



**Queanbeyan-Palerang Regional
Council
Merger Status Report
2016-2017**

Merger Status Report

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Merger Status Report

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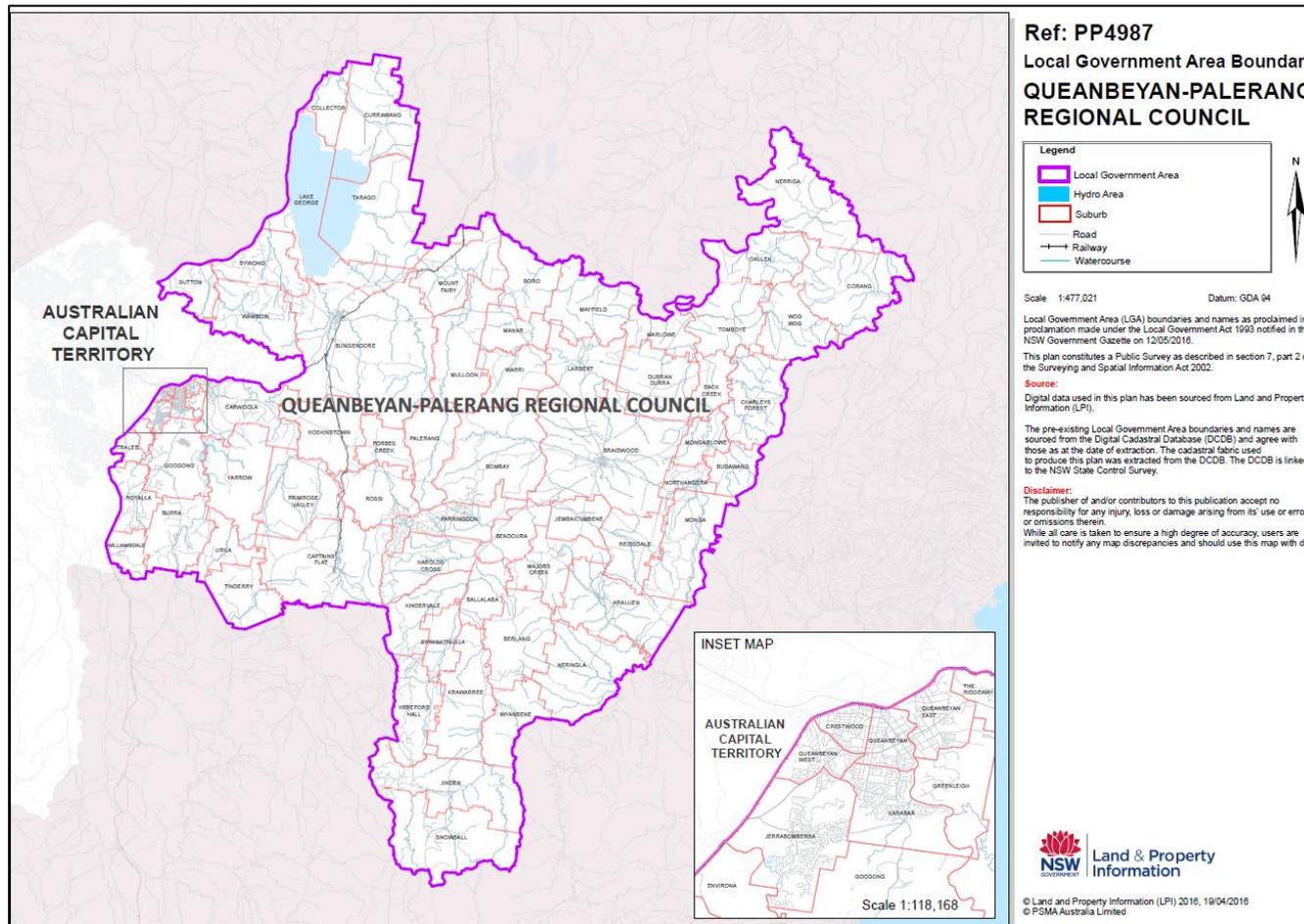
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Proclamation

Queanbeyan- Palerang Regional Council (QPRC) was proclaimed on 12 May 2016, the notice advising Mr Tim Overall as Administrator and Mr Peter Tegart as Interim General Manager and Mr Peter Bascomb as Deputy General Manager, in an undivided (ie no wards) local government area of 5319km² with 11 councillors to be elected on 9 September 2017. All permanent award staff (around 500) of the former Queanbeyan City and Palerang Councils were transferred to the new entity. QPRC supports a population over 56000 and assets around \$1.5billion. The map below (Figure 1) illustrates the LGA.



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Merger Expectations

The former councils did not meet the 'scale and capacity' threshold identified by IPART and the Independent Local Government Review Panel (ILGRP). By merging, QPRC met the threshold gaining access to low interest TCorp loans and significant NSW Government funding for infrastructure (eg \$70m Roads Package for Old Cooma Rd and MR92, and other major infrastructure projects such as EDE, QISC, QSTP); and works with the Canberra Region Joint Organisation (CBRJO) on regional strategy, advocacy, joint procurement and potential shared services.

QUEANBEYAN COUNCIL – CIP

NOT FIT

Area (km ²)	172	Population 2011	40,000
OLG Group	4	(2031)	58,500
ILGRP Group	E	Merger 2011	54,850
		(2031)	79,050

Operating revenue (2013-14) \$48.9m TCorp assessment Moderate FSR Neutral Outlook

ILGRP options (preference in bold) Merge with Palerang Council (yellow) or council in South East JO (shaded area).

Assessment summary	Scale and capacity	Does not satisfy
	Financial criteria:	Satisfies overall
	• Sustainability	Satisfies
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies

Fit for the Future – NOT FIT

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

Scale and capacity – does not satisfy

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

Sustainability – satisfies

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

Infrastructure and service management - satisfies

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

Efficiency - satisfies

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



PALERANG COUNCIL – CIP

NOT FIT

Area (km ²)	5,147	Population 2011	14,850
OLG Group	11	(2031)	20,550
ILGRP Group	E	Merger 2011	54,850
		(2031)	79,050

Operating revenue (2013-14) \$25.5m TCorp assessment Moderate FSR Negative outlook

ILGRP options (preference in bold) Merge with Queanbeyan Council (yellow) or council in South East JO (all shaded).

Assessment summary	Scale and capacity	Does not satisfy
	Financial criteria:	Satisfies overall
	• Sustainability	Satisfies
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies

Fit for the Future – NOT FIT

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

Scale and capacity – does not satisfy

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

Sustainability – satisfies

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

Infrastructure and service management - satisfies

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

Efficiency - satisfies

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



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Benefits Realisation

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, the Council responded with its own predictions of a \$13m productivity benefit over 10 years from backoffice efficiencies and materials and contracts savings. Table 1 below compares the 'savings'.

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

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

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

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

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

QPRC 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. We consider savings and productivity benefits will emerge from aggregating demand for some services and products through the CBRJO which includes the ACT. Any 'savings' will be reinvested into a future-focused organisation.

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Employment

In the terms of the merger, the *Local Government Act 1993* and Award, the numbers of staff and conditions of employment of staff were protected:

- 354F - 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 are ~123 FTE.

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

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 SES contracts of employment. That interim structure 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. The interim structure enabled service continuity under the 'operations group' overseen by the Deputy General Manager, and the assessment of systems, assets, services, financials and culture by other senior managers, reporting directly to the Interim General Manager.

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.

