



QUEANBEYAN-PALERANG REGIONAL COUNCIL

# Merger Report

2016-19



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### Executive summary

The creation of Queanbeyan-Palerang Regional Council on 12 May 2016 started a journey of challenges, engagement and achievements, from which a new organisation has emerged.

QPRC has made significant ground since the merger as we strive to create a future-focused organisation that provides reliable services to our community and seeks to explore innovative ways of delivering these services.

Unlike our Sydney counterparts, the QPRC merger was not designed to see a significant reduction in the workforce or substantial financial gains. Instead, it was implemented to create a stronger and more robust local government that could capture the attention of the State Government and become a regional leader. To that extent, the merger has been a success with the region seeing Government funding at unprecedented levels, led by the \$70m Monaro Roads Package investment which will see Nerriga Road sealed, a new roundabout in Bungendore and the duplication of Old Cooma Road to Googong. These three projects would not have been realised without the commitment of the NSW Government and lobbying from QPRC. In addition, \$23m was announced to construct the infrastructure to enable the development of the defence, space and technology innovation precinct at South Jerrabomberra which prompted the announcement of a new high school there.

QPRC is still on track to deliver more than \$13m in savings over 10 years after the three-year merger protection period. This will be achieved via procurement savings and the redeployment of some staff from back office roles to front line roles. A number of project-based fixed term roles were also required to get us through the initial challenges of the merger. The ongoing savings realised from the merger are intended to be used to fund debt associated with the new Queanbeyan Civic and Cultural Precinct project expected to start construction during the 2020-21 financial year.

The amount of effort required to make a merged council work should not be underestimated. Even simple processes such as the day-to-day practices of paying creditors and employees, levying rates, lodging development applications and taking customer requests are all impacted by a merger.

The next big challenge for the organisation is the rates harmonisation process which will be implemented from the 2020-21 financial year. Merged councils were not allowed to harmonise rates before the 2020-21 financial year. The process will see rates be distributed across the local government area based on land valuation and access to services. Depending on these factors, some rates may increase, while others will decrease, however Council's overall rate income will remain in line with the rate peg set by the Independent Pricing and Regulatory Tribunal.

Some of the key projects progressed during the first three years of the merger include:

- Nerriga Road sealing
- Ellerton Drive extension, approved under Administration after guidance from independent panel, public hearings and reviews
- Old Cooma Road duplication

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- Town centre and parks beautification in Bungendore and Braidwood
- Queanbeyan river walk and pedestrian bridge
- Upgrades at the Braidwood Recreation Ground
- Upgrades at Mick Sherd Oval, Bungendore
- Construction of the Braidwood Waste Transfer Station
- Progression of plans for the new Queanbeyan Civic and Cultural Precinct
- Progression of masterplan and concept design for the upgraded Queanbeyan sewage treatment plant
- Installation of a wet play area at the Queanbeyan Aquatic Centre (pictured)
- Upgrade to the Bicentennial Hall, Queanbeyan

Some of the key strategies and policies include:

- Queanbeyan CBD Transformation Strategy and Spatial Masterplan
- Regional Economic Development Strategy
- Tourism Plan
- Events Strategy
- Integrated Transport Strategy
- Integrated Water Cycle Management Plan - Palerang
- Bungendore Structure Plan
- Planning proposals including West and South Jerrabomberra, Abbeyfield and Jumping Creek.



The merger journey has been challenging, but rewarding. We would not be at this point without the dedication and commitment of our staff who have kept their focus on the job at hand and ensured quality services continue to be delivered.



### Profile

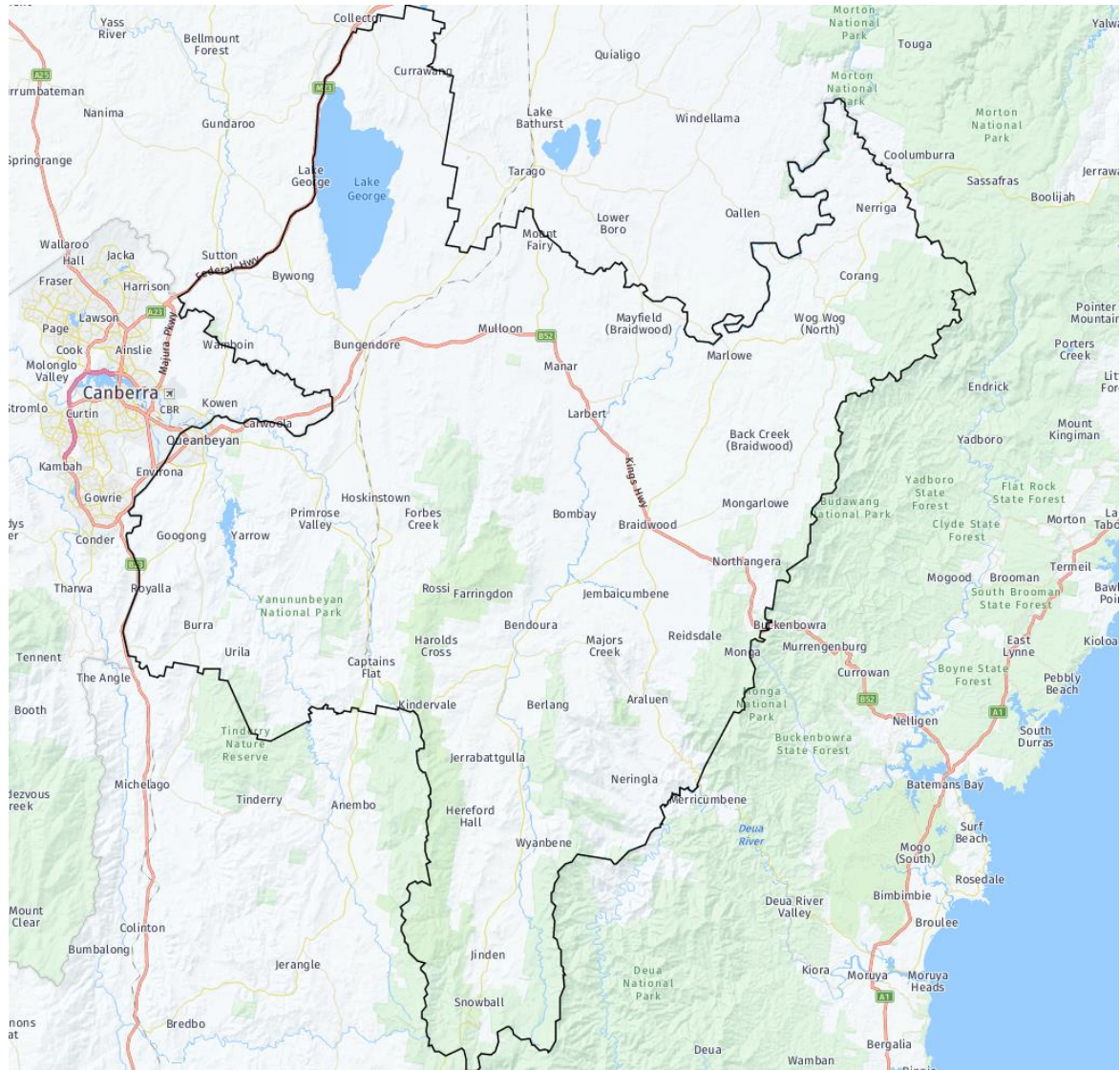
#### Proclamation

QPRC was proclaimed on 12 May 2016 and brought together the former Queanbeyan City and Palerang councils. At the time of proclamation, Tim Overall, the former Mayor of Queanbeyan City Council, was appointed Administrator and Peter Tegart, former General Manager of Queanbeyan City Council was appointed Interim General Manager. Palerang Council's former General Manager, Peter Bascomb was appointed assistant IGM. At the time of the merger proclamation, Cr Pete Harrison was Mayor of Palerang Council and Cr Tim Overall was Mayor of Queanbeyan City Council.

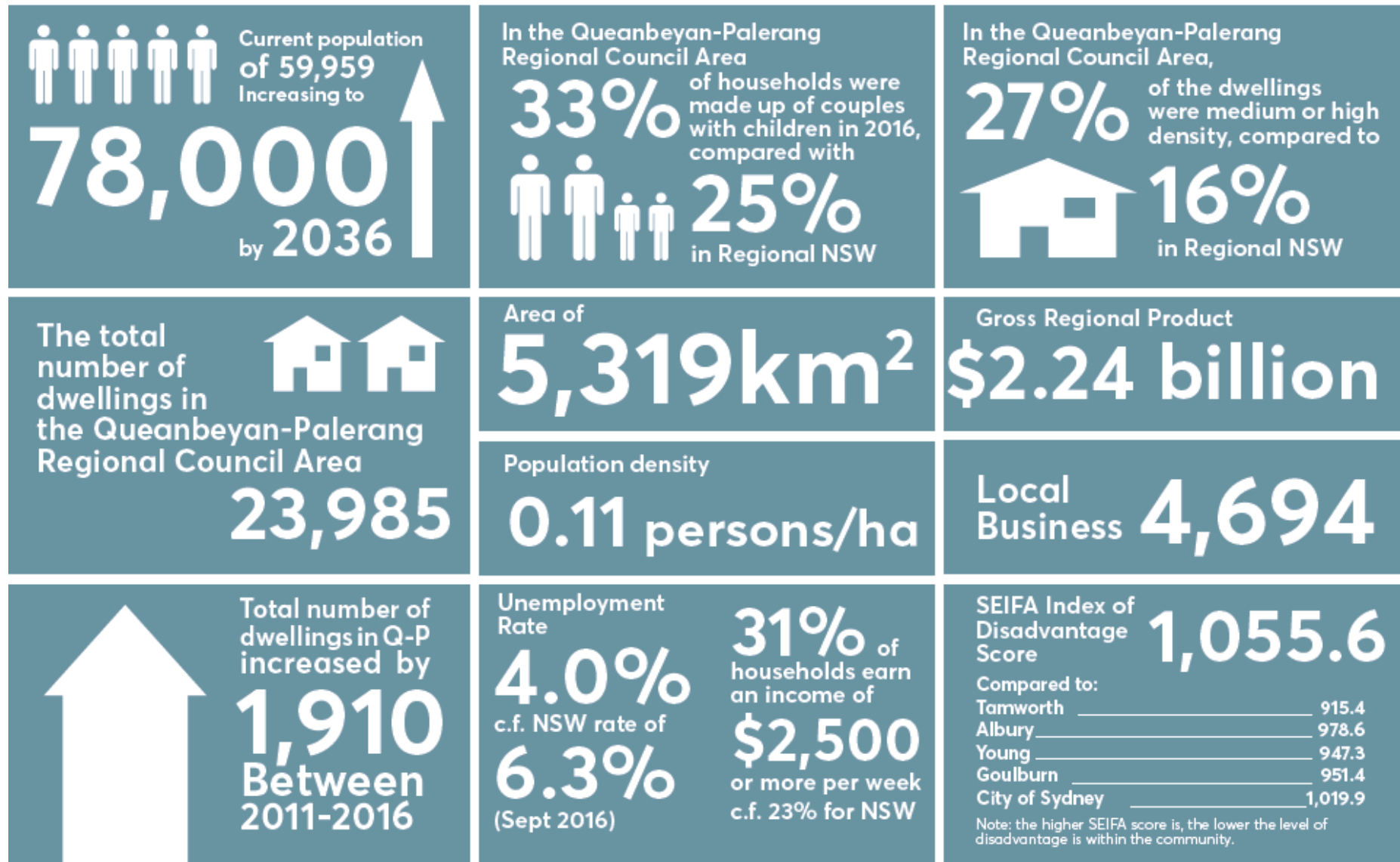
#### About the new Council

Queanbeyan-Palerang is located in south-eastern NSW and lies adjacent to the Australian Capital Territory (ACT). The Council formed following the merger in 2016 of the former Queanbeyan City and Palerang councils, comprising 5,319km<sup>2</sup> and 1,811km roads.

Since the merger, QPRC's budget has grown 25%, substantially due to large capital works underway. In addition, grant income has doubled, the asset base has grown by 9.4%, while the backlog has fallen by 14.8%, and our staff numbers have grown by 50 to undertake those works and expanded services. During this period of time, rates have only increased in line with the rate peg limit set by the NSW Independent Pricing and Regulatory Tribunal.

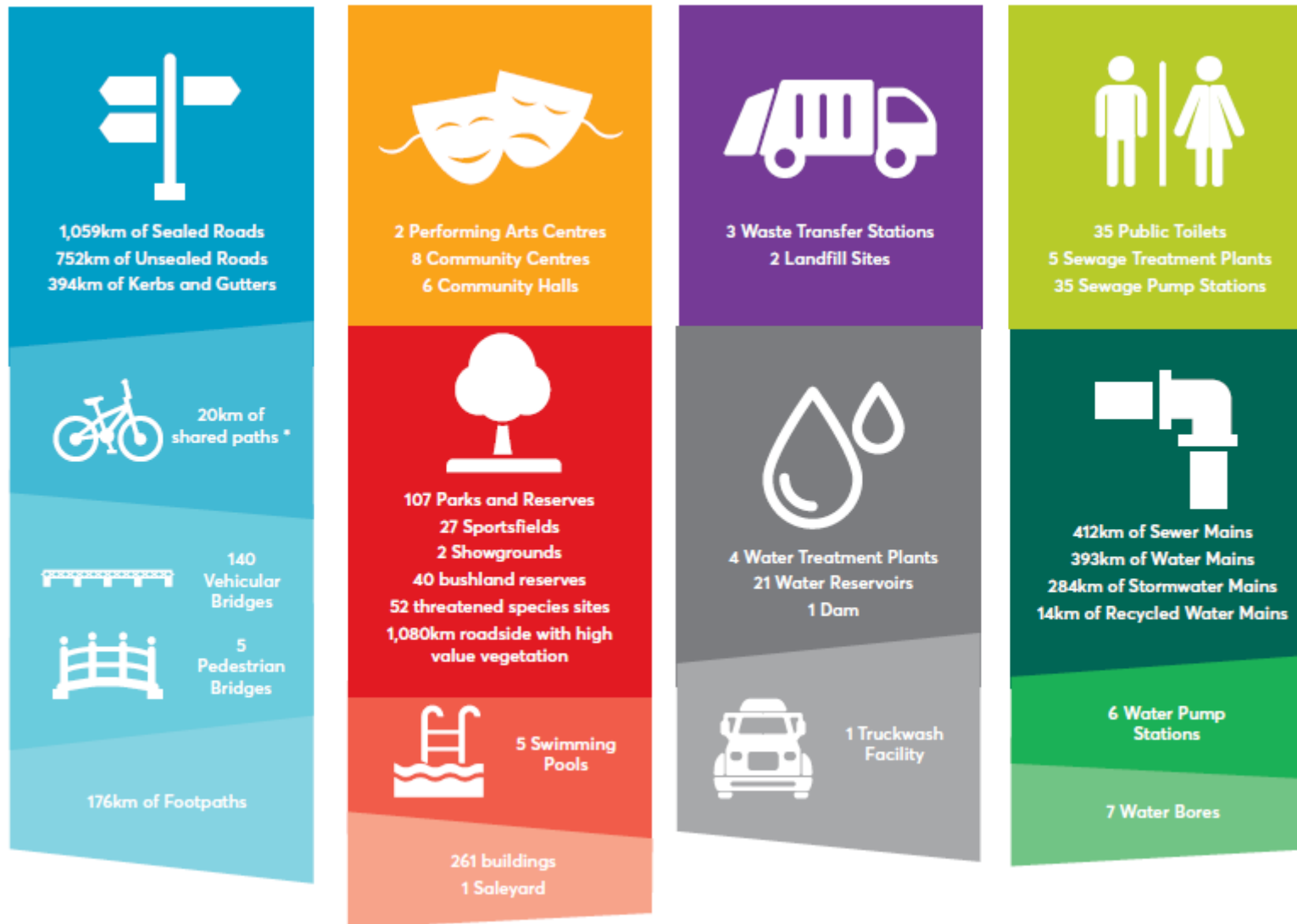


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## QPRC Merger Report 2016-19

### QPRC assets





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### Expectations

The NSW Government proclaimed the merger of the former Queanbeyan City and Palerang councils on 12 May 2016. The table below illustrates the effect of that merger expected by Government, as published with the merger proposal earlier in 2016.

	<b>Palerang Council</b>	<b>Queanbeyan City Council</b>	<b>New Council</b>
<b>Population (2014)</b>	15,510	40,585	56,368
<b>Area</b>	5,147km <sup>2</sup>	172km <sup>2</sup>	5,319km <sup>2</sup>
<b>Operating revenue (2013-14)</b>	\$28.4m	\$64.6m	\$158.5m (projected 2019-20)
<b>Operating result (2013-14)</b>	\$0.1m	\$11.3m	+\$3.5m projected improvement to 2019-20 operating results
<b>Asset base</b>	\$150m	\$435.9m	\$585.9m
<b>Infrastructure backlog</b>	27%	1%	8%



### Merger Principles

The principles of merger were outlined by the NSW Government in the Stronger Councils Framework that was provided to all newly created councils who were then required to report regularly against the Framework.

The Framework proposed five key characteristics of a future-focused council, supported by a mix of performance measures and indicators.

The five key result areas are:

- Strategic capacity
- Outstanding service provision
- Robust community relationships
- Strong performance
- Sound organisational health

A set of mandatory indicators were established, in addition to several local measures, to capture performance information in advance of the 2017 elections. Much of the initial data was collated by the community and user surveys.

