

## 9.1.1

## PATHWAY TO SUSTAINABILITY REVIEW

**File No:** 16.00197

### **RECOMMENDATION:**

That Council:

- (1) Note the update of Council's Pathway to Sustainability as detailed in this report;  
and
  - (2) Approve the net variations of \$296,400 (favourable) to the 2023/2024 Budget as detailed in this report.
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### **BACKGROUND:**

Council has considered a number of reports to the development and progress of Council's Pathway to Sustainability. To date a report has been presented to the following Council meetings:

- Ordinary Meeting – 15 November 2023,
- Ordinary Meeting – 13 December 2023, and
- Ordinary Meeting – 21 February 2024.

The adopted Framework of Council's Pathway to Sustainability has been summarised as follows:



## REPORT:

This report deals with the implementation of the Framework and provides Council and the community with an update on the actions undertaken up to April 2024.

### Framework Items

- (i) Initiate quarterly report of financial sustainability.  
ACTION: Implemented.
- (ii) Review of Morrison Low initiatives with focus on current budget and operating efficiencies.  
ACITON: Reviews instigated with progress being reported. This report provides further updates as at April 2024.
- (iii) Understand scope of Asset Management Plan (AMP) reforms.  
ACTION: A review of Council's Asset Management Strategy has commenced, which will lead to the review of each of Council's AMPs. Current actions include:
  - The drafting of a community consultation piece to review and assess our community's expected level of service.
  - A review of the useful lives and depreciation rates of infrastructure assets.
  - Consideration is foreshadowed for the provision of funding for a comprehensive review of each AMP in Council's upcoming budget.
- (iv) Establish criteria for setting priorities for services and programs.  
ACTION: Criteria established.
- (v) Identify decision methodology for asset disposal.  
ACTION: Assessment of assets is a continuous process and remains ongoing. A review of Council's property holdings has been undertaken with further asset classes to be considered.
- (vi) Conclude review of Morrison Low initiatives with focus on budget savings.  
ACTION: Progress of completion of initiatives regularly reported. This report provides further updates as at April 2024.
- (vii) Initiate update and upgrade of AMPs  
ACTION: Refer (iii) above.
- (viii) Conduct audit and priority ranking of services and programs and decide how these will be framed in 2024/2025 budget.  
ACTION: An assessment matrix has been established for each service/function cost centre to assist in managing priorities with the 2024/2025 budget development. The assessment matrix considered such measures as:
  - Is there an essential or legislative requirement?
  - Is there an economic benefit?
  - Is there a social benefit?
  - Is there an environmental benefit?
  - What are the resources required to support the service/function?
- (ix) Conduct audit and priority ranking for disposal of assets and how these will be

framed in 2024/2025 budget.

ACTION: Refer (v) above. Draft 2024/2025 Budget includes a focus on the sale of developed land, with other asset classes to be considered.

- (x) Determine how process from land sales are to be dispersed.  
ACTION: Council's financial operating result continues to rely on the profits from the sale of land assets. Council acknowledges that this reliance is not sustainable and will need to establish a financial sustainable strategy to eliminate this reliance.
- (xi) Robust community engagement on Draft 2024/2025 Budget.  
ACTION: Council's Draft Budget and associated publications are scheduled to be considered at an Extra Ordinary meeting of Council on 01 May 2024. A media release outlining the key features of the Draft Budget was issued on the same day that the agenda for the Extra Ordinary meeting was provided to the public. TV, print media and radio interviews have been booked, together with social media posts to raise the community's awareness of the Draft Budget during the public exhibition period.

### **Organisational Sustainability Review and Improvement Plan (Morrison Low July 2023)**

The following provides an update on the actions that have been taken on the present and future improvements identified within this Plan.

#### *Table 7.2.1 – Present Improvements*

- Item 1. EOI to hire Kelso Community Hub facility to external stakeholders to continue running as a community centre meeting community needs.  
ACTION: EOI process undertaken and did not find a suitable applicant. Council at its December 2023 Ordinary Meeting resolved to commence discussions with the Bathurst Aboriginal Health Service Advisory Group with the view to establishing a lease for the provision of an Aboriginal Health Service at this facility. At the time of writing this report, the discussions remain ongoing.
- Item 2. Introduction of charges to offset merchant charges on credit cards.  
ACTION: Completed. Recovery of merchant fees on credit card transactions implemented from 01 April 2024.
- Item 5. Reduction of offsite storage of records and relocate all hard copies from external storage to the collections facility.  
ACTION: Completed. All hard records now located at the collections facility.
- Item 6. Review fees and charges for range of Environmental Planning and Building Services across the department and review of developmental assessment workflows and service.  
ACTION: A comprehensive review of Environmental Planning and Building Services fees has been completed, with the proposed revised fee structure included in the Draft 2024/2025 Revenue Policy.
- Item 9. Consider WFH policy/arrangement as part of retention strategy and relocate post office staff into Council offices and look at renting out space in the post

office building.

