter to be submitted to General Manager for approval. 3. Define risk management practices to assist & guide staff to identify, evaluate, manage & report on risks to Council's objectives consistent with Council's risk appetite. Document these in form of a Risk Management Directive. <ul style="list-style-type: none"> • To be developed by Committee working group, as identified at initial Committee meeting. • Directive to be endorsed by the Executive & approved by the General Manager.
Framework implementation	<ol style="list-style-type: none"> 4. Work with the Executive to identify, analyse & evaluate Council's strategic risks, & identify treatments. <ul style="list-style-type: none"> • To follow inaugural meeting of the risk committee. To include discussion with Executive in relation to item 3, particularly development of matrixes to support analysis, evaluation & required response to risks in line with Council's risk appetite. • Strategic Risk register & risk management plan to be endorsed by the Executive & approved by the General Manager. 5. Work with nominated business unit staff to identify, analyse & evaluate Business Unit Risks, & identify treatments for those that exceed Council's risk appetite. <ul style="list-style-type: none"> • To be progressed following 4. Will be assisted by analysis of risks identified previously. • Business Unit risk register & risk management plan to be approved by the Executive. 6. Work with relevant project management staff to identify, analyse & evaluate project, & identify treatments for those that exceed Council's risk appetite. <ul style="list-style-type: none"> • To be progressed following 4. Likely to take 2 - 3 months, & will be assisted by analysis of risks identified by the former Queanbeyan City & Palerang Councils. • Project risk registers & risk managements plan to be approved by respective project boards.



Response



Enterprise Risk Framework

Element	Major activities
	<p>7. Implement mechanisms to enable responsible staff to report to the Risk Management Group, including use of <i>ProMapp</i> & report formats.</p> <ul style="list-style-type: none"> To be progressed following 3. Identification of risk reporting requirements for projects to be considered at the initiation phase of each project. <p>8. Implement mechanisms & report formats to enable the Committee to report to the Executive & General Manager.</p> <ul style="list-style-type: none"> Proposed risk reporting framework to be provided to inaugural meeting of the Risk Management Group. Timetable for update of registers to be defined in Risk Management Directive.
<p>Link to Council's business planning & reporting practices & cycles</p>	<p>9. Define timetable for the refresh & update of risk registers & risk management plans in line with the business planning cycle.</p> <ul style="list-style-type: none"> Proposed risk reporting framework to be provided to inaugural meeting of the Risk Management Group. Requirements for review & update of risk register & plans to be addressed development of Risk Management Directive <p>10. Define timetable for reporting on risk management issues, including specific risks & their management, in line with business reporting arrangements.</p> <ul style="list-style-type: none"> Risk reporting requirements to be addressed during development of Risk Management Directive



Response



Risk System and Mapping

Risk Register

A draft risk register had been developed for both Councils (*now combined*).

An example of the register is shown hereunder and it will be incorporated into the Council's existing *Promapp* software with linkages to other Council systems to enable performance monitoring, reporting and periodic review.

The register is aligned to the CSP strategic pillars.

QPRC Risk Register

A screenshot of a risk register spreadsheet. The table has multiple columns, including 'Risk ID', 'Risk Description', 'Strategic Pillar', 'Risk Level', 'Responsible Officer', 'Review Date', and 'Status'. The 'Risk Level' column is color-coded with red, green, and yellow. A large red watermark with the text 'To be Updated' is overlaid diagonally across the center of the table. The table contains numerous rows of risk entries, with some rows highlighted in yellow and others in green.