A broader performance reporting framework is yet to be developed by the Government (Office of Local Government).

## STRONGER COUNCILS FRAMEWORK



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The Government sought the following Principles and Results to be progressed by the 19 merged councils:

### 10 Key Results

#### 1. Service continuity with smart service improvements

- a. The first priority for the implementation process is that there be no disruption in the provision of existing services to communities. This includes traditional services such as maintaining infrastructure, assessing development applications, protecting the environment, supporting community development and collecting waste and recycling

#### 2. Robust governance that delivers confidence to communities

- a. Communities will be seeking confidence that the new council has robust and transparent governance systems. In the early stages of implementation, councils should have a particularly strong focus on identifying, mitigating and managing risk

#### 3. Easy to do business with, in person and online

- a. It is expected that residents, ratepayers, businesses, suppliers and other customers will continue to be able to do business with councils without interruption. This includes the ability to access customer service centres in person – in a wider range of locations – and to do business online

#### 4. Engaged staff who understand their roles and how they contribute to the new council

- a. The success of the new council will depend on a positive and service-focused organisational culture. This will include staff feeling secure in their employment, understanding their roles in the new council and being excited by the potential for development and other opportunities.

#### 5. Involved communities who have their say

- a. Clear and consistent communication and meaningful engagement with communities will be a crucial component to a successful implementation process. Includes development of Community and Staff Engagement Plan

#### 6. Communities can readily identify with their new council

- a. One of the most important early tasks in beginning to grow a shared identity for a new council is the development of the new visual identity. This includes elements such as the logo, colour palette and other visual identifiers



**7. A shared vision and direction for the whole community**

- a. A succinct statement of vision and priorities will have been prepared for the new council. The statement will provide high level guidance for the early period of the new council

**8. Rates maintained within existing pathways and resources used wisely to serve the entire council area**

- a. To provide certainty to communities, the NSW Government's policy position is that rating structures and categories in place prior to the establishment of the new council will be maintained for a period of four years. This ensures there are no changes to rate paths for the first year of the government's committed four-year rate path freeze for new councils.

**9. Expected benefits which are clear, measurable and on target**

- a. Communities will have a strong interest in seeing the benefits of the new council. By the end of December 2016, the Implementation Plan must include a clear statement of local benefits, with actions to achieve those benefits.

**10. A newly elected council working for the whole community**

- a. The Act requires the first election of a new council to be conducted by the NSW Electoral Commission in September 2017.

### Approach and outcomes

QPRC's approach to the merger journey was conveyed to the community and staff early in the process. The main tenet focussed on developing a new organisation, rather than simply bringing together the two former councils. This required a fresh approach from the organisation, including a stocktake of existing assets, financials, services and strategies; then development of a new strategy platform, a new policy direction and the ultimate review of all services.

In the early stages of the merger, it was important for the organisation to be visual and active with a focus on engagement activities. This occurred through community events and meetings across the region. While the formation of a consolidated IT and telephony system was a major project, it was important, where possible, for Council to present to the community as a consolidated unit. This was challenging with some transactions, however background work-arounds were put in place to enable as many seamless interactions as possible.

The development of the Community Strategic Plan and inaugural Delivery Program provided the catalyst for Council to develop a service framework which clearly identified services, programs and outputs, along with the service standards being delivered. That service framework guided the design of the organisation structure, accounting and records frameworks. The service framework will continue to be used as we move through a systematic review of Council services.

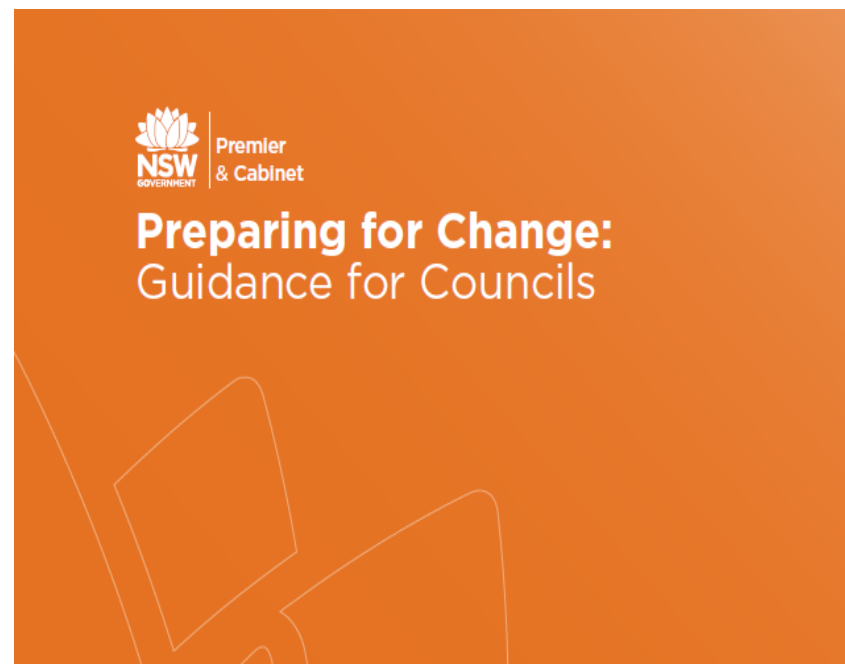
Over the coming pages, the key elements of QPRC's approach to the merger journey are further explored along with the eventual outcomes.

### Guidance

The NSW Department of Premier and Cabinet (DPC) coordinated regular workshops with the Administrators, Interim GMs and Project Management Office leads to clarify the Premier and Minister's expectations of the new councils. They provided guidance and resources through the due diligence phase, and introduced contemporary approaches to technology, governance, community engagement and communications to ensure the new entities were future focused. As part of its support to the newly created councils, DPC appointed a Liaison Officer (LO) to each entity.

A comprehensive 'Implementation Action' checklist was issued by DPC at the first Administrators and General Managers workshop in May 2016. This checklist provided instruction and guidance to the numerous "due diligence" processes associated with creating the new entity. These were incorporated into the QPRC Transition Plan.

Merged councils reported to DPC weekly initially, then fortnightly, monthly and bi-monthly on status of implementation and progress against the roadmap. Forums were held bi-monthly in Sydney for Administrators and IGMs hosted by DPC, while other forums on ICT, governance and communications were hosted by DPC or the Office of Local Government (OLG). DPC transferred the oversight of the merged councils' transition to OLG in July 2017.





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### Transition to the new Council

Following the merger, all new councils were placed under Administration until the elections held in September 2017. To illustrate guidance through this period, the NSW Department of Premier and Cabinet provided the following.



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### Transition Plan

The QPRC Transition Plan contained administrative and legal actions mandated by DPC, and projects to review strategies, plans and processes and form new approaches to services and business. The Plan was adopted in October 2016 outlining a three phase (interim, transition, and transformation) approach to the merger over three years.



1. **Interim** – bringing the two former council organisations together to enable:
  - a) Business as usual
  - b) Extension of due diligence/stocktake program
  - c) Establishment of a transition project office
  - d) Development of Implementation Plan
  - e) Capacity for the executive and management group to invest in the transition of people, systems, policy and process
  - f) Review of finances, services, assets and technology
  - g) Commence ICT installations and upgrades
2. **Transition** – building on the review of services, assets and technology to:
  - a) Embed actions from the Implementation Plan
  - b) Shape the organisation around range and mode of delivery of services and assets
  - c) Potentially centralise some functions by locality
  - d) Implement technology solutions
  - e) Explore expansion of type and reach of services, and modes of delivery
  - f) Build and renew assets in accord with merger grant and asset plans
  - g) Engage in potential regional delivery of services with Joint Organisation
  - h) Migrate to a new salary system, staff development and personnel policies
  - i) Prepare a draft Resourcing Strategy

- j) Prepare a new Community Strategic Plan

3. **Transformation:** reflect the ambitions of the new Council through:

- a) Potentially shaping the organisation around the thematic of the Community Strategic Plan
- b) Piloting and embedding the innovation and technology opportunities explored during previous phases

The Transition Plan identified a number of key focus areas:

- People - support staff in transitioning to the new organisation and adjusting to reconfigured responsibilities, reporting lines and the cultural shift associated with the dynamics of QPRC.
- Community - communication and engagement initiatives to build and maintain community trust and confidence.
- Services - look internally for ways to improve efficiency to deliver strategic outcomes at the level expected by the community.
- Service efficiency and organisational performance – review the delivery of various services (including associated costs) and provide input to a range of service improvement strategies, including reviews of supply chain and service delivery methodologies.
- Digital transformation - seamlessly connect people, processes and technology. Digital transformation focus areas include accessibility, mobility, data quality, and expansive service provision, engaged and satisfied customers.
- Procurement - rationalise procurement practices of the two former entities and implement value for money solutions. Partnering with the Canberra Region Joint Organisation (then CBRJO) is also expected to provide benefits as the collective buying power.
- Information and Communication Technology - the standard operating environments of the two entities were quite different with regard to hardware and software, Independent consultancy determining the desired future state, in QPRC's ICT Strategic Plan. TechnologyOne and CAMMS software has been procured as primary suppliers, with implementation scheduled prior to 2019.
- Assets and Asset Management - QPRC has assets of over \$1bn. - asset management has been guided by independent assessment of assets' condition, backlog and service levels to inform the revisions of asset management plans and the consolidated Long Term Financial Plan (LTFP).

A summary of actions undertaken from the Transition Plan can be found at Appendix 1.



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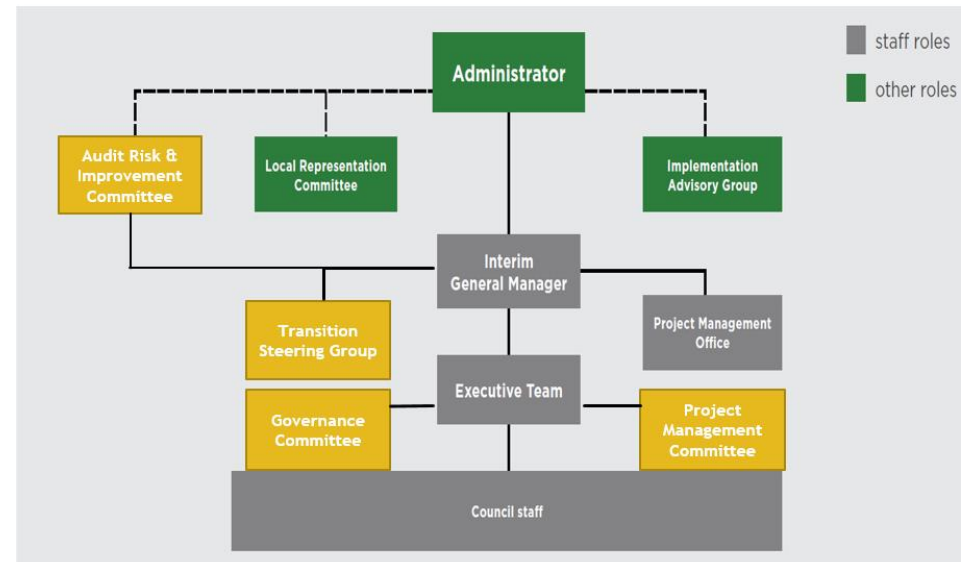
### Governance

During the period of Administration, a governance structure (right) was put in place. A Local Representation Committee (LRC) comprising four former councillors of the pre-merged councils was established to assist the Administrator in representation on community committees and functions and provide feedback on grants, strategies, plans and community engagement. This Committee remained in place until mid-2017 when it was disbanded in preparation for the local government elections for merged councils which took place in September 2017.

In addition, the Audit Risk and Improvement Committee (ARIC) comprising three independent community members and a member of the LRC was set up to commission audits and reviews of the new Council systems, risks and financials. ARIC also commissioned audits of the progress of merger actions. To assist the implementation of the merger, an implementation advisory group (IAG) comprising two members of the LRC and the chair of ARIC received reports and monitored progress. Agendas and minutes of the decisions of the LRC, ARIC, IAG and the staff Executive were stored in Council's records management system. Executive staff formed the Project Management Committee to monitor transitional and infrastructure projects.

In September 2017, the community elected 11 councillors to represent the community. In order of election, the councillors are:

- Cr Tim Overall
- Cr Brian Brown
- Cr Mark Schweikert
- Cr Trudy Taylor
- Cr Peter Bray AM
- Cr Trevor Hicks
- Cr Kenrick Winchester
- Cr Michele Biscotti
- Cr Peter Marshall
- Cr Pete Harrison
- Cr Radmila Noveska



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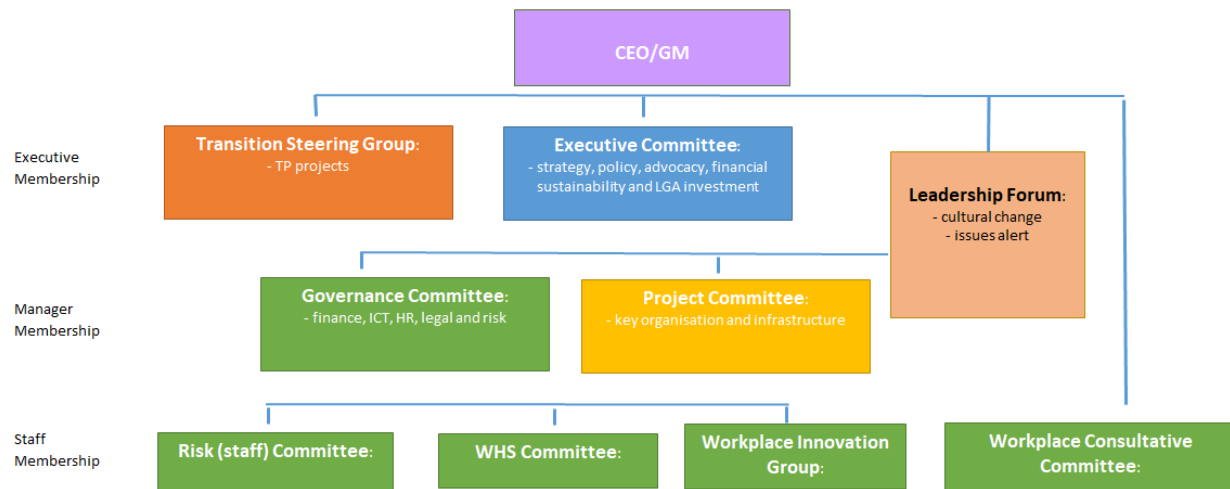
As per the proclamation of QPRC, the position of Mayor was to be elected by councillors. At an extraordinary meeting on 20 September 2017, Cr Tim Overall was elected Mayor for a two-year term. At that meeting, Cr Trevor Hicks was elected Deputy Mayor for a one-year term. In September 2018, Cr Mark Schweikert was elected as Deputy Mayor for a one-year term. In September 2019, Cr Overall was re-elected Mayor unopposed and Cr Trudy Taylor was elected Deputy Mayor.

Following the 2017 election, Council reviewed the structure of its committees, consolidating several s.355 committees managing community facilities and reserves, and introducing six locality committees to improve regular input and feedback to Council. These committees are:

- Araluen/Majors Creek
- Braidwood/Mongarlowe/Nerriga
- Bungendore
- Burra/Urila/Royalla/Fernleigh Park
- Captains Flat/Hoskinstown/Carwoola
- Wamboin/Bywong

The 'locality committees' comprise representatives from s.355 committees and other relevant community organisations. The appointment of Council delegates on these locality committees replaced the need to appoint councillors to individual s.355 committees. The purpose of these committees is to provide a direct voice to councillors through the community representatives, and open up the opportunity for networks and synergies with issues and projects to be identified and progressed.

To support the organisation, a staff committee framework (right) was implemented.



### Canberra Region Joint Organisation

QPRC reconfirmed and strengthened its relationship with the Canberra Region Joint Organisation (CRJO). The CRJO includes Bega Valley, Eurobodalla, Goulburn Mulwaree, Hilltops, Queanbeyan-Palerang, Snowy Monaro, Snowy Valleys, Upper Lachlan, Wingecarribee and Yass Valley. Wagga Wagga City and East Gippsland Councils, and the ACT Government, are associate members.

Core functions of the CRJO include:

- regional strategic planning and priority setting
- intergovernmental collaboration
- regional leadership and advocacy

QPRC initially hosted the CBRJO and led several initiatives including regional economic strategy, regional infrastructure prospectuses, regional transport strategy and the prospect of a regional project management office. The organisation was proclaimed as the CRJO in May 2018,

### Policy harmonisation

With hundreds of policies in action from the two former councils, QPRC established a program to review and harmonise all policies. With a significant workload required to complete this task, the Administrator resolved that as an interim measure pending harmonisation of the two predecessor Councils' policies, Council adopt the following:

1. *Where the former Palerang or Queanbeyan City Councils had an adopted policy on the same matter, those policies apply to their respective Local government areas*
2. *Where one of the former Councils had an adopted policy on a given matter, and the other did not, the adopted policy apply to the whole of the new Queanbeyan-Palerang Regional Council Local government area.*

Policies were gradually reviewed, harmonised and, where appropriate, rescinded. All policies can be viewed on Council's website at <https://www.qprc.nsw.gov.au/Resources-Documents/Adopted-QPRC-policies>.

As at 30 June 2019, the following policies had been adopted by QPRC.