ACTION: Draft policy for Flexible Working Arrangements has been developed with consultation with staff currently in progress.

Item 12. Review EFTsure expenditure.

ACTION: Review completed with preferred option to be implemented from 01 July 2024.

*Table 7.3 – Future Improvements*

Item 2. Identify and sell-off unwanted (non-financial) assets.

ACTION: Draft Property Strategy has been prepared and is currently being reviewed internally.

Item 4. Streamline payroll system and implement online timesheets rather than paper based system.

ACTION: Electronic timesheets implemented for the majority of indoor staff with troubleshooting ongoing. Review continuing for the implementation across the outdoor sections, and remaining staff.

Item 5. Sharing pool of casual staff across Community & Cultural Services.

Action: Completed.

Item 9. Renew website to include a 24/7 customer portal (digitising common forms and accepting online payments).

ACTION: Completed with website now accepting online payments.

Item 10. Keep reducing expenditure on advertising.

ACTION: Completed. Ongoing reviews of advertising continuing.

Item 12. Employ internal staff for cleaning and maintenance of public toilets/buildings.

ACTION: Noting that existing contracts remain in place, change of service 'type' has occurred for BMEC. Some internal servicing occurring in Administration building.

Item 13. Purchase of larger plant/equipment to achieve economies of scale.

ACTION: Process established and imbedded into the procurement of major plant items.

Item 18. Review customer service phone system including possibility of automated switch system.

ACTION: Review completed with draft proposal / discussion paper prepared for consultation with customer facing team members.

Item 25. Review of newspaper purchases.

ACTION: Review completed, and actions implemented.

Item 27. Airport RPT / Operational Review.

ACTION: Consultant engaged for the development of a masterplan, with preliminary work commenced.

Item 30. Review sale price of water.

ACTION: Comprehensive review of the Water Services' fees and charges has been completed, with the proposed revised fees and charges included in the Draft 2024/2025 Revenue Policy.

Item 31. Review value of waste water.

ACTION: Comprehensive review of the Waste Water Services' fees and charges has been completed, with the proposed revised fees and charges included in the Draft 2024/2025 Revenue Policy.

### **Review of 2023/2024 Budget for any additional Revenue Raising, Commercialisation and Cost Containment Strategies**

The previous Pathway to Sustainability reports to Council have flagged the need to review the 2023/24 budget as a factor in maintaining short and long term financial sustainability.

This report continues to provide a range of actions to assist in delivering an improved financial position as at 30 June 2024 given Council has ceased the SRV process. Many of the dollar savings are 'one offs' for 2023/24 and are not flagged as ongoing, whilst service impacts etc are reviewed. The report delivers a net positive result on the budget of \$296,400.

Despite the implementation of the above and various other measures e.g. Asset Management Plan (AMP) review, the Pathway will need to include the consideration of an SRV at some point in the future, with the level to be determined at that time.

The following Tables summarise the proposed Revenue Raising, Commercialisation and Cost Containment Strategies previously presented to Council, and those that are being proposed as part of this update.

<b>Variation General Fund</b>			
DCSF Report #9.3.2, 13 December 2023			
<b>Description</b>	<b>Favourable</b>	<b>Unfavourable</b>	<b>Balance</b>
1. Increase in Employee Costs due to Award Increase (General Fund)		-811,784	-811,784
2. Decrease in Aerodrome RPT Income		-105,062	-916,846
3. Increase in Emergency Services Levy		-149,406	-1,066,252
4. Road reconstruction – Wellington Street, Eglinton Deferral	+200,000		-866,252
5. Reduction Footpath/ Cycleway Maintenance	+100,000		-766,252
6. Renewal Bathampton Road Deferred and reallocations of Loans FAGS works Howick Street, Rose St & Urban sealed maintenance	+400,000		-366,252
7. Council Election cost provision 23/24 deferral	+178,045		-188,207
8. Event – New Years Event cancelled	+45,000		-143,207

