

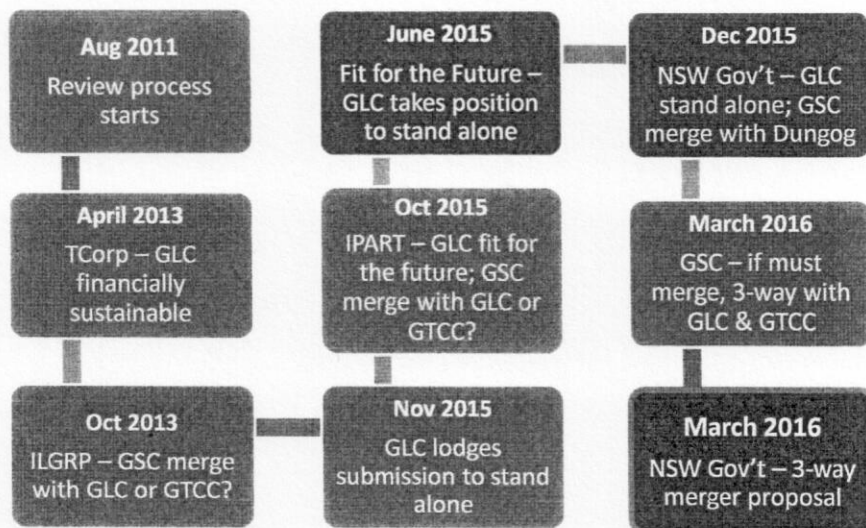


Community information session
NSW Government merger proposal
March 2016

Program

- Local Government review process
- Council's position
- GLC financial & asset journey
- How GLC became fit
- Where to now & how to have your say

Local government review process



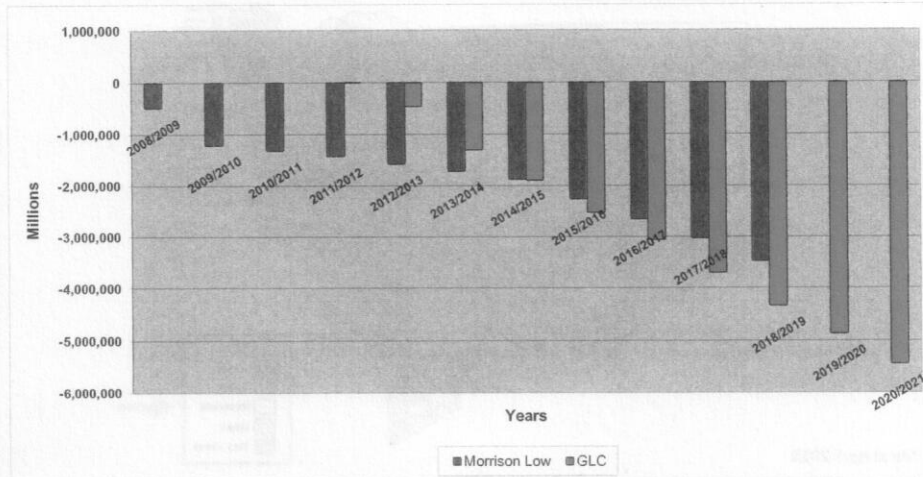
Council's current position

- Long term position to stand alone
- Found fit under NSW Govt 'Fit for the Future'
- Found to be financially sustainable by NSW TCorp
- Confident their strategic direction & management practices are sound & in line with Govt's vision for LG
- Considered & understands Govt's direction on mergers
- Acknowledges & prepared to support Minister's proposal *subject to:*
- Blueprint for future being developed to ensure new Council is structured for success & delivery of efficient & effective services