Response – Three Lines of Defence

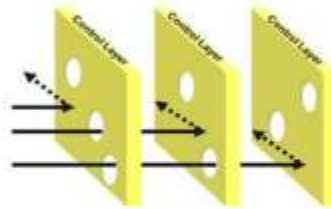


Three Lines of Defence

Risk treatments and controls are identified in the Risk Register and the three lines of defence approach is taken to the treatment of risk. The defence lines are level of management activity and intervention and are seen as control layers:

First Line	Operational Management:	<ul style="list-style-type: none"> - Policies & Procedures - IT tools & systems - Supporting Business structure 	<ul style="list-style-type: none"> - Training - BCP
Second Line	Management Assurance Activity	<ul style="list-style-type: none"> - Management Review & Reporting - Compliance & Quality Circles 	<ul style="list-style-type: none"> - Oversight Committees - Financial controls
Third line	Audit / Reviews/ Testing:	<ul style="list-style-type: none"> - Internal Audit - External Review - GM initiated Activities 	<ul style="list-style-type: none"> - Benchmarking - Periodic review - BCP testing

This approach to the mitigation of risk works on the “Swiss cheese” model whereby weaknesses in the existing treatments are countered by additional treatments at subsequent layers that deal with the risk as shown hereunder:



Each line of defence identify specific initiatives to be undertaken to reduce the risk exposure across the three lines.

Business Continuity Planning is seen as a vital management response to risk mitigation.



Response



Residual Risk and Appetite

Following rationalisation of the Risk Register, the residual risk (following treatment) will be identified and placed into the risk matrix

Pending that risk score, will guide the definition of Council's risk appetite and in turn the extent to which risks will be tolerated, shared or controlled

That work may inform intervention levels for management of assets, or guide the type and frequency of compliance or regulatory inspections or penalties

In turn, the complexity or frequency of those compliance interventions may influence pricing for those services

Risk Rating = Likelihood x Severity

S e v e r i t y	Catastrophic	5	5	10	15	20	25
	Significant	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Improbable	Remote	Occasional	Probable	Frequent
			Likelihood				

Catastrophic	STOP
Unacceptable	URGENT ACTION
Undesirable	ACTION
Acceptable	MONITOR
Desirable	NO ACTION



Response



Strategy implementation

There is a need to better integrate Risk Management into Council's planning & reporting practices & other corporate activities.

The risk strategy will identify risk actions that will need to be undertaken.

These actions will be incorporated into in IPR reports, Service Statements, individual manager's performance plans and Council reporting in particular to the Council's Audit, Risk Management and Improvement Committee.