9. Event – Minor sport/ Community/ conference budget reduction	+20,000		-123,207
10.Event – Community Garage Sale Trail	+2,179		-121,028
11.Event – Inland Sea of Sound alteration to the offering provided.	+45,000		-76,028
12.Vacant Positions put on hold till 30/6/24 – wage savings	+305,197		+229,169
13.NMRM – Increase in income over budget expectations	+100,000		+329,169
14.CTCF – Increase in income due to storage hire services	+30,000		+359,169
15.Advertising Expenditure savings	+15,000		+374,169
16.Newspaper subscriptions savings	+4,500		+378,669
17.Tourism Marketing Expenditure reductions 23/24	+29,000		+407,669
18.Hill End Residency deferral to 24/25	+10,000		+417,669
19.Environmental Sustainable Schools program cancellation 23/24	+6,000		+423,669
20.Environmental Education “Environmental” Program cancellation 23/24	+13,500		+437,169
21.Event – Sustainable Living Expo cancellation 23/24	+21,564		+458,733
22.Heritage Education program reduction	+10,000		+468,733
23.Heritage Assistance program reduction	+13,000		+481,733
24.Bathurst Aerodrome Masterplan funding, reallocation of Business Attractions & support Program funding to this project.	+50,000	-50,000	+481,733
25.Urgent works Bathurst Indoor Sports stadium – Asset Backlog Issue		-20,000	+461,733
<b>Total</b>	<b>+1,597,985</b>	<b>-1,136,252</b>	<b>+461,733</b>

<b>Variation General Fund</b>			
DCSF Report #9.3.5, 21 February 2024			
<b>Description</b>	<b>Favourable</b>	<b>Unfavourable</b>	<b>Balance</b>
1. Decrease in Employee Costs due to vacancies (General Fund)	+485,000		+485,000
2. Decrease in Councillor expenses	+ 28,250		+513,250
3. Reduction in Provision for Public Liability claims	+35,000		+548,250
4. Increase in legal expenses for licence agreements		-12,000	+536,250
5. Removal of Workers Compensation Mutual Rebate		-73,544	+462,706
6. Reduction in Library operating	+3,000		+465,706

expenses			
7. Reduction in Art Gallery artwork framing	+2,000		+467,706
<b>Total</b>	<b>+553,250</b>	<b>-85,544</b>	<b>+467,706</b>

<b>Variation General Fund</b>			
Pathway To Sustainability – April 2024 Update			
<b>Description</b>	<b>Favourable</b>	<b>Unfavourable</b>	<b>Balance</b>
1. Decrease in Employee Costs due to vacancies (General Fund)	+1,001,000		+1,001,000
2. Advertising Expenditure Savings	+35,000		+1,036,000
3. Reduction in Environmental Health Income (Septic Inspections & Approvals)		-95,600	+940,400
4. Reduction in Parking Infringements & Fines		-260,000	+680,400
5. Reduction in Development Application Fees & Charges		-384,000	+296,400
<b>Total</b>	<b>+1,036,000</b>	<b>-739,600</b>	<b>+296,400</b>

## **CONCLUSION:**

This report provides an update on the Bathurst Regional Council process to address the sustainability of Council. The experience of this Council is not unique within the industry, as is exemplified by the number of council's seeking SRVs to address their own long term sustainability. Approvals for SRVs by IPART in recent years:

2024/2025	9 applications submitted – awaiting IPART determination
2023/2024	IPART approved 17 applications in whole or part
2022/2023	IPART approved 4 applications in whole or part
2021/2022	IPART approved 8 applications in whole or part
2020/2021	IPART approved 12 applications in whole or part
2019/2020	IPART approved 6 applications in whole or part
2018/2019	IPART approved 11 applications in whole or part

There are reasonable grounds to suggest the current system is not working.

## **FINANCIAL IMPLICATIONS:**

This report continues to provide financial impacts of the Pathway to Sustainability activities. The report includes advice on proposals to generate available funds of \$3,187,235 (Gross), Council needs to be aware that some projects yet to be implemented will require funding, such as reviewing AMPs and service levels. A number of these costs are highlighted in the Morrison Low Organisation Sustainability Review and Improvement Plan.

## **BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:**



**Objective 6: Community leadership and collaboration.**

Strategy 6.4      Meet legislative and compliance requirements.

**COMMUNITY ENGAGEMENT:**

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

**ATTACHMENTS:**

Nil