Blueprint discussed later

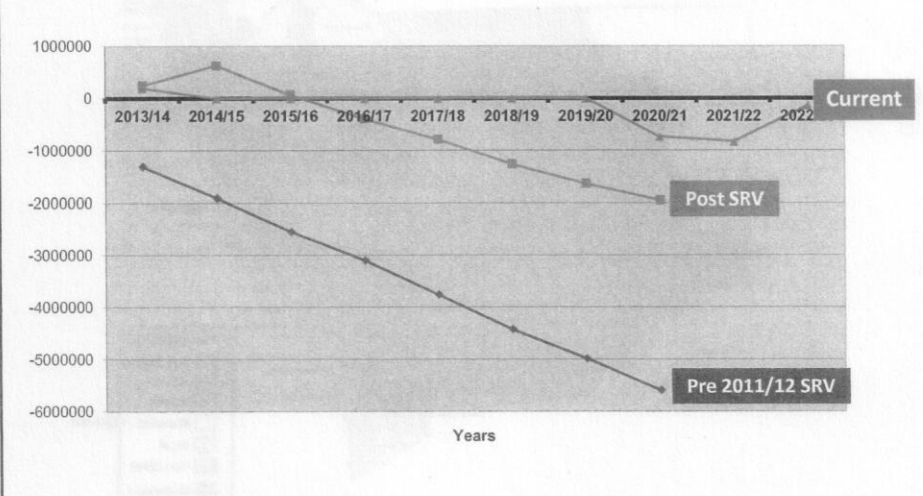
Where we were

2008/2009 long term financial position



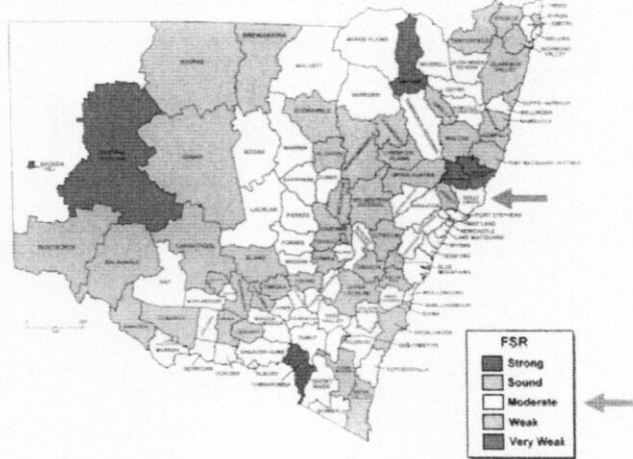
Where we are

Current long term financial position



TCorp review

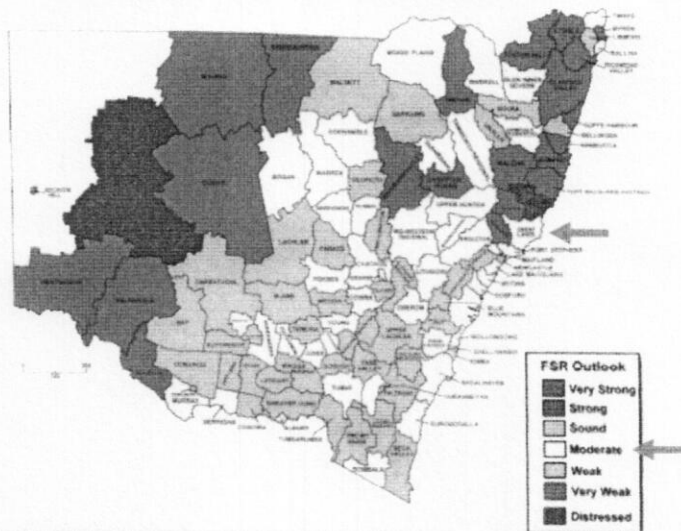
NSW Local Government Areas



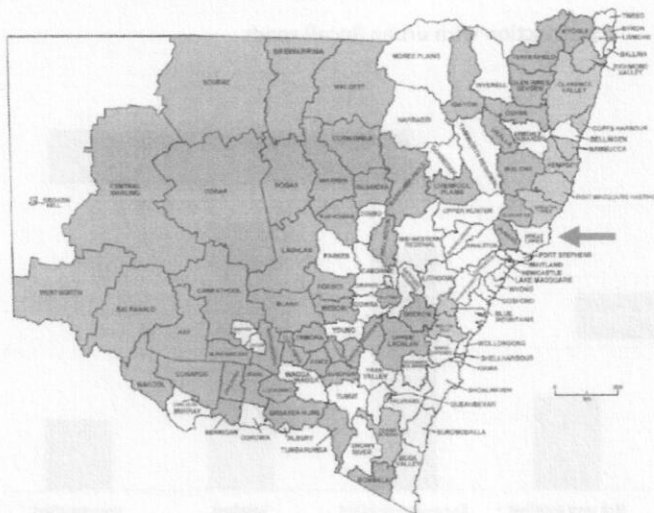
*As at April 2013

Short term (3 year) FSR

NSW Local Government Areas



