Maitland City Council

Fit for the Future Improvement Plan

June 2015

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1 EXECUTIVE SUMMARY

This executive summary provides the key outcomes from our analysis. However, the full report needs to be read to provide the context to the analysis and assumptions that underpin the modelling.

The ILGRP report placed Maitland City Council in a group of councils deemed sustainable within a Joint Organisation.

The Independent Pricing and Regulatory Tribunal (IPART) has indicated that councils should first look to the ILGRP's recommendations when considering their Fit for the Future (FFTF) response. The ILGRP makes no specific recommendation for Maitland but suggests that Council should consider the option of merging with Dungog Shire Council, largely because Dungog may be unsustainable.

Both Councils have investigated the merger option. There are a number of significant potential financial and non-financial risks arising from any merger between Maitland City Council and Dungog Shire Council including:

- There is a substantial net cost to the Councils to merge
- Transitional costs may be more significant than set out in the business case
- The limited efficiencies projected in the business case may not be delivered
- The implementation costs may be higher
- Decisions subsequent to the merger about the rationalisation of facilities and services may not reduce the cost base of the merged organisation as originally planned
- Staffing levels would increase
- The cultural integration of the two councils may not occur as expected, resulting in low morale and increased staff turnover, reducing business performance and prolonging the time it takes to achieve the predicted efficiencies
- Service levels may rise to the standard of the highest level of services being integrated, increasing delivery costs and / or lost savings opportunities.

Maitland City Council considers that a merger has no benefit for Maitland residents. Ratepayers have already committed to a medium term Special Rates Variation solution that will address any remaining sustainability issues. By merging with Dungog there is a possibility that Maitland ratepayers will be faced with further rate increases to make the merged council sustainable.

The ILGRP's indicated that Maitland was sustainable in its own right and that it was suitable to remain a standalone council (within a Joint Organisation). Therefore, it seems that the ILGRP considered that Maitland demonstrates most of the required elements of scale and capacity.

Whether to merge or standalone, the Independent Local Government Review Panel (ILGRP) has asked all councils to undertake a rigorous self-assessment of their future sustainability against a set of seven benchmarks. Maitland City Council has adopted a process that has included:

- establishment of an internal project team
- reviewing and analysing the results of prior improvement opportunities and initiatives
- reviewing proposed improvements and efficiencies as identified in Councils recent Special Rates Variations (SRV)
- workshops with councillors and staff.

Maitland demonstrates a commitment to being innovative and forward thinking in meeting the needs of its community. It has one of the lowest operating costs and staffing numbers per capita of its peer group councils. It has been successful in achieving two SRVs in recent years and is now in a sound financial position. The Maitland community has been consulted widely throughout SRV processes incorporating Council's approach to productivity. The community has supported Council's direction. As a result, Maitland City Council proposes to continue with its SRV improvement efficiencies already factored into the current Long Term Financial Plan rather than embark on a range of new initiatives. Council's current improvement program has been endorsed by the Maitland community and IPART through the SRV process.

Our assessment of Council's performance against the benchmarks confirms it will meet all seven benchmarks by 2017/18.

Councils are required to submit a proposal as to how they will be fit for the future to the Independent Pricing and Regulatory Tribunal (IPART) by 30 June 2015. Maitland City Council has commissioned Morrison Low Consultants to prepare this report to support Council's Improvement Proposal (Template 2).

2 FIT FOR THE FUTURE

Three years ago, local councils from throughout New South Wales gathered for a summit, *Destination 2036*, to plan how local government could meet the challenges of the future. As a result, councils agreed that change was needed. They wanted to be strong and sustainable and make a positive difference in their respective communities. However, there were various views as to how this could be achieved. In April 2012, the NSW State Government appointed an independent expert panel to carry out a review of the sector. The Independent Local Government Review Panel (ILGRP) consulted widely in developing its final recommendations, which were presented to the Government in late 2013.

The ILGRP concluded that for councils to become strong and sustainable, both the Government and the local government sector would have to play a part. The Government indicated its preparedness to change the way it works with councils and support them through meaningful reform. Local councils would also need to consider new ways of working and new structural arrangements. The 'Fit for the Future' (FFTF) program brings these changes together to lay the foundations for a stronger system of local government and stronger local communities.

The FFTF program requires councils to actively assess their scale and capacity in achieving long term sustainability and for councils to submit proposals to the Government indicating how they will achieve these objectives. The Government recently appointed IPART as the FFTF Advisory Panel. Its role is to assess the submissions of councils and determine if a council is deemed to be fit for the future.

In its recently released Methodology for Assessment of Council Fit for the Future Proposals, IPART has established its view of the classification of the FFTF benchmarks and its views on the timing required to meet them. It has set the following timetable for councils pursuing a 'Council Improvement Proposal':

Scale and Capacity	Achieve Scale and Efficiency
Operational Sustainability	
Operating Performance	Meet the benchmark by 2019/2020
Own Source Revenue	Meet the benchmark by 2019/2020
Asset Renewal	Meet or improve towards the benchmark by 2019/2020
Capital Sustainability	
Infrastructure Backlog	Meet or improve towards the benchmark by 2019/2020
Asset Maintenance	Meet or improve towards the benchmark by 2019/2020
Debt Service	Meet the benchmark by 2019/2020
Efficiency	
Real Operating Expenditure	Demonstrate operational savings by 2019/2020

3 SCALE AND CAPACITY

The Government has made it clear that the starting point for every council is scale and capacity.

Scale has not been clearly defined by the either ILGRP, IPART or the NSW Office of Local Government. The Government has asked each council to begin with the recommendation proposed by the ILGRP, as that is considered to be the appropriate scale and capacity for each council.

The ILGRP was of the view that "all Hunter councils appear financially sustainable, with the possible exception of Dungog" and "that Dungog Council itself has reservations about its capacity to meet its infrastructure obligations in the medium term, and an updated sustainability assessment needs to be undertaken as soon as possible. That assessment should consider the option of merging Dungog with Maitland." The ILGRP therefore considers that a merger, or Maitland as a standalone council, would potentially meet the tests of scale and capacity.

3.1 Scale

Maitland can make a strong case to meet the Government's test around scale and capacity on its own. Not only is it deemed sustainable, it is a key regional centre in the Hunter that has one of the fastest growing populations in NSW. Maitland has capacity for growth, and the addition of Dungog does little to enhance Maitland's scale further. The merger with Dungog, which meets scale and capacity, creates less of an impact for Maitland when considered against the key aspects of scale or capacity.

Therefore, it remains for the Councils to satisfy the capacity tests, as identified by the ILGRP.

3.2 Capacity

The ILGRP report articulated the Key Elements of Strategic Capacity as follows[1]:

Figure 1 Scale and capacity

Box 8: Key Elements of Strategic Capacity

- More robust revenue base and increased discretionary spending
- Scope to undertake new functions and major projects
- Ability to employ wider range of skilled staff
- Knowledge, creativity and innovation
- Advanced skills in strategic planning and policy development
- Effective regional collaboration
- Credibility for more effective advocacy
- Capable partner for State and federal agencies
- Resources to cope with complex and unexpected change
- High quality political and managerial leadership.

[1] Box 8, Page 32 of Revitalising Local Government

Elements of Strategic Capacity

Elements of Strategic Capacity	
More robust revenue base and increased discretionary spending	• IPART approved Council's application for a Special Rate Variation of 7.25% per annum over seven years • Council's draft *Delivery Program and Operational Plan 2015/16* outlines a $110 million budget, including fees and charges for the financial year
Scope to undertake new functions and major projects	• Council delivered an additional 26 major infrastructure projects worth $16 million over four years due to an asset based special rate variation. Council is now in the midst of CBD renewal including the Levee Project, and Athel D'Ombrain Drive Precinct (Federal Government's *Building Better Regional Cities program)* • In 2012, Council realigned its structure so that employees and services were best placed to meet community needs and aspirations from its 10 year community strategic plan. The structure was reconfirmed in 2015. • In 2012, Council's infrastructure planning, design, construction and maintenance responsibilities were placed within one group to allow for increased efficiencies and improved work scheduling
Ability to employ wider range of skilled staff	• Council's Workforce Plan (see *Resourcing Strategy*) meets workforce challenges by focussing on: staff attraction and engagement; talent development; Work, Health and Safety and staff wellbeing; organisational development; employee relations, and processes and technology • Council engaged with its staff on the development of *Maitland +10* by informing, consulting, involving and collaborating with them • Council appointed a senior project architect to reduce reliance on specialist heritage consultants for restoration projects • Council identified a pool of skilled tradesmen to optimise funding in the maintenance, preservation and restoration of heritage buildings
Knowledge, creativity and innovation	• Council has identified key areas for improvement and critical roles and skills in its Workforce Plan to meet future trends such as increased competition, technology dominated service delivery and an ageing workforce • Council engages with reference groups, advisory boards, local organisations and interest groups on a range of issues • Council supports a range of festivals and events, e.g. Steamfest and the Aroma and Bitter and Twisted International Boutique Beer Festival, which attract visitors and inject funds into the local economy • Council has partnered with the State Government to introduce the Electronic Housing Code, meaning online processing and a 10 day turnaround for complying development approvals • The introduction of tablet devices for Councillors has saved more than $30,000 on agenda printing • Self-checkout of books has improved library security and customer service