The L3-6 layers of the organisation will be placed in the service and program hierarchy with the primary accountabilities for L3-L5 articulated as:

- 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)

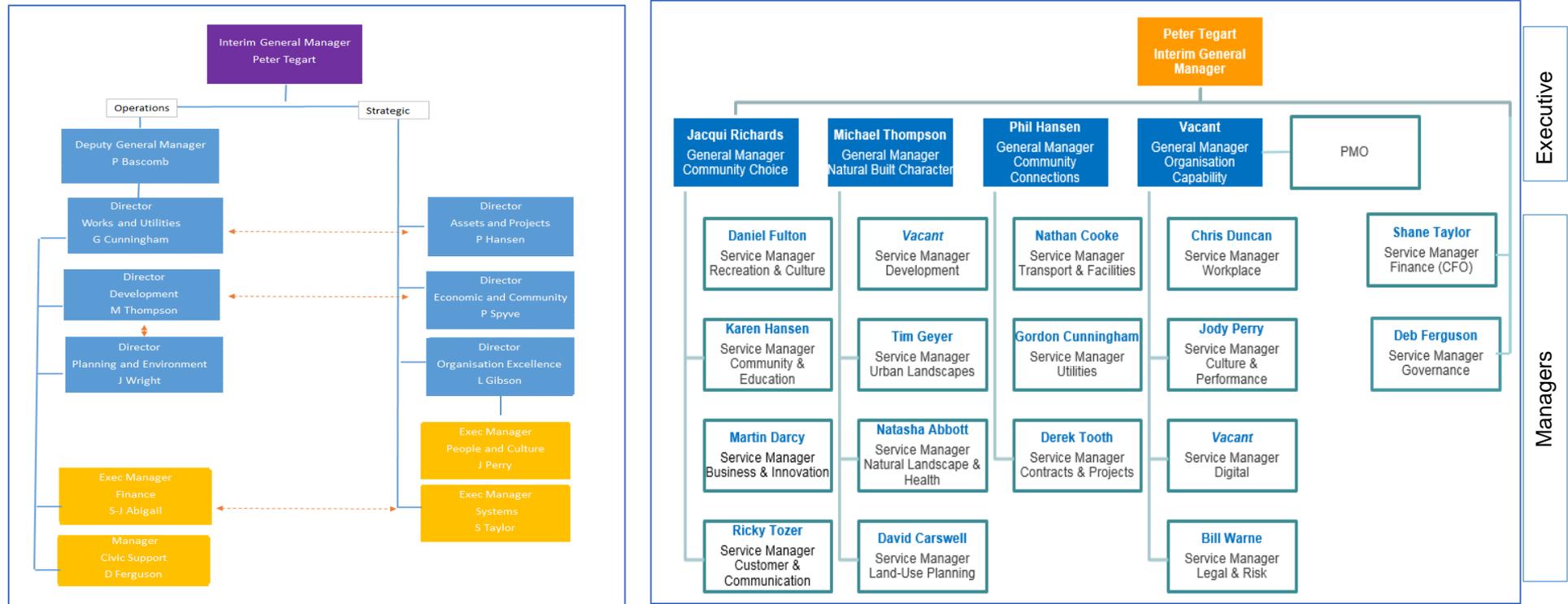
Vacancies are considered for recruitment on a business case basis, and redesign, redeployment or development options for existing staff explored.

L2 roles were externally advertised and recruited. L3-4 roles were internally advertised and placed. 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.

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At 30 June 2017, there had been a 10% turnover of staff, while 1 in 5 staff are now employed longer at QPRC than they had been at a former council. 11 voluntary separations were processed.

The Interim (June 2016) and Transition (January 2017) Structures are illustrated below at Figure 2 and 3.

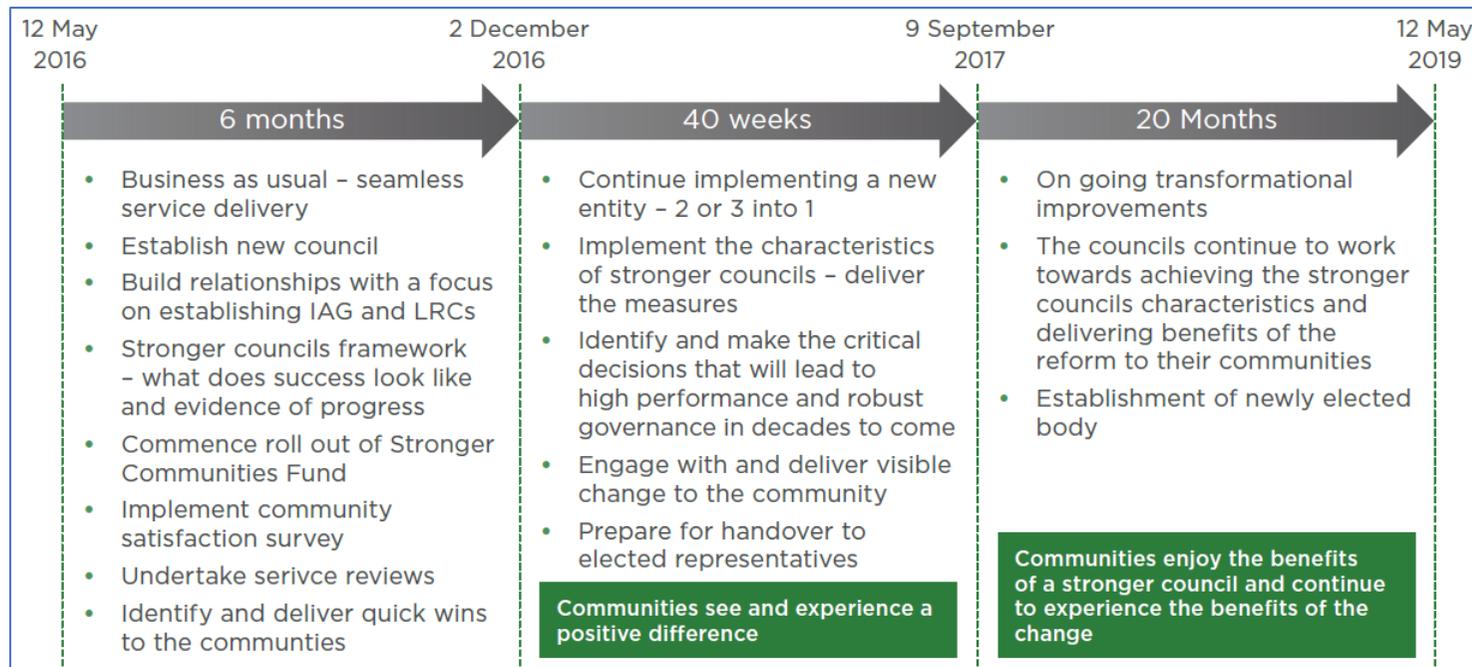


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Merger Roadmap

The merger of the former Queanbeyan City and Palerang Councils was supported by an Implementation Grant of \$5m and Stronger Community Grants of \$1m and \$9m for community projects and infrastructure. A schedule of roadmap items (in addition to administrative tasks assigned in the Transition Plan) are summarised at Appendix 1.

The merger roadmap established by NSW Department of Premier and Cabinet (DPC) outlined six key principles and 10 key result areas. Figure 4 below illustrates key merger outcomes.



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The following principles were issued by DPC to provide guidance to communities and the new Councils regarding the NSW Government expectations of the implementation of the new entity. These principles also form the basis of the terms of employment and performance for senior managers. Appendix 2 summarises the progress against the key result areas.

Principles

Principle	Description
Service	Maintain seamless service delivery to communities
Opportunity	Embrace opportunities to improve services and infrastructure for communities
Cohesion	Bring together and build on the strengths of strategies, structures, staff and systems
Engagement	Inform and involve communities, staff and other partners, including industry unions, in planning and implementing change
Integrity	Ensure ethical, open and accountable governance and administration
Respect	Value the knowledge and contributions of staff, communities and other partners

Key Result Areas

1. Service continuity with smart service improvements
 - a. 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

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- a. 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. 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. 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. 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.