Councils at risk



GLC Rating

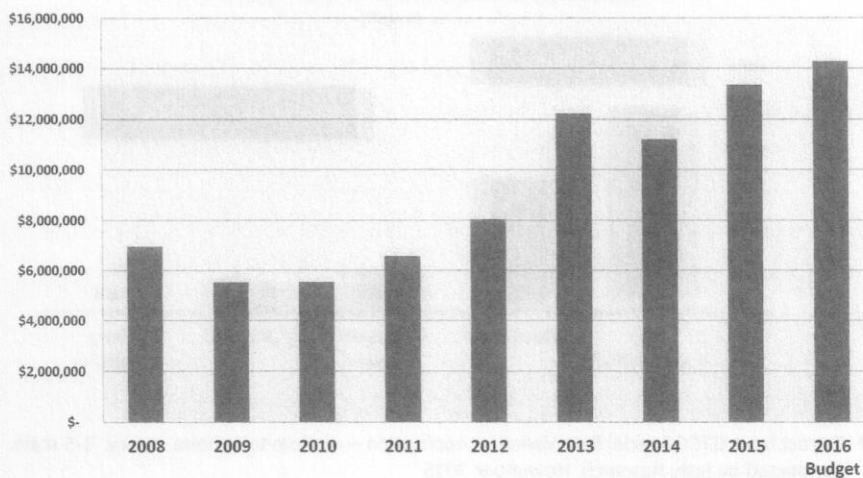
FSR -
Moderate

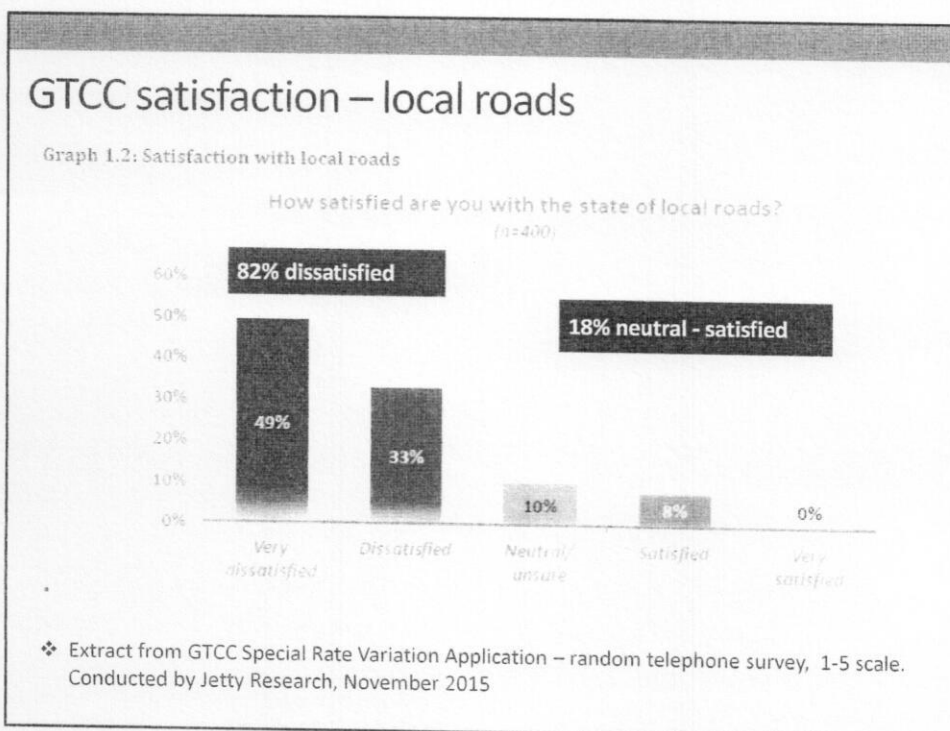
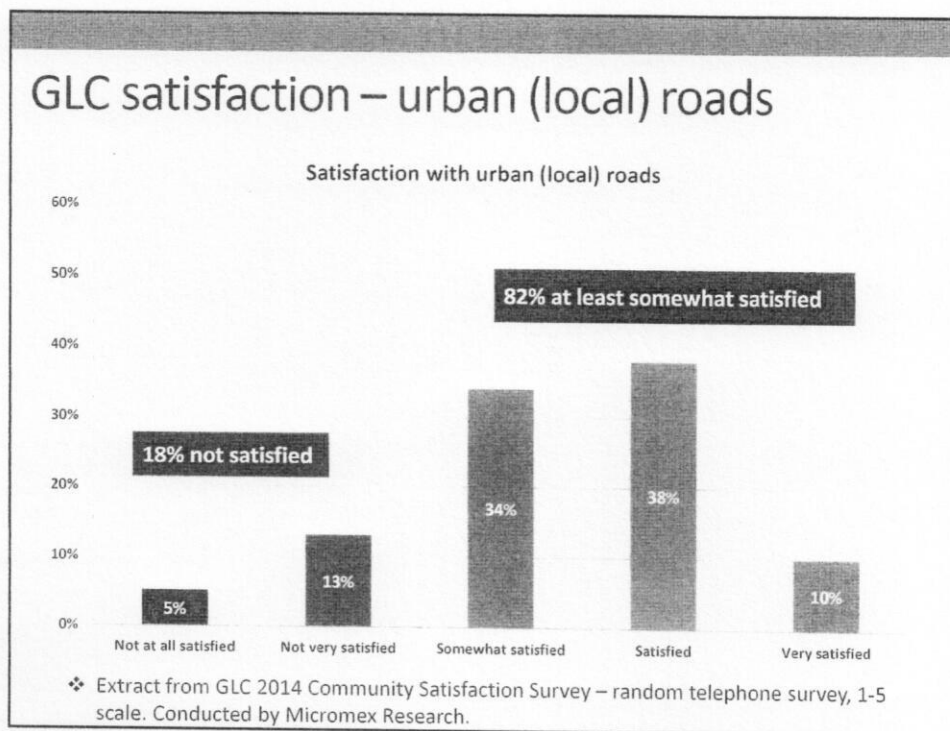
Outlook -
Neutral

- SMALLER RURAL COUNCILS AT RISK (BASED ON A COMBINATION OF FACTORS)
- LARGER COUNCILS AT RISK ("WEAK" TCOBP SUSTAINABILITY RATING)

Investment in our roads & bridges

Total Road & Bridge Renewal Expenditure





Asset backlog

- Definition – *the estimated cost to bring the assets back to a satisfactory standard*

Current backlog (2014/15 financial statements)	
Great Lakes	\$23,467,000
Greater Taree	\$85,428,000
Gloucester	\$16,779,000
TOTAL	\$125,674,000

Backlog ratio (benchmark 2%)	Great Lakes	Greater Taree	Gloucester
2013/14	5.82%	27.7%	43.05%
2014/15	3.52%	--	
2016/17 (projected)	2.4%	19.91%	Unknown %