Elements of Strategic Capacity	
Advanced skills in strategic planning and policy development	• Council worked with its community to prepare *Maitland +10,* which captures opportunities from population growth and sets out what the community will be like in another decade and the steps to get there • Council's Local Environmental Plan 2011 is its primary land use planning tool, which is a contemporary document using current technology, has legal clarity and is a more orderly document to manage land use in Maitland
Effective regional collaboration	• Council engages with adjoining local government areas (Cessnock, Port Stephens, Newcastle, Singleton and Dungog) on a range of issues
Credibility for more effective advocacy	• Council is an active member of Hunter Councils
Capable partner for the state and federal agencies	• Council engages with government departments and agencies, infrastructure and service providers and Members of Parliament (state and federal) on a range of issues
Resources to cope with complex and unexpected change	• Improved systems for injury management, data collection and reporting has reduced total incidence rate • Council is developing a new corporate information system with expected savings of $1,000,000
High quality political and managerial leadership	• Council's *Connected and Collaborative Community Leaders* statement sets out a range of objectives and actions to respond to its community's priorities for city leadership • Participation has increased in Council decision-making due to the introduction of online and face-to-face community engagement tools

4 COUNCIL'S CURRENT POSITION

4.1 About your Local Government Area

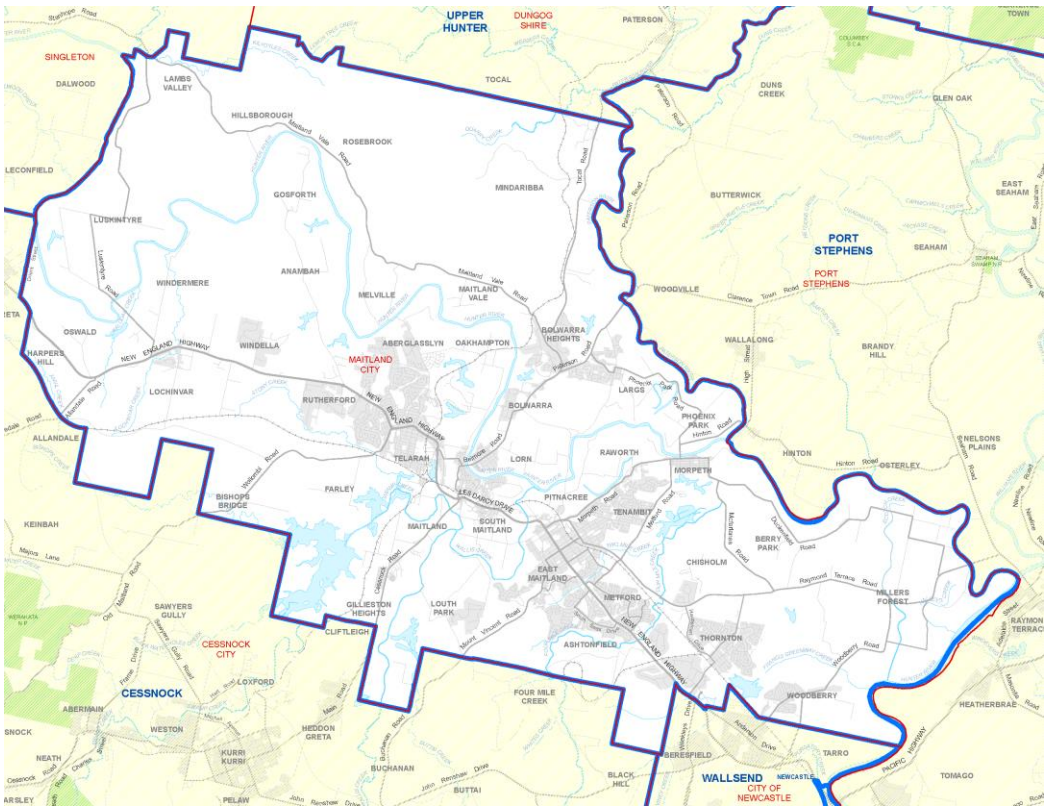
Key characteristics

The Maitland City Council area is located in the Lower Hunter Valley of New South Wales, approximately 41 kilometres from Newcastle and 170 kilometres from Sydney. The Council area encompasses a total land area of about 396 square kilometres. It is bounded by Singleton Council and Dungog Shire Council in the north, Port Stephens Council in the east, and Cessnock City Council and Newcastle City Council in the south.

The City of Maitland is situated on the rich alluvial flats of the Hunter River and its nearest neighbours include the cities of Cessnock, Singleton, Newcastle and Dungog. The Council area is located on the North Coast and New England rail lines. Maitland is located 12 kilometres from the junction of the F3 Freeway and the Pacific Highway. The New England Highway runs through the city.

The Council area has a diversity of economic activities, including agriculture, tourism, retail, mining, manufacturing, transport and construction industries. Maitland is a logical choice for value added manufacturing such as mining support and food processing companies.

The Council area is centrally located with some of the State's most admired and popular attractions within 30 minutes' drive, including Barrington Tops National Park, the Hunter Valley vineyards, and the beaches of Newcastle and Nelson Bay.



(Source: https://www.elections.nsw.gov.au)

Community Demographics

Table 1 Current Base Information

	Population (ERP 2012)	No. Households	Land Area (km^2)	Population Density (persons per $km^{2)}$
Maitland	71,886	26,490	396	183.62

Analysis of the Australian Bureau of Statistics census data and the NSW Department of Planning and Environment's Population Forecast (2014) show the patterns of past and future population growth within the Maitland City Council area. It has experienced considerable growth of over 20%, with this doubling in the following twenty year period, to nearly 44%. This high population growth forecast provides scope for increasing revenue in the future. The *New South Wales Local Government Areas: Similarities and Differences Report 2013* notes that Council's growth rate puts it above that of a 'typical Sydney suburb'.

Table 2 Population Growth

2011	2016	2021	2026	2031
69,900	**77,900**	**85,250**	**92,750**	**100,500**

Maitland City Council anticipates medium to rapid growth in the short term. This population increase can be attributed to a growing young population and increase in the rate of births. The area has also benefited from net internal migration interstate and within NSW.

Annual average population growth rates will also trend upwards for the same period.

Table 3 Population Growth Rates

2011-16	2016-21	2021-16	2026-31	2011-31
2.2%	**1.8%**	**1.7%**	**1.6%**	**1.8%**

The Council area will see an increase in population density, reflective of the growth in population, from 183.6 to 256.7 people/km^2.

The Council area has a median age of 35.9. It has a high ratio of children to adults of parenting age, coupled with low retention of young adults. The area also has a lower proportion of elderly residents, including a relatively low ratio of the very old to the next youngest cohort[2]. However, age dependency or the ratio of older people (65 and older) to the number of people aged 15-64 years will gradually increase from 0.19 in 2011 to 0.31 in 2031, increasing demand for aged services in the area. This will also necessitate strategies to maintain the working age population so that the community has sufficient workers to fill jobs.

Virtually all residents in the area were born in Australia and speak English at home. The area has an Indigenous population of 3.5%, which is on par with the State average of 2.5%. The original inhabitants of this area are the people of the Wonnarua Nation, people of the mountains and the plains. Bordering Nations and Clans include Worimi, Darkinjung, Kamilaroi, Geawegal, Gringai, Awabakal and Wiradjuri.

[2] NIEIR *New South Wales Local Government Areas: Similarities and Differences* March 2013

Due to a reduction in the availability of new urban land in Newcastle, Lake Macquarie and Port Stephens, there has been strong residential growth in the Maitland area where land is relatively more affordable.

The Council area will experience an increase in couples with children, couple only and lone person household types from 2011 to 2031. Other less dominant household types of single parents and group households will remain steady.

The predominant dwelling structure is separate houses. The Council area has a fairly average proportion of flats, tenanted dwellings and population mobility. A total of 41,950 dwellings are projected to be needed to provide private housing for all projected households in 2031. The Council area is characterised by fairly high car ownership, moderate reliance on public transport and low proportions of working at home.

Community's social and economic needs

The Maitland City Council area generates a Gross Regional Product of $3.16 billion per annum[3]. In 2012, the Council area had 4,807 businesses, mostly in the construction industry. The industries of employment in the Council area are employed in (i) retail trade, (ii) health care and social assistance, and (iii) education and training.

Maitland is a major centre with above average retail employment in relation to disposable income. However, it is also seen as a major outer suburb of Newcastle. There is strong interdependence between Lake Macquarie, Newcastle, Port Stephens and Maitland, with Cessnock and Dungog also involved.

Residents have an average wage of $54,013, which is characterised as middle income. There is a high wage and salary component, from which is deducted significant taxes. Property income is significant and there is a reasonable growth in net wealth. Business and benefits both contribute to around 10% of disposable income. These characteristics reflect the coal boom in the Hunter region.

The unemployment rate is moderate sitting at 5%, as is social security take-up. Hours worked per week are lower than other council areas and the Full Time Equivalent jobholding rate is generally low.

Residents have below the State average high school completion, despite the Council area having large TAFE facilities and secondary schools. Post graduate qualifications are low, which may reflect access to these qualifications.

The population demonstrates lower levels of socio-economic disadvantage than the State Average when measured against the Socio-Economic Indexes for Areas *Index of Relative Socio-economic Disadvantage*, ranking 106 among 152 local government areas.

[3] Australian Bureau of Statistics: Australian National Accounts: National Income, Expenditure and Product, catalogue number 5206.0 and the National Institute of Economic and Industry Research (NIEIR)

Community's sense of local identity

With Central Maitland as its heart, the Hunter River is the artery of the City as it meanders through rural and urban areas, providing a scenic backdrop to everyday life. The flood prone nature of parts of the City has led to a distinctive land use pattern and built form, with urban areas having clear limits that overlook idyllic pastoral areas.