- QPRC Backflow and Cross Connection Policy - adopted 19 December 2018
- QPRC Code of Conduct - adopted 27 February 2019
- QPRC Code of Conduct Procedures for Administration - adopted 27 February 2019
- QPRC Code of Meeting Practice - adopted 24 April 2019
- QPRC Community Meetings Policy - adopted 24 April 2019
- QPRC Competitive Neutrality Complaints Policy - adopted 26 June 2019
- QPRC Complaint Management Policy - adopted 26 June 2019



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- QPRC Councillor and Staff Interaction Policy - adopted 26 April 2017
- QPRC Councillor Induction and Professional Development Policy - adopted February 2019
- QPRC Debt Recovery Policy - adopted 27 June 2018
- QPRC Development Adjacent to Water Sewer and Stormwater Mains Policy - adopted 19 December 2018
- QPRC Donations Policy - adopted 12 April 2017
- QPRC Expenses and Facilities Policy 2018 - adopted August 2018
- QPRC Financial Hardship and Assistance Policy - adopted 26 June 2019
- QPRC Financial Strategy and Policy - adopted 25 January 2017
- QPRC Gifts and Benefits Policy - adopted 26 April 2017
- QPRC Health Safety Environmental and Quality Policy - adopted 25 October 2017
- QPRC Investment Policy - adopted 22 May 2019
- QPRC Liquid Trade Waste Policy - adopted 28 March 2018
- QPRC Media Policy - adopted 24 January 2018
- QPRC On-Site Sewage Management Policy - adopted 8 August 2018
- QPRC Operations Sustainability Policy - adopted 27 March 2019
- QPRC Parking Enforcement Priority Policy - adopted 26 June 2019
- QPRC Petition Policy - adopted 24 April 2019
- QPRC Playground Management Policy - adopted 19 December 2018
- QPRC Potable and Recycled Water Supply Policy - adopted 22 June 2016
- QPRC Privacy Policy - adopted 26 April 2017
- QPRC Private Works Prepayment Policy - adopted 19 December 2018
- QPRC Procedure for Making a claim against Council
- QPRC Procurement Policy 2017 - adopted 25 October 2017
- QPRC Property Policy - adopted - 22 June 2016
- QPRC Property Strategy - adopted 22 June 2016
- QPRC Public Forum Policy Guidelines - adopted 8 June 2016
- QPRC Related Party Disclosure Policy - adopted 27 October 2017
- QPRC Rental Rebate Policy - adopted 22 June 2016
- QPRC Reporting Legal Matters Policy - adopted 24 April 2019

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- QPRC Requests for assistance with Legal Costs Policy - adopted 24 April 2019
- QPRC Risk Management Policy - adopted 26 July 2018
- QPRC Road/Street Names Policy - adopted 26 June 2019
- QPRC Sewer Connections Limit of Council Responsibility Policy - adopted 19 December 2018
- QPRC Shopping Trolley Management Policy for Retailers - adopted 23 January 2019
- QPRC Signs by Remote Supervision Policy - adopted 19 December 2018
- QPRC Social Media Policy - adopted 28 April 2018
- QPRC Stakeholder and Community Engagement Policy Framework - adopted 27 March 2019
- QPRC Statement of Business Ethics - adopted 26 April 2017
- QPRC Street Verge Maintenance Policy - adopted 26 June 2019
- QPRC Sustainable Design Policy for Council Buildings - adopted 24 May 2018
- QPRC Tourism Policy - adopted 26 April 2017
- QPRC Unreasonable Complainant Conduct Policy - adopted 26 June 2019
- QPRC Unsealed Road Grading Policy - adopted 27 June 2018
- QPRC Unsolicited Proposals Guide
- QPRC Volunteering Policy - adopted 24 October 2018
- QPRC Workplace Surveillance Policy - adopted 24 January 2018

The remaining policies will be reviewed and harmonised during 2019-20

### Strategy and Policy

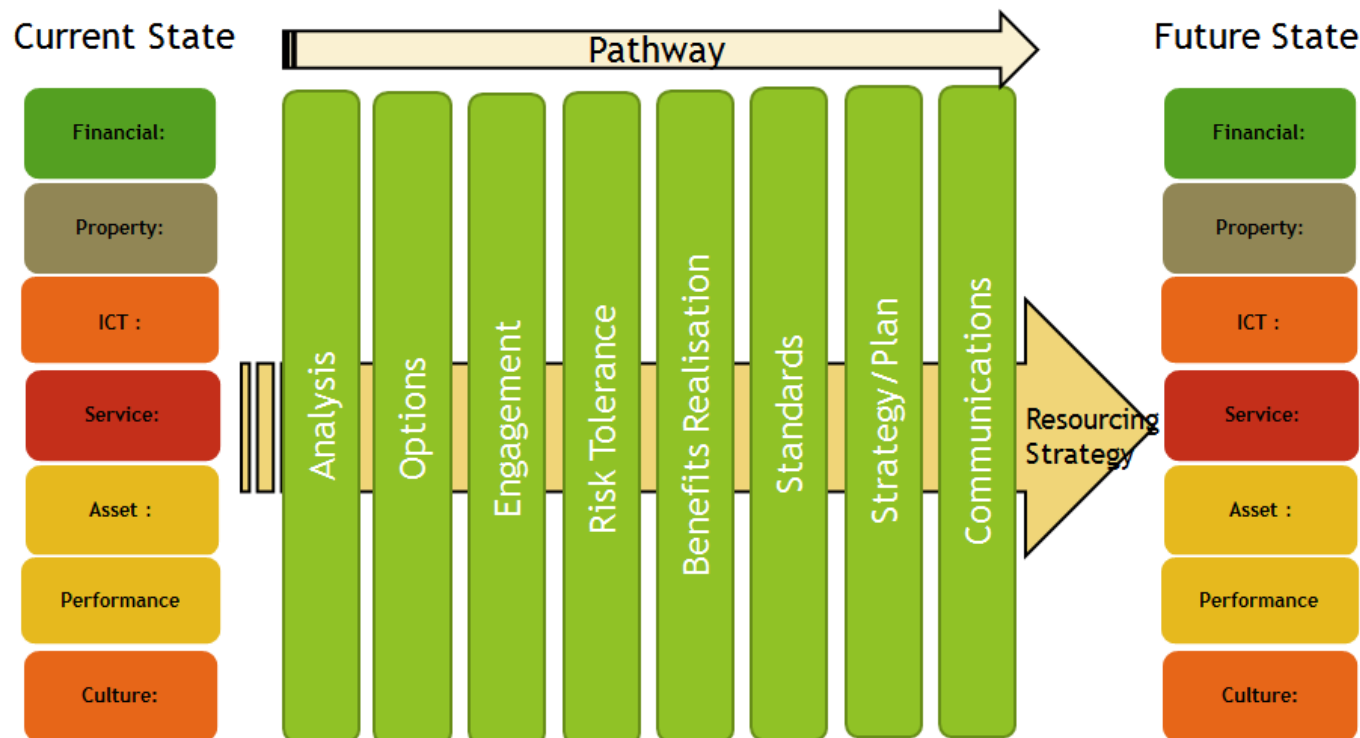
An 'environmental scan' was undertaken to analyse Council's asset and financial management systems in terms of the scope, scale and delivery of services; the planning and rollout of technology and workforce support; the decision-making framework; and subsequent integration into the Resourcing Strategy.

Independent consultants including Percy Allen, GHD and Noetic undertook those reviews. Key governance policies were revised and adopted. These were used to set the governance and strategic foundations for the incoming Council.

An initial assessment of the suite of strategies, plans and strategic resolutions of the former councils has informed QPRC which plans are due for review, as well as which actions or projects from those plans deliver best value through a quadruple bottom line filter before consideration in the next set of Integrated Plans. The strategies, plans and policies have been aligned under the strategic directions of the new Council (Community, Choice, Character, Connection, and Capability).

Some of the strategies that have been reviewed, developed, or are under review include (as at 20 June 2019):

- Community Strategic Plan – adopted
- Waste Management Strategy – in progress
- Integrated Transport Strategy – adopted
- Local Environmental Plan – in progress
- Bungendore Structure Plan – drafted for community consultation
- CBD Transformation Strategy - adopted





## QPRC Merger Report 2016-19

- Queanbeyan CBD Spatial Master Plan - drafted for community consultation (business breakfast pictured on right)
- Integrated Water Cycle Management Strategy – Palerang communities – adopted
- Queanbeyan Car Parking Strategy – adopted
- Queanbeyan CBD Retail Growth Strategy – adopted
- QPRC Asset Management Strategy – adopted
- Digital Economy and Smart Community Strategy – adopted
- Events Strategy – adopted
- ICT Strategic Plan – adopted
- Property Strategy – adopted
- Tourism Plan – adopted
- Sports Facilities Strategic Plan – adopted
- Queanbeyan Floodplain Risk Management Strategy – in progress
- Braidwood Floodplain Risk Management Strategy – in progress
- Bungendore Floodplain Risk Management Strategy – adopted
- Braidwood Archaeological Management Plan – adopted
- Regional Economic Development Strategy – adopted
- Bungendore Heritage Study – adopted
- Stormwater Masterplan – southern Bungendore – in progress



At the Planning and Strategy Committee meeting on 14 March 2018, Council resolved that all plans and strategies adopted during the period of administration be reviewed by a report to Council.

Reports were presented to the April, May and June 2018 Planning and Strategy Committee Meetings which included plans and strategies adopted during the period of Administration. The only document that was subsequently updated was the Tourism Plan.

### Strategy setting

One of the key tasks of the newly elected Council was to develop its suite of Integrated Plans for 2018-21.

In the lead up to the election, extensive community engagement was undertaken to develop a draft Community Strategic Plan which outlined the community's vision for Queanbeyan-Palerang over a 10-year period. The key findings of that community engagement exercise are shown to the right.

Taking that information, and based on the input received during the engagement exercise, the community vision (see page 26) was adopted by Council in December 2017 and formed the basis for the QPRC Delivery Program and Operational Plan with the following strategic priorities:



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At an extraordinary meeting in June 2018, Council adopted the following documents:

- Delivery Program 2018-21
- Operational Plan 2018-19
- Fees and Charges 2018-19
- Revenue Policy 2018-19
- Resourcing Strategy, including the Workforce Management Plan, Risk Management Strategy, Asset Strategy, Financial Strategy and ICT Strategy.

Council subsequently adopted the Long Term Financial Plan, a key component of the Resourcing Strategy, at its meeting on 28 November 2018.





## QPRC Merger Report 2016-19

### Communication and engagement

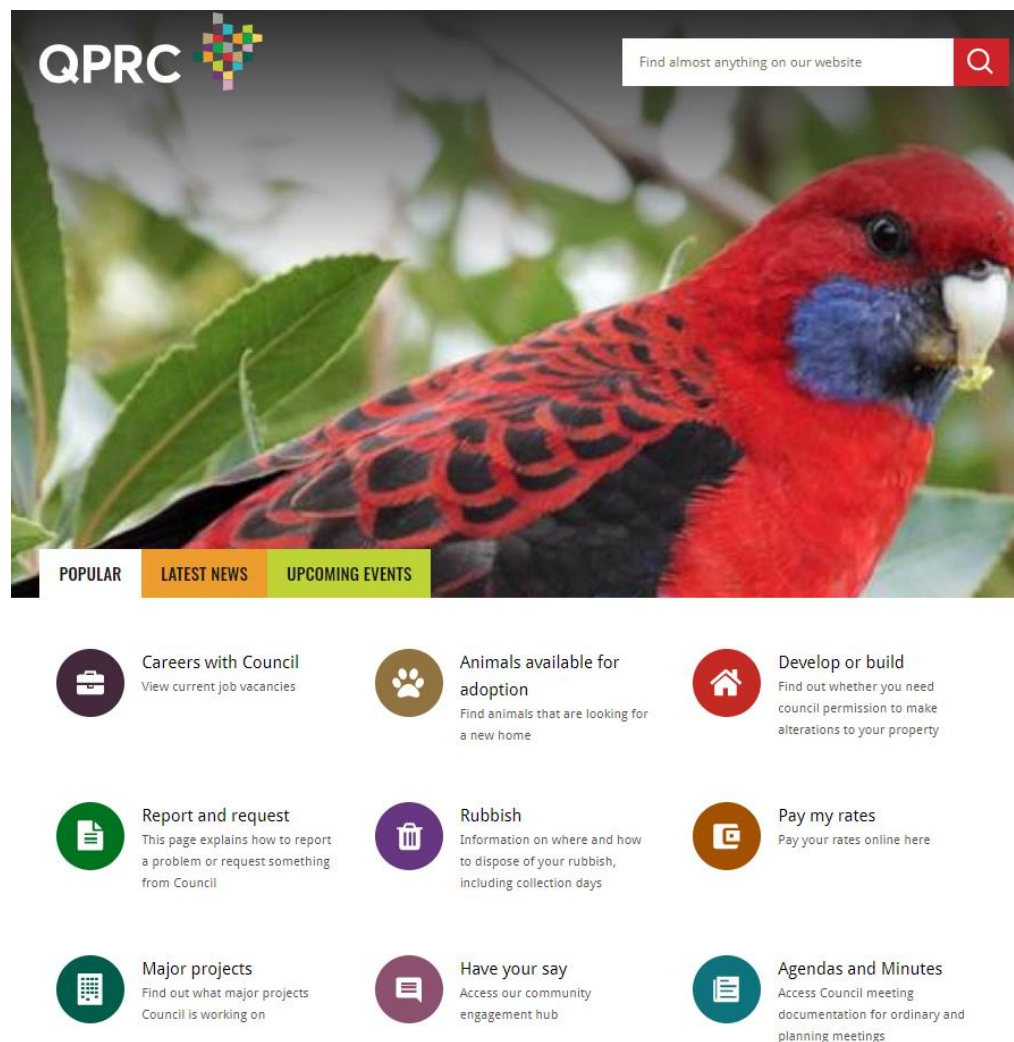
A Community and Staff Communications and Engagement Plan was adopted by Council in July 2016.

This plan was reviewed in early 2017 and then in mid-2017 to measure progress. The majority of activities listed in the Plan were achieved. Some of these included:

- Regular Administrator and Mayor's Column in local newspapers
- Fortnightly advertising in local newspapers
- Preparation of bi-monthly community newsletter, distributed to 28,000 properties.
- Development of a weekly e-newsletter
- Continuation of social media presence
- Development of consolidated website (right)
- Bi-annual Community Meetings at Queanbeyan, Braidwood and Bungendore.
- Introduction of live streaming for Council meetings
- Launch of a dedicated online community engagement website.

The document also reviewed internal communications to ensure staff were updated during the merger process. This included weekly and fortnightly staff updates from the General Manager, monthly staff newsletters and quarterly staff get-togethers; and weekly Councillor Updates.

While not included in the original plan, a business case was developed and accepted for the implementation of the Engagement HQ online community engagement tool. Council implemented the online tool in February 2017 and it played a key role in Council's engagement for the Community Strategic Plan and a range of other documents. Since launching in 2017, registrations on the site have grown to more than 2,000, with more than 50,000 site visits.





### Branding

In the days following the merger, an interim brand (right) was implemented to replace the branding of the two former councils. While the interim brand was in place electronically across the organisation, staff were encouraged to make use of existing stationary and printing to reduce waste. This was achieved by placing stickers over former council logos on printed material.



In late 2016, Council engaged a consultancy to develop a new brand for QPRC. A consultation process was conducted in December 2016 with representatives of community groups from across the local government area, staff and members of the Local Representation Committee.

As a result of the consultation process, a brand essence was delivered to creatively illustrate the local government area and deliver the design direction for the identity. The brand essence, '*One heart, many parts*' reflects the spatial elements of the region and the diversity of the individual towns and regions that form the greater whole. It was important that a master brand was designed to reflect the region while allowing for each town or region to be individually represented.

The creative team looked at a number of concepts for the brand, however they settled on designing a 'brand mosaic' of the Local government area's boundary.



Council sought community feedback on two variations of the QPRC logo and ultimately adopted the above brand. This brand has been rolled out across the organisation and the local government area and is widely recognised by the community.

### Events

Community events were seen as an essential to develop community spirit and wellbeing across the local government area. The community Christmas Party concept was extended to Braidwood and Bungendore in late 2016 and were a huge success, with big crowds and a great atmosphere.

In Queanbeyan, the Multicultural Festival and Christmas in July events continued to grow, while a partnership with Icon Water and the Canberra Symphony Orchestra delivered the outstanding and award-winning Music by the River event (pictured right).

The adoption of Council's Events Strategy encouraged and fostered the development of events across the region, including Oktoberfest, Wood Dust and a number of well-attended car-focused events. Events continue to deliver a significant economic and tourism boost to the Queanbeyan-Palerang region.



### **Customer service**

The organisation placed an emphasis on achieving seamless transactions from a community point of view. While QPRC systems and processes were not harmonised until June 2019, procedures were put in place to allow customers to do business at any of Council's customer centres. This was difficult for staff in some instances, with workarounds in place, however it was effective for customers. A federated network and single telephony system was customised and finalised in 2018 to remove the need for trunk calls between offices and a single point of information and intranet for staff.

Soon after the merger, the operating hours of customer centres were aligned to provide consistent services between 8.30am and 4.30pm.

With a large portion of the working population employed in public administration roles, the ability to transact with Council digitally has become increasingly important. To encourage this, Council continued to offer the live chat function via its website. While phone calls and face-to-face enquiries remained the priority, Council was able to conduct many transactions via the live chat function which was appreciated by customers.

In early 2019, Council considered proposed changes to the Braidwood customer centre aimed to introduce an integrated customer and library service desk. Council has engaged a design consultant to take a fresh look at the operation of the building with the intention of potentially extending the library, including a smart hub and allowing for an integrated customer and library service desk. This project will continue in 2019-20.