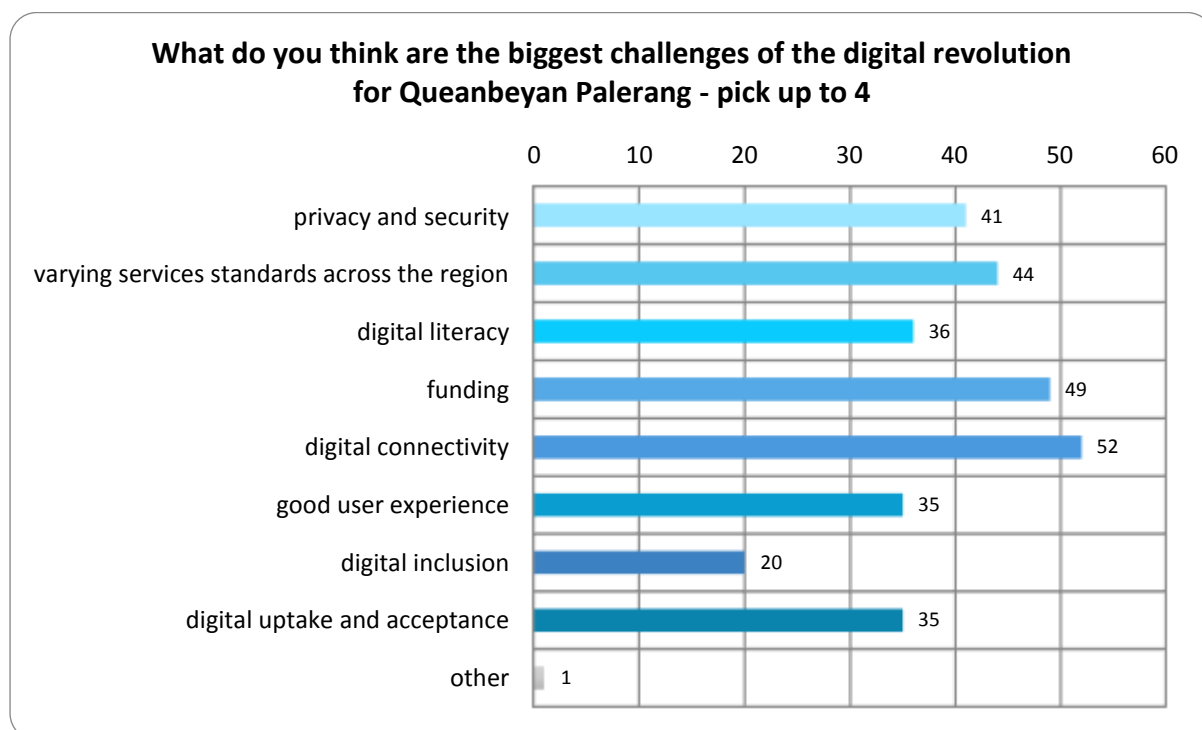
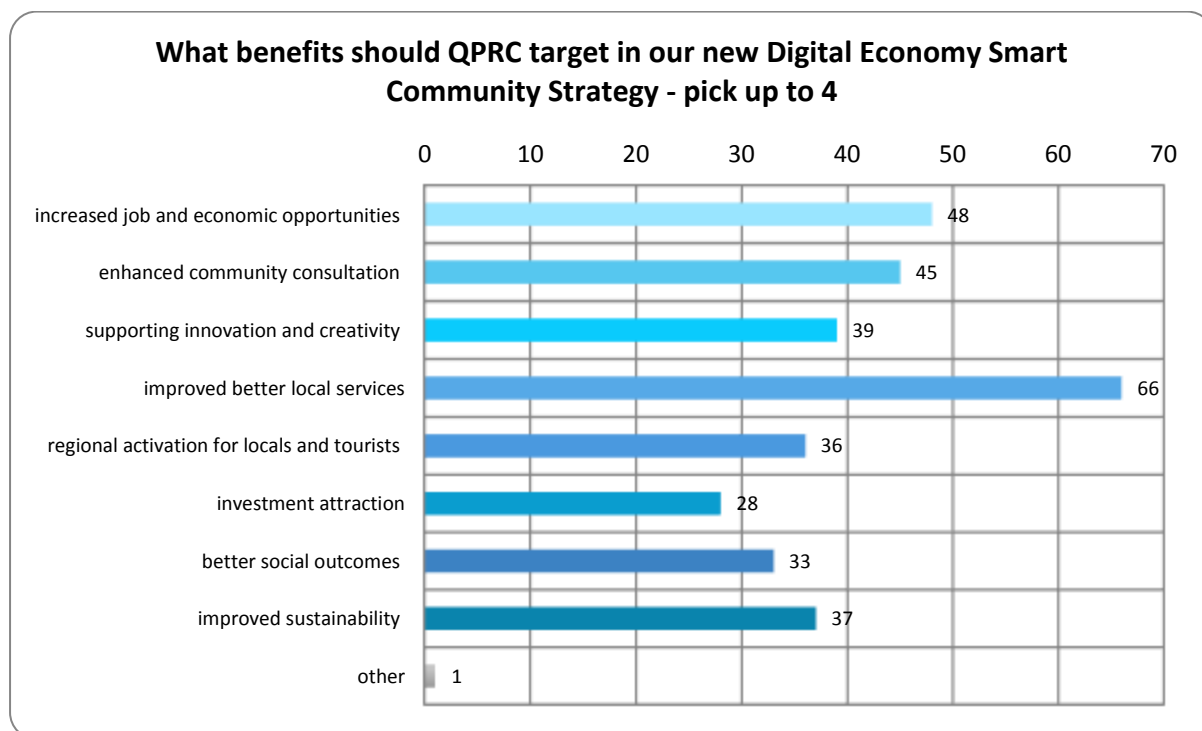
QUEANBEYAN-PALERANG REGIONAL COUNCIL