(Source: http://www.maitland.nsw.gov.au)

The *Maitland +10 Community Strategic Plan* includes a ten-year vision that is a reflection of the aspirations and priorities of the local community:

- "We are a vibrant river city, with heritage in our heart
- Our people are caring and active, with access to services and facilities that meet the needs of all our citizens
- We are focussed on our environment, balancing conservation and development and enhancing where we can
- Our many leaders work together to see the city prosper and maximise benefits for our people
- We are a strong and proud community, celebrating together and embracing newcomers
- Together, we make Maitland"

The plan is presented in five key themes:

- Proud people, great lifestyle
- Our built space
- Our natural environment
- A prosperous and vibrant city
- Connected and collaborative community leaders

The plan is developed on sustainability principles and the 'quadruple bottom line' components of social, economic, environment and governance.

Council's ideals that underpin its efforts toward sustainability are:

- Accountability and responsibility
- Collaboration and integration
- Engagement and communication
- Honesty and integrity
- Innovation and creativity
- Recognition and value
- Respect and empathy
- Responsive and adaptive
- Sustainability.

Maitland City Council presently has thirteen councillors and the table below shows the number of residents each councillor represents.

Table 4 Representation per population

Council	Representation (population / Councillor)
Maitland Council	5,529

Maitland is represented by the Labor political party at the state and federal level.

Council recently exhibited its *Delivery Program 2013-2017 Revised*, which outlines how it will continue to deliver services and facilities to its fast growing city. It also incorporates fees and charges, including rates, for the financial year. Some of the major projects Council will undertake include an indoor pool, a riverside building and a new grandstand.

Council's assets, including roads, drainage, bridges, buildings, aquatic facilities and recreation and open space, are valued at over $867 million[4].

Council intimately understands its community and is best placed to address a number of challenges and priorities, including:

- being one of Australia's fastest growing inland cities
- sustainably providing services to the growing community
- the changing role of primary industries and the economy it creates
- the commencement of a number of large infrastructure projects
- the potential merger with Dungog Shire Council.

Council's Special Rate Variations approved in 2013/14 to increase rates by 7.25% each year for seven years, increased borrowings, more ambitious grant funding targets and annual productivity savings target go some way to address some of these issues.

Council has policies to protect and enhance the attributes of the natural environment, particularly those of national significance. Council has also planned for, and will protect, natural and man-made resources, including buildings, structures and sites of recognised significance, which are part of the heritage of Maitland.

Council's Local Environmental Plan aims for sustainable and orderly development, diversity of housing and minimisation of natural hazard risks.

The *NSW Department of Planning & Environment State-wide Profile 2014* identifies the Maitland City Council area, in particular its Western suburbs, as having the highest population growth in NSW regions in 2012-13. It also has relatively high level building approvals, which is a good indicator of future economic growth over the short term. The Department forecasts potential for continuing economic growth, as long as mining-support industries thrive, due to its close proximity to mining regions.

[4] Maitland City Council *Resourcing Strategy* 2013-2017 (Revised)

The Maitland City Council area is included in the State Government's Hunter Regional Growth Planning Region. Previous strategic direction for the Hunter Region considered the Lower and Upper Hunter areas separately. The current strategic directions for the Lower Hunter are set out in the *Lower Hunter Regional Strategy 2006-31*. The State Government is preparing a draft Regional Growth Plan for the Lower Hunter following the exhibition of a Discussion Paper in 2013. The Regional Growth Plan will identify how projected growth will be accommodated and changes in population, housing and employment to 2031.

Maitland is identified as a major regional centre in a hierarchy of centres, which have a concentration of business, higher order retailing, employment, professional services and general civic functions and facilities.

Maitland City Council is a member of Hunter Councils, a leader in local government resource sharing. Hunter Councils is made up of 11 councils and strives to reduce the cost of doing business through offering economies and efficiencies in the areas of: environmental management; leadership, development and training; procurement; records storage; legal and consulting services; and film production.

Hunter Region was selected as one of five successful Joint Organisation pilots to be rolled out across the State, as part of the FFTF reforms to strengthen local government and communities. Through Hunter Councils, the Maitland City Council has also sought to partner with the State Government on: regional strategic planning; land use planning and transport corridor strategies; a place based service delivery model; and the review and introduction of a new model of building tourism capacity.

Services

The range of services and facilities provided by any council to its community varies significantly from place to place. Not only do the types of services vary, but the levels of service will often be quite different from council to council.

The reasons for these variations are numerous. For many councils, the suite of services that they offer in the present day is a reflection of decisions made by councils past. Those decisions are generally based on community desires and needs, funding availability or strategic business choices.

Regardless of the original rationale for service types, levels and delivery decisions, councils need to continue to make regular and structured revisions to their service portfolios to meet emerging or changing community needs, capacity to pay issues or regulatory change. Maitland City Council is reflective of a broader urbanised local government and exhibits many variations on the types and levels of service that it offers to its community that are consistent with a regional city facing considerable growth.

Community consultation

Council's Community Engagement Strategy outlines how Council will engage with the community in discussion on key issues and use of the comments and feedback to inform and improve planning and decision making. Council has adopted an organisational-wide approach to community consultation, including fundamental engagement principles of:

- Inclusiveness and diversity
- Openness, respect and accountability
- Leadership
- Purpose
- Information sharing
- Feedback and evaluation
- Resourcing and timing.

Council has used its dedicated community engagement website, *Maitland Your Say* to consult on its Community Strategic Plan *Maitland +10*, Special Rate Variation Application 2014/15, Delivery Program 2013-2017 (Revised) and many more plans and projects. This is in addition to a biennial Community Research Program or independent community survey.

In broad terms, Council consulted on options to: increase revenue; reduce services or service levels; reduce service delivery costs; or a combination of these. Council's improvement proposal approach is aligned to the direction agreed and endorsed by the local community and IPART in 2014.

4.2 Key Challenges and Opportunities

Strengths	**Weaknesses**
• Low cost of service delivery per capita • Future service delivery and funding model, including an increase in rates • Implementing the findings of a program of service reviews • Ambitious infrastructure projects, e.g. high street refurbishment, CBD renewal, aquatic centre, road renewal • Extensive community engagement program and community support • Customer service strategy to use new technologies and meet changing community expectations • Twenty-year waste management strategy for the City • Wide array of festivals and events across the city	• Comparatively lean workforce limiting ability to increase services or service levels
Opportunities	**Threats**
• Scenic beauty, heritage buildings, unique villages, welcoming people, an attractive lifestyle and a convenient location • Reputation as a great place to live and work • Rich in a range of natural resources such as coal and extractive mineral deposits, as well as fertile agricultural land • High levels of population growth • Funding for sporting and civic facilities	• Ongoing financial sustainability and continued delivery of services that meet the growing community's needs • Maintaining the quality of the road network

5 CURRENT PERFORMANCE AGAINST THE FIT FOR THE FUTURE BENCHMARKS

The Government has established a set of Fit for the Future benchmarks that all councils are being assessed against.

As a starting point, Council's current performance against the FFTF benchmarks[5] has been considered and set out in the table below. It is important to understand Council's base position and the results are those reported to the Office of Local Government in Maitland's own 2014 self-assessment against the benchmarks.

The benchmarks have been modelled forward using Council's current Long Term Financial Plan and the 2013/14 result is presented alongside the forecast 2019/20 performance in the tables below.

5.1 Sustainability Benchmark (self-assessment)

Measure/benchmark	2013/2014 self-assessment	Achieves FFTF benchmark	Forecast 2019/2020 performance	Achieves FFTF benchmark
Operating Performance Ratio	-0.006	No	0.8%	Yes
Own Source Revenue	55.8%	No	79.3%	Yes
Building and Infrastructure Asset Renewal	138.1%	Yes	154.6%	Yes

5.2 Infrastructure and Service Management Benchmark (self-assessment)

Measure/benchmark	2013/2014 self-assessment	Achieves FFTF benchmark?	Forecast 2019/2020 performance	Achieves FFTF benchmark?
Infrastructure Backlog	12.0%	No	5.0%	No
Asset Maintenance Ratio	62.4%	No	108%	Yes
Debt Service Ratio	4.4%	Yes	7.0%	Yes

The Council is projecting to spend above the benchmark for infrastructure renewals which contributes to an ongoing decline in the infrastructure backlog.

5.2.1 Efficiency Benchmark (self-assessment)

Measure/benchmark	2013/2014 self-assessment	Achieves FFTF benchmark?	Forecast 2019/2020 performance	Achieves FFTF benchmark?
Real Operating Expenditure	$870	No	$854	Yes

Based on our modelling of the Long Term Financial Plan, **without any improvement**, Maitland City Council will fail to meet only one of the benchmarks (Infrastructure Backlog Ratio) in 2019/20 and this ratio continues to decline (improve) throughout the modelling period.

[5] Reported in the 2013/14 FFTF Self-Assessment

The tables below provide a summary of performance trends against the benchmarks.