Department of Premier and Cabinet (DPC) Support

DPC coordinated regular workshops with the Administrators, Interim GMs and PMO Leads for the purpose of setting the Premier and Minister's expectation of the new Councils, providing guidance and resources through the due diligence phase, and introducing contemporary approaches to technology, governance, community engagement and communications to ensure the new entities were future focussed. As part of its support to the newly created Councils, Department of Premier and Cabinet (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 Transition Plan.

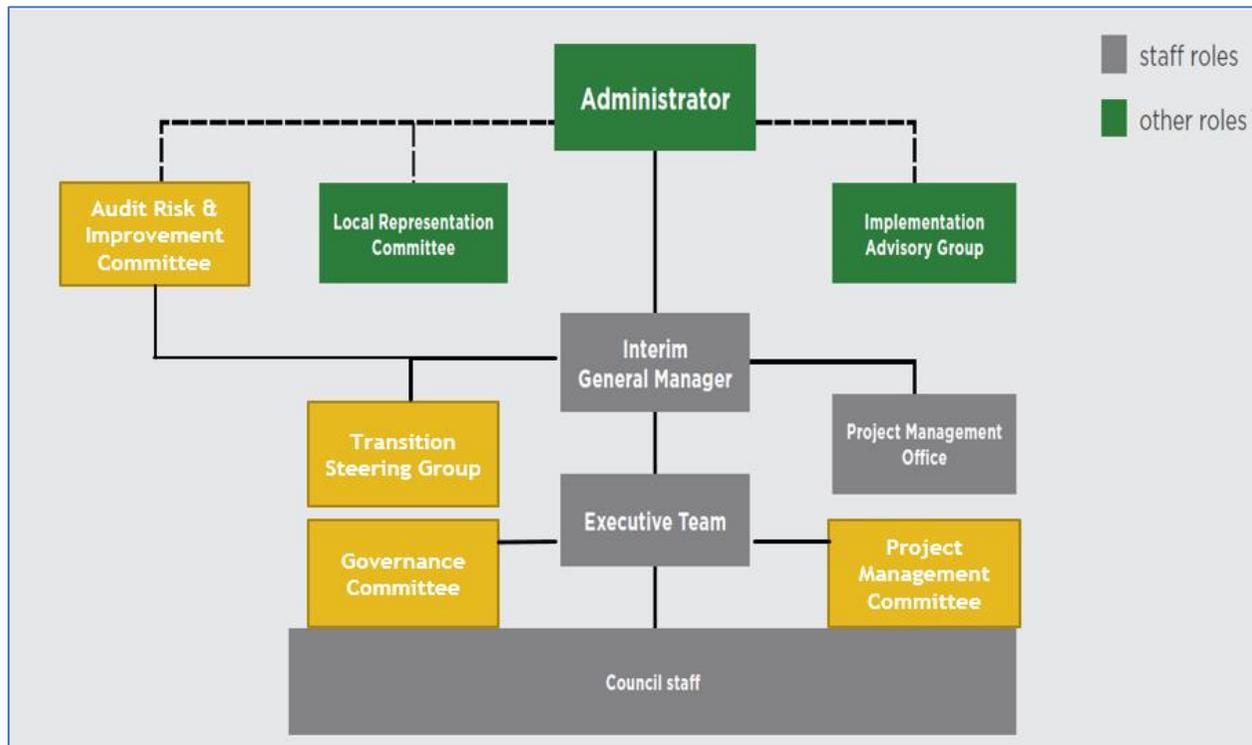
Merged councils reported to DPC weekly initially, then fortnightly, monthly and bi-monthly on status of implementation and progress against the roadmap. Forums were held bi-monthly in Sydney for Administrators and IGMs hosted by DPC, while other forums on ICT, governance and communications were hosted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



Governance Framework

A Local Representation Committee (LRC) comprising four of each of the former councillors was established to assist the Administrator in representation on community committees and functions and provide feedback on strategies, plans and community engagement. 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 in implementation of merger actions. To assist the implementation of the merger, an 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 councils EDRMS. Staff formed the Project Management Committee to monitor transitional and infrastructure projects. Figure 5 illustrates the relationships of committees.

The LRC members were:



- Pete Harrison – Chair
- Peter Bray AM (Deputy Chair)
- Paul Cockram
- Jamie Cregan
- Trevor Hicks
- Mark Schweikert
- Trudy Taylor
- Sue Whelan OAM

Transition (Implementation) Plan

The Transition Plan (TP) contained administrative and legal actions mandated by DPC, and projects to review stages, plans and processes and form new approaches to services and business. [The TP was adopted in October 2016](#) outlining a three phase (interim, transition, and transformation) approach to the merger over 3 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. Migration to a new salary system, staff development and personnel policies
 - i. Preparation of draft Resourcing Strategy
 - j. Prepare new Community Strategic Plan

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

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

CAMMS were engaged to draft the TP, analyse services, populate the Operational Plan (OP), incorporate performance measures identified in the Stronger Councils Framework (SCF), draft the workforce strategy, and load projects into its software (global collaboration tool). The software forms the basis of monitoring and reporting TP progress to the IAG, and will enable reports on the OP and projects.

The TP identified a number of Key Focus Areas:

- People - supporting 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 at ways to improve efficiency to deliver its strategic outcomes at the level expected by its community
- Service efficiency and organisational performance – how the various services were delivered and the associated costs continues and will provide input to a range of service improvement strategies, including reviews of supply chain and service delivery methodologies.
- Digital transformation - aimed to seamlessly connect people, processes and technology. Digital transformation focus areas includes accessibility, mobility, data quality, and expansive service provision, engaged and satisfied customers
- Procurement - procurement practices of the two former entities are rationalised and value for money solutions are implemented. Partnering with the Canberra Region Joint Organisation (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 the 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 over next 2 years
- Assets and Asset Management - QPRC has assets of over \$1bn. QPRC's approach to Asset Management has been guided by independent assessment of its assets' condition, backlog and service levels which will inform the revisions of the asset management plans and the consolidated long term financial plan (LTFP)

Community feedback to date has been very positive and provides evidence QPRC has been successful in ensuring no the loss of momentum in existing commitments. QPRC continues to be mindful of to build community trust and confidence in its capability and commitment to deliver best practice services within its resources and in accord with adopted service levels.

A service and program framework based on current service levels was adopted, against which the organisation structure, budgets, accounting framework and staff positions have been based. The elected council will consider changes to levels of service and asset standards to take effect from 2018 based on feedback received from the community engagement undertaken in early 2017 (see section 10).

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Council engaged with Service NSW to pilot a number of online transactions (tree applications) and rate payments, and participate in the 'easy to business' program.

Investment is scheduled in an Asset Management System (AMS) capable of automating some operational workflows including routine and planned maintenance programs, and responding to unplanned and urgent activity, Customer Action Requests, and a mobile capability for onsite performance and condition monitoring.

A Project Management Office (PMO) has been established to manage the Transition Project. The PMO is located at the rear of the Visitor Information Centre at Queanbeyan and will accommodate a number of individual staff members seconded to the project, together with multiple project teams of staff (identified supply chain stakeholders) on short term process improvement projects. Council embarked on upskilling its key staff involved in Transition projects in the Agile and Scrum methods.

DPC established a benefits capture tool to monitor cash and productivity savings. A Summary of Nett Costs and Savings is illustrated at Figure 6.