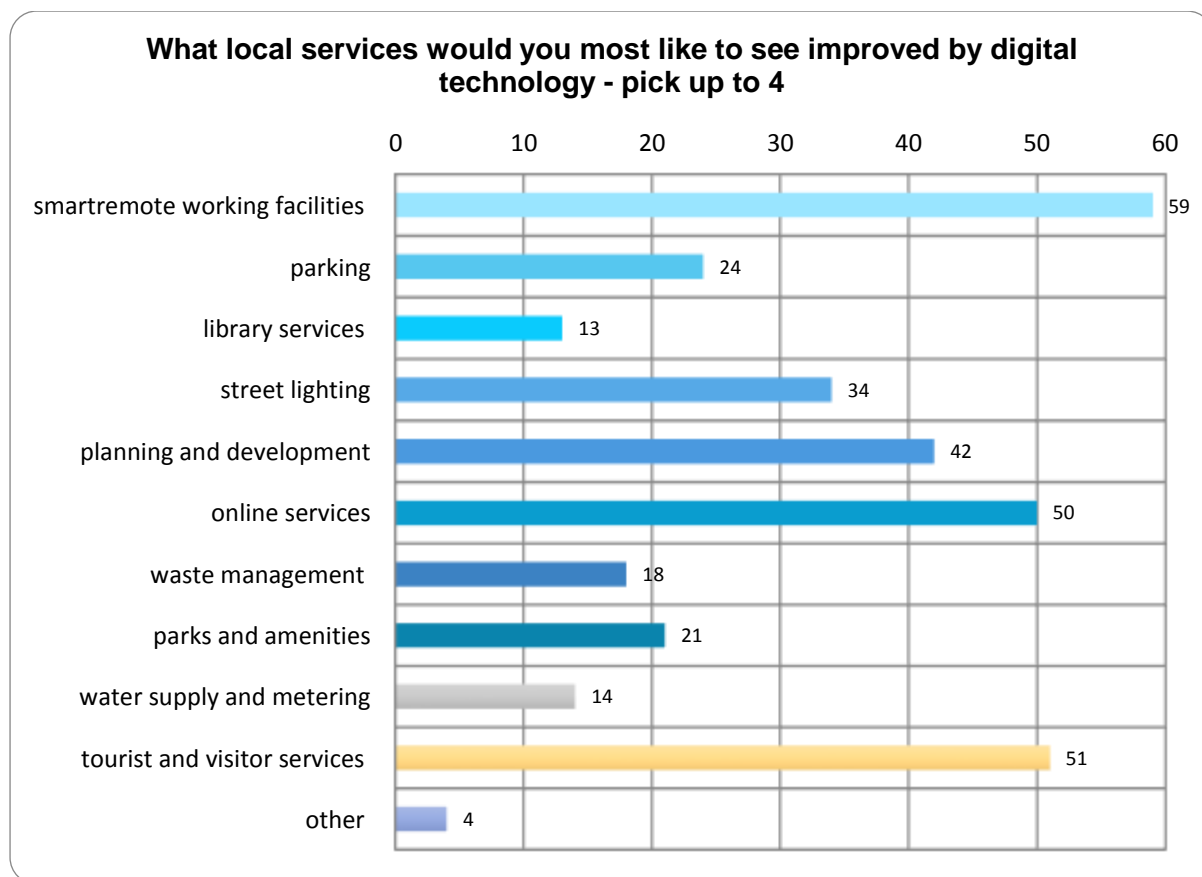
Council Meeting Attachment

26 JULY 2017

- ITEM 8.17 DIGITAL ECONOMY AND SMART COMMUNITY STRATEGY
- ATTACHMENT 1 DIGITAL ECONOMY AND SMART COMMUNITY - SUMMARY
 OF SURVEY RESULTS

Digital Economy and Smart Community: Summary of Survey Results





QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 JULY 2017

ITEM 8.17 DIGITAL ECONOMY AND SMART COMMUNITY STRATEGY

ATTACHMENT 2 DIGITAL ECONOMY AND SMART CITY STRATEGY



**QUEANBEYAN – PALERANG
REGIONAL COUNCIL**

**Digital Economy &
Smart Community Strategy**

DRAFT

INTRODUCTION

Digital technology is an increasingly important influence that shapes social interaction, employment, collaboration, entertainment, decision-making and every aspect of our environment. Smart communities recognise this trend and use technology to expand opportunities and deliver benefits to the community.