Council continued its relationship with Service NSW, with customers able to lodge tree requests and make rate payments at Service NSW shopfronts. Service NSW installed a self-serve kiosk in the foyer near the Braidwood library to allow the community to complete a number of transactions. In addition to this kiosk, a Service NSW representative visited Braidwood regularly for more detailed transactions.

With Council now utilising a consolidated IT system, a Customer Experience Strategy will be developed to increase the overall customer experience with QPRC. It is expected that this will be complete in mid-2020.

## QPRC Merger Report 2016-19

### Services framework and service reviews

In developing the new organisation, it was important to define services and service standards. The service framework was developed which identified that Council had 25 services, which linked to its five strategic pillars. Sitting under these 25 services are 120 programs. Each of the programs have a variety of actions and outputs that are delivered to internal and external customers.

The service framework was integral in the development of Council's suite of Integrated Plans and has guided the organisation through the merger period. An 'Owner's Manual' was developed for staff and councillor use which identifies the actions and outputs for each program, including the scope, service level and performance target.

### SERVICE STATEMENTS

STRATEGIC PILLAR 5	COMMUNITY	CHOICE	CHARACTER	CONNECTION	CAPABILITY	COUNCIL
SERVICES 25	1 Culture 2 Community 3 Education 4 Recreation	11 Business 12 Health	21 Development 23 Urban Landscapes 24 Natural Landscapes 25 Sustainability 26 Land-Use Planning	31 Transport 32 Water 33 Sewer 34 Waste 35 Facilities 36 Logistics	41 People 42 Technology 43 Financial 44 Quality 45 Risk 46 Property	51 Strategy 52 Executive
PROGRAMS 120	1.1 Cultural Development 1.2 Performance 1.3 Community gathering 1.4 Events 1.5 Museums 1.6 Sister City 2.1 Children 2.2 Youth 2.3 Aged 2.4 Indigenous 2.5 Disabled 2.6 Community development 2.7 Engagement 2.8 Community Arts 2.9 Customer 3.1 Library 3.2 Knowledge 3.3 By-laws 3.4 Animals 4.1 Indoor Sports 4.2 Aquatic 4.3 Sports Fields 4.4 Activity Programs  23 Programs	11.1 Economic 11.2 Tourism 11.4 Conference 11.5 Place Management 11.6 Development Liaison 11.7 Certification 11.8 Saleyards 11.9 Caravan Parks 11.10 Grants 12.1 Food/Premises 12.2 Cemetery  11 Programs	21.1 Development assessment 21.2 Subdivision assessment 21.3 Subdivision certification 21.4 Development contributions 21.5 Development control 21.6 New release 23.1 Parks/Playgrounds/Sportsfields 23.2 CBD 23.3 Signage 23.5 Public amenities 23.6 Community Land 24.1 NRM/Biodiversity 24.2 Catchment 24.3 Vegetation 24.4 Environmental Health 25.1 Education 25.2 Climate 25.3 Sustainability Planning 25.4 Sustainability projects 26.1 Land-Use Planning 26.2 Community Land 26.3 Profiling 26.4 Spatial/US/Naming 26.5 Heritage 26.6 Certificates 26.7 Native Title  26 Programs	31.1 Roads 31.2 Bridges 31.3 Footpaths/Cycleways 31.4 Traffic/Safety 31.5 Parking 31.6 Public Transport 31.7 Cross Border/Smart City 32.1 Water Operations 32.2 Water Infrastructure 32.3 Stormwater 33.1 Sewer operations 33.2 Sewer Infrastructure 34.1 Waste Operations 34.2 Waste Infrastructure 35.1 Buildings 35.2 Sustainability 35.3 Security 36.1 Projects & Contracts 36.2 Asset Planning 36.3 Emergency 36.4 Plant/Fleet 36.5 RMS Contract 36.6 Projects 36.7 Private Works  24 Programs	41.1 Human Resource Management 41.2 Capability & Development 41.3 Payroll 41.4 WHS 41.6 Change Management 42.1 Network 42.2 Systems 42.3 Applications 42.5 Digital Workplace 42.7 Records 42.9 GIS 43.1 Accounting 43.2 Revenue 43.3 Reporting 43.4 Procurement/Store 43.5 Budget 44.1 Quality Assurance 44.2 Systems Analysis 44.3 Business Performance 44.5 Red Tape Reduction 45.1 Risk 45.2 Insurances 45.3 Internal Audit 45.4 Business Continuity 46.1 Property Management  36 Programs	51.1 Integrated Planning & Reporting 51.2 Strategic Performance 51.6 Communications 52.1 Public Information 52.2 Complaints/Privacy Management 52.3 Meetings 52.4 Legal 52.5 Governance 52.6 Elections 52.7 Councillors 52.8 CBRJO

As QPRC moves through the review of services, the framework will be adjusted to reflect changes to scope and service level.



### Service reviews

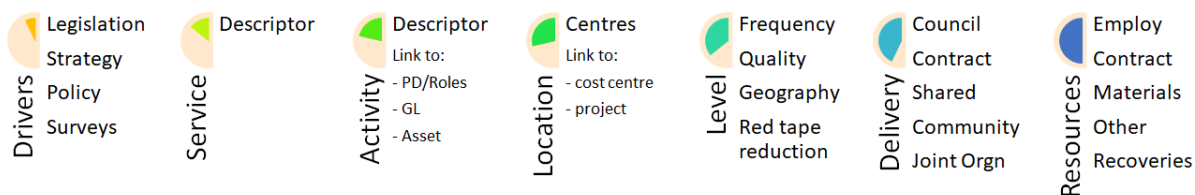
QPRC commenced service reviews for the key services (transport, recreation, development, water, sewer, waste, library, community, culture) based on the seven-step Australian Centre for Local Government Excellence Framework as shown on the right.

The Framework's steps include:

1. Establishing the building blocks
2. Set the project up
3. Gather existing information
4. Analyse services
5. Engage stakeholders
6. Implement change
7. Evaluate and drive continuous improvements

As at 30 June 2019, Council had completed a service review on its Transport service and had commenced reviews of the Recreation and Culture services. Further service reviews are scheduled over the coming years.

The review of smaller services is guided by the schematic below – all of which will impact the mode of delivery and resourcing options.



## QPRC Merger Report 2016-19

### Employment

The *Local Government Act 1993* and *Local Government State Award* protected the numbers of staff and conditions of employment of staff:

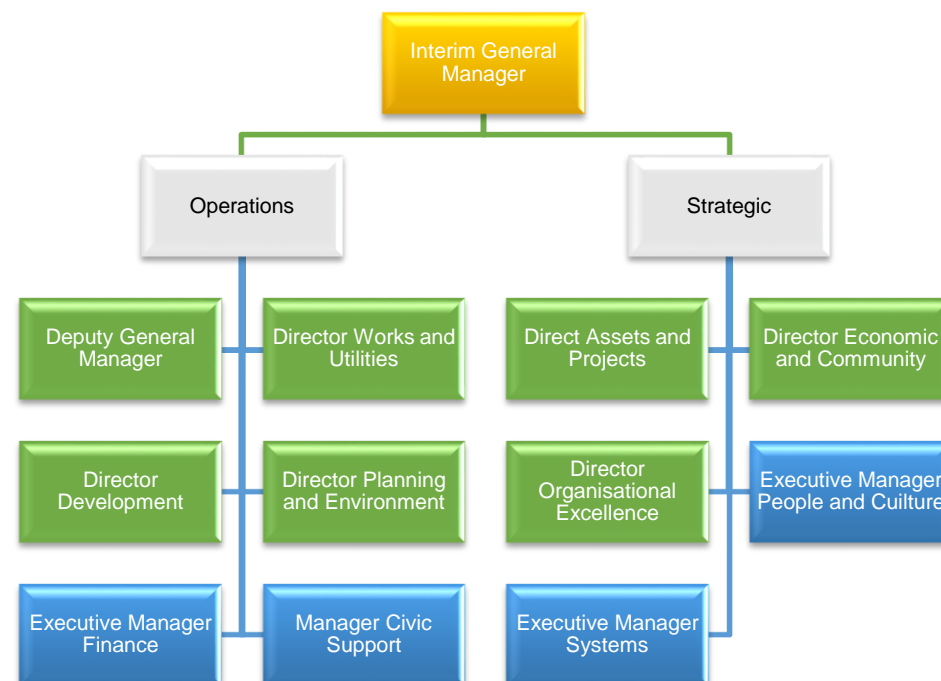
- S354F - No forced redundancy of non-senior staff members for 3 years after transfer. Award employees have the protection of their existing employment terms and conditions.
- S218CA - the staff numbers existing at the time of merger are to be retained in rural centres of Bungendore, Braidwood, Captains Flat and Nerriga, but does not necessarily require the same positions to be retained in those worksites. The confirmed numbers at the former Palerang Council worksites at time of merger were ~123 FTE.

Those protections effectively required the retention of offices and depots at Bungendore and Braidwood.

### QPRC Interim Executive Structure

Following adoption of an interim structure combining the executive and management levels of the former councils in June 2016, requests for voluntary redundancies were considered in the terms of the Award and senior staff contracts of employment. Twelve VRs were supported, with funding released utilised to introduce new roles where service, specialisations or support gaps were identified (project management, asset management, events, tourism, digital, new release development and communications).

The interim structure (shown on the right) allowed the placement of Directors (level 2) and Managers (level 3) in an acting capacity, pending the development of a transition structure for the new organisation following the asset, financial and service reviews.

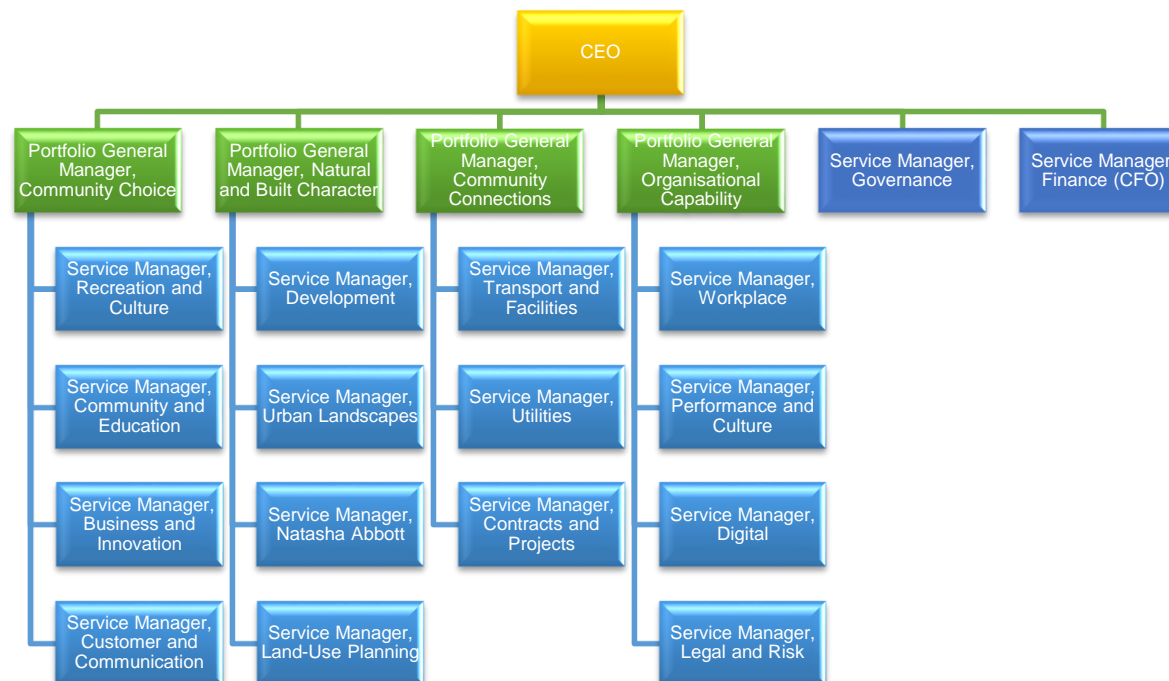


### QPRC Transition Structure

The Transition Organisation Structure was adopted in January 2017. It is aligned to the strategic pillars adopted by Council to enable line of sight of the organisation activities (services, programs and assets) to the organisation structure and accounting frameworks. The Interim Structure comprised 10 executive and 19 managers, reducing to 5 executive and 17 managers in the Transition Structure.

Levels 3-6 of the organisation were placed in the service and program hierarchy with the primary accountabilities for L2-L5 articulated as:

- L2 Portfolio General Manager: objectives, outputs, outcomes (of CSP pillars)
- L3 Manager: planning, policy, performance (of services)
- L4 Coordinator: systems, supervision, statutory compliance (of programs)
- L5 Team leader: coordination, customer focus, quality delivery (of activities)



During the initial three years after the merger, all vacancies were considered for recruitment on a business case basis, and redesign, redeployment or development options for existing staff explored. It is acknowledged that this did result in some delays in the recruitment process, however it was important to ensure rigour was applied to decisions to fill vacancies.

L2 roles were externally advertised and recruited. L3-4 roles were internally advertised and filled in accord with Award and merger requirements, and externally recruited where vacancies continued. Employees who were substantially performing a role defined in the new structure at the date of merger, were laterally transferred in the Award bands, while other roles were available through merit selection.

## QPRC Merger Report 2016-19

At 30 June 2019, there had been an average of 10% turnover of staff per annum, while one in five staff are now employed longer at QPRC than they had been at a former council. Twelve voluntary separations were processed.

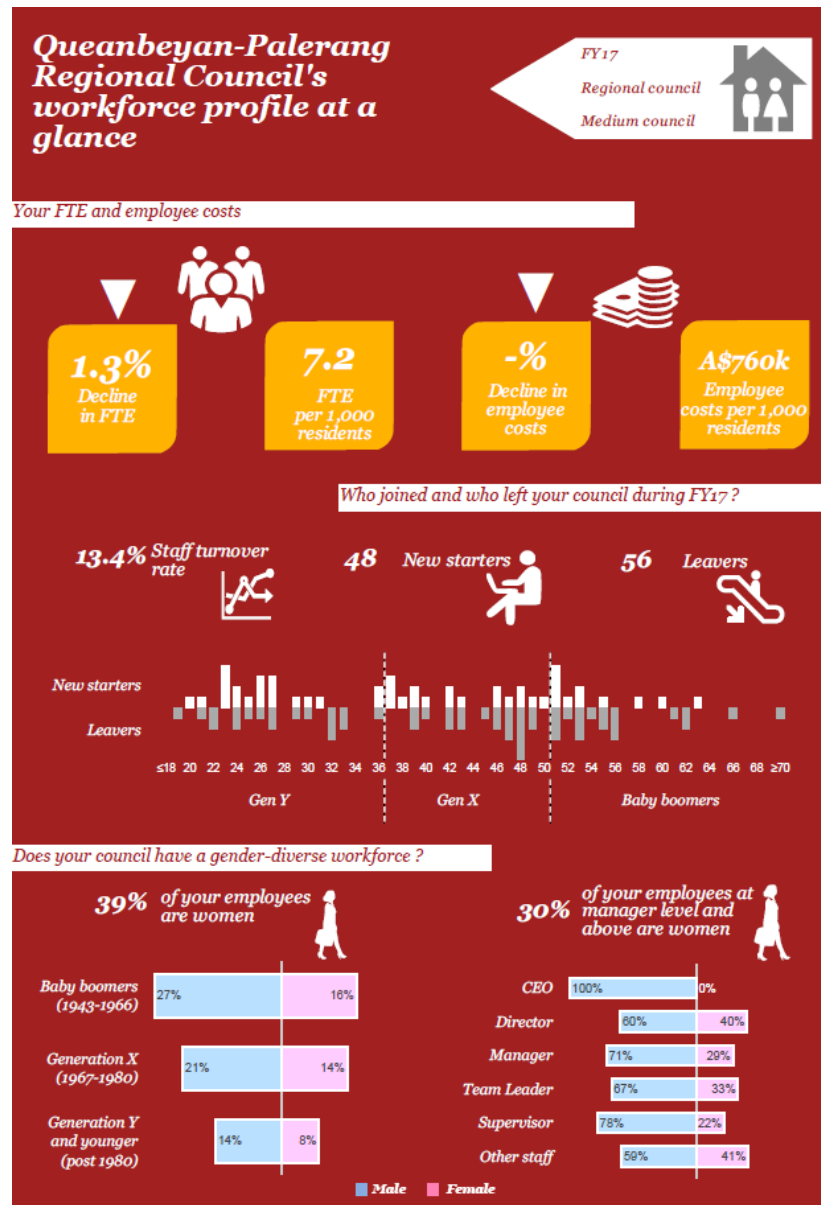
The Interim (June 2016) and Transition (January 2017) Structures are illustrated on the previous pages.

The merger and award conditions required all vacancies to be advertised internally for eight days initially, to draw on potential candidates before recruiting externally. This led to lengthy delays in recruitment, adding to overtime and growth in excess leave balances as remaining staff maintained services and support.

### Benchmarking

Council participated in the Australasian Performance Evaluation Program, which identified the following metrics and trends on turnover, absence and workforce profile across the merger period:

The numbers of staff grew during the merger protection period, to enable delivery of significant and numerous grant-funded capital works and programs, and merger-driven projects such as the configuration of the TechOne platform. Nonetheless, the FTE/resident ratio remained at or below 7.5/1000, which is equivalent to pre-merger and better than most regional councils.