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4. Net												
	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
1. Costs												
ICT Costs	1,896	2,977	-	-	-	-	-	-	-	-	4,874	4,215
Workforce Restructure Costs	277	771	-	-	-	-	-	-	-	-	1,048	896
Other Transition Costs	1,805	1,635	-	-	-	-	-	-	-	-	3,440	3,012
Total - Costs	3,978	5,383	-	9,362	8,123							
2. Savings												
Councillor Savings	90	90	90	90	90	90	90	90	90	90	900	565
Salaries and Wages Savings	200	300	300	300	300	300	300	300	300	300	2,900	1,792
Material, Contract and Other Savings	245	245	245	245	245	245	245	245	245	245	2,450	1,538
Total - Savings	535	635	6,250	3,896								
3. Efficiencies												
Efficiencies	300	-	-	1,324	1,324	1,324	1,324	1,324	1,324	1,324	9,565	6,825
Total - Efficiencies	300	-	-	1,324	9,565	6,825						
4. Net												
Costs	(3,978)	(5,383)	-	-	-	-	-	-	-	-	(9,362)	(8,123)
Savings	535	635	635	635	635	635	635	635	635	635	6,250	3,896
Efficiencies	300	-	-	1,324	1,324	1,324	1,324	1,324	1,324	1,324	9,565	5,264
Total - Net [(Savings + Efficiencies) - (Costs)]	(3,143)	(4,748)	635	1,959	6,453	1,036						
New Council Implementation Grant	5,000										5,000	4,566
Net + New Council Implementation Grant	1,857	(4,748)	635	1,959	11,453	5,602						
											TARGET 13,000	
											SHORTFALL \$	1,547

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

QPRC is expected to experience some growth in staff numbers due to additional and significant asset grants, and investment in asset renewals to reduce the backlog identified in the financial strategy, together with a population growing to 76,000 - bringing demand for expanded or additional services. That growth will be outlined in the workforce strategy. The Benefits Realisation for QPRC will be via more efficient and productive methods of service delivery, the merging of the two entities is not expected to produce significant "cash" savings.

Community and Staff 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'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)
- Community meetings at Queanbeyan, Braidwood and Bungendore (nine completed as at 1 July).
- Introduction of live streaming for Council meetings.

The document also looked at internal communications and ensuring staff were updated during the merger process. This included weekly staff updates from the Interim General Manager, monthly staff newsletters and quarterly staff get togethers.

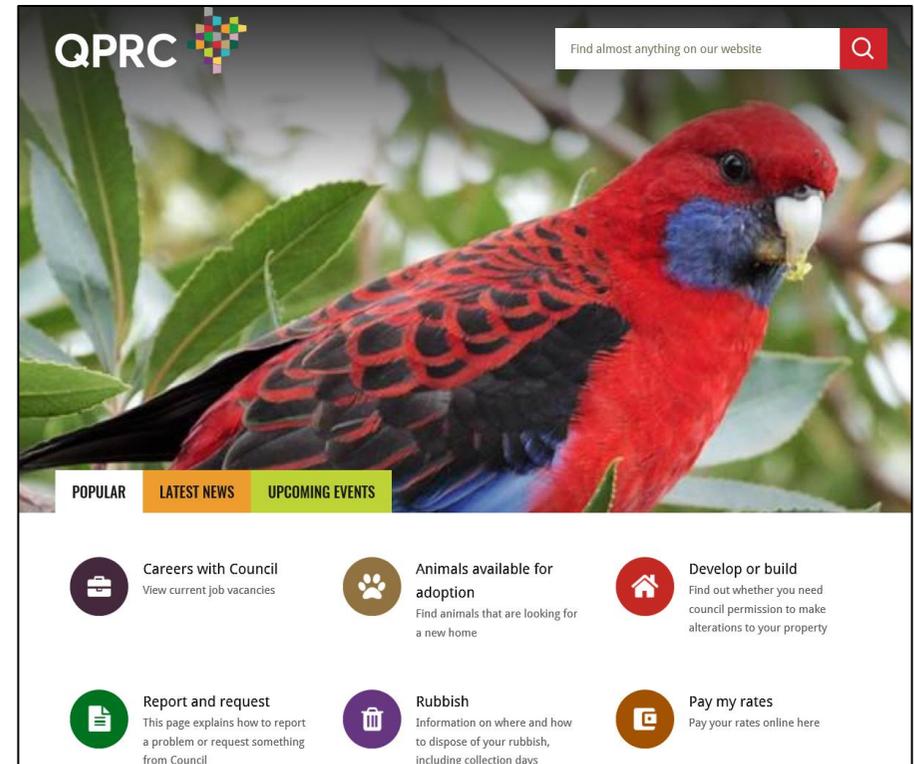


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A business case was developed and accepted for the implementation of the Engagement HQ online community engagement tool. Council implemented the online tool in February 2017 and it played a key role in Council's engagement for the Community Strategic Plan and a range of other documents. Between February and 30 June 2017, Council attracted more than 550 registered participants.

A new approach to community engagement was undertaken in early 2017 by consultants 'Culture Capital' to capture community views on levels of service, aspirations for the area and economic development. A community survey was conducted by JWS along with the other merged councils in July 2016, gauging community awareness of the merger and satisfaction with services. [The results of that survey and the later community engagement informed a report to Council in June 2017](#), in turn shaping the Community Engagement Strategy.

While initially deploying a splash page with links to the former council websites, in July a single new-look QPRC website was launched (see opposite).



Brand

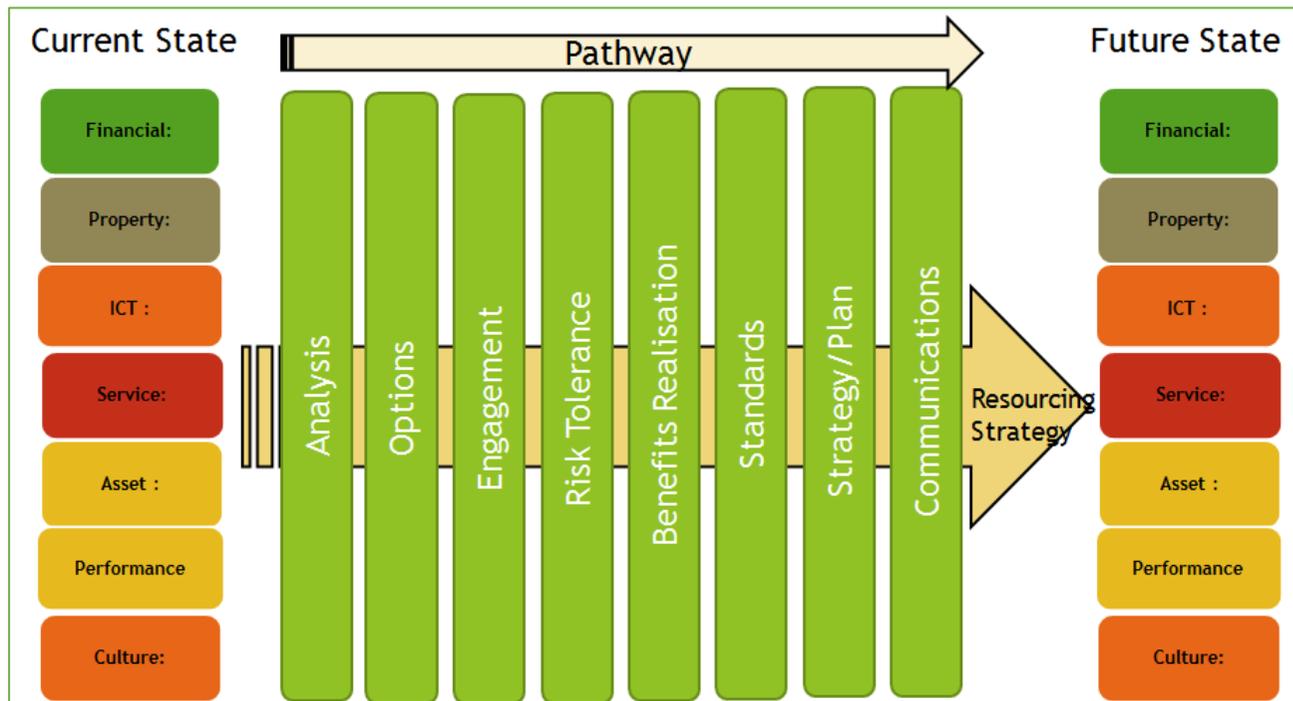
Consultants were engaged to work with the community to discern a common sense of identity and work towards a 'brand' that drew the communities of Queanbeyan-Palerang together. The result – *'one heart, many parts'* resonated with the community, with a logo that showed the colour, diversity and spread of QPR's many parts as 'tiles', organised into the geographic shape of the region (see opposite).