This Strategy formally states our aspiration for Queanbeyan-Palerang to be a 'smart community' - from the city of Queanbeyan, to the townships of Bungendore and Braidwood, and our villages and rural properties.

It builds on existing plans and work, including the Queanbeyan CBD Transformation Strategy, and the ACT- Queanbeyan-Palerang Regional Council Memorandum of Understanding. It extends and reinforces our commitment to digital excellence, which recently saw QPRC endorse the principles of the ACT's Digital Government Strategy.

The Strategy looks to deliver on the aspiration of the Community Strategic Plan that we have a diverse, resilient and smart economy fostering businesses that create jobs and wealth for all in our community.

Queanbeyan-Palerang Regional Council is committed to creating opportunities in the digital age - building our digital economy, harnessing the power of data for decision-making, leveraging the convenience of online services, and increasing our local, national and global connectivity.

QPRC DIGITAL ECONOMY, SMART COMMUNITY STRATEGY – OVERVIEW

Vision

Technology improves livability and sustainability in our region, and provides opportunity for everyone.

Our digital economy is strong and dynamic, renowned for innovation and creativity. We are connected and smart.

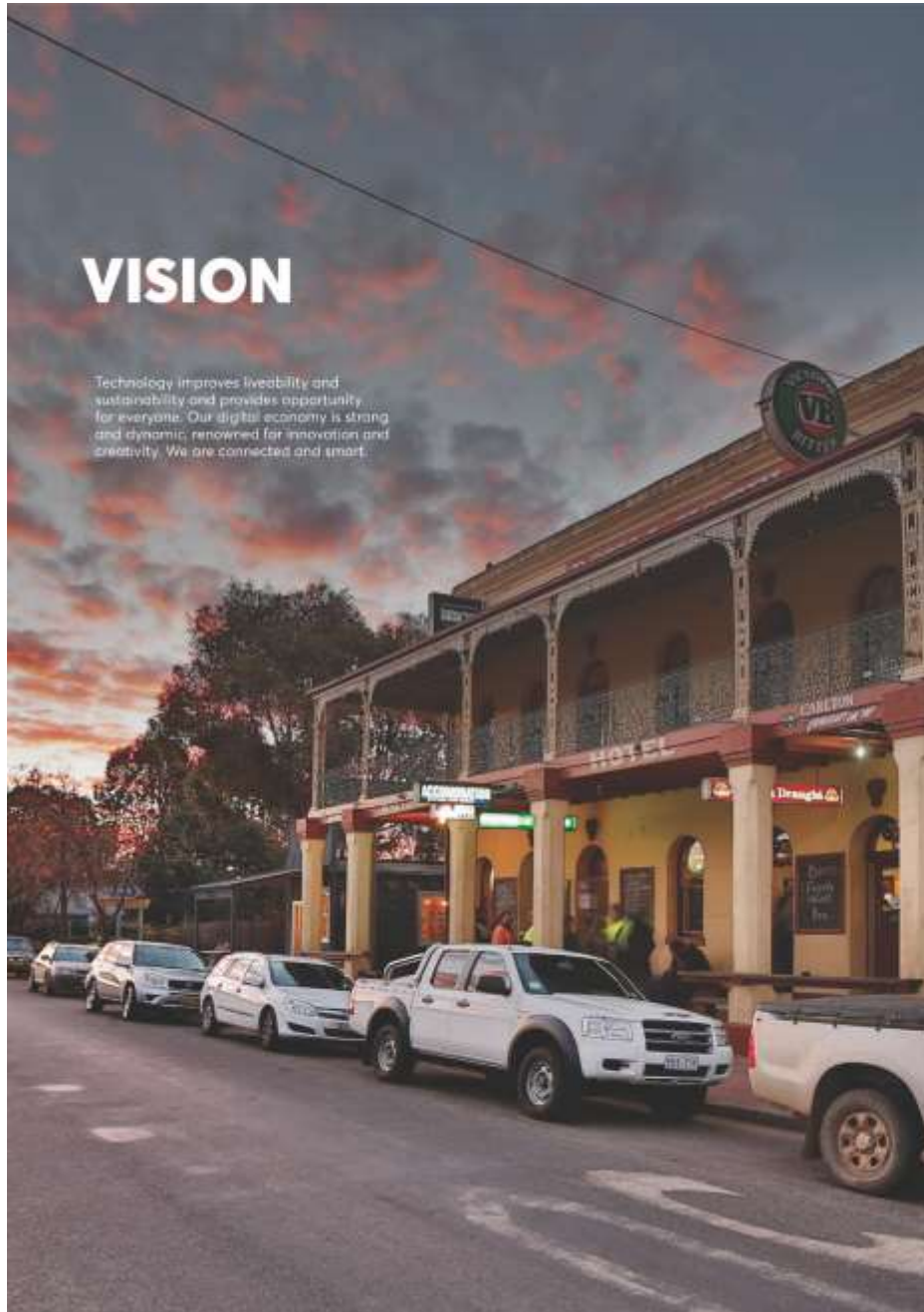
Objectives and Actions

Building our Smart Economy	Better Local Services	Smart Data, Smart Planning	Increasing Digital Capacity and Connectivity	Creating Vibrant Communities
<ul style="list-style-type: none"> Smart working initiatives Free public Wi-Fi for flexible work and innovation Streamlining business with Council Smart agriculture forums Fostering innovation, creativity and new business models 	<ul style="list-style-type: none"> Better online services Smart parking to improve citizen experience Smart street-lighting for safety, amenity and cost efficiency CCTV for safety and better design Service co-design sessions 	<ul style="list-style-type: none"> Open data initiatives Improved