Table 5 Maitland City Council current forecast performance trends against FFTF benchmarks

Indicator	Modelling Outcome to 2022/23	Performance Against Benchmark
Operating Performance	Improves quickly	Meets in 2016/17
Own Source Revenue	Remains high around 80%	Meets
Asset Renewal	Remains well above 100%	Meets
Infrastructure Backlog	Backlog steadily reducing	Does not meet
Asset Maintenance	Increases and remains above benchmarks	Meets in 2017/18
Debt Service Cover	Council has little debt	Meets
Real Operating Expenditure	Reduces (improves) from 2015 onwards	Meets

5.3 Meeting the Benchmarks

An analysis of what would need to be done to satisfy the FFTF benchmarks has been undertaken. The analysis is against Council's base case scenario. The asset based ratios (Asset Maintenance, Asset Renewal and Infrastructure Backlog) have been considered, as has the Operating Performance Ratio. Each aspect has been separated out in the following sections before being combined into an overall figure, which identifies what, if any, funding gap exists that if satisfied would enable Council to meet the FFTF benchmarks.

Where such a gap has been identified, Council will need to determine how they best address that gap. We would expect that this would be either through reallocation of expenditure, additional revenue, a reduction in operating expenses, or a combination.

5.3.1 Operating Performance

Council's operating result (calculated on the same basis as the Operating Performance Ratio and excluding capital grants and contributions) has been reviewed between the operating revenue and operating expenses identified below. For simplicity, this is presented as an average of the years projected in Council's Long Term Financial Plan (LTFP).

The table below identifies the average annual surplus, between operating revenue and operating expenditure (as per the Operating Performance Ratio guidelines) over the time period within Council's LTFP.

Table 6 Operating performance funding gap

Council	Gap ($000)
Maitland Council	832

5.3.2 Asset Maintenance

The maintenance ratio is based in part on the number Council reports as 'required maintenance'. The table below sets out the results of the modelling for Council, demonstrating it does not meet this benchmark. For simplicity, this is presented as an average of the years projected in Council's LTFP.

Table 7 Asset maintenance funding gap

Council	Actual Annual Maintenance ($000)	Estimated Required Maintenance ($000)	Gap ($000)
Maitland Council	8,089	11,240	-3,151

Based on the modelling, Council faces a funding gap between what is spent currently and what is estimated to be required. The figures in red show the annual additional amount Council would need to spend annually on maintenance to satisfy the asset maintenance ratio.

5.3.3 Asset Renewal

The Asset Renewal Ratio is based on Council's assessment of annual depreciation on buildings and infrastructure and its actual expenditure on building and infrastructure renewals. If asset depreciation is calculated appropriately then this represents the loss of value of an asset on an annual basis and a renewal ratio of 100% reflects (at an overall level) restoring that lost value.

The assessment of depreciation is integral to the financial management of Council and its LTFP. Any change requires a proper assessment of the assets, condition, lives and values. The assessment of required asset renewals is based on Council's own assessment of depreciation and required renewals.

The table below sets out the difference between the required annual renewals and projected renewals expenditure. Based on the modelling, Maitland City Council is funding more than is required and expenditure over 100% is helping reduce the asset backlog.

Table 8 Asset renewal gap

Council	Average predicted annual renewals ($000)	Average required annual renewals ($000)	Average Annual Gap ($000)
Maitland Council	20,768	13,571	7,197

5.3.4 Infrastructure Backlog

The key driver of the Infrastructure Backlog Ratio is the estimated cost to satisfactory. However, there are no clear guidelines as to how the cost to satisfactory has to be calculated and, as such, the approach varies significantly across NSW.

The table below sets out what Council would need to spend on additional renewals, over and above maintaining a 100% asset renewal ratio, to reduce the Infrastructure Backlog Ratio to the benchmark within five years.

Table 9 Cost to bring assets to satisfactory

Council	Total value of assets[6] ($000)	Cost to satisfactory ($000)	Target Backlog ($000)	Reduction Required ($000)	Per year (5 years) ($000)
Maitland Council	961,820	80,735	13,842	-66,893	-13,379

5.3.5 Annual Funding Gap

The table below summarises the combined asset expenditure required by Council, based on its own analysis to meet the benchmarks. Once the infrastructure backlog is brought to the benchmark then Council's required expenditure falls.

We have not included the funding gap related to the Operating Performance Ratio in this table as that would not present a realistic picture of the required expenditure. Council exceeds the Asset Renewal Ratio benchmark for the modelled period thereby reducing the infrastructure backlog. Any increase in expenditure on maintenance or renewals will flow through to affect the operating revenue and expenses of Council and therefore the Operating Performance Ratio. Additionally, Council may choose to address the funding gaps identified in this report by increasing revenue, shifting funding from another service or activity, reducing overall costs or a combination of all the above. This will all affect the other ratio. It is not, therefore, considered possible to simply add the Operational Funding Gap and the Asset Funding Gap identified below together into a single figure.

Table 10 Combined asset funding gap

Council	Asset Maintenance	Renewals	Infrastructure Backlog	Average funding required per annum (5 years)	Average funding required per annum (5 years+)
Maitland Council	-3,151	7,197	-13,379	-9,333	4,046

If the asset gap is to be addressed over the short term (5 years) additional funding in the order of $9m per annum is required.

[6] Current replacement costs (2014)

6 HOW WILL COUNCIL REMAIN FIT FOR THE FUTURE?

Council has identified a number of productivity improvements and cost containment strategies as part of its recent application for a Special Rate Variation. These strategies are both capital and recurrent in nature and are aimed at reducing cost and increasing revenue.

The asset gap discussed earlier in this report has been remodelled and any operating surplus or improvement savings have been applied firstly to improve renewals and address infrastructure backlog as quickly as possible. Once the backlog is addressed, renewals are reduced and maintenance increased until the maintenance ratio reaches 100% (if required). Thereafter, investment in maintenance is calculated at a level to maintain a ratio of 100%.

The methodology for calculating infrastructure backlog has also been reviewed and amended.

6.1 Sustainability

Staffing

Comparatively to its peer group, confirmed by our analysis Maitland has fewer staff than other councils. Productivity, when assessed by average operational expenditure per full time equivalent, is amongst the highest in its peer group. Council has centralised its recruitment, training, learning and development budgets. It has a target of staffing costs of no more than 35% of total budget. All vacant positions are subject to role review and executive review / approval prior to recruitment.

Variable Costs

Council's annual budget process constrains variable costs each year, without a reduction in services.

Grants

Council actively seeks and receives grand funding for numerous capital and operational projects, e.g. transportation infrastructure, affordable housing. Council also receives grants from Roads and Maritime Services, the Waste and Sustainability Improvement Payments Scheme and the State Emergency Service.

Regional Collaboration

Council is a leading member of Hunter Councils, the regional organisation of councils made up of 11 councils in the Hunter Valley. Hunter Councils reduces and contains costs for councils through shared procurement, records archive and management services, joint training at reduced costs, temporary and project staff, and legal services.

Waste Management Strategy

Council is working to offset costs for future waste disposal outside the Council area, educating residents on alternatives and minimising waste to landfill. It has appointed a dedicated waste management coordinator and introduced changes to pricing and operations. Council is improving capture and sale of recycling commodities and processing of waste products into energy. It is collaborating with other regional Hunter councils to contract for green waste and organics collection, additional recyclables collection and alternate waste technologies. Council will save $6.8 million over the next 10 years through its renegotiated recycling contract.

6.2 Effective Infrastructure and Service Management

Asset Management

We have used our own approach to determine backlog as this has been adopted by a growing number of NSW councils as it provides a consistent, repeatable methodology based on asset condition. This methodology is also supported by a body of research.

Council has adopted a condition rating system based on a 1 - 5 condition rating where condition 1 is considered to be excellent and condition 5 being poor or very poor condition. The standardised approach adopts condition 3 as satisfactory. Some council's adopt a lower standard as satisfactory and have engaged with their communities on this. Our approach looks at the value of assets (Current Replacement Cost) in condition 4 and 5, and what could be done to ensure these assets are brought up to condition 3 (satisfactory). The cost to satisfactory is an indicator of asset condition, and as such the reality of asset renewals is that those assets in condition 4 and 5 when renewed would be brought up to condition 1 or 2.

Council undertakes best practice risk management, planning and design, construction and maintenance. It has introduced a cross-functional group to review capital works and maintenance programs monthly. This has improved communication with users, improved response times and delivered better on-ground results.

Council's dedicated building asset maintenance officer and two architects will improve in-house expertise. Engineering staff new to local government or with limited work experience are mentored to quickly reach their capacity.

Council is integrating asset related data into its information system to reduce reliance on disparate project files, spreadsheets, GIS data and databases. It has introduced tablet and mobile devices to reduce manual data entry and duplication and allow real-time logging of maintenance tasks, accurate tracking, timely closeout and reduced paperwork. Council has quality asset management plans in place for all key asset classes and is steadily improving asset information.

It has reviewed and amended workflows for all project types to remove redundant steps, accelerate processes and improve accountability. The Preliminary Project Information sheet reduces officer time on projects through improved pre-design scoping, specification and cost estimating for capital works and maintenance projects.

Council will contain costs through the amalgamation of several electricity site readings into one. It has completed its Energy Management Plan and recently tendered for electricity provision. Council reviews its asset policies and procedures every two years.

6.3 Efficiency

Integrated Planning and Reporting

Council's service delivery models and service levels are aligned to its community priorities. Council's services are tested biennially by an independent community survey and focus groups about satisfaction with, and the importance of, Council's services.

Council's Resourcing Strategy includes the essential components: Asset Management Plan; Workforce Plan and Long Term Financial Plan. It recognises the importance of Information & Communication Technology and has included an ICT Strategy as the fourth pillar. This reduces costs, e.g. the virtualisation of services minimises use of hardware, power and administration.