Stocktake

A stocktake or 'environmental scan' was undertaken as an analysis of council's systems of asset and financial management; 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 such as 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 (QBL) 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, connection, character, choice and capability).

The Resourcing Strategy, based on the drivers, condition and pressures identified in the strategy reviews, and nominating the capacity and capability of the merged council, was adopted in July.



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Services

The services of the former councils were recorded and harmonised, and mapped into a Service-Program-Activity framework adopted in January 2017. They describe the new future-focussed objectives of the Services, the legislative and policy drivers; then the respective outputs, scope, deliverables and performance measures for the Programs. The framework was arranged under the strategic pillars (community, choice, character, connection and capability), describing the role of council as provider, funder, regulator, facilitator or advocate. The elected council will consider reviews of the current levels of service and subsequent financial and resourcing impacts, for potential application from FY2018.

Prog No.	Program	Activity	Output	Description	Council's Role in delivering outputs	Scope/ Deliverable	Performance	Target
22.1	Development Assessment	22.1.1	Development Applications	Process and assessment of all development applications within statutory timeframe	Provider	Xx Development applications pa DA turnaround report to NSW DPE annually	dwelling development applications within statutory timeframe DAs lodged and assessed online via e-portal	>90% >70%
		22.1.3	Regional Panel Applications	Coordinate processing and assessment of applications lodged with JRPP	Regulator			
22.2	Subdivision Assessment	22.2.1	Subdivision Applications	Process and assessment of subdivision applications and engineering plans	Provider	Xx subdivision applications pa	Assessment of all subdivision applications within statutory timeframe	>85%
22.3	Subdivision Certification	22.3.1	Subdivision Certificates	Process and issue of subdivision certificates	Regulator	Xx certificate applications pa	requests processed and provided within XX days	>90%
		22.3.2	Subdivision Construction Certificates	Process and issue of certificates	Regulator	Xx certificate applications pa	requests processed and provided within XX days	>90%
22.4	Development Contribution Plans	22.4.1	Development Contribution Plans	Develop, review and account for s94 contribution plans, for civic infrastructure and property	Regulator	Developer charges levied in line with contribution plans	Compliance with all legislative and Council requirements	100%
		22.4.2	Section 64 Development Servicing Plans	Develop, review and account for Section 64 Development Servicing Plans for water and sewerage infrastructure	Regulator	Developer charges levied in line with development services plans	Compliance with all legislative and Council requirements	100%
		22.4.3	Local Planning Agreements	Develop, review and account for local planning agreements	Promoter & Facilitator	Developer charges levied in line with each local planning agreement	Compliance with all legislative and Council requirements	100%

Merger Status Report

Stronger Communities Fund Projects

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.

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. This saw 51 community groups across the Local Government Area receive up to \$50,000 to progress a range of projects. Appendix 2 lists those grant recipients and projects.

The remaining \$9m was allocated to 23 projects for community infrastructure. These projects will be undertaken over the coming three years and are summarised below:

Project	Funding \$,000	Project	Funding \$,000
Araluen section 355 committee - public facilities	15	Streetscape improvements, Karabar	46
Eastern Pools upgrades	400	Queanbeyan Park central playground	250
Town centre improvements Braidwood	500	Glebe Park Playground Queanbeyan	90
Town centre improvements Bungendore	500	Henderson Road Recreation Area	125
Rusten House Queanbeyan	550	Aquatic Centre paint and restore	150
Dog Park Googong	125	Seiffert Oval spectator entrance	200
Refurbish netball courts Karabar	175	Upgraded community facilities Captains Flat	100
Wet play area Queanbeyan Aquatic	450	Lascelles street upgrade Braidwood	800
Showground Grandstand Queanbeyan	350	Upgrade lighting Margaret Donohue	200
Seiffert Oval Lights Queanbeyan	200	Queens Bridge approach enhancement	200
Braidwood Rec Ground Stage 2	300	River path incl. low level footbridge	760
Bungendore Rec Ground Stage 1	1,500		

Performance - Stronger Councils Framework (SCF)

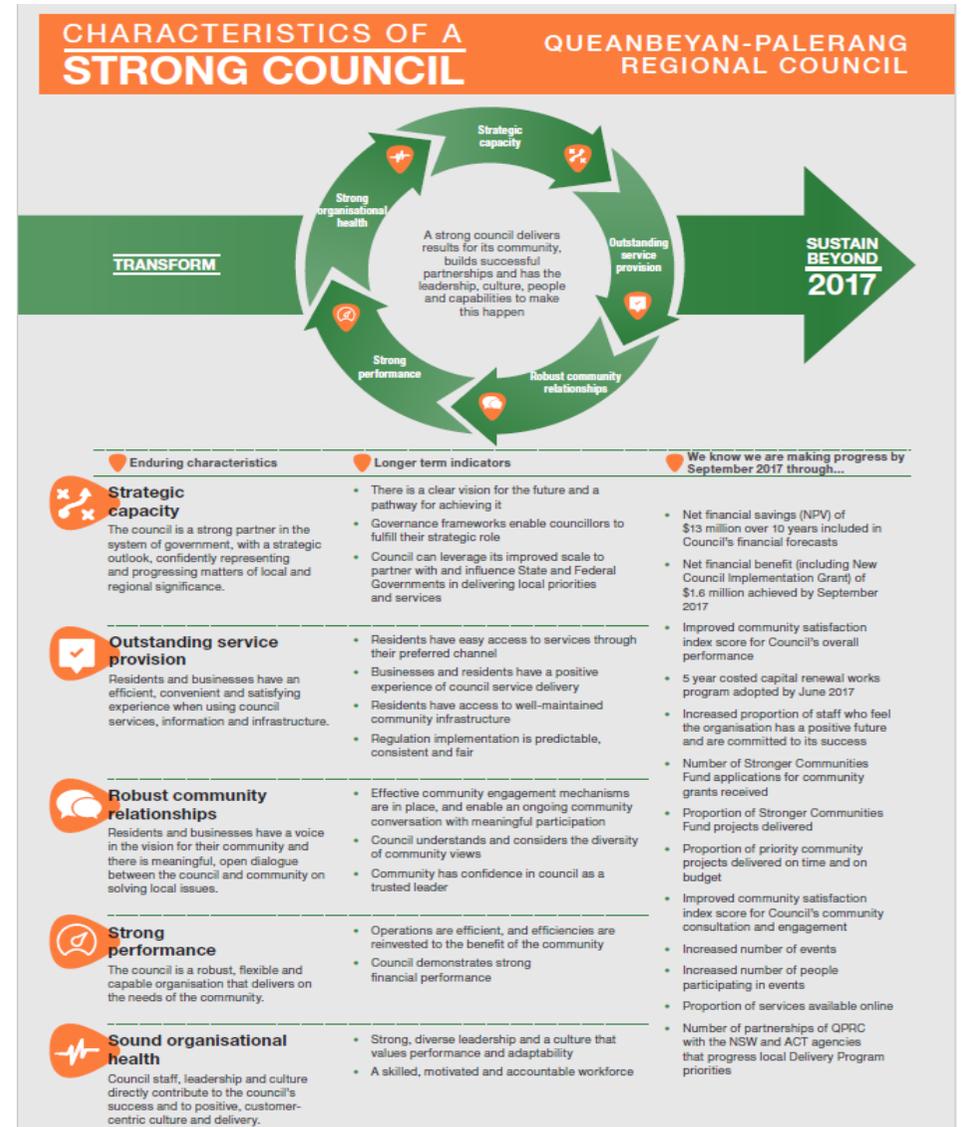
DPC established a performance framework for the merged councils that identified a mission and a standard set of characteristics for the councils – strategic capacity, service provision, community relationships, strong performance and organisational health. Figure 7 illustrates the framework.