data collection and management Enhanced data analysis to inform town planning, service design and infrastructure delivery 3D digital city model Digital planning initiatives 	<ul style="list-style-type: none"> Regional collaboration Enhanced digital communication and engagement Promoting digital literacy and training Advocacy and direct action for connectivity improvements 	<ul style="list-style-type: none"> Free public Wi-Fi for tourism in Braidwood and Bungendore Smart parking to improve activation Digital media to promote QPRC Smart renewal of Queanbeyan CBD Digital tourism initiatives

Smart Community Principles

Collaboration Innovation Participation





VISION

Technology improves liveability and sustainability and provides opportunity for everyone. Our digital economy is strong and dynamic, renowned for innovation and creativity. We are connected and smart.



PRINCIPLES

Three foundation principles will guide both our purpose and the process.

- 1** **Collaboration & Co-Creation**
The digital world crosses borders and boundaries, and is intrinsically networked. Council-Community collaboration will be the backbone of this Strategy. We will also continue to develop broader cooperation and partnerships that drive co-creation, unlock creativity, share knowledge, and encourage new possibilities.
- 2** **Innovation**
In all sectors, Queanbeyan-Palerang Regional Council will seek innovation. We will test and trial new technology, and harness innovation for economic growth and competitive advantage.
- 3** **Participation**
We will use smart technology to be more globally connected, and more importantly, to be more community connected. Queanbeyan-Palerang Regional Council will support participation, access and inclusion through the design of user-friendly digital services, more opportunities for community engagement, increased access to information, and innovation.



OBJECTIVES

Smart technology is the vehicle, not the destination. The following five key objectives provide direction and focus to this Strategy.