Council's Workforce Plan aligns with the period for its variation, to allow a medium term view and support results from the 10-year community strategic plan. The Office of Local Government recognised Council's initial workforce plan as an example of good practice. Council's plan will ensure its significant investment in people delivers lasting benefits.

Council's contemporary corporate planning and reporting software solution delivers reports for monthly and quarterly performance assessments, a six-monthly performance report against the Delivery Program and the Annual Report. It currently covers organisational planning, personnel evaluation and project management and may incorporate a financial functionality in the future.

Council's project management module allows it to investigate, assess, deploy, monitor and evaluate more in-depth projects. The module consolidates project information allowing for better planning, reduced risk, more informed decision making and timely deployment of resources and monitoring. The Project Control Group oversees significant capital and grant funded projects and is supported by Technical Working Groups and an Executive Manager Major Projects.

Organisational Restructure

Following the introduction of Council's Integrated Planning and Reporting framework in 2010, it undertook a transitional structure change in a number of departments to align with its new planning framework. Council created new Executive Manager roles to focus on project management and community engagement, and specialist roles to work across the organisation.

Council has more than 200 residents per employee, compared to other Group 5 councils who have one employee per 169.5 residents.

Service Sustainability Program

Council has undertaken core activity efficiency reviews that consider:

- alignment of the activity to its Community Strategic Plan
- the essentialness of the activity
- regularity of performance measurement of the activity
- availability of Office of Local Government comparative data for the activity
- financial performance
- effectiveness of staff, supplier and management resources
- assessment of work practices.

Every four years, Council undertakes broader service or functional reviews. Its review of asset management resulted in a reduction in management positions, increased focus on specialist areas, sharing of workload, improved responsiveness and service delivery, and improved employee satisfaction. Its review of the Maitland Regional Art Gallery resulted in increased attendance, increased sales and return of a minor profit, and a focus on attracting funding, customer service, visitation and volunteers.

Council's review of Aquatic Services highlighted the need for a range of new programs, new point of sale software to capture data about visitation, and revision of opening hours. Council has introduced a benchmarking program to assess cost of services, usage numbers, revenue, user charges, staff resources and wages, asset management and operational practices. Council will consider future management options, including partnerships and / or leasing arrangements. It already outsources the kiosk, which provides ongoing revenue.

Council's review of developer contributions led to improved knowledge and back up skills for continuity, system upgrades and improved information management.

Council has contained costs in its customer service centre despite rising call numbers, through training, new technology and workflow reviews. Council monitors its performance across more than 100 customer service request types and reports the results to the community every six months.

Council's median processing time for development applications is the lowest of Group 5 councils at 26 days, with a fulltime staff allocation also well below the Group 5 average. Its review of the planning proposal workflow has streamlined the process and improved accountability.

Productivity Targets

Council has introduced a productivity target of approximately 0.5% of the annual operating budget or $500,000 per annum and reports its performance annually.

Corporate Information System

Council will realise cost savings in the development of an enterprise system, rather than purchasing on 'off the shelf' product. Business process mapping has refined the system's design and the system will be deployed in integrated modules. The system will provide workflow information on all actions and requests, highlight bottlenecks, remote access, multi-device access and low cost system changes.

Additional productivity gains will occur over time, e.g. reduced manual processing, online self-service, ease of use and reduced staff training.

Enterprise Risk Management

Council's Enterprise Risk Management Program is a centralised approach to risk and will align with its Integrated Planning and Reporting processes. Council will proactively identify and manage generic and specific risks, in particular service continuity and financial management. Council has convened an internal Risk Management Committee to review and guide the process and implementation. Next steps include developing a risk register and a Risk Management Policy.

Council will benefit from productivity improvements through better work flows and improved morale, work quality and output. Council also expects cost savings from new efficiencies in work practices, containment of waste and a more productive workforce.

Council's annual internal audit function targets areas with high risk of fraud and complex processes and legislative compliance. Results are used to inform process change and continuous improvement.

Council has undertaken to inform the community about the services it provides, costs associated with the services and information about productivity and cost containment.

Further detailed information about Council's productivity improvements and cost containment strategies can be found in its *Special Variation Application Form – Part B For Applications for 2014/15* Feb 2014, pages 172-216 (Appendix A).

7 HOW WILL THE PLAN IMPROVE PERFORMANCE?

The above improvement opportunities have highlighted some significant savings that can be achieved across Maitland City Council. Some of these can be implemented immediately, while others will take time, or more work and effort to realise.

The total asset spend discussed early in this report has been remodelled and this has reduced the overall infrastructure gap.

Modelling these cost savings and efficiencies has provided an improvement on the FFTF indicators. The following table shows the effect of the improvement opportunities identified above. Appendix B charts the improvement in each of the indicators over the entire modelling period.

7.1 Expected Improvement in Performance

Measure / benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance (Greater than or equal to breakeven average over three years)	0.0%	-0.4%	0.2%	0.7%	1.2%	1.7%	Yes
Own Source Revenue Ratio (Greater than 60% average over three years)	70.8%	74.8%	73.9%	75.4%	77.7%	79.3%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over three years)	77.1%	140.0%	175.1%	162.9%	131.4%	100.0%	Yes
Infrastructure Backlog Ratio (Less than 2%)	5.5%	4.8%	3.0%	1.3%	1.3%	1.2%	Yes
Asset Maintenance Ratio (Greater than 100% average over three years)	61.7%	82.2%	90.8%	100.0%	100.0%	100.0%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over three years)	4.6%	5.2%	6.4%	6.7%	6.9%	7.0%	Yes
Real Operating Expenditure per capita (A decrease in Real Operating Expenditure per capita over time)	$897	$846	$850	$860	$860	$854	Yes

Council meets all FFTF benchmarks by 2017/18 and thereafter continues to maintain or improve performance against the benchmarks criteria.

8 CONCLUSION

The Independent Local Government Review Panel has expressed the view that Maitland was sustainable as a standalone Council. It has suggested that a merger with Dungog be investigated to address concerns by Dungog that it may be unsustainable.

Maitland has investigated a merger with Dungog and has established that it has no financial benefit and substantially disadvantages Maitland residents.

The starting point for 'scale and capacity' is the Independent Local Government Review Panel recommendation. There was no preferred recommendation of the ILGRP, and Maitland can argue that it meets the test for scale and capacity as a standalone council or would be in a stronger position to meet these tests without Dungog.

Maitland City Council was in a position where it did not meet five of the criteria established by the Office of Local Government. Council has successfully been granted a Special Rates Variation that helps address its infrastructure funding gap. In addition, Council has identified improvements which quickly move towards and then achieve all the FFTF benchmarks and place Council is a strong position. These improvements against the benchmarks are shown in the table below.

Fit for the Future Criteria	Met in 2013/14	Meets in 2019/20
Scale and Capacity as per the ILGRP Recommendation	Yes	Yes
Operating Performance Ratio	No	Yes
Own Source Revenue Ratio	No	Yes
Buildings and Infrastructure Asset Renewals Ratio	Yes	Yes
Infrastructure Backlog Ratio	No	Yes
Asset Maintenance Ratio	No	Yes
Debt Service Ratio	Yes	Yes
Real Operating Expenditure Over Time	No	Yes

Assessment Criterion 5: Productivity improvements and cost containment strategies

The DLG Guidelines state this criterion as follows:

> *An explanation of the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.*

In this section, provide details of any productivity improvements and cost containment strategies that you have implemented in the last 2 years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation. These plans, capital or recurrent in nature, must be aimed at reducing costs. Please also indicate any initiatives to increase revenue eg, user charges. Identify how and where the proposed initiatives have been factored into the council's resourcing strategy (eg, LTFP and AMP).

Where possible, quantify in dollar terms the past and future productivity improvements and savings.

You may also use indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and the DLG Group data provided to us.

As is evident throughout our application, the decision to proceed with a SRV application has been driven by population growth, rising costs, an increasing gap between revenue and expenditure, and meeting community expectations for services, service mix and service levels in a contemporary regional City. Clearly, the impacts of a growing City on Council resources, service delivery and infrastructure are significant.

We also acknowledge that Council is not alone, with many organisations, including all levels of government and private business, continuing to face internal and external pressures to improve cost containment. Council is no different in looking at strategies to manage increasing costs with approaches that reduce the financial burden on ratepayers and the users of our services.

Council has undertaken a range of measures in the past, and will continue with special projects currently planned over coming years to reduce costs or improve productivity. In daily management, Council has recognised the need to provide services efficiently and is dedicated to containing and or reducing costs associated with service delivery as far as possible.

Council not only looks for cost management but also improved productivity. When both can be combined, this is of benefit to both Council and the community.

Our approach to service planning, productivity, cost containment and performance is outlined below.

Commitment to productivity and efficiency

Whilst at a managerial level, Council has been diligent in the pursuit of continuous improvement, efficiencies and cost containment, this has not been as transparent or evident as it could have been to our community. Feedback of this nature was provided during the consultation process, with some natural scepticism within the community as to the efforts Council was making to save money, prevent unnecessary expenditure and share the 'pain' of a proposed rates increase.