## QPRC Merger Report 2016-19

### Queanbeyan-Palerang Regional Council's workforce profile at a glance

FY18

Regional council  
Medium council



Your FTE and employee costs

**1.6%**

Decline  
in FTE



**6.9**

FTE  
per 1,000  
residents

**7.2%**

Decline in  
employee  
costs



**A\$684k**  
Employee  
costs per 1,000  
residents

Who joined and who left your council during FY18 ?

**13.3%** Staff turnover  
rate



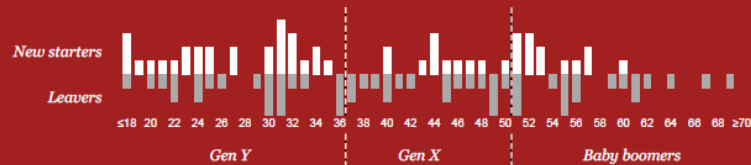
**52**

New starters



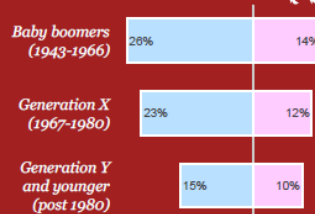
**55**

Leavers



Does your council have a gender-diverse workforce ?

**36%** of your employees  
are women



**22%** of your employees at  
manager level and  
above are women



Male Female

### Queanbeyan-Palerang Regional Council's workforce profile at a glance

FY19

Regional council  
Medium council



Your FTE and employee costs

**4.4%**

Increase  
in FTE



**7.2**

FTE  
per 1,000  
residents

**10.1%**

Increase in  
employee  
costs



**A\$755k**  
Employee  
costs per 1,000  
residents

Who joined and who left your council during FY19 ?

**12.3%** Staff turnover  
rate



**72**

New starters



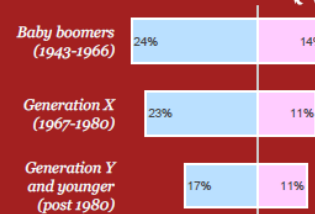
**50**

Leavers



Does your council have a gender-diverse workforce ?

**35%** of your employees  
are women



**22%** of your employees at  
manager level and  
above are women

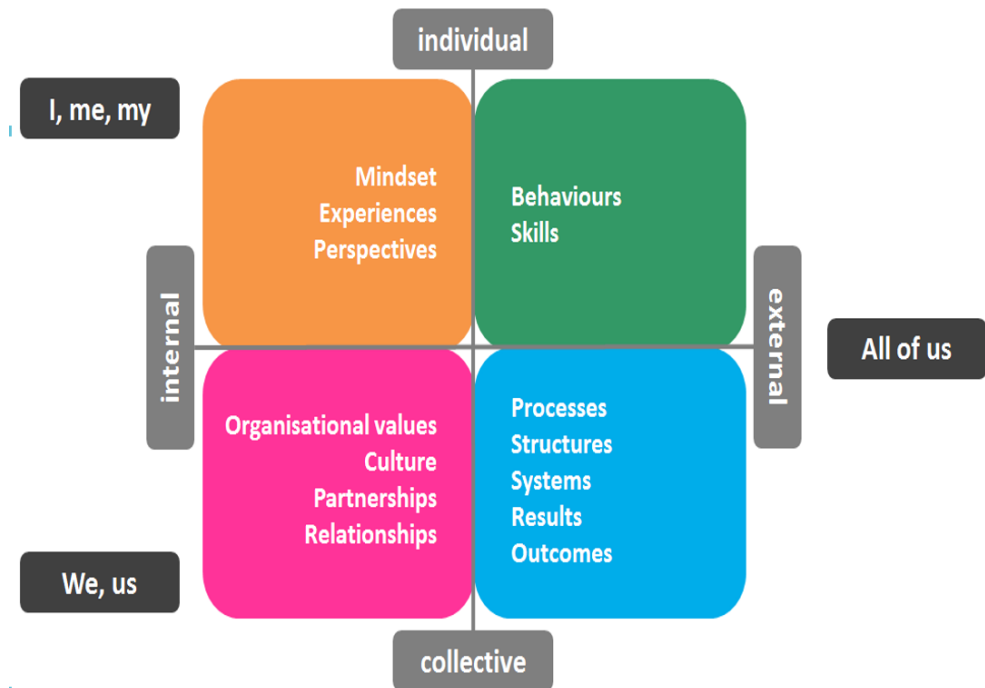


Male Female

### Integral model

Council deployed the Integral Model to guide its implementation of systems, structures, culture and performance of a future-focussed organisation. Much attention was given to staff, many of whom had been long-time employees of the former councils and were adjusting to life in the new organisation. To assist, Council engaged an organisational development specialist to work with staff, especially the leadership team to build up their skillset to deal with the challenges faced during the merger.

Notwithstanding the investment in technology, equipment, skills and systems, without investment in organisational culture and values (p43), the delivery of services and projects would have been compromised.



### Culture

In late 2017, Council also conducted a culture survey of the organisation using the Human Synergistics model.

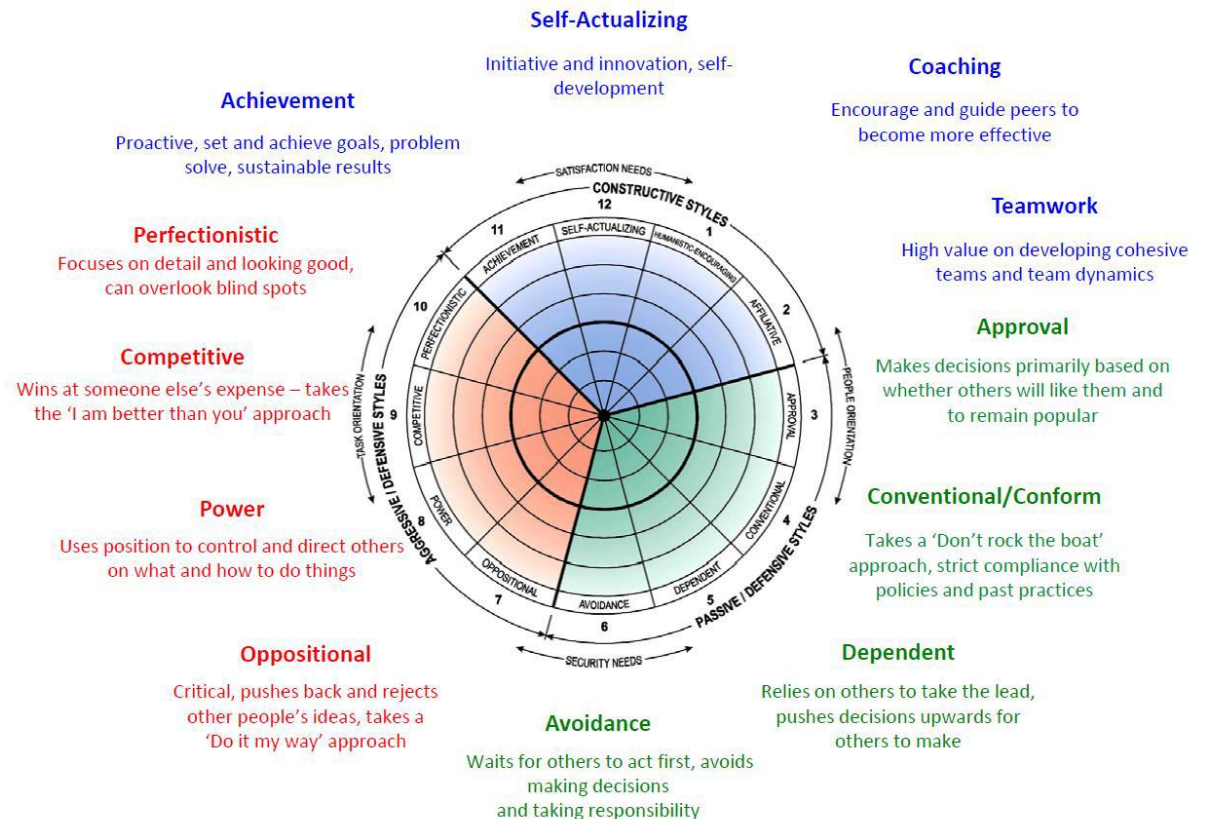
The results of the culture survey are shown in the 'Circumplex' on the following pages. The Circumplex breaks down the factors underlying performance effectiveness (at individual, group and organisational levels) according to 12 behaviours or styles.

These behaviours or styles are further grouped according to three general clusters:

- **Constructive** styles encourage the attainment of organisational goals through people development; promote teamwork and synergy; and enhance individual, group and organisational adaptability and effectiveness.
- **Aggressive/Defensive** styles lead people to focus on their own needs at the expense of those of their group and organisation, and lead to stress, turnover and inconsistent performance.
- **Passive/Defensive** styles lead people to subordinate themselves to the organisation, stifle creativity and initiative, and allow the organisation to stagnate.

In broad terms, an organisation should aim to maximise the construction styles, minimise the passive/defensive styles and manage the aggressive/defensive styles.

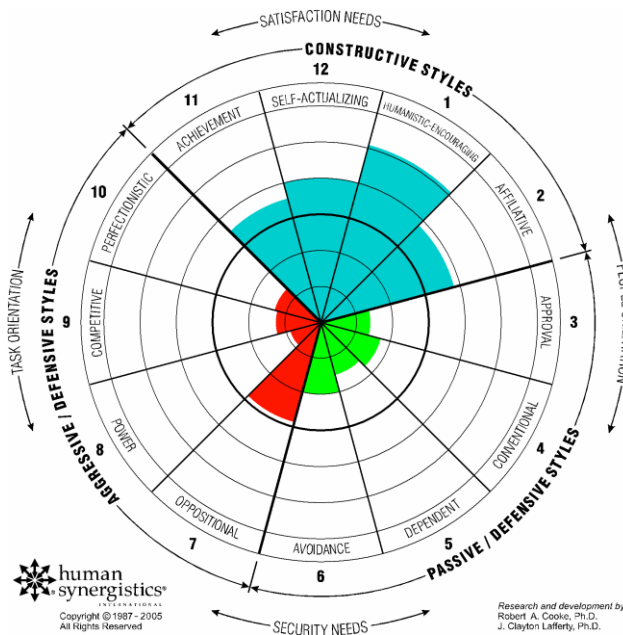
As part of the initial survey in 2017, all Council staff were invited to complete surveys that would provide a snapshot of the current culture and employees' preferred culture



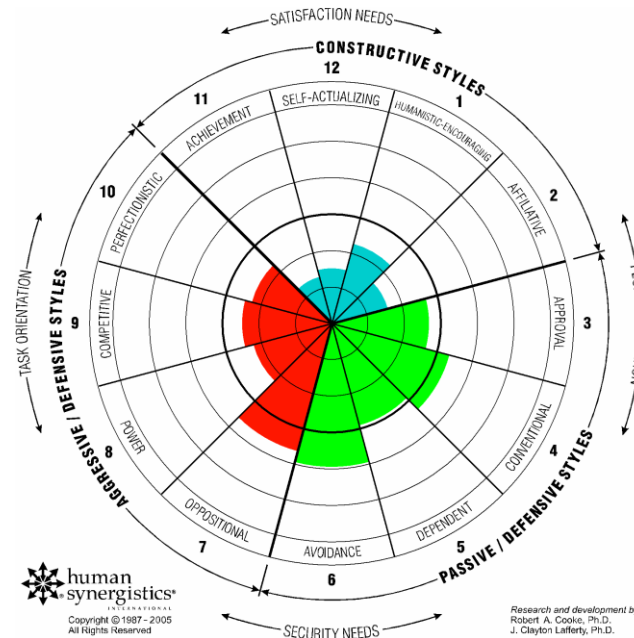
## QPRC Merger Report 2016-19

The following key themes were observed in the 2017 survey:

- High people orientation and security needs - shown by the increase in the passive/defensive styles (green) behaviours
- Customer service remains a challenge across most areas of QPRC
- Statistically significant differences between portfolio areas and service branches: strong peer coaching and development opportunities
- Achievement is generally the poorest performing constructive style
- Role clarity (understandably) rates poorly
- Level 1, and to a lesser extent level 2, view and experience QPRC very differently from level 3 and certainly levels 4, 5 and 6



Preferred culture - 2017



Actual culture - 2017

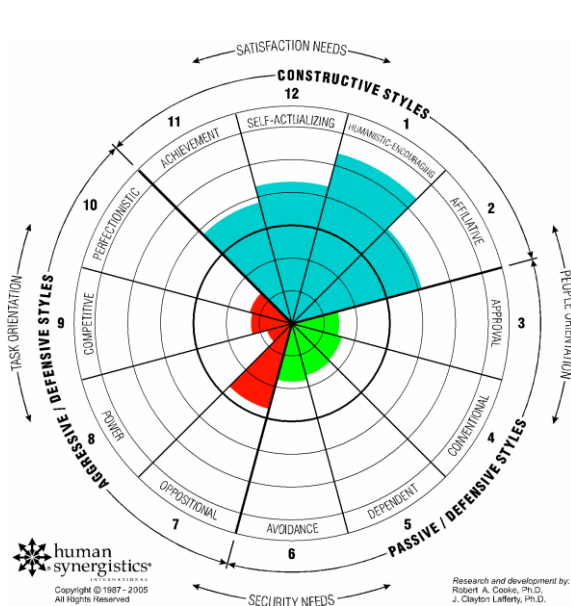


## QPRC Merger Report 2016-19

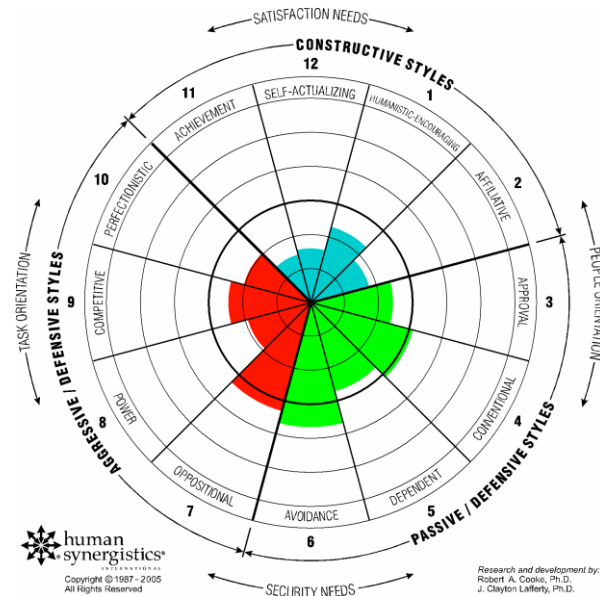
Around 18 months after the initial survey, a remeasure was conducted. The survey results below show that the preferred culture remained steady and that there were slight improvements in the blue culture.

The 2018 remeasure indicated:

- A slight shift away from defensive and toward constructive styles based on 2017 data
- Perceived culture differences from levels 1>2>3>4>5>6
- Substantial differences in culture, outcomes and causal factors across portfolios, branches and teams



Preferred culture - 2018



Actual culture - 2018

### Staff facilities

It was recognised that improvements were required to staff facilities across the local government area. In Bungendore, an extension was arranged to the depot building to provide to better staff amenities. In Braidwood, while the long term plan is to relocate the depot from the CBD to the outskirts of the town, there were improvements to staff amenities, especially the toilet facilities. These were completed in 2019.

The redevelopment of the Queanbeyan administration building at 257 Crawford St had been an ongoing project for the former Queanbeyan City Council that transferred to QPRC. Queanbeyan-based office staff are spread among 11 cottages and buildings in the Queanbeyan CBD, some operating out of hallways, kitchens and other inappropriate areas. The buildings are not fit for purpose and a redevelopment of the administration building, which had been vacant since 2015 is required.

Council initially considered the redevelopment adjacent to The Q in the Lowe St car park. However this was not progressed and Council resolved to proceed with the redevelopment on the site of the former administration building at 257 Crawford Street.



The former building was demolished in early 2019 to prepare for the proposed Queanbeyan Civic and Cultural Hub which will integrate head office with the library, the Bicentennial Hall and Q Theatre. It will also provide over 100 basement carspaces, around 6500m<sup>2</sup> new public domain and lettable commercial offices.

This development is regarded as the catalyst to drive the transformation of the Queanbeyan CBD. Not only will it provide a modern working space for staff and improve customer interactions, it will liberate 11 properties within the CBD that are currently not being used to their full potential. Council has received an unsolicited proposal for the redevelopment of some of these sites into a mixed use development comprising residential and commercial. A Heads of Agreement has been established to guide that sale and redevelopment. It is envisaged that Council will consider a tender for the construction in mid-2020, followed by 18-24 months of construction.

### Values

Both Queanbeyan and Palerang councils had their own set of organisational values, however a new approach to values was required. Using a bottom-up approach to developing organisational values, QPRC brought together a working group of staff from across the organisation to brainstorm and formulate ideas.. After consideration by the working group, the draft values were presented to the Executive and the rest of the QPRC workforce for consultation.

QPRC values are both people and task based, and define key elements in work and behaviour. QPRC promotes and encourages employees to adopt the shared values of:

### Integrity

We role model ethical, transparent and professional decision-making and behaviour

### Respect

We promote diversity, inclusion, consultation and fairness

### Innovation

We are future-focused and creative; we embrace technology, risk and opportunity

### Continuous Improvement

We strive to be efficient and effective through the development of our structures, systems and processes



*our reputation matters*

## QPRC Merger Report 2016-19

### Technology

One of the most challenging, and resource intensive, aspects of the merger has been the integration of two independent systems for property and rating, development, records, payroll and other organisational functions, as well as a federated network and telephony across the three branches.