1. Building our Digital Economy

Strengthening the economy and capitalising on new opportunities is a strong motivator. Key digital economy objectives for Queanbeyan-Palerang include:

- increasing smart working options and adoption
- leveraging digital/remote/flexible working to reduce commuting, and catalyse city/town transformation
- using technology to streamline business with Council, including applications and regulatory requirements
- improving innovative use of Council data for decision making
- building digital literacy
- improving digital connectivity across the region
- encouraging commercial activity with digital activation and urban amenity
- supporting long distance education and life-long learning
- increasing economic participation using digital technology

2. Better Local Services

Queanbeyan-Palerang Regional Council will investigate options to apply digital technology to business-as-usual services for community benefit. Key objectives include:

- more cost-effective service delivery
- increasing the scope and satisfaction with online services
- improving service convenience, reliability and accessibility
- promoting service equity across our region
- enhancing communication, in value, target, impact, and timeliness
- increasing participation in community engagement
- simplifying interaction with Council
- improving community asset performance and maintenance
- fostering transparency and accountability

3. Smart Data, Smart Planning

The digital age means vast increases in the collection of data. We are committed to the appropriate and effective collection, analysis and use of data, to improve the planning, design and operation of our region. We are also committed to modernising our planning processes and using new techniques, such as 3D Digital Models, to create and build our region into the future.

Key objectives include:

- improving access to open data
- ensuring the security and privacy of community data
- increasing the collection of valuable data with digital technology
- building data analytical capability within Council
- improving the availability of real time information
- incorporating data and use of technology into community engagement and planning
- turning data into intelligence and integrating with decision making
- encouraging data hackathons and innovation

4. Increasing Digital Capacity and Connectivity

While digital connectivity continues to improve across Queanbeyan-Palerang Regional Council, the standards are variable (especially for our regional residents), and we are determined to continuously improve them. We will continue to strengthen our connections with research/education institutions to establish Queanbeyan-Palerang as regional digital centre.

Key objectives include:

- accelerating connectivity by direct action or targeted advocacy
- identifying and addressing digital disadvantage
- promoting digital literacy and training
- examining new connectivity options as technology advances
- monitoring and improving digital equity across the region
- fostering a culture of digital engagement, innovation and awareness

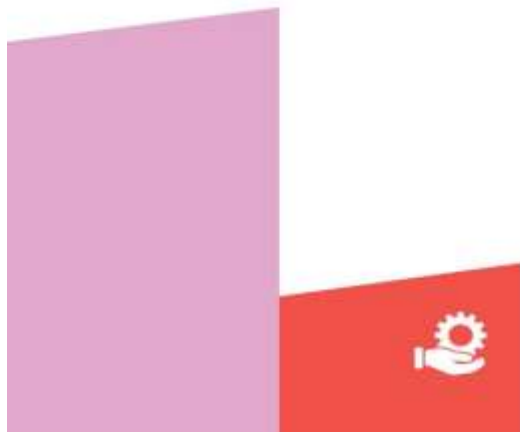
OBJECTIVES

5. Creating Vibrant Communities

Smart communities are vibrant, connected and active. This is our vision for Queanbeyan-Palerang.

Key objectives include:

- enhancing public spaces with digital services (e.g. wifi and phone charging)
- showcasing our region and improving visitor experience with digital media
- improving public safety with smart technology (e.g. CCTV)
- beautifying the public realm with technology (e.g. decorative lighting and digital art)
- making space for flexible working
- promoting local events with innovative communication
- fostering digital arts and creativity



DIGITAL TECHNOLOGY IN QUEANBEYAN – PALERANG

WHAT YOU TOLD US...

The following points are a summary of community feedback received from the community consultation workshops and online survey.