Figure 7.1.1 – Group 5 comparison –residents to employee

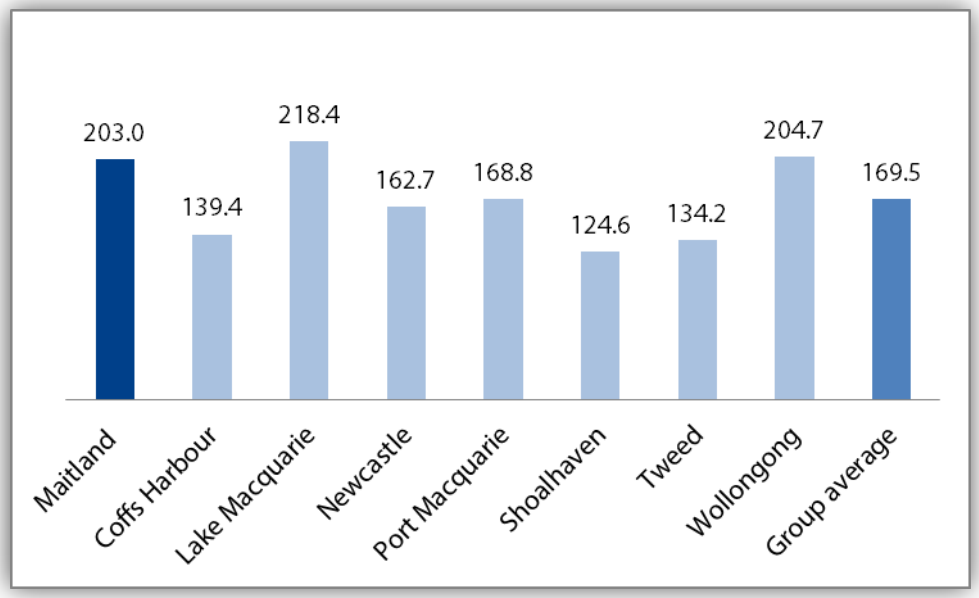


Figure 7.1.1 above illustrates the 'leanness' of Council. We have more than 200 residents per employee, compared to other Councils in Group 5 who, on average, have one employee per 169.5 residents.

As such, in making a decision to adopt the 2013-17 Delivery Program (Revised), Operational Plan 2014/15 and supporting Resourcing Strategy, Council put on public record a number of commitments that will underpin the efficient delivery of services. These are:

- Councils' Service Sustainability Program, and its inputs including core activity efficiency reviews and broader service/functional reviews, will be continued. Key activities will be reviewed at a minimum of every four years.
- Productivity gains of approx. 0.5% of annual operating budget or $500,000 per year will be targeted over the period and reported to Council and the community via the Annual Report.
- Expenditure on staffing costs will be targeted at no more than 35% of overall budget, on par with industry standards for Councils experiencing a similar growth trajectory.
- Annual budgeting processes will constrain variable costs from one year to the next across all departments, without a reduction in services.
- Centralisation of recruitment, training, learning and development budgets
- All vacant positions will have role charters reviewed, and executive level review and approval, prior to recruitment action.

Additionally, Council will sustain efforts to inform the community about the services provided by Council, costs associated with service delivery and efforts being made to contain costs and ensure productivity and efficiency.

Clear alignment of services to community priorities

As covered in Criterion 1, Council's services, service delivery models and service levels are aligned to areas of community priority. It is within the framework provided by the community strategic plan Maitland +10 that Council's own Delivery Program has been developed, and the extension of the Program to seven years in key areas undertaken.

Additionally, satisfaction with Council services and the importance of these services is tested annually with the community, via an independently conducted annual community research program. The program consists of a randomly selected telephone survey of 600+ residents and follow-on focus groups, and informs annual service planning in the annual Operational Planning process. Council's current provider, Micromex Research, facilitates community surveys across many metropolitan and regional councils, and provide benchmarked performance in comparable service areas.

Through the cycle of IP&R, coupled with annual review processes, the community can be confident that actions are aligned to longer term community goals.

Our community's vision and customer demand has, and will continue to, drive organisation design and underpins our service improvement philosophy.

Service Sustainability Program

In order to drive efficiencies across Council, a program of service and activity reviews have been completed since 2011. Originally undertaken in September 2011, a series of Core Activity Efficiency Reviews (CAER) identified a number of improvements to be realised across many departments and supported Council in undertaking an organisational restructure.

CAER were repeated post the organisational restructure in 2013, to identify further areas of improvement.

Activities reviewed were as follows:

- Approvals
- Aquatic Services
- Asset Management
- Capital Works Programming
- Cemeteries
- City Appearance
- Community Buildings
- Community Engagement
- Community Planning
- Community Development
- Compliance
- Development Contributions
- Economic Development
- Emergency
- Environment
- Events
- Governance
- Heritage
- Information Management
- Integrated Planning and Reporting
- Grants
- Land Use Planning
- Library Services
- Maitland Gaol
- MRAG
- Overdue Rates
- Parks
- Recreation Planning
- Recruitment
- Street Lighting
- Survey and Design
- Tourism
- Transport
- Waste Management
- Work Health and Safety

The process for the reviews requires an examination of the activity, covering alignment of the activity to the desired outcomes from the Community Strategic Plan, essentialness of the activity, regularity of performance measurement of the activity, availability of DLG comparative data for the activity, financial performance, and effectiveness of staff, supplier and management resources, and assessment of work practices.

The methodology for these reviews can be seen as Attachment 5.

The findings demonstrated key areas of improvement had been realised across the organisation.

Highlights include:

- Improvements in service delivery and activities in all areas reviewed
- Changes to systems and processes to address initial review findings

In addition, further comprehensive service reviews have been undertaken by various departments across Council. These reviews have involved both internal and external expertise. The past 12 months has seen the following areas examined:

- Asset Management
- Maitland Regional Art Gallery (MRAG)
- Aquatic Services
- Developer contributions and administration

Results of these reviews have included:

- A restructure of the Appearance and Infrastructure (A&I) Group, reducing the number of management positions, increasing the focus on specialist areas and enabling a 'big picture' view by joining disparate operational sections to manage workload.
- The reorganisation of the A&I Group also enabled increased strategic alignment across Council departments improving responsiveness and increased service delivery, including road construction, an area highlighted in most recent community satisfaction surveys.
- Increasing the focus on Work Health and Safety across A&I, with this area given one of the highest ratings in terms of employee satisfaction in the recent employee engagement survey.
- The MRAG Review identified that there had been a 78% increase in attendance, the restructuring of the Gift Shop saw the return of a minor profit in the past FY, with merchandise sales increased by 72%, the provision of alternative management models that will drive economic benefits including the attraction of funding, customer service delivery, visitation and volunteer participation.
- Maitland City Council is experiencing significant growth that impacts the administration and management of Developer Contributions. An internal review of this function saw improved knowledge and back-up skills considered necessary to ensure continuity of service delivery implemented, including the appointment of a senior mentor in this area. Some administrative improvements included system upgrades and will be further improved with the Horizons information management system currently being implemented by Council.
- Council's Aquatic Service Review is presently being finalised with the support of an external consultant.

Planning and performance monitoring

In moving to implement IP&R, Council recognised it needed a contemporary corporate planning and reporting software solution. After reviewing systems available to the local government market, Council implemented CAMMs Interplan, and subsequently Personnel Evaluation and Project Management modules.

Interplan sees Council's strategic goals from 'Maitland +10', business objectives (from the Delivery Program) and service level actions (from the Operational Plan) nested in one common monitoring and reporting framework.

Organisational planning is fully integrated, with performance reports incorporating a holistic view of project delivery and achievement against KPIs visible at any time.

Interplan is used as a basis for monthly and quarterly performance delivery conversations between executives and managers, as task and action updates are completed.

The system consolidates organisation-wide performance information and presents it in a way that is easily interpreted and can then be used to assist decision-making at any stage of the reporting cycle.

In addition to management monitoring, the system is also used in the development of six-monthly performance reports against the Delivery Program, and content for the Annual Report.

Council is looking to deploy further functionality of the Interplan product, including the alignment of financials following the implementation of the new corporate information management system 'Horizon'.

Integrated Resourcing Strategy

Council's Resourcing Strategy has been developed in a collaborative process across Council. These integrated plans were essentially developed concurrently, and involved considerable participation of all departments. Whilst adhering to the essential requirements of containing three components, Asset Management Plan, Workforce Plan and Long Term Financial Plan, Council recognises the pivotal role that Information Technology plays in a contemporary council. As such Maitland City Council's Resourcing Strategy includes four 'pillars' to deliver the aspirations of the Community Strategic Plan, Maitland +10.

Commitment to achieving advanced asset management

Council is recognised as having a core level of competence in its asset management systems and processes. Council is actively pursuing advanced asset management, striving for best practice in a range of asset management areas, from risk management, planning and design through to construction and maintenance practices. Council's infrastructure management was rated as 'moderate' during the 2013 NSW State Government Local Infrastructure Audit, with Council seeking to move to 'strong'.

With over $867 million invested in infrastructure assets as at 30 June 2013, our assets are vital in the provision of a range of services for the community. Council uses various technical and database resources to manage its assets. E.g. Road pavement (Council's road network) is managed with the aid of the Snowy Mountain Engineering Corporation; (SMEC) Pavement Management System (PMS).

Council is committed to ensuring service levels for assets are subject to ongoing dialogue with the community and stakeholders, noting that approximately 80% of our assets are road and drainage assets.

Council's Asset Management Strategy is an integral element in our Resourcing Strategy, and all asset decisions will be made within the context of this strategy and adopted policy of Council.

Council has asset management plans in place for all key asset classes. The Asset Management Strategy can be viewed from Page 6 in Attachment 1.b (Resourcing Strategy 2014 edition).