The government's assessment

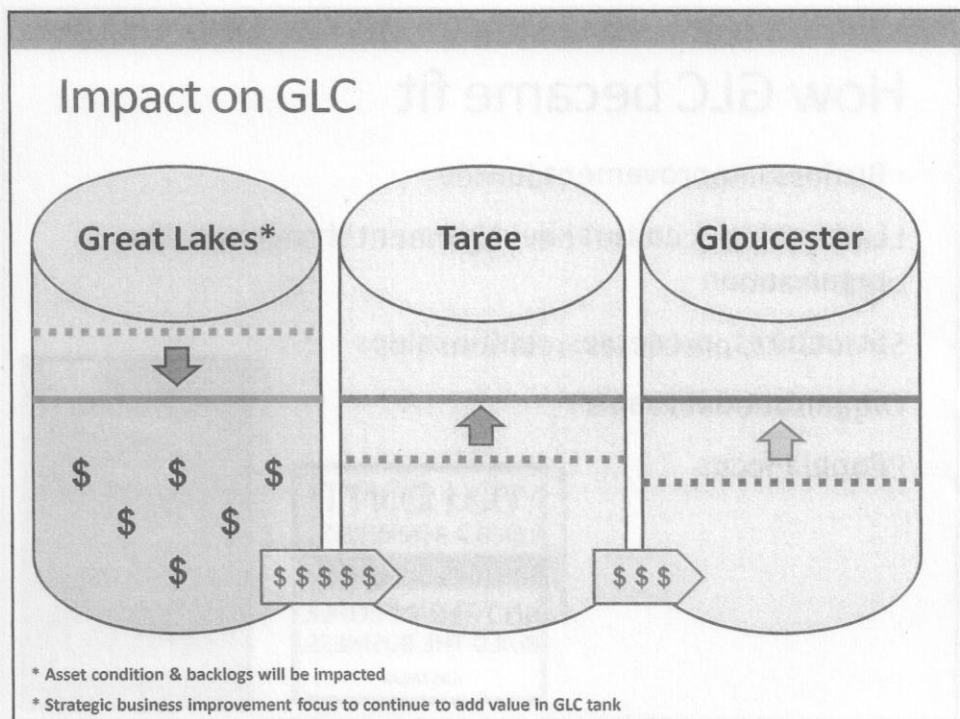
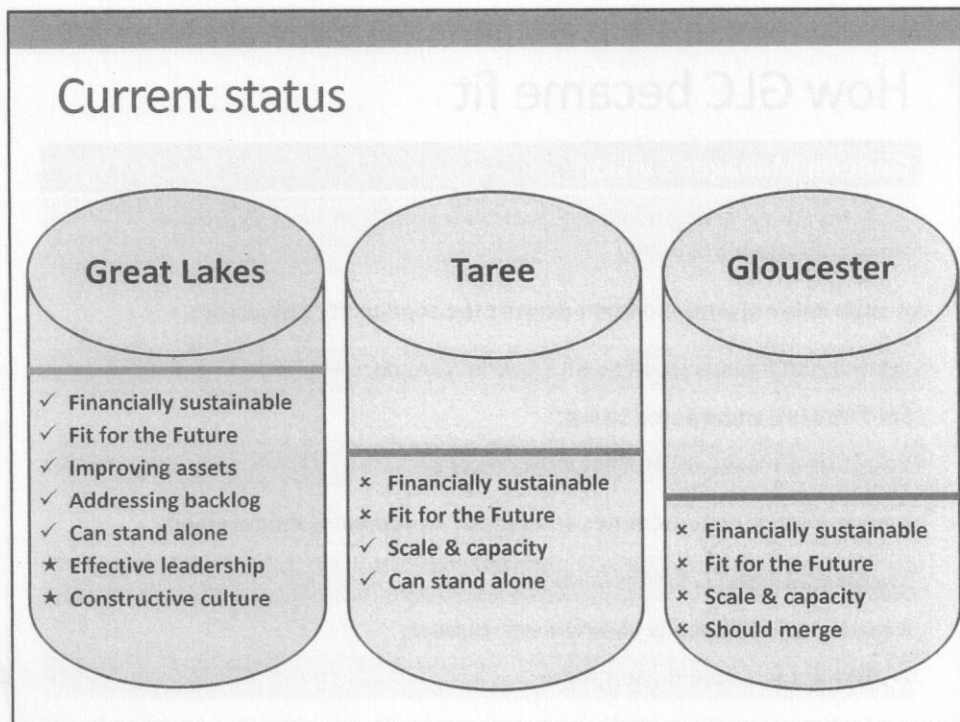
	Gloucester Shire Council	Great Lakes Council	Greater Taree City Council	New Council
				