Options to aggregate procurement of technology with other merged councils did not eventuate, as most had TechnologyOne or Civica as the primary supplier. Exemptions under s55 of the Act were used to retain TechOne by extending the licences held by the former Palerang, following an assessment and demonstration of proposals by TechOne, Civica, Infor and CAMMS. Specialist resources to assist customisation, trials with ServiceNSW and automation of some workflows was retained inhouse.

Both former councils employed different computer systems for different tasks which meant the new QPRC required a completely fresh start w regard to IT. In essence, the full value of the first tranche of the merger grant for regional councils (\$5m), was expended on the acquisition, configuration and training of the digital platform.

System	Provider	Implemented
Payroll and HRMIS	TechnologyOne	June 2018
Property and Rating	TechnologyOne	June 2019
Receipting	TechnologyOne	June 2019
Records and ECM	TechnologyOne	June 2019
Asset Management and EAMS	TechnologyOne	December 2018
Performance reporting	CAMMS	January 2018
Financial management	TechnologyOne	June 2017
GIS and mapping	ESRI InfoMap	December 2017
Process mapping	Promapp	May 2016
Telephony	Lync to Shoretel	October 2017
Desktop environment	Staff migrated to a single unified Windows domain	January 2018
Server environment	Physical and Hyper-V servers to VMware	April 2018
Corporate WiFi	UniFi and Ruckus to Xirrus	March 2019

The implementation of the Property and Rating system was the most onerous for the organisation, with staff from different areas seconded to the project for up to 12 months. Council used its own resources to conduct the majority of the build which ensures that skills and knowledge remains within the organisation for future upgrades and changes.

The final major module implementation went live in June 2019.



## QPRC Merger Report 2016-19

### Financial

Ensuring that new councils are financial sustainable was a key focus of the NSW Government following the mergers in 2016. QPRC engaged independent consultancies to initially understand the combined financial position of the new organisation and then to develop its Long Term Financial Plan.

Unlike many of the metropolitan councils, QPRC was not expected to see significant financial benefits from the merger. The NSW Government forecast estimated savings and benefits over \$17m for QPRC. On the premise of an LGA with a growing population and service demands, no forced redundancies, and retention of office and depot premises in the three main towns, QPRC responded with its own predictions of a \$13m productivity benefit over 10 years from back office efficiencies and materials and contracts savings.

QPRC concluded the following (shown right) over 10 years, based on the LTFP horizon:

Council's view is that merger benefits (rather than savings) are better represented as:

- a rate pricing path lower than that published by the councils prior to merger
- an 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 (established in the Workforce Plan) at or below levels prior to merger
- meeting 'fit for the future' (FFF) sustainability benchmarks

QPRC anticipates the FTE/1000 resident ratio of 7.5 will be retained or lowered in the short to medium term. That ratio is at the lower end of OLG comparative indicators. It is expected growth in services expenditure will be less than the current 1.5-2% annual population growth. QPRC considers savings and productivity benefits will emerge from aggregating demand for some services and products through the CRJO which includes the ACT. Any 'savings' will be reinvested into a future-focused organisation.

	KPMG	QPRC
<b>Savings</b>		
<b>Staff - cash</b>	14.1	3.0
<b>Staff - redeployed</b>		6.0
<b>Materials</b>	3.1	3.1
<b>Other (councillor fees)</b>	0.1	0.9
<b>Total savings:</b>	17.3	13.0
<b>External costs</b>		
<b>ICT and telecoms</b>	2.6	4.2
<b>Reviews, systems</b>	2.9	2.4
<b>Grant income</b>	(5.0)	(5.0)
<b>Nett</b>	0.8	1.6

## QPRC Merger Report 2016-19

### Financial performance

Below is a summary of QPRC's financial statements for the three years since the merger, shown against the benchmarks set by the Office of Local Government.

	Benchmark	2016-17	2017-18	2018-19
Total income from continuing operations	N/A	228,813	178,058	195,294
Total expenses from continuing operations	N/A	137,629	131,597	126,722
Operating result for the period	N/A	91,184	46,461	68,572
Total cash, cash equivalents and investments	N/A	85,723	86,863	138,413
Operating performance ratio	>0%	1.52%	0.39%	5.38%
Own source operating revenue ration	>60%	57.83%	62.37%	57.62%
Unrestricted current ration	>1.5x	2.44x	2.05x	1.34x
Debt service cover ration	>2x	7.88x	6.64x	6.39x
Rates and charges outstanding percentage	>10%	2.77%	5.05%	5.72x
Cash expense cover ratio	>3 months	10.71 months	9.41 months	14.3 months

## QPRC Merger Report 2016-19

### Financial Forecasts

In 2018 Council adopted its Long Term Financial Plan 2018-28. The draft LTFP was placed on public exhibition and proposed three potential scenarios which were:

#### Base Case Scenario (1):

- Delivery Program
- Consumer Price Indexation
- Debt and Capital Plan
- Land Sales

#### Scenario 2 (preferred)

Base Case Scenario plus

- Dividend (Queanbeyan Water and Sewer Funds)
- 100% Asset Renewals
- Improve Unrestricted Cash levels to \$2 million.
- Additional Merger Funding and revised User Charges
- Meet all Financial Principle Ratios

#### Scenario 3

- Scenario 2 plus Special Rate Variation 5%.

Following the public exhibition phase, Council adopted the Long Term Financial Plan based on Scenario 2 which is summarised in the table above:

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Average
<b>OPERATIONAL</b>											
Total Rates and Annual Charges	69,640	71,376	73,156	76,300	79,510	82,826	86,253	89,794	93,423	97,172	81,945
User Charges and Fees	28,686	35,507	36,391	37,268	38,831	40,446	42,117	43,843	45,627	47,458	39,617
Other income	6,891	5,871	5,938	8,176	7,606	7,720	7,900	7,989	8,292	8,665	7,505
Grants and Contributions - Operating Purposes	11,156	11,308	11,500	11,759	12,023	12,294	12,570	12,853	13,142	13,438	12,204
Total Income from Continuing Operations	117,376	126,551	128,988	136,155	140,637	145,969	151,538	157,194	163,202	169,467	175,997
Services – operational expenditure	42,957	53,464	50,891	64,785	66,408	64,460	66,016	67,671	69,367	71,107	60,491
Asset Maintenance	46,493	36,412	38,991	24,600	25,301	29,635	30,527	31,384	32,265	33,169	34,099
Debt expenses	2,412	4,508	5,074	11,016	9,109	8,709	8,343	7,963	7,569	7,158	7,186
Depreciation	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946	31,212
Total Expenses from Continuing Operations	112,876	118,375	122,051	131,581	133,017	136,851	140,123	143,394	146,738	150,181	153,714
Net Operating Result before Grants and Contributions - Capital Purposes	4,500	8,176	6,937	4,574	7,620	9,119	11,415	13,799	16,465	19,285	10,189
<b>CAPITAL</b>											
Grants and Contributions - Contributed Assets	19,644	20,076	20,517	14,407	14,767	15,136	15,515	15,903	16,300	16,708	16,897
Grants and Contributions - Capital Purposes	68,323	57,178	57,928	3,945	4,016	34,088	4,162	4,237	4,313	4,390	24,258
Borrowings (Debt)	50,400	33,900	105,400	30,000	0	0	0	0	0	0	21,970
Depreciation (non-cash)	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946	31,212
Asset renewals	65,561	74,969	74,300	31,469	31,472	33,302	34,477	35,598	36,755	37,946	45,585
Asset enhancements	100,059	82,972	132,006	59,407	14,767	45,136	20,515	15,903	16,300	16,708	50,377
Net Reserve Movement	(6,239)	(22,796)	4,634	(12,055)	4,016	4,088	(838)	4,237	4,313	4,390	(1,625)

## QPRC Merger Report 2016-19

### Merger and SCF grants

Following the merger, Queanbeyan-Palerang Regional Council was provided with \$15m from the NSW Government. Of this, \$5m was to cover merger implementation costs, while the remaining \$10m was provided to fund community infrastructure projects (see p48). In 2018, Council was provided with a further \$3.5m to cover some of the additional costs associated with the merger.

### Merger implementation funding

The funding was used to stocktake the assets and financial sustainability of the merged organisation; invest in establishing new systems and structures; and reset organisation culture and capability. The grant was primarily used to invest in new technologies to integrate enterprise software systems; expand the scope of self-serve enquiry/self-service for residents; develop online applications and transacting; introduce remote access to meetings (eg web streaming); and improve mobility for access to information and delivery of services by staff.

The Table to the right shows projects that were funded by the merger implementation grant.

Project	Budget (\$,000)
Strategic Assets review	109
Financial System Replacement	534
Revumap Implementation	89
Customer Service Experience (CX Lead)	63
Strategic Workforce Plan	86
Fit for Future - Transition Management and Collaboration	309
Asset System Replacement	773
Branding and Image	111
HR Survey	14
Fit for Future - Fit out of Transition Office - VIC	99
Fit for the Future - ICT Network Merge	130
Install Equipment - Live Streaming of Council Meetings	36
Geospatial System Replacement	205
Entrance signage Town Centres	89
Entrance signage LGA	18
Progressive Replacement of Signage	1
Communications and Governance Review	11
Community Engagement for new CSP	171
Human Resource and Payroll System Replacement	434
ICT Transition	267
Records Management System Replacement	338
Regulatory and Revenue System Replacement	1,007
Service Review	20
Taxation Arrangements	15
Website	56
Stronger Communities \$5m - Project Management Office	3
BDG - Depot Replacement	290
QPR - Asset System Replacement	81
Regulatory and revenue System Replacement	975



## QPRC Merger Report 2016-19

### Stronger Communities Fund - community

Council sought expressions of interest from community groups and organisations to allocate \$1m of the funding, and were assessed by an independent panel with views sought from the LRC. Fifty-one community groups across the local government area received up to \$50,000 to progress a range of projects. The table below lists those grant recipients and projects.

Project	Purpose	Amount (\$)
Queanbeyan Landcare Inc.	Friends of Mt Jerrabomberra and Stringybark Ridge (FOMJASR) Bushcare Group	1,386
Wamboin "Drop In" Activity Group	Wamboin "Drop In" Activity Group	2,000
Karabar Preschool	Office area renovation	2,420
Wamboin Community Association Inc. (WCA)	Littlish Libraries for Wamboin, Bywong and Sutton – A Little Free Library community book swap project	3,500
Nerriga Progress and Sporting Association Inc.	Painting and refurbishing of exterior and parts of interior of Nerriga Hall	5,410
Royalla Country Fair Association Inc.	Power to the Royalla Country Fair	8,500
Braidwood Recreation Ground s.355 Committee	Furnishing the newly acquired Canteen and Club Room at Braidwood Recreation Grounds.	9,330
Queanbeyan District Cricket Club	Queanbeyan Cricket Pavilion Clock	10,000
Majors Creek Festival Inc.	Waste recovery and Landcare partnerships at a public event	11,637
Bungendore Preschool	Renovating existing bathroom to provide a clean and safe environment	13,518
Burra Community Association (BCA) in cooperation with the Burra, Cargill Park Management Committee (S355 Committee) (BCPMC)	Enhancements to Burra Park and hall	13,680
Queanbeyan and District Preschool Association	Solar Gain	14,000
Queanbeyan District Cricket Club	Queanbeyan Cricket Pavilion Improvement Project	15,000
Valmar Support Services Ltd	Linking community service provision for sustainable flexibility	17,500
EveryMan Australia Inc.	Regional Partnerships in preventing domestic and family violence	20,000
Braidwood Men's Shed	Triple Garage	25,000
Bungendore War Memorial Hall	Replacement of windows and restoration of window surrounds, and repainting of the hall	25,000
Queanbeyan Little Athletics Centre (QLAC)	Moving QLAC into the 21st century	25,000
Queanbeyan District Girl Guides	Queanbeyan Girl Guides facility upgrade	25,000
Braidwood Urban Landcare Group (BULG)	Flood Creek Community Recreation Precinct	26,000
Les Reardon Reserve s.355 Committee in conjunction with Bywong Community Assoc Inc.	Safe facilities access for the Les Reardon Reserve	26,365
Wamboin Community Association Inc. (WCA)	Enhancing the capability of the Wamboin Community Hall Complex through the purchase and installation of Audio Visual (AV) equipment.	30,000
Queanbeyan Park Tennis Club Inc.	Disability Access Project	32,162
Royalla Common s.355 Committee	Completion of Royalla Community Hall	32,168
Campbell Street Children's Centre	Bathroom renovation and re-fencing of service outdoor playgrounds.	33,000
Braidwood and District Historical Society	Museum Archival Storage Project	41,000
Braidwood Regional Art Group (BRAG)	Enhancing community access and opportunity at the Braidwood Community Arts Centre.	46,150
Bungendore Showground Trust	Upgrading and rationalising the exhibition hall and undercover facilities	48,572
1st Bungendore Scout Group	Construction of a Scout and Community Hall in Bungendore	50,000
Googong Residents Association	Googong Dog Park	50,000

## QPRC Merger Report 2016-19

Project	Purpose	Amount (\$)
Monaro Panthers FC Inc.	Community Football Support	50,000
Home in Queanbeyan	Extending Home - Giving Hope	50,000
Queanbeyan Tigers Australian Football Club Inc.	Upgrade of oval lighting at Allinsure Park (Margaret Donoghoe Sporting Complex) Queanbeyan	50,000
Queanbeyan and District Historical Museum Society Inc.	Queanbeyan Museum Rural Display Redevelopment: Conservation, Interpretation and Protection Works	50,000
Braidwood National Theatre and Community Centre s355 committee	Braidwood National Theatre and Community Centre (BNTCC) Building insulation and refurbishment.	50,000
Italian Community Festival Inc.	Casa d' Italia - Italian Community Hall	50,000
Queanbeyan Netball Association	Resurfacing Queanbeyan Netball Courts	50,000
Queanbeyan Children's Special Needs Group Inc.	Group Therapy Room, 1 Thorpe Avenue Queanbeyan	50,000
Queanbeyan Art Society	Extension to Queanbeyan Art Society 2016/2017	50,000
Gundillion Recreation Reserve Trust	Co-funding for Telecommunications Tower at Gundillion Krawarree	50,000
Lions Club of Queanbeyan Inc.	Queanbeyan Lions Centenary Legacy Project – Lions Inclusive Playground	50,000
Araluen Area s.355 Committee	New Public Toilet Block for the Araluen Recreation Ground	50,000
Braidwood Showground s.355 Committee	Projects for Braidwood Showground Reserve Committee, Braidwood Show Society, Braidwood Rodeo Association, Braidwood District Pony Club (2 projects), Braidwood Polocrosse Club, Braidwood Campdraft Club	100,000

## QPRC Merger Report 2016-19

### Stronger Communities Fund – community infrastructure

As part of the Stronger Communities Fund, a further \$9m was allocated to community infrastructure projects. Council sought community and LRC input on a list of proposed projects and resolved to proceed with the works schedule shown on the right.

The majority of these projects are now complete.



Project	Budget (\$,000)
Araluen s.355	15
Braidwood, Bungendore and Captains Flat pools	400
Town Centre Improvements - Braidwood	500
Town Centre Improvements - Bungendore	500
Rusten House restoration, Queanbeyan	550
Abbeyfield Aged Accommodation, Bungendore	500
Dog Park, Googong	125
Refurbish Karabar netball courts	175
Wet Play Area, Queanbeyan Aquatic Centre (pictured)	450
Queanbeyan Showground Grandstand Restoration	350
Seiffert Oval lights	200
Braidwood Rec Ground - stage 2	300
Bungendore Rec Ground - stage 1	1,500
River Path, including low level footbridge, Queanbeyan	760
Streetscape improvements, Karabar	46
Queanbeyan Park playground upgrade	250
Glebe Park playground	90
Henderson Rd Recreation Area	125
Queanbeyan Aquatic Centre upgrades	150
Seiffert Oval, spectator entrance, security and water station	200
Captains Flat beautification	100
Lascelles St, Braidwood	800
Queens Bridge approach, Yass Rd	200
Margaret Donoghue Oval lights	200
Braidwood Servicemen's Club, water storage	45

## QPRC Merger Report 2016-19

### Grant-funded activities

Aside from the merger-related grant opportunities, QPRC was successful in a number of significant infrastructure grants during the reporting period. A list of some of the successful grant applications is below:

Project	Grant funding (\$,000)	Council contribution (\$,000)
QBN - Ellerton Drive extension	50,000	36,000
QBN - Old Cooma Rd duplication	31,000	-
BWD - Nerriga Rd upgrade (pictured)	36,500	-
BGD - Bungendore roundabout	2,500	-
CF - Back Creek Bridge replacement	1,037	1,307
QBN - Old Cooma Rd rehabilitation	146	-
CF - Captains Flat Rd upgrades	281	-
QBN - Community Recycling Centre – Queanbeyan Waste Minimisation Centre	635	-
BWD - Braidwood Showground upgrades	100	-
BWD - Araluen Rd rehabilitation	402	-
CF - Silver Hills bridge replacement	576	384
CF – Briars Sharrow intersection, Captains Flat Rd	539	-
QBN – New bus shelters	80	-
QBN – Bicentennial Hall upgrade (pictured)	950	595
BWD – Ryrie Park upgrade	389	-
QBN – Regional Sports Complex – Stage 1	10,000	-
QBN – Margaret Donoghue Oval upgrades	590	-
BWD – Araluen Rd vegetation	300	-
CFL – Captains Flat Rd, Jinglemoney Rd-O'Briens Rd	714	-
QBN – Uriarra/Ross/Stornaway – traffic changes	1,184	-
QBN – Railway Park lighting and CCTV	44	-
QBN – 1 <sup>st</sup> Jerrabomberra Scout Hall	50	-





## QPRC Merger Report 2016-19

### Benefits Realisation

Council was required to record the costs and savings generated by the merger using a tool that was developed by the NSW Department of Premier and Cabinet.