Strategic workforce planning

As can be seen in Council's Resourcing Strategy, Council has pursued a best practice approach to workforce planning. Our workforce plan has been extended from the mandated four years to align with the period of our variation, and ensure better integration with our asset management, financial and ICT plans. It also enables the organisation to have a medium term view and support realisation of outcomes from the ten year community strategic plan.

Council has leveraged its initial workforce plan, which has been recognised as an example of good practice by the Division of Local Government.

Taking a strategic and integrated approach will deliver a range of benefits including:

- Improved attraction and engagement of staff – ensuring our significant investment in people delivers lasting benefits.
- Talent Development – this ties in with our ability to retain good staff placing us in a good position to delivery on our community priorities for 2023 and beyond.
- Work Health and Safety and Staff Wellbeing – This is a fundamental requirement for our organisation and more so in an ageing workforce.
- Organisational Development – will ensure we equip our staff to engage with the community and drive innovative solutions and be responsive to change
- Employee Relations – allows us to further align Delivery Program outcomes to the performance of individuals, departments and groups within Council.
- Processes and Technology – we will ensure our workplace systems and processes are efficient and effective.

Council's Workforce Plan can be viewed from Page 82 in Attachment 1.b (Resourcing Strategy 2014 edition).

Innovative corporate information system in development

In line with cost containment and Council's approach to entrepreneurial and alternative service delivery through regional resourcing (See Section 3), Council is developing a new local government corporate system 'Horizon' in partnership with the Enterprise Systems developer SolOrient.

Through working in partnership, Council is realising cost savings through its development involvement compared to the purchase of an enterprise wide corporate solution provided by an off the shelf proprietary product.

The potential capital or leasing cost saving is approximately $1 million upfront, plus recurrent licence fees of $150,000 per annum.

Deployment of the system is on a 'modules' approach. The new enterprise system commenced roll out in 2013, with the majority planned for July 2014 onwards. In addition to the cost savings associated with the initial purchase of the system, potential productivity gains will be realised over time.

The Horizon enterprise system will deliver increased efficiencies through a reduction in manual repetitive processing; online self service delivery via a range of mobile interfaces; ease of use and reduced staff training due to the new systems Microsoft Windows OS interface.

The program of reviewing and mapping process and service delivery steps in order to develop the new system workflows has already identified and changed many labour intensive steps prior to the Horizon project implementation.

Some of the potential productivity gains will be:

- Provision of a system-based holistic view of work flow and workload will enable customer service staff and customers to have a full picture of current status of any action or request.
- Managers will have the tools to identify bottle necks in processes, enabling improved resourcing placement
- A web-based solution that allows the use of any web browsers, saving IT maintenance and the ability to log in to the corporate portal remotely.
- Ability for the corporate solution to be mirrored in the appropriate format to many different media types i.e. tablets, smartphones, iPhones etc.
- Ease of configuration removing the need for expensive consultants to undertake most changes.
- Intuitive system enabling ease of use and staff training.
- Multiple enterprise solution modules that are integrated allowing holistic system view and interoperability.
- The cost containment approach to developing and implementing this new Council solution is currently realising significant financial benefits, whilst its future rollout and use by staff, will release substantial future productivity benefits.

Enterprise risk management

Council has embarked on an Enterprise Risk Management Program (ERMP) to enhance the knowledge held regarding risks to the organisation and to identify those areas of operational and strategic risk that may present an immediate or short term significant risk.

Council has for a long period been proactive in individual risk management procedures for specific areas and has adopted Best Practice Manuals for key areas such as roads, footpaths, signs, remote supervision, aquatic centres, trees and tree roots, as well as ensuring active annual review of relevant insurance policies and the cover they provide.

The renewed focus on a holistic, centralised approach to risk has built on these past measures. The new approach is aligned to IP&R processes and will ensure that the potential of all risks is identified, in particular focusing on service continuity and financial management.

As a member of the Statewide Mutual Insurance Scheme, Council has regularly participated in annual Statewide audits of the core processes provided by most member Councils, and has always scored in the higher percentiles of achievement when ranked against similar Councils.

However, the Division of Local Government has suggested a risk management plan provides council with a framework to proactively identify and manage generic and specific risks so that ethical behaviour and practice can be promoted.

Whilst Council had individual risk management procedures for specific areas such as trees, roads, footpaths and signs, an overall plan to guide its risk management activities in other areas of council activities and operation was required.

DLG concluded that Council should develop a comprehensive risk management plan to enable it to identify and manage all significant risk issues facing the Council in the pursuit of its objectives.

In response, all staff have been included in a new ERMP, under the direction of Echelon Australia (Echelon), a specialist ERM consultancy.

The program is a staged approach to analysing strategic and operational risks as identified by management and staff and broadly follows the following five steps:-

1. ERM Project Plan
2. Workshops for each identified 'work group' within Council to enable staff to identify strategic and operational risks relevant to their work.
3. Risk Scoring to determine the risk from inherent risk and then to determine a risk score following the implementation of risk treatments and controls.
4. Critical risk analysis to produce a relevant and effective risk register.
5. Action to implement recommendations and to further embed ERM principles so that policy adoption, policy execution and policy management strategies are a continual active process in Council's business delivery.

Associated with the ERM process Council has convened an internal Risk Management Committee which will review and guide the ERM process and implementation.

Council is currently reviewing Stage 3 of the ERMP for consideration and evaluation, which will lead to the implementation step when the adopted risk register and modelling for the way forward will permit a formal Risk Management Policy to be considered and adopted by Council.

The aim of the ERMP is to achieve the following:

- make the best decisions
- provide strategic direction
- effective allocation of resources
- protect people's safety
- limit exposure to litigation
- effective allocation of resources
- maintain a positive public image
- retain corporate knowledge
- spend Council money wisely

To do this the following operational areas have been particularly targeted:

- Corporate governance
- Financial management
- Legal compliance
- Community consultation
- Employee education, training and competency testing
- Managing and maintaining physical assets
- Managing community services

- Managing people and performance
- Information management and information technology
- Contracting and purchasing
- Regulatory enforcement

Staff feedback has been very positive as each business unit has been given 'ownership' of their respective risk reviews and risk ratings. The Executive Leadership Team has reviewed and rated the strategic risks identified and will provide leadership and direction through the Risk Management Committee during the implementation stage of the program.

Echelon have identified from the workshops several areas that will benefit from productivity improvement as a result of improved work flows and have also identified the potential for the program to continue to provide better outcomes for the staff stakeholders in all areas of Council which will improve morale, work quality and output. Cost savings are also anticipated as a result of new efficiencies in work practices, containment of waste and a more productive work force.

Annual audit cycle

Council has had an Internal Audit function operating for ten years. The Internal Audit Committee currently comprises of the General Manager, one elected Councillor, one member of the public, the Executive Manager Corporate Services and the partner and manager from the firm that undertakes the internal audit for Council.

The Committee works with appointed auditors to develop an annual audit program. Areas targeted include those with high risk of fraud such as cash handling, accounts payable, insurances, purchasing and payroll, through to areas with complex processes and legislative compliance, like tenders, rating, contracts and grants.

The results of annual internal audits (usually undertaken in 8 to 10 areas each year), are used to inform process change and continuous improvement, in addition to being a rigorous independent check of Council's compliance, risk and fraud control.

Council has noted the Independent Local Government Review Panel's recommendations for strengthening internal and performance auditing, and sees a number of these suggestions as an evolution of our approach. Council will work toward broadening the scope and membership of the Audit Committee, and foster further integration of performance, risk and improvement processes under the auspice of this Committee.

Project management

Council is in the midst of deploying the CAMMs proprietary software product, Integrated Project Management (IPM). The IPM module is linked to the 'parent' software product, Interplan, which Council uses for corporate planning and reporting, in addition to a Personnel Evaluation System module used for individual performance assessments.

Whilst the Interplan product allows for real-time monitoring of operational plan actions and tasks, the IPM module allows for more in-depth project investigation, assessment, deployment, monitoring and evaluation. Individual projects are required to align with a specific objective or action from the Delivery Program or Operational Plan.

The implementation of this product has been driven by significant projects, as well as a demonstrated need to consolidate and integrate existing project information from disparate sources, including a large number of complex spread sheets and project plans. The integration of information into a central repository for key project information will bring greater rigour to

planning, reduce risk and better inform decision-making. It will also allow for timely monitoring and analysis, and ensure appropriate deployment of resources.

Prior to the roll-out of IPM, Council developed a new project management framework (PMF), which dictates much of the IPM product workflow. This centrally defined and documented approach to project management lifecycle and controls is linked to our four year objectives and annual actions. Harnessing high level professional skills across the organisation, Council has developed a localised Project Management Framework. Aligned to leading PMBOK methodology, the framework has defined parameters and localised processes for Council's projects.

When fully operational in 2014/15, the IPM software will enable storage and retrieval of project data, and tracking of project progress.

A key element in the adopted PMF is the requirement for a Project Control Group (PCG). With a number of significant capital and grant funded projects underway, the executive leadership team is operating as the PCG for these projects. The PCG, supported by Technical Working Groups (TWG), ensures thorough oversight of projects and adherence to legislative and Council policy. Additionally, Council established the senior position of Executive Manager Strategic Projects in 2012 to ensure efficient project management and apply best practice in all facets of project management, in particular focused on scheduling, tender processes and construction.