In January 2017 Council adopted further performance measures to the SCF based on surveys, including a monthly 1:10 client callback to check the satisfaction with responses to customer requests. A set of other measures have been drafted with the service statements published with the Operational Plan.

Progress against the measures will be reported to the elected council.

Performance measures and targets have been drafted with the development of the service and program framework, some of which correspond with other performance reporting required to government agencies, such as DA turnarounds. Table 3 summarises progress against the SCF.

Measure	Progress
Community satisfaction	JWS Survey August 2016 - 58%
Capital renewal works	Adopted with Resourcing Strategy
Positive culture	ICT and Change Management Surveys; Culture survey August 2017
SCF applications received	103 applications; 51 grants
Engagement satisfaction	53% - baseline survey Sept 2016
Events numbers	3 Street parties, 4 Activation events; 2 Festivals
Online services	Single website launched; SNSW applications; DA tracking
QPRC partnerships	Host council for CBRJO; part of Regional Leaders Executive with NSW agencies; ACT MoU executed; Icon Water MoU draft



Merger Status Report

Council has worked with CAMMS to design a project and performance monitoring tool called a community dashboard. The Key Performance indicators published with the service statements will be published on the web



Major Capital Projects

A large focus of the Operational Plan is on the maintenance and upgrades of the Local Government Area's 700km plus road network, which includes more than 700km of sealed roads. Council has allocated more than \$1.1m towards maintenance and upgrades of its roads network, with works scheduled on George Rd, Capricorn Plaz Rd, Old Crown Rd and many more.

Overall Status **85%**

Project:

Gunnedah Sewage Treatment Plant Upgrade

Description:

The Gunnedah Sewage Treatment Plant was constructed in the mid 1930s and Inlets Gunnedah's effluent prior to discharge into the Macintyre River. While maintenance and works are regularly undertaken the existing plant is reaching the end of its service life and is fully loaded to its capacity to safely treat sewage. Council is now planning to upgrade the vital infrastructure to a new 65,000 equivalent population (EP) from its current 40,000 EP design. Planning is well advanced, with master planning complete and the concept design is for development starting 2017-18. Council will explore a 'best for region' approach to meet some sewage load from the ACT and aim to improve water flow, quality and discharge from the new plant into the river, which subsequently flows into Lake Durley Springs.

The Gunnedah Sewage Treatment Plant Masterplan was adopted in March 2017 and outlines the proposed upgrade.

Project cost:

While estimated at more than \$700m, the construction cost is to be better than \$6.5m as committed in 2017-18 for design and planning.

Funding source:

Revenue funding, grants and borrowing

Project timeframe:

2017-2018 - 2019-2021

Project Completion **85.3%** **ON TRACK**

Project timelines

Activity	2016	2017	2018	2019	2020	2021
Project inception and planning	On Track					
Master planning	Monitoring	Monitoring	Monitoring	Monitoring	Monitoring	Monitoring
Concept design	On Track					
Detailed design	On Track					
Regulatory approvals	On Track					
Development approval	On Track					
Construction	On Track					

Merger Status Report

Strategic Directions

Council collected the aspirations previously identified by the former councils with local businesses, community groups and government agencies. These were expressed in their respective Community Strategic Plans.

Those aspirations were collated into the five strategic ‘pillars’ of Community, Choice, Character, Connection and Capability in a January 2017 report seeking:

- A safe, harmonious and healthy *community*
- A diverse, resilient and smart economy that creates *choice* and job opportunities
- A clean, green community that cherishes its natural and physical *character*
- A well *connected* community with good infrastructure enhancing quality of life
- A *capable* organisation that leads a community which is engaged and participative

A Strategic Directions discussion paper was exhibited in March 2017 resulting in the views (Figure 8 opposite) being expressed by the community.

The Services and Program Framework and Organisation Structure have been designed around those pillars. Each pillar has a number of goals expressed on service statements that will be extended into strategic actions in the Community Strategic Plan.

The Strategic Directions guided the 2017-18 Operational Plan and together with information on services and visioning from an integrated community engagement exercise between February-April 2017, will form a base for the new Council when elected in September 2017, to set its vision and prepare a 10 year Community Strategic Plan for the newly merged Council.

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

Merger Status Report

Financial Position

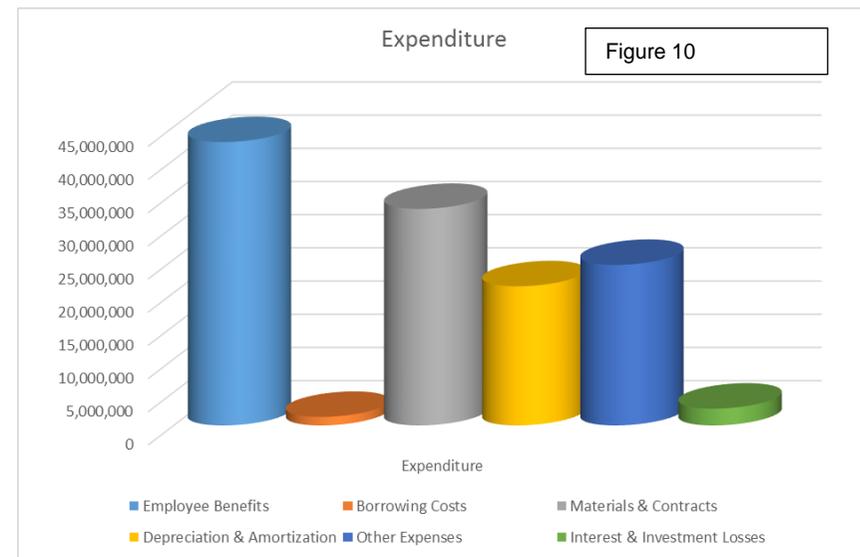
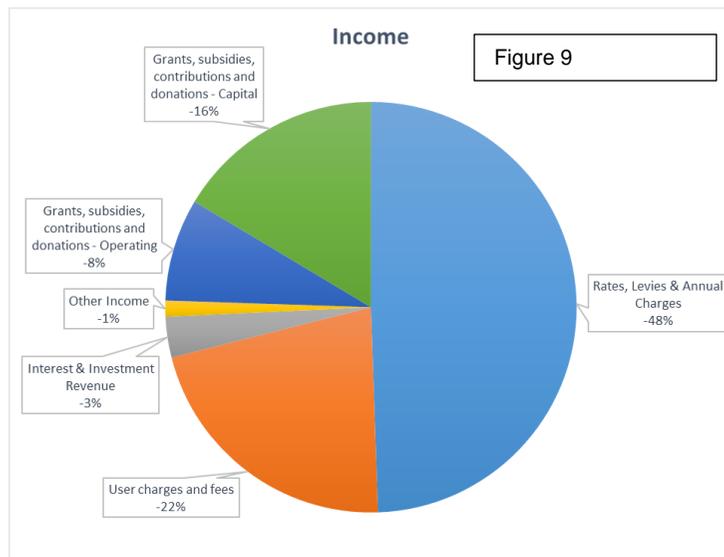
The 2016/17 Operational Plan and Budget was a combination of the former councils' plans, with a projected budget of \$286k. Savings over \$600k were identified as a result of the merger, including insurance premiums, councillor fees and bulk materials costs such as water treatment chemicals. Following investment in repairs and extended services to the eastern pools before the 2017 season, the budget deficit was contained to \$140k.