The tool helped councils keep track of the 10 year financial benefits of the new council, including progress in achieving merger savings targets. It also supported clear and consistent communications and reporting on benefits by councils and the NSW Government. Council reported regularly on the benefits and costs as illustrated below:

The tool focused on the following:

	Year 1. Fin Yr (16/17) \$ '000	Year 2. Fin Yr (17/18) \$ '000	Year 3. Fin Yr (18/19) \$ '000	Year 4. Fin Yr (19/20) \$ '000	Year 5. Fin Yr (20/21) \$ '000	Year 6. Fin Yr (21/22) \$ '000	Year 7. Fin Yr (22/23) \$ '000	Year 8. Fin Yr (23/24) \$ '000	Year 9. Fin Yr (24/25) \$ '000	Year 10. Fin Yr (25/26) \$ '000	Total Actual \$ Value \$ '000	Total NPV \$ Value \$ '000
<b>1. Costs</b>												
ICT Costs	1,251	2,281	1,779	-	-	-	-	-	-	-	5,311	4,400
Workforce Restructure Costs	1,167	955	560	990	990	350	350	350	350	350	6,411	4,758
Other Transition Costs	970	481	150	-	1,446	1,446	1,446	1,446	1,446	1,446	10,277	7,815
<b>Total - Costs</b>	<b>3,387</b>	<b>3,717</b>	<b>2,489</b>	<b>990</b>	<b>2,436</b>	<b>1,796</b>	<b>1,796</b>	<b>1,796</b>	<b>1,796</b>	<b>1,796</b>	<b>21,999</b>	<b>16,973</b>
<b>2. Savings</b>												
Councillor Savings	-	150	200	200	200	200	200	200	200	200	1,750	1,031
Salaries and Wages Savings	232	425	300	300	300	300	300	300	300	300	3,057	1,926
Material, Contract and Other Savings	245	290	600	515	515	515	515	515	515	515	4,740	3,103
<b>Total - Savings</b>	<b>477</b>	<b>865</b>	<b>1,100</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>	<b>9,547</b>	<b>6,060</b>
<b>3. Efficiencies</b>												
Efficiencies	961	661	661	661	2,107	2,107	2,107	2,107	2,107	2,107	15,586	10,815
<b>Total - Efficiencies</b>	<b>961</b>	<b>661</b>	<b>661</b>	<b>661</b>	<b>2,107</b>	<b>2,107</b>	<b>2,107</b>	<b>2,107</b>	<b>2,107</b>	<b>2,107</b>	<b>15,586</b>	<b>10,815</b>
<b>4. Net</b>												
Costs	(3,387)	(3,717)	(2,489)	(990)	(2,436)	(1,796)	(1,796)	(1,796)	(1,796)	(1,796)	(21,999)	(14,706)
Savings	477	865	1,100	1,015	1,015	1,015	1,015	1,015	1,015	1,015	9,547	5,821
Efficiencies	961	661	661	661	2,107	2,107	2,107	2,107	2,107	2,107	15,586	8,870
<b>Total - Net [(Savings + Efficiencies) - (Costs)]</b>	<b>(1,949)</b>	<b>(2,191)</b>	<b>(728)</b>	<b>686</b>	<b>686</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>3,134</b>	<b>(15)</b>
<b>New Council Implementation Grant</b>	<b>5,000</b>		<b>3,500</b>								<b>8,500</b>	<b>7,485</b>
<b>Net + New Council Implementation Grant</b>	<b>3,051</b>	<b>(2,191)</b>	<b>2,772</b>	<b>686</b>	<b>686</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>	<b>11,634</b>	<b>7,217</b>

NOTE 1: QPRC's agreed 10 year target is \$13m.

TARGET 13,000  
SHORTFALL \$ 1,366

## QPRC Merger Report 2016-19

### Performance

Council was involved in two community service satisfaction surveys during the three-year period following the merger – the first in November 2016 and then again in September 2018.

The initial survey was instigated by DPC and was run concurrently across all merged councils within NSW. Individual councils were able to add some questions specific to their region. The surveys did not ask the same questions, so cannot definitively be used as a benchmark. The benchmark for QPRC was set in the 2018 survey.

### November 2016 survey – key results:

#### Overall performance

This provides a snapshot of QPRC's overall performance highlighting the top three performing areas and the top three areas for improvement. The state-wide result includes all councils merged in 2016. The results shown are index scores out of 100.

- QPRC – 58
- Regional/Rural Councils – 56
- State-wide - 58

#### Top three performing areas

- Waste management – 73
- Emergency and disaster management – 72
- Appearance of public area – 70

#### Top three areas for improvement

- Providing value for money – 46 (-39 gap between importance and performance ranking)
- Being a well-run and managed council – 53 (-33)
- Decisions made in the interest of the community – 50 (-32)

The report stated Queanbeyan-Palerang Regional Council residents rated the current overall performance of the newly formed council in a satisfactory way. However, the overall performance index score of 58 indicates there is a need for Council to improve perceptions of how it is performing.



**A new garbage truck was added to the Queanbeyan waste collection fleet**

## QPRC Merger Report 2016-19

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- On the measure of overall performance, Queanbeyan-Palerang Regional Council is rated equal to newly formed councils State-wide (index score of 58), and significantly higher (at the 95% confidence level) than the average for newly formed councils in the regional/rural group (index score of 56).
- Residents of the Queanbeyan-Jerrabomberra urban area are significantly more favourable than average in their view of Council's overall performance (index score of 63).
- Residents of urban villages and the rural area are significantly less favourable than average in their view of Council's overall performance (index scores of 49 and 48, respectively).
- However, one in five residents (21%) in the rural area have not yet formed an opinion on the overall performance of the newly formed Council (providing a 'can't say' response). This represents an opportunity for Council to communicate more effectively with these residents
- Two in five (40%) residents rate the Queanbeyan-Palerang Regional Council as either 'very good' or 'good', with a further third of residents (36%) sitting mid-scale, providing an 'average' rating.

The report stated that Council can learn from what is working well amongst groups with more favourable views towards Queanbeyan-Palerang Regional Council, for example residents aged 65+ years and residents of the Queanbeyan-Jerrabomberra urban area. It will also be important for Council to focus on residents of rural areas who are currently driving negative opinion.

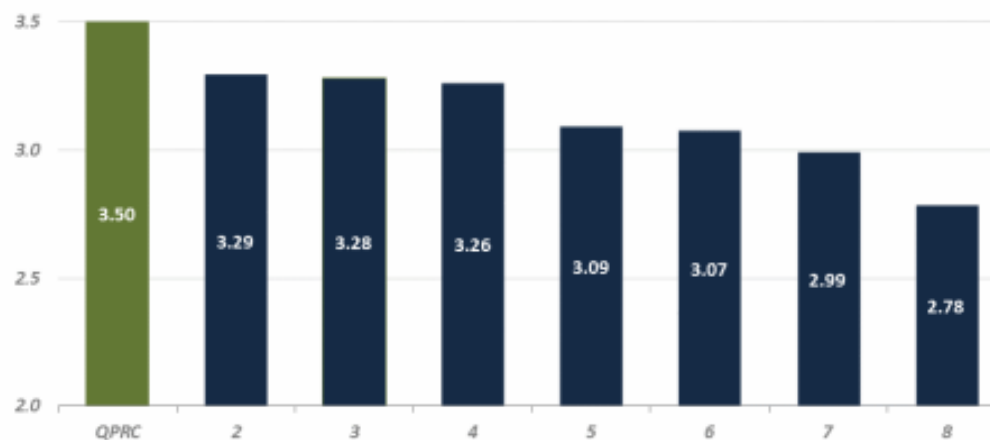
On the positive side, Council should maintain its strong performance in the areas of customer service, waste management and emergency and disaster management.

## QPRC Merger Report 2016-19

### September 2018 survey – key results

Overall satisfaction with Council was extremely positive, with a net satisfaction rating of +44% (indicating that 44% more residents were satisfied than dissatisfied) with a mean rating of 3.50. The proportion of respondents that were satisfied was impressive (at 56% - 11% very satisfied and 45% satisfied), and only 12% dissatisfied. When plotted against seven other regional LGA's that have conducted similar surveys since 2016, results suggest that QPRC is outperforming its peers:

Overall satisfaction for eight regional Councils



### Services

- Of the 24 facilities and services rated, four scored “very high satisfaction” (where average rating is >4 out of a possible 5.) These comprised sewerage (4.25 out of 5.0), libraries (4.22), water supply (4.20) and parks, reserves and playgrounds (4.04). Lowest satisfaction was recorded in DA processing (2.75), unsealed roads (2.84) and tourism marketing (2.87).
- In terms of importance, and using a Likert scale (where 1 = not important, 2 = important, 3 = ?, 4 = very important and 5 = critical), only three services achieved scores of 4 or more. These were sealed roads (with a mean importance rating of 4.43 out of 5.0), waste/recycling (4.33) and water supply (4.08). Community halls, online services, development applications, building inspections and unsealed roads ranked below the 3.0 midpoint on the 5-point scale.
- When placed into a quadrant-style matrix of importance vs. satisfaction, and using an arbitrary 3.5 “dividing line” across both satisfaction and importance scores, the following picture emerged. Of the 24 facilities and services measured, bridges, cleanliness of public domain (streets etc.), parks, reserves and

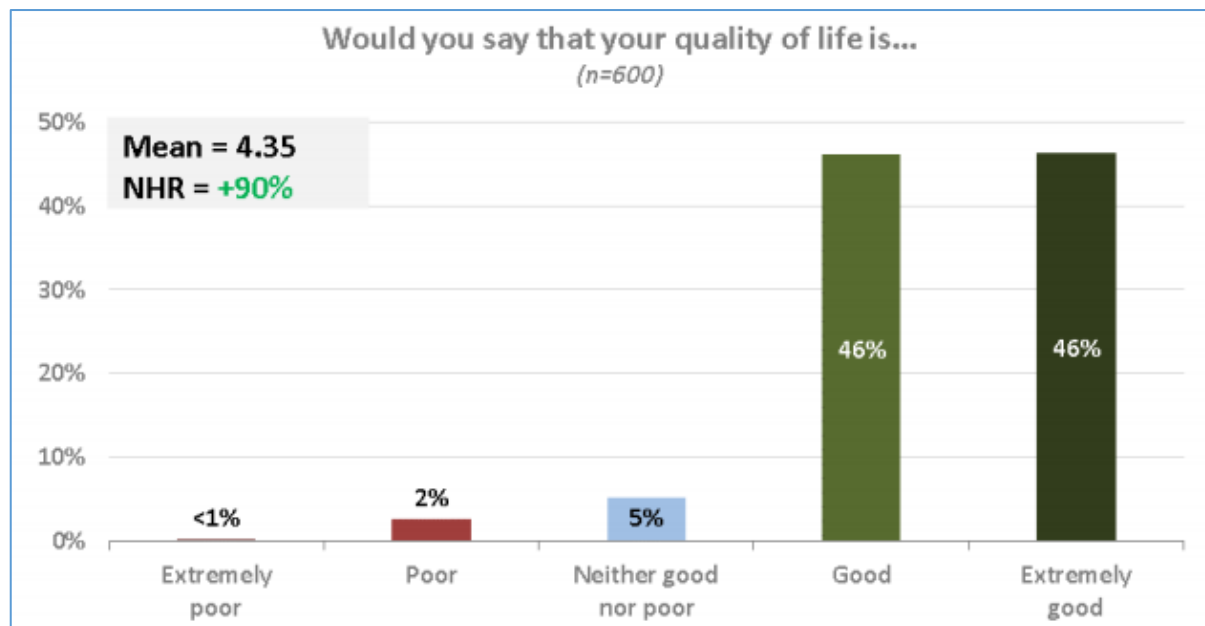
Higher importance/lower satisfaction	Higher importance/higher satisfaction
Community services Environmental monitoring and protection Sealed roads	Bridges Cleanliness of public domain (streets etc.) Parks, reserves and playgrounds Sewage collection and treatment Waste and recycling Water supply
Lower importance/lower satisfaction	Lower importance/higher satisfaction
Building inspections Development applications Disability access Dog control Econ. Development/attracting new investment Footpaths and cycleways Online services Public toilets Storm water drainage Tourism marketing Unsealed roads Weed control	Community halls Council pools and sporting facilities Libraries



## QPRC Merger Report 2016-19

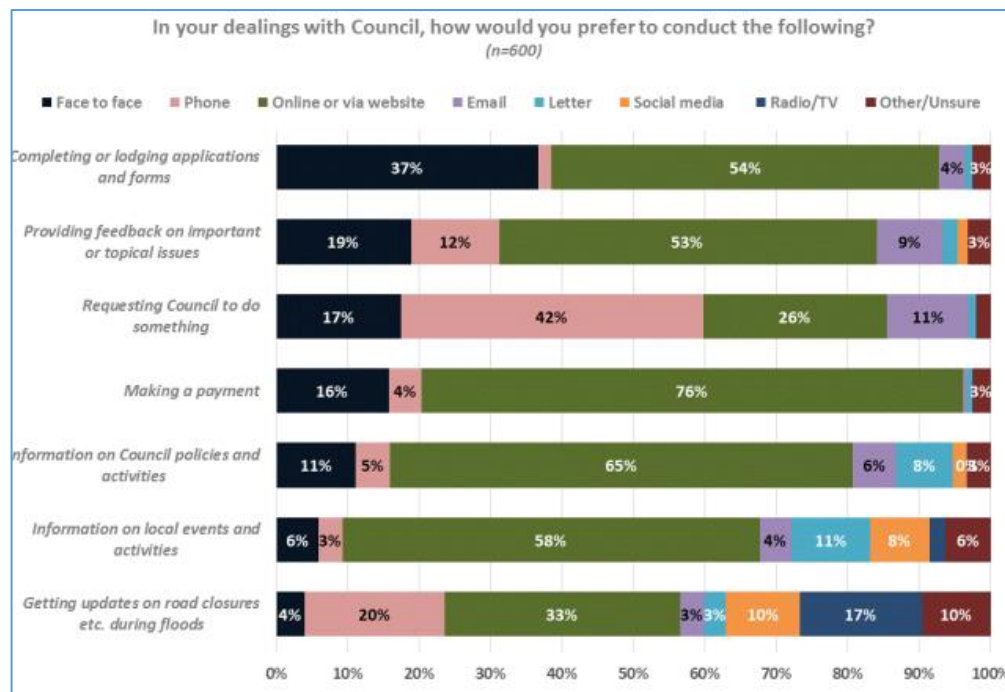
playgrounds, sewage collection and treatment, waste and recycling and water supply were perceived as being of highest satisfaction and highest importance:

- Respondents were also asked to rank the relative importance for future resourcing of any facilities and services they had ranked as being of "critical" importance (excluding the "known criticals" of sealed road maintenance, water supply, sewerage and waste/recycling). Parks, reserves and playgrounds, footpaths and cycleways, council pools and sporting facilities and bridges were the highest identified priorities (mentioned by 24%, 22%, 19% and 19% respectively).
- Quality of life measures performed well:
  - The majority (92%) rated their quality of life as either good or extremely good with less than 3% rating it as poor (a net health rating of +90% and mean score of 4.35 out of 5.0).
  - Seven in 10 felt their quality of life was stable in 2017 while 18% felt it had increased and 11% felt it had decreased.
  - Agreement with the majority of personal aspiration statements was impressively high with six out of 11 scoring 4.0 or higher out of 5.0. Those personal aspiration statements rating particularly high included "a happy life", "a healthy environment", "feel safe", "are financially secure" and "have access to sport and recreation". The rating for "access to reliable and efficient public transport" was low at 2.49 out of 5.0.
- Across all Community Aspiration statements, more residents agreed than disagreed. Agreement was particularly higher that "We feel safe in the places we visit", "We are a friendly and caring community", "We take pride in our public places" and "We enjoy the beauty of our natural environment and act to protect it" with mean scores of 3.85 or higher out of 5.0.
- Council achieved a Net Vision Success Rating of +38% (with 49% agreeing that Council has been successful in moving closer to the vision in the past 12 months and 11% disagreeing) with a mean score of 3.41 out of 5.0.
- A total of 46% of respondents had contacted Council within the previous 12 months for a reason other than paying rates.



## QPRC Merger Report 2016-19

- QPRC residents preferred method for dealing with Council is online. Specifically, online was the preferred method of contact when making a payment (76%), researching Council policies and activities (65%), gathering information on local events and activities (58%), lodging a form or application (54%) and/or providing feedback on important or topical issues (53%). When requesting Council to do something, the largest proportion (42%) still preferred a direct telephone call.
- Almost two-thirds (66%) of residents receive Council information via the QPRC News newsletter and a further 21% receive the weekly e-newsletter or email. There were few variations in preference for information sources, suggesting contentment with current sources available (QPRC News newsletter is preferred by 37% of residents, against the weekly e-newsletter at 33% and information posted on Council's website at 13%).



The survey results are utilised with service reviews to guide levels of investment in areas of high importance and lower satisfaction.

### Audits

The Audit Risk and Improvement Committee was established to provide independent assurance and assistance to QPRC. The role and responsibilities of the Committee, defined in its charter, are to assess the effectiveness of Council's frameworks, actions and controls in relation to:

- risk management
- Council's control framework
- external accountability, including preparation and publication of council's annual financial statements
- legislative compliance
- internal and external audit
- process improvement.