Enhance, increase and extend accessibility, quality of communication and education

A 'one stop shop', portal that anyone, resident or tourist can connect

Improved work flexibility through digital

Activated urban spaces that encourage people to freely move around, day or night, with seamless connectivity

Charging stations in tourist areas and commercial centres

Consultation on things that matter to the community

Actively monitoring new innovations

Connectivity is our biggest challenge

A very strong emphasis on the customer experience

Need to provide quality access to all our residents

Free Wi-Fi hot spots


State of the art digital technology hub or space

Educating our elderly and empowering young people

Easy access to quality online tertiary education

Ensure that we have adequate connectivity especially in regional areas

“
LOCAL SERVICES WE'D LIKE TO SEE IMPROVED WITH DIGITAL
WHAT YOU TOLD US ...

- 1**

Smart remote working facilities
- 2**

Tourist and visitor services
- 3**

Online services

“
TO BE A SMART COMMUNITY, WE'LL NEED TO CONSIDER
WHAT YOU TOLD US ...

- 
Digital connectivity
- 
Funding
- 
Varying services standards across the region

“
PRIORITY OUTCOMES FOR OUR SMART COMMUNITY ARE ...
WHAT YOU TOLD US ...

- 
Improved better local services
- 
Increased job and economic opportunities
- 
Enhanced community consultations

QPRC DIGITAL ECONOMY & SMART COMMUNITY STRATEGY / 11



PRIORITY ACTIONS

Priority Actions

Current priorities and flagship projects, which will form the immediate work program, are outlined below. As new opportunities and priorities emerge, the action plan will be updated.

Free Public Wi-Fi

Aim to deliver free public Wi-Fi for Queanbeyan CBD, and for Braidwood and Bungendore town centres. Work with the community to determine the best locations for these Wi-Fi hot-spots.

Regional Collaboration

Work with surrounding councils and the ACT Government through the Canberra Region Joint Organisation to progress joint smart region initiatives, including information sharing, transport and planning integration, digital mapping and digital communication.

Smart Renewal of Queanbeyan CBD

As part of the Queanbeyan CBD Master-plan refresh and Queanbeyan CBD Transformation Strategy, examine options to embed a digital dimension to help revitalise and modernise our city.

Smart technology can improve parking, traffic management, street lighting, safety, space activation and amenity.

Over the longer term, data collected by digital sensors will help to inform the planning and design initiatives.

Smart for Sustainability

Investigate options for smart management of natural resources and sustainability which may include, digital environmental monitoring, smart utility metering, and the use of drones for weed and hazard monitoring.

Digital Planning and 3D City Modelling

Leverage new modes of town planning through development of a 3D City Model. Modernise our planning processes and systems to create a streamlined, digital planning system that supports co-creation, meaningful community consultation, design innovation, process efficiency, and positive urban outcomes.

Enhanced digital engagement

Continue to develop digital engagement methods to encourage participation and improve community outcomes.

Smart Working

As a starting point, establish a smart work hub in the new Council development, to facilitate smart working, and encourage local collaboration and innovation.

Smart Parking

Examine smart parking solutions to make it easier to find a space, promote commercial turnover, and encourage activation.

Safe Communities

Promote community safety by installing CCTV in key public areas, and by using data to improve activation and 'safety by design'.

Street Lighting

Further investigate smart street-lighting to save energy and money. This may include energy efficient LED lighting, sensor-based activation, and integration with other smart technology (such as Wi-Fi and CCTV).

Smart Agriculture

Explore the development of smart agriculture forums to examine new and emerging digital technologies to better manage farms and natural resources and drive rural productivity.

Digital for Tourism

Explore the use of technology and digital options to promote our region and grow the visitor economy, encourage visitor exploration, and enrich the tourist experience. Digital marketing campaigns, free public Wi-Fi, and real time visitor information will all play a role.



NEXT STEPS

This Strategy presents a long-term plan for Queanbeyan-Palerang to be a smart community.

Some actions will be progressed immediately, some will require enduring focus, and others will adapt, evolve or emerge as technology and community priorities change.

Next steps will include:

- working with the NSW and Australian Governments to consider funding and collaboration options

- establishing a Smart Community project leader and team in QPRC with supporting governance
- further consultation with the community as we develop implementation plans
- regular progress reporting both within Council and publically
- annual review of this Strategy, and revision as required



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