The 2017/18 Budget is \$211m comprising \$137m operating and \$74m capital expenditures, and projects a modest surplus of \$13k.

As reported to Council, the \$5m merger grant will be used to invest in resetting organisation culture and capability. The grant will primarily be used to invest in new technologies to integrate enterprise software systems; expand the scope of self-serve enquiry/self-heal services for residents; online applications and transacting; introduce remote access to meetings (eg web streaming); establish smart hub sites at council offices; and improve mobility for access to information and delivery of services by staff.

The 2015/16 Financial Statement of the former Queanbeyan and Palerang Councils were audited and reported to Council in December 2016 and March 2017. As a result of accounting treatments required for the merger period, 52 weeks of rate revenues were brought to account, while 46 weeks of expenditure (to 12 May 2016) were recognised in 2015/16. The reverse will apply to 2016/17. Notes to account will explain that and federal grant treatments.

Figures 9 and 10 below illustrate the mix of revenues received and expenditures.



Merger Status Report

Financial Forecasts

The Financial Strategy adopted in 2016 and reinforced with the financial plan in July 2017 was based on the following principles:

- achieve financial sustainability,
- manage the asset backlog to prevent an infrastructure crisis,
- preserve essential public services in line with population growth
- keep rates, fees and charges affordable
- borrow at acceptable levels in line with intergenerational equity and
- meet financial benchmarks to be fit for future (FFF)

For merged councils, the Fit for Future (FFF) financial benchmarks (opposite) are required to be met over 10 years.

The financial plan has scheduled significant capital expenditure (around \$500m in the next term), drawing on 46% debt and 38% grant funding. As a consequence, the 10 year forecasts of asset backlog under 2% and debt service at under 8% in that period, are within the FFF benchmarks, while proposed rate increases around 1%pa (in real terms) and property returns, accomplish the aim to keep rates and charges affordable.

Fit for the Future		
	Definition:	Criteria/Benchmarks:
 SUSTAINABILITY	Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.	Operating Performance Ratio (> or equal to break-even over 3 years) Own Source Revenue Ratio (>80% over 3 years) Building and Infrastructure Asset Renewal Ratio (>1 over 3 years)
 EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT	Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.	Infrastructure Backlog Ratio (<2%) Asset Maintenance Ratio (>1) Debt Service Ratio (>0 and less than 0.2)
 EFFICIENCY	Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers	Real Operating Expenditure per capita over time
 SCALE AND CAPACITY	Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government	Has the scale and capacity consistent with the recommendations of the Independent Panel

Key Issues, Achievements and Highlights

Community	Choice	Character	Connection	Capability
<ul style="list-style-type: none"> Expanded lifeguard services and improved assets: BGD and BWD pools 	<ul style="list-style-type: none"> Community and business interaction: QCBD Transformation Strategy and Business Connect forums 	<ul style="list-style-type: none"> Commenced town centre streetscape and parks beautification: BGD and BWD 	<ul style="list-style-type: none"> Opened refurbished QE2 Park with Governor-General. Park received ISCA ward and NSW/ACT Park of Year 	<ul style="list-style-type: none"> Executed MOU with ACT government for cross border infrastructure connectivity
<ul style="list-style-type: none"> Community Christmas street events: QBN, BGD, BWD Q-One Activation events: QBN, BGD, BWD, CF Canberra Symphony River Festival 	<ul style="list-style-type: none"> Shop Local initiative in Bungendore and Braidwood 	<ul style="list-style-type: none"> Concerns raised regarding E4 zoning in parts of former Palerang 	<ul style="list-style-type: none"> Compiled comprehensive asset renewal and upgrade schedule for consideration of assessment panel for \$9m SCF asset grant 	<ul style="list-style-type: none"> Established heads of agreement with agency as tenant within QBN head office
<ul style="list-style-type: none"> Major infrastructure projects nominated by the community and the Assessment Panel under the \$9m second round of the Stronger Communities Fund placed on exhibition for community consultation. 	<ul style="list-style-type: none"> Mobile library services to remote parts of the region; 	<ul style="list-style-type: none"> Community opposition to proposed Jupiter wind farm project. Council opposed Community opposition to proposed waste facility in QBN, to be determined by JRPP Community opposition to planning proposal for memorial park 	<ul style="list-style-type: none"> Independent panel approved environmental impact assessment for EDE. Council approved loan funding of \$36m towards the \$86m project 	<ul style="list-style-type: none"> Mapped and populated current service statements, standards and resource costs into CAMMs to enable modelling of modified levels of service impacts

Merger Status Report

Community	Choice	Character	Connection	Capability
<ul style="list-style-type: none"> Carwoola Bush Fire, 17 February - 11 homes destroyed, 12 damaged and 45 outbuildings destroyed. QPRC staff involved in front line incident response and the establishment and staffing of the Recovery Centre. QPRC Bushfire Appeal established within 24 hours ~ \$200k raised and distributed 	<ul style="list-style-type: none"> Meet the Maker arts trail and reconciliation walk 	<ul style="list-style-type: none"> Established heads of agreement with consortium to redevelop QCBD sites and civic plaza 	<ul style="list-style-type: none"> Commenced integrated transport strategy Commenced review and harmonisation of asset management system Adopted Sports Facilities Strategy Adopted Regional Sports Masterplan 	<ul style="list-style-type: none"> Completed Mobility Survey – exploring options to become more of a digital workplace, and utilise mobile applications to improve delivery of services New banking services and bill payment contract awarded Awarded legal services panel contract
<ul style="list-style-type: none"> Proposed Queanbeyan Memorial Park (Old Cooma Road/Burra rural area) of concern to a number of residents 		<ul style="list-style-type: none"> Commenced engagement and public domain design and connectivity with QCBD masterplan 	<ul style="list-style-type: none"> Draft MoU with Icon Water to prepare concepts for upgrade to QBN STP and accommodate some effluent flows from ACT Draft IWCMP 	<ul style="list-style-type: none"> One-stop shop for community engagement with Council established with launch of “Your Voice QPRC” – a dedicated online engagement hub
<ul style="list-style-type: none"> Significant media regarding murder of service station attendant in Queanbeyan by local teenagers. Teenagers were known to staff through Youth Centre. Staff assisted police with enquiries 		<ul style="list-style-type: none"> Significant DA approvals including: Stage 2 Googong; Seniors Living BGD; 	<ul style="list-style-type: none"> Nearing completion of Kings Highway upgrade near River Forest Road Commenced designs for MR92 upgrade Roads upgrades: Captains Flat; Wanna Wanna 	<ul style="list-style-type: none"> Awarded contract for concept plans for design of QBN head office Review of water and sewer pricing
		<ul style="list-style-type: none"> Regional heritage awards Refurbishment Rusten House approved 	<ul style="list-style-type: none"> Continued tests for potable water from fractured rock BGD 	<ul style="list-style-type: none"> Single finance system, PO Box, phone number and website: July 2017

Merger Status Report



Water: Drilling for source in fractured rock -



Roads: Wanna Wanna; Captains Flat, Kings Hwy



Artist's impression – Old Cooma Rd, Ellerton Drive Extension intersection

Plan: EDE environmental and funding approval



Planning: QSTP masterplan

Merger Status Report



Fires: Carwoola, and Currundooley



Events: Symphony in new QE2 Park;
ACT/NSW Park of Year



Events: Street Parties -QBN, BGD, BWD



Planning: South Jerra

Merger Status Report

What's Next

The election for the 11 councillors will be held on 9 September, administered by the NSW Electoral Office at a cost around \$350k. The councillors will elect a mayor from amongst them for 2 years. In line with the amended Local Government Act, councillors will be required to take an oath of office and undertake professional development for their public role. The program for the conduct of the election, candidate briefings, and the induction of councillors was reported to Council in [June](#) and [July 2017](#).