Since being established, the Committee has considered:

- progressing Council efforts to obtain certification of Council's Work, Health and Safety and Environmental (HSEQ) Management systems
- the development of QPRC Service Statements (Owner's Manual) and Integrated Plan suite of reports and their use within the organisation.
- a legislative compliance framework.
- audits of the implementation of the Merger Transition Plan
- updates on major projects and the implementation of a Council Project Management Office.
- an update on insurance arrangements including adequacy assessment, in particular, of cyber insurance.
- arrangements for reporting against the Integrated Reporting Framework
- preparation and audit of Council's annual financial statements and the operation of the financial statement subcommittee to provide ongoing assurance in relation to financial reporting issues
- the NSW Audit office report on Workforce Reform regarding amalgamated Councils.
- a client service plan prepared by the NSW Audit Office detailing their strategies and key issues for the audit of Council's 2017-18 annual financial statements.

## QPRC Merger Report 2016-19

### Workforce Reform Audit – NSW Audit Office

In 2019, the NSW Audit Office conducted an audit of three councils that were merged in 2016 regarding their approach to workforce reform.

The objective of this audit was to assess whether three councils, Inner West Council, Queanbeyan-Palerang Regional Council and Snowy Monaro Regional Council, are effectively reforming their organisation structures to realise efficiency benefits from amalgamation and whether they are effectively managing the impact on staff.

The report from the NSW Audit Office noted:

#### **The three councils have made progress towards an efficient organisation structure**

Following amalgamation, all three councils developed plans and timelines for developing a single organisation structure, reviewing positions, recruiting internal staff into new positions, amalgamating salary structures and aligning human resources policies. At the time of the audit, major milestones in these plans have largely been met and each of the three councils is operating with a single workforce.

Our review of benefits realisation plans prepared for DPC by Queanbeyan-Palerang Regional Council and Snowy Monaro Regional Council shows that workforce reform activities were not expected to achieve material savings or efficiencies in the first three years of amalgamation.

#### **Councils have not yet determined their future service offerings and service levels nor completed integration of ICT systems**

Councils need to establish the service levels and offerings they intend to provide before they can settle on the best approach and workforce structure to deliver them.

Councils are working through the process of establishing what customer service levels and offerings they should provide as an amalgamated council, including whether service levels should be common across the council area. At the time of the audit, different service levels inherited from the former councils mean that some ratepayers of the amalgamated council are receiving a higher level of service than others.



**Regular Executive visits and all-staff briefings form a key part of Council's approach to internal communications.**

## QPRC Merger Report 2016-19

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While all three of the councils purchase services and benchmarking reports that provide feedback on their efficiency, the Office of Local Government (OLG) has not developed a suite of council efficiency indicators or comprehensively benchmarked council efficiency.

### **Two councils do not clearly report on whether their reform initiatives are achieving benefits**

Amalgamated councils were asked by DPC to prepare a plan that identified how they would achieve expected savings and efficiencies over a ten-year timeframe. Queanbeyan-Palerang Regional Council and Snowy Monaro Regional Council reported progress against these plans to DPC until the middle of 2017, approximately one year after amalgamation, when the unit within DPC that was monitoring and supporting the amalgamated councils handed over its functions to the OLG. Queanbeyan-Palerang Regional Council continues to monitor and report progress of integration activities to its elected council in terms of savings and efficiencies realised. However, Inner West Council and Snowy Monaro Regional Council do not clearly link their reform initiatives with expected savings and efficiencies in public reporting. Amalgamations represent a substantial period of change for affected communities and amalgamated councils should be routinely reporting to their communities about the costs of amalgamation and realisation of benefits.

### **Legislative, administrative and logistical issues have impacted progress towards an efficient organisation structure**

Councils did not expect significant efficiencies during the protection period due to staff protections in the Local Government Act 1993 and a number of logistical and administrative challenges.

All the councils implemented staff protections provided for in the Local Government Act 1993. These protections benefited staff and communities and there was very little industrial action related to amalgamations in the councils we audited. Having said this, staff protections limited the pace at which councils could:

- move staff to new locations and co-locate work teams
- divest redundant staff
- bring salaries and working conditions into line with work value
- recruit new skills, due to the requirement to exhaust internal recruitment options before advertising externally.

Administrative and logistical impediments to implementing an efficient structure, some common to any organisational merger, include:

- maintaining duplicated information technology systems and databases until integrated enterprise systems can be implemented
- inconsistent policies, procedures, customs and practices that need to be aligned
- significant staff time devoted to recruitment.

We also identified a small number of examples where decisions of former councils in the lead-up to amalgamation created challenges for the amalgamated council. These included an increase in staff numbers at the former Ashfield and Marrickville Councils and extension of the staff protection period from the legislated three years to five years at the former Leichhardt Council.



### **The councils implemented substantial change management and communication programs for their staff, but staff need further support**

Following amalgamation, all three councils focused on helping staff to cope with change and implemented extensive communication programs to keep staff informed.

Having said this, it is evident from staff surveys and field visits that staff in all three councils are still finding it difficult to cope with change and need ongoing support.

Further change is expected as systems, processes and employment conditions are integrated and aligned, and support for staff affected by these changes may need to be provided for some time.

### **At this stage the councils cannot adequately assess the effectiveness of their change management efforts**

Each of the councils conducted staff surveys early in the amalgamation process and in subsequent years, but none can use these to reliably assess the impact of their change management efforts to date. Initial surveys at Inner West Council and Queanbeyan-Palerang Regional Council included different questions in their respective 2016 and 2017 surveys, meaning they cannot track the impact of their change management efforts over that period. Snowy Monaro Regional Council cannot rely on the validity of its first survey as it was administered to one former council workforce before the amalgamation, and the other two workforces after the amalgamation.

### **Recommendations**

#### **All three councils should:**

1. establish future service offerings and service levels and ensure that organisation structures are aligned with service levels and integrated ICT systems.

#### **Inner West Council and Snowy Monaro Regional Council should:**

2. report against target efficiency and savings outcomes associated with workforce reform and actively monitor progress against milestones.

#### **The NSW Department of Planning and Industry should:**

3. develop a suite of efficiency and economy indicators and start reporting the performance of councils against these indicators to assist with benchmarking.

### Awards and recognition

Many award opportunities present themselves to councils and QPRC was successful with a number during the period 2016-19. A summary of those successful awards is shown below:

- The Queen Elizabeth II project was recognised by the Infrastructure Sustainability (IS) Council of Australia, winning the IS Award for projects under \$20 million. A panel of five independent judges recognised QPRC for the IS project that exhibits the most outstanding leadership and greatest contribution to advancing infrastructure sustainability in Australia.
- Council also won Local Government Excellence in Environment Awards for work in the Invasive Species Management area. The project involved developing a risk assessment and analysis model across south east NSW, covering 764 localities. The mapping identified regional priority weeds.
- The Music by the River event at Queen Elizabeth Park was recognised at the prestigious RH Dougherty Awards held by LGNSW. The event was a joint winner in the Innovation in Special Events category.
- The Storybook Café won the Excellence Award in the Community Development and Services category at the NSW Local Government Excellence Awards ceremony in Sydney. Following that achievement, the Café also won the National Local Government Professionals award for Excellence in Community Development and Services. The Storybook Café, which operates from the Queanbeyan Library, was established by QPRC's Axis Youth Centre to give the region's young people the chance to gain real industry experience and training. The volunteer program helps participants gain meaningful employment in the hospitality industry.





- Council's Urban Landscapes achieved national and international recognition at the 2019 Parks and Leisure Australia (PLA) National Awards of Excellence for their efforts in maintaining Queanbeyan Park and Queen Elizabeth II Park. Queanbeyan Park and Queen Elizabeth II Park have joined only eight other parks from across Australia to be awarded Green Flags.
- The region performed well at the Keep Australia Beautiful NSW Tidy Town Awards. Nominations and awards included:
  - Don't be a Tosser litter project – low level crossing Yeddum Munni Nadyun 'Good Running Water' litter project – Winner
  - Renewable Energy Award – Solar PV Installations on Council Buildings – Winner
  - Recycled Organics award – Bungendore, Captains Flat and Braidwood food organics kerbside collection service – Winner
  - Majors Creek Music Festival – Recycled Organics – Winner
  - Majors Creek Music Festival – Waste Less Recycle More – Winner
  - Overall Tidy Town Award for population over 20,000 – Finalist
  - Community Spirit and Inclusion – Queanbeyan parkrun – Highly Commended



## QPRC Merger Report 2016-19

### Appendix 1 - Transition Plan progress

The adopted Transition Plan included a number of actions for the organisation to achieve during the initial three-year period after the merger. A summary of those actions, and progress made, is shown below.

Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
<b>SERVICES</b>	1	Revise and harmonise ABEF and process mapping system (Promapp)	Service Manager Culture and Performance	March 2016	Completed	Integrated on to one system and one annual license.
	2	Review/gap analysis of priority processes in Services	Service Manager Culture and Performance	31 May 2018	Completed	Review of existing processes completed. Work commenced with Service Managers to align processes to service delivery through development of Service Plans.
	3	Undertake baseline service reviews	Service Manager, Culture and Performance	30 Jun 2017	Ongoing	Service Review Schedule developed and being worked through.
	4	Redefine new service levels, delivery methods and supporting structures	Planning and Productivity Specialist	19 Jun 2019	Ongoing	Owners' Manual which contains finalised Service Statements completed and launched with Service Managers on 26 July 18. Work has also commenced to develop the Branch Service Plans which will complement the Service Statements and define delivery methods.
	5	Develop QPRC Resourcing Strategy	General Manager Organisation Capability	8 Dec 2017	Completed	Endorsed by Council on 28 June 2018
	6	Conduct two in-depth service reviews	Service Manager Culture and Performance	31 Jul 2017	Completed	Transport and Recreation Service Reviews completed. Development review on hold until new OneCouncil system settled down.
<b>ASSETS</b>	7	Conduct asset re-evaluation; adopt asset standards; revise Asset Strategy	Assets Specialist	31 Dec 2017	Completed	Asset Strategy adopted by council and asset revaluation work completed to reflect asset valuations to 30 June 2016



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Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
	8	Adopt asset grant schedule; asset elements register (Asset Valuation Service)	Assets Specialist	30 Nov 2017	Completed	Asset Management Improvement Plan adopted by Executive in May 2019.
	9	For each of the former councils, document any plans for the acquisition or disposal of material assets	Assets Specialist	30 Oct 2016	Ongoing	
	10	Undertake Asset Rationalisation for each depot	Assets Specialist	31 Dec 2017	Ongoing	
	11	Undertake Asset Plan review	Assets Specialist	1 Sep 2017	Ongoing	Asset Management Plans would be reviewed commencing this year. This will be a rolling creation/update over a 4 year cycle.
<b>ICT</b>	12	Implement a Federated network for new council area	Service Manager Digital	31 Dec 2016	Complete	
	13	Plan and implement a 'Digital' workforce	Digital Strategic Specialist	31 Jan 2017	Ongoing	Ongoing. Includes remote work and BYOD as well as integrations with third party stakeholders and service providers.
<b>SYSTEMS</b>	14	Implement consolidated Asset system	Enterprise System Transition Coordinator	1 Jan 2019	Ongoing	Rolling implementation by asset class. Fleet roll-out completed in April 2018.
	15	Implement consolidated records management system	Enterprise System Transition Coordinator	30 Jun 2018	Completed	Delayed to align with roll out of Property and Rating system. Went live in June 2019.
	16	Implement consolidated HR and Payroll system	Enterprise System Transition Coordinator	30 Jun 2018	Completed	

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Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
	17	Implement Geospatial Mapping System	Geospatial Project Manager	1 Oct 2017	Completed	
	18	Implement consolidated Revenue and Regulatory system	Enterprise System Transition Coordinator	30 Jun 2018	Completed	Went live in June 2019.
<b>COMMUNICATION</b>	19	Develop strategies/plan Information Tree / Web tool	Service Manager, Customer and Communication	Mar 2018	Completed	Information Tree has been developed and included in the Staff and Community Communication and Engagement Plan and Communications Strategy.
<b>FINANCIAL</b>	20	Develop Financial Strategy / consolidate financial plan / draft Long Term Financial Plan and adopt LTFP	Service Manager Finance	30 Jun 2017	Completed	QPRC's Long Term Financial Plan was adopted in November 2018
	21	Consolidate financial policies, procedures and forms (e.g. procurement, investment, borrowing)	Service Manager Finance	12 Aug 2016	Completed	The procedures for Procurement and Investment have been consolidated and those for borrowing were completed in late 2018
	22	Consider impact of identical business activities coming together	Service Manager Finance	30 Jun 2017	Completed	
	23	Complete analysis and modelling to support preparation of the new Resourcing Strategy (LTFP)	Service Manager Finance	30 Sep 2017	Complete	
<b>PROCUREMENT</b>	24	Conduct stores review and implement review findings	Service Manager Finance	Dec 2016	Completed	
<b>WORKFORCE</b>	25	Develop a Strategic Workforce Plan	Service Manager Culture and Performance	Mar 2017	Completed	Endorsed by Council as part of Resourcing Strategy

## QPRC Merger Report 2016-19

Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
	26	For each of the former councils, document salary structures, positions and PDs, staff locations, local agreements	Service Manager Workforce	1 Sep 17	Completed	New salary system implemented on 7 April 2018
	27	Develop and deploy a job evaluation system	Service Manager Culture and Performance	30 Jun 2017	Completed	
	28	Implement Personnel Evaluation System software	Service Manager Culture and Performance	30 Jun 2017	Complete	Employee performance evaluation launched in June 2019
	29	Implement Global Collaboration software	Service Manager Culture and Performance	Oct 2016	Completed	
	30	Implement Workforce Planning Centre software	Service Manager Culture and Performance	Nov 2016	N/A	Project discontinued due to vendor issues.
	31	Implement RevuMap software	Service Manager Culture and Performance	Sep 2016	N/A	Project discontinued due to vendor issues.
	32	Complete analysis and modelling to support preparation of the new resourcing strategy (Workforce Plan)	Service Manager Culture and Performance	30 Sep 2017	Complete	Resourcing Strategy adopted in June 2018
	33	Develop a QPRC Capability Framework aligned to LG NSW	Service Manager Culture and Performance	Mar 2017	Completed	LGNSW Capability Framework used in roll out of employee performance evaluation.
	34	Develop an Organisation Development Strategy	Service Manager Culture and Performance	30 Jun 2017	Ongoing	

## QPRC Merger Report 2016-19

Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
<b>RISK</b>	35	Review delegations and controls of higher risk functions to ensure appropriate decision making	Service Manager Legal and Risk	31 Jul 2017	Ongoing	
<b>PROPERTY</b>	36	Consolidate and review Property Register	Service Manager Legal and Risk	30 Nov 2017	Completed	Council adopted a report on the Property Portfolio in April 2019 and included as an addendum in Operational Plan 2019-20
	37	For each of the former councils, document property details (address, encumbrances and interests, current use, certificate of title and leases or licenses on the land	Service Manager Legal and Risk	20 May 2016	Completed	Delayed due to requirement to link with new Property and Rating system
	38	Develop QPRC Property Strategy	Property Specialist	3 Jun 2017	Completed	
<b>STRATEGY</b>	39	QBL matrix / Strategic priorities lifecycle financial	Service Manager Finance	Jan 2018	Ongoing	
	40	Prepare a draft Community Strategic Plan for consideration of the new Council	Service Manager Customer and Communication	1 Sep 2017	Completed	Endorsed by Council 28 June 2018
	41	Prepare a draft Resourcing Strategy	General Manager Organisation and Capability	31 Dec 2017	Completed	Endorsed by Council 28 June 2018
	42	Develop an Economic Development Strategy	Service Manager Business and Innovation	31 May 2017	Completed	Regional Economic Development Strategy adopted in September 2018



## QPRC Merger Report 2016-19

Project Stream / Category	No.	Transition Plan Activity	Responsibility	Implementation Due Date	Status	Comments / Implications
<b>PERFORMANCE</b>	43	Draft Stronger Councils Framework	Planning and Productivity Coordinator	March 2018	Completed	QPRC Stronger Councils Framework completed and incorporated into QPRC's Indicator Framework
<b>CUSTOMER / COMMUNITY</b>	44	Develop a centralized system for the community to process rates, trees and waste requests	Digital Strategy Specialist	Dec 2017	Ongoing	Delays experienced due to inability to SNWS to link into QPRC systems.
<b>POLICY</b>	45	Implement a consolidated Content Management System	Enterprise System Transition Coordinator	Dec 2017	Completed	See Item 15
<b>QUALITY</b>	46	Implement a WHS Quality system	Service Manager, Workforce	Dec 2016	Completed	QPRC Certified Integrated standard 4801
<b>LOGISTICS</b>	47	Investigate site rationalisation options	CEO	April 2018	Completed	Site selected and endorsed by Council June 2018
	48	Identify unproductive travel	General Manager Community Connections	Oct 2016	Completed	
<b>LAND-USE PLANNING</b>	49	Consolidate Land Registers	Service Manager , Land-Use Planning	12 Aug 2016	Completed	
<b>GOVERNANCE</b>	50	Harmonise governance policies and procedures	Service Manager Governance	22 Dec 2017	Ongoing	Statutory policies have been given priority. List of harmonised policies contained in this document
<b>REGULATIONS</b>	52	Deliver the program to consolidate local regulations	Service Manager Development	30 Jun 2017	Ongoing	