Improved and successful grant application preparation

Council has implemented a new approach to grant applications and management.

Measures already undertaken include pro-actively seeking and receiving grant funding for numerous capital and operational projects to enhance community wellbeing and lifestyle. During the 18 months leading up to November 2013, this has equated to a total of over $22 million and ranges from being awarded grants of $11.3 million for major capital works to enhance transportation infrastructure around the City and to provide affordable housing to the community, to being granted $1,000 to enhance local heritage through library activities.

This does not include those grants provided through the Roads and Maritime Services, Waste and Sustainability Improvement Payment Scheme payments (WASIP), and State Emergency Service truck replacement grants. Without this funding, many of these activities would not be provided, or would be at the expense of another. Council will continue to apply for grants to reduce the cost to the community.

Organisation structure

Following the introduction of IP&R, Council undertook a review of its structure to ensure resources were best placed to meet the commitments outlined in the Delivery Program. Taking a longer term, strategic approach to organisation design, has resulted in a transitional structure change in a number of departments.

The restructure saw six new Executive Manager roles created, aligning positions not only with the key principles and responsibilities of the then new Integrated Planning and Reporting framework, but to focus on the need of the significant growth of our City. An increased executive level focus of IP&R, strategic project management and community engagement was achieved through this process.

Additionally, responsibility for the investigation, design, maintenance and construction programs was moved into a single group, with one Executive Manager.

Since that time, the number of departments in the Appearance and Infrastructure Group has also been consolidated from six to four, with estimated $300,000 per annum savings. In

addition service delivery has been enhanced through a focus on coordinator and technical specialist roles.

Partner alliances were also created at this time to enhance collaboration between departments and to enhance the smooth flow of information. Specialist roles were developed in the area of Corporate Planning and Engagement, and People and Performance, and Corporate Services to create a focus on Organisational Development, Integration, Performance, Governance and improved Community Engagement and participation. These roles work across all departments of Council.

Leading regional approach - Hunter Councils

As outlined in Section 3 of this application Council is a leading member of Hunter Councils Inc, the regional organisation (ROC) of Councils. Made up of eleven local government areas of the Hunter Valley, Hunter Councils Inc. reduces and contains costs for their respective Councils through cooperation and collaboration. Benefits arise for each Council through:

- Shared procurement
- Records archive and management services
- Joint training at reduced costs
- Temporary and project staff
- Legal Services.

Waste management strategy

Council is faced with the unenviable challenge of a landfill site approaching end of life, a fast growing population, changing service expectations amongst the community for waste management, no viable landfill alternative within the LGA and a changing environmental regime.

Well aware of these challenges, Council has embarked on the development of a pragmatic, affordable waste management strategy to provide suitable solutions for waste and recyclables management across the LGA.

Council is also well aware that the community has no desire to see waste disposal fees increased, and is working to offset the costs associated with future waste disposal outside of the LGA, educating residents on alternatives and minimising waste to landfill.

Current actions have included:

- Renegotiation of recycling contract - a saving of approximately $6.8 million over 10 years
- Appointment of a dedicated waste management coordinator
- Introduction of differential pricing at the landfill site on 1 January 2014, designed to maximise recycling and minimise waste to landfill
- Physical changes to the layout of the landfill site to encourage sorting and recovery
- Development application to increase capacity of site
- Free green waste drop-off at the tip on weekends for residents
- Free mulch pick-up at the tip for residents
- Free annual tip pass for residents
- Pursuit of suitable cover materials to minimise environmental levies to be paid on this material

- Partnership with local service provider Mai Well for recycling of ewaste
- Partnership with Landsavers for free disposal of mattresses four times per year
- Partnership with EPA and Transpacific Industries for free disposal of chemicals, paints etc three times per year
- Investigation of options for introduction of 'green waste' bin
- Development of plans for a potential waste transfer station at the current landfill site.

As can be seen in the graphs following, Council's domestic waste charge is currently below average.

Figure 7.1.2 - Waste charges, Group 5 Councils

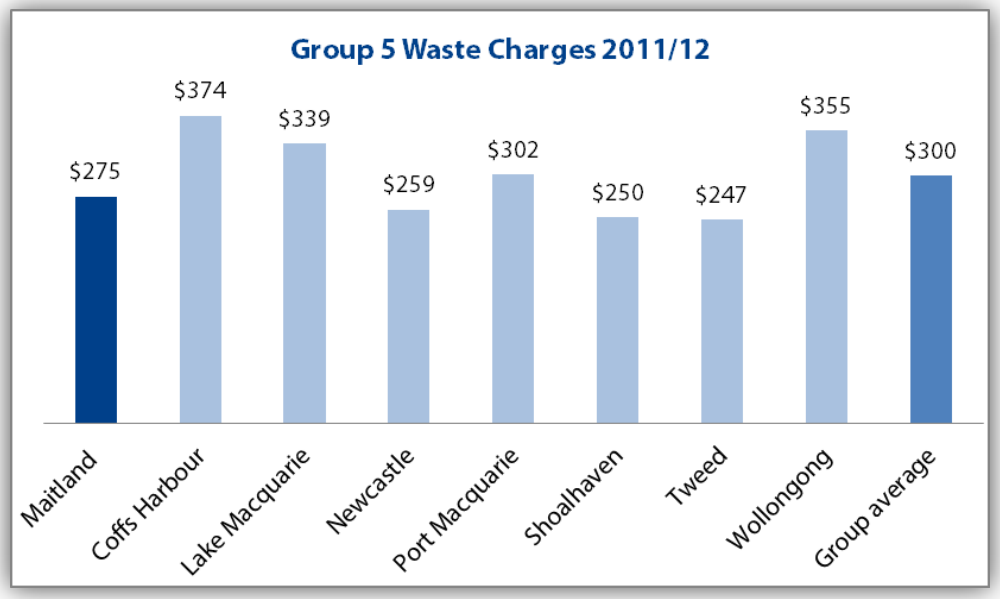
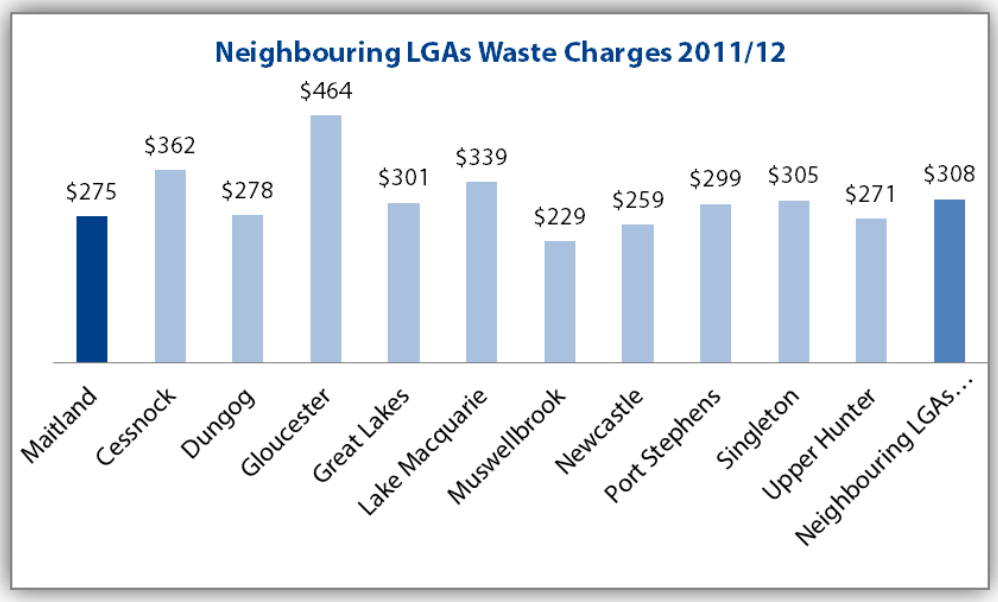


Figure 7.1.3 - Waste charges, Hunter Councils



Council will work hard to ensure its operational costs in the provision of this service are contained by increasing avoidance of waste to landfill, improving capture and sale of recycling commodities, advancing processes that increase the beneficial use of waste products including potential for waste to energy processing. The context of these initiatives will be developed within the current financial environment created by the NSW Waste Levy which seeks to arrive at a price point that leads to more affordable innovative ways to manage waste.

With the phasing out of land fill operations at the Mt Vincent Road Waste Facility over the next seven years, Council will be introducing a new suite of waste management practices aimed at reducing waste to landfill, recovering greater levels of recyclable products and improving the opportunities to increase the beneficial use of waste materials. In the current environment Council is working in close partnership with other regional Hunter Councils to progress collective contracts in the areas of green waste and organics collections, additional recyclables collection and marketing and to the establishment of alternate waste technologies. This regional approach is being positively explored to provide sufficient critical mass to ensure that benefits of economies of scale can be realised. The advantages of this approach can be best demonstrated by the successful tender of the HRR recycling contract which will see a $6.8 million saving to the Maitland Community over the next 10 years. It is intended that all of Council's future waste management practices will reach for the best environmental outcome while remaining affordable for our community.

As can be seen, Council's domestic waste charge was below the group 5 average in 2011/12, and comparable to neighbouring Councils.

Public private partnerships

Council is seeking to maximise the potential value of its operational land holdings. During the course of the variation, Council will be partnering with Urban Growth NSW on the potential development of Council's landholdings in Rutherford. The land is zoned residential and Council has approved a Project Development Agreement for the development and sale of the land with Urban Growth NSW.