Some of the key early issues for attention of the new council include:

- Service levels and harmonisation
- Community strategic plan and delivery program
- Policy reviews
- Priority and delivery of major capital projects including Nerriga Road and Old Cooma Road construction; Queanbeyan sewerage treatment plant upgrade; redevelopment of Queanbeyan head office and civic plaza

The Resourcing Strategy outlined common drivers and pressures on the organisation, and proposed a number of responses based on the current capacity and capability of the organisation:

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

Merger Status Report

Appendix 1 - Roadmap

No.	Roadmap for Phase 1.	% Complete
Due by End of September 2016 (Items 1 – 8)		
1.	Identify process and timing for moving to new salary structure.	100
2.	Adopt an operational plan, budget and fees and charges for 2016-17.	100
3.	Issue rates notices.	100
4.	Document service levels and plan a review process.	100
5.	Adopt a code of conduct.	100
6.	Commence development of an organisational structure, including consultation with Consultative Committee.	100
7.	Deliver initial community engagement activities.	100
8.	Continue to deliver the Implementation Plan and monitor and report progress.	100
Due by End of December 2016 (Items 9 – 13)		
9.	Adopt the logo and other key elements of the visual identity, prepared with community input.	100
10.	Incorporate the statement of local benefits into the Implementation Plan.	80
11.	Prepare the audited financial reports for the former councils.	100
12.	Continue to deliver the Implementation Plan and monitor and report progress.	100
13.	Prepare and adopt a statement of vision and priorities, with community input.	100
Due by End of March 2017 (Items 14 – 16)		
14.	Prepare the draft operational plan 2017-18, including integrated budget, with community input	100
15.	Deliver a new website, which features the new visual identity	100
16.	Continue to deliver the Implementation Plan and monitor and report progress	100
Due by End of June 2017 (Items 17 – 19)		
17.	Have new workers compensation arrangements in place.	100
18.	Adopt the operational plan 2017-18, including integrated budget.	100
19.	Undertake a thorough review of the Implementation Plan to focus on the second year of the council.	75

Merger Status Report

Appendix 2 – Stronger Communities Fund Grants – Phase 1

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 & 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

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Project	Purpose	Amount
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 & re-fencing of service outdoor playgrounds.	\$33,000
Braidwood & District Historial 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 & Community Hall in Bungendore	\$50,000
Googong Residents Association	Googong Dog Park	\$50,000
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 & 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

Merger Status Report

Project	Purpose	Amount
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

Merger Status Report

Appendix 3 – Progress against KRAs

Key Result Area	Progress
Service continuity	<ul style="list-style-type: none"> • On line payments • Pre-planned capital projects (eg Captains Flat Road, Wanna Wanna Road) delivered • Even though finance, banking payroll, DA and records systems of former councils were not integrated, little impact on clients • Achieved federated Telstra network across QBN, BGD and BWD March 2017 • Resolved to acquire TechnologyOne integrated software platform based on former Palerang licence, under s55 exemption • Mapped current level services, programs and activities; adopted Service and Program Framework January 2017, to guide organisation structure, performance and accounting frameworks • Engaged fixed term staff resources to deal with DA surge and post-merger planning legacy matters; and HR churn and change management load
Robust governance	<ul style="list-style-type: none"> • Local Representation Committee (4 x former councillors), Implementation Advisory Group and Audit Risk and Improvement Committee provided assistance to Administrator and independent oversight of merger • Independent audits of progress against DPC merger actions • Published Transition Plan and reports on progress • Completed 'stocktake' of former strategies and plans: ICT, finance, asset, property, services • Independent asset and financial sustainability review (PAA/GHD), shaped the adopted Responsible Scenario financial strategy • Audit of decision-making framework • Commenced review of policies; completed key council policies (Codes, donations etc) • Unqualified external audits of former council financial statements 2015/16
Easy to do business	<ul style="list-style-type: none"> • Introduced Business Connect programs to QBN, BGD and BWD • Piloted online tree and waste applications through SNSW • Positive feedback on resolution of issues and processing of Das • Piloted 'easy to do business' start-ups with SNSW July • New single integrated website launched July 2017

Merger Status Report

Key Result Area	Progress
Engaged staff	<ul style="list-style-type: none"> • Community and staff engagement plan June 2016 • Weekly staff communiques, monthly newsletters, quarterly get togethers/BBQ • Staff surveys through ICT and change management audits • L2-L4 staff involved in 'colloquium' personal and team development • Transition organisation structure adopted January 2017; L2 commenced May, L3 engaged June, L4 placed July • 10% staff turnover • 1 in 5 staff now worked longer with QPRC than former councils • Commenced staff training in Lean/Agile review and project delivery
Involved communities	<ul style="list-style-type: none"> • Regular positive feedback from community via social media and at events • Community and staff engagement plan June 2016 • Bi-monthly community newsletters to letterboxes • Weekly e-newsletter to subscribers • LRC members participated on community/s355 committees (63) • Quarterly community forums at QBN, BGD, BWD and Captains Flat • Multi-channel community engagement (services, vision, economic development, CBD masterplan) Feb-Apr 2017 • Community engagement report June 2017 • Community engagement strategy July 2017 • Council meetings alternate between QBN and BGD • Meetings are live-streamed on web
Readily identify	<ul style="list-style-type: none"> • Visual Identity - Concept brand for the new organisation, adopting the theme "one heart many parts" • Merged the demographic and economic ID Profiler on web • Expanded mix and scope of donations, grants and subsidies to community

Merger Status Report

Key Result Area	Progress
A shared vision and direction	<ul style="list-style-type: none"> • Strategic directions statement Mar 2017 • Community Strategic Plan drafted July 2017, awaiting elected councillor input • Resourcing Strategy adopted July 2017: comprising asset, workforce, ICT and financial plans • Strategies adopted: Tourism, QCBD Transformation; Smart City; Digital Economy; Rural Lands Strategy; Captains Flat Flood Plan; Sporting Strategy; Disability Inclusion; Queanbeyan STP Masterplan; • Commenced Integrated Transport Strategy,
Rates maintained within existing pathways	<ul style="list-style-type: none"> • Independent asset and financial sustainability review recommended average ~ 1% increase pa above rate peg, to manage asset backlog, but reliant on productivity gains from merger • All merged councils had property revaluations undertaken by NSW Valuer-General. Residential properties rose average 1.48% in QCC and 4.07% in former PC, with combined increase across QPRC was 2.16% • Operational Plans 2017 and 2018 adopted, retaining same general rates structure, with total yield increased by rate peg only in accord with Government rate pricing path freeze • Independent water and sewer pricing review • Water, sewer and waste charges increased in accord with former councils' pricing path • New bulk water supply contract negotiated with Icon Water
Clear, measurable benefits	<ul style="list-style-type: none"> • Stronger communities fund applications independently assessed; \$10m community and asset projects funded • Stronger councils framework performance measures adopted January 2017 • Merger savings of \$600k identified
A newly elected council	<ul style="list-style-type: none"> • Reports on preparations for election June; and onboarding elected councillors July 2017