Population (2014)	5,064	36,499	48,941	90,504
Area	2,950 sq km	3,373 sq km	3,729 sq km	10,053 sq km
IPART Rating	NOT FIT	FIT	NOT FIT	This merger proposal is broadly consistent with IPART's Fit for the Future assessments (2016). The new council will likely have enhanced scale and capacity to better meet the future service and infrastructure needs of the community.
Operating Revenue (2013-14)	\$14.5m	\$69.6m	\$68.4m	\$155.4m (projected 2019-2020)
Operating Result (2012-14)	-\$4.1m	\$3.7m	\$3.0m	-\$1.8m projected improvement to 2019-20 operating results
Asset Base	\$174.5m	\$617.7	\$640.3m	\$1.4 b
Infrastructure Backlog	43 per cent	6 per cent	28 per cent	20 per cent

The government's assessment

- KPMG reports potential financial benefits of proposed merger
- Gross savings over 20 years:

Item	20 year savings	Annual savings
Streamlining senior management roles	\$10 million	\$500,000
Redeployment of back office & admin functions	\$19 million	\$900,000
Efficiencies through increased purchasing power	\$4 million	\$200,000

**What will this mean for GLC
if 3-way merger proceeds?**



How GLC became fit

General Manager's vision

A cooperative working relationship with elected Councillors to achieve a common strategic direction

A sustainable organisation that delivers the community's objectives

A community that is satisfied with Council's services

Staff that are empowered to lead

Values that are shared and demonstrated by all

An organisation that promotes and supports continuous improvement

Engaged staff that enjoy their work

Innovation and flexibility in how we do business

A customer focussed organisation

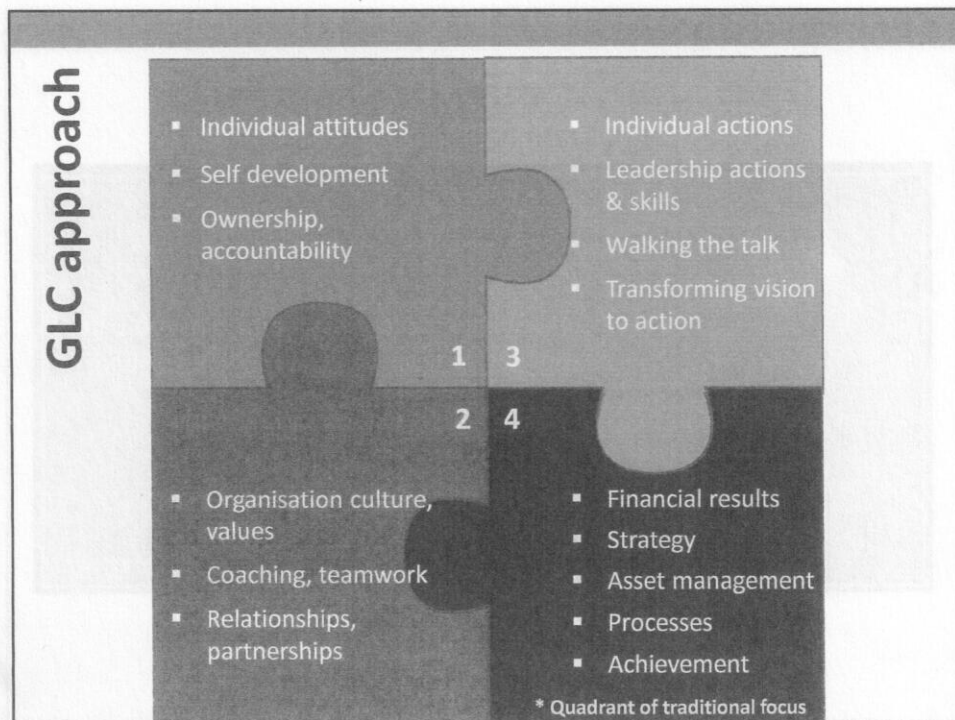
How GLC became fit

- Business improvement journey
- Leadership & cultural development throughout the organisation
- Structures, processes, relationships
- Organisational values
- People focus

YOU DON'T
BUILD A BUSINESS
-YOU BUILD PEOPLE-
AND THEN PEOPLE
BUILD THE BUSINESS.
-ZIG ZIGLAR

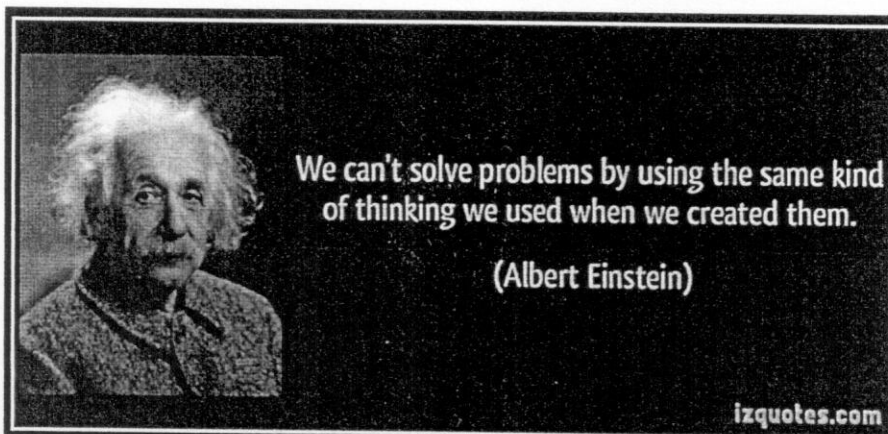
OUR VALUES

- Teamwork
- Respect
- Integrity
- Innovation
- Customer focus



Our blueprint for success

- Can not achieve sustainable performance without all 4 quadrants
- Building people to build the organisation
- Focussing on people and leadership & working *on* the business, not just *in* the business
- Customers are our drivers – everything we do is focussed on creating value for our customers
- Using Australian Business Excellence Framework as our guide
 - Global best practice – ‘excellence’ movement around for 50 years
 - Other fit Councils using this – Bankstown, Lismore, Port Stephens

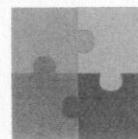


Where to now

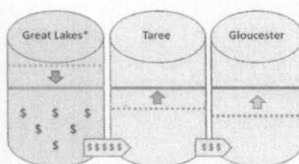
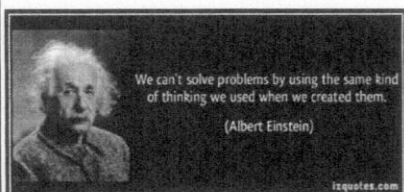
Council resolution

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Business case & blueprint



- Financial management
- Asset management
- Representation – ensuring our communities have a voice
- Management practices – structured for success
- Strategic direction – addressing all 4 quadrants



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AND THEN PEOPLE
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Have your say

- Public enquiry dates

Monday 4 April	4pm-8pm	Club Taree
Tuesday 5 April	9am-1pm	Club Forster
Tuesday 5 April	3pm-5pm	Bulahdelah Bowling Club
Wednesday 6 April	9am-12pm	Gloucester Soldiers Club

- Written submissions due **15 April 2016**
- Next steps in the process
- **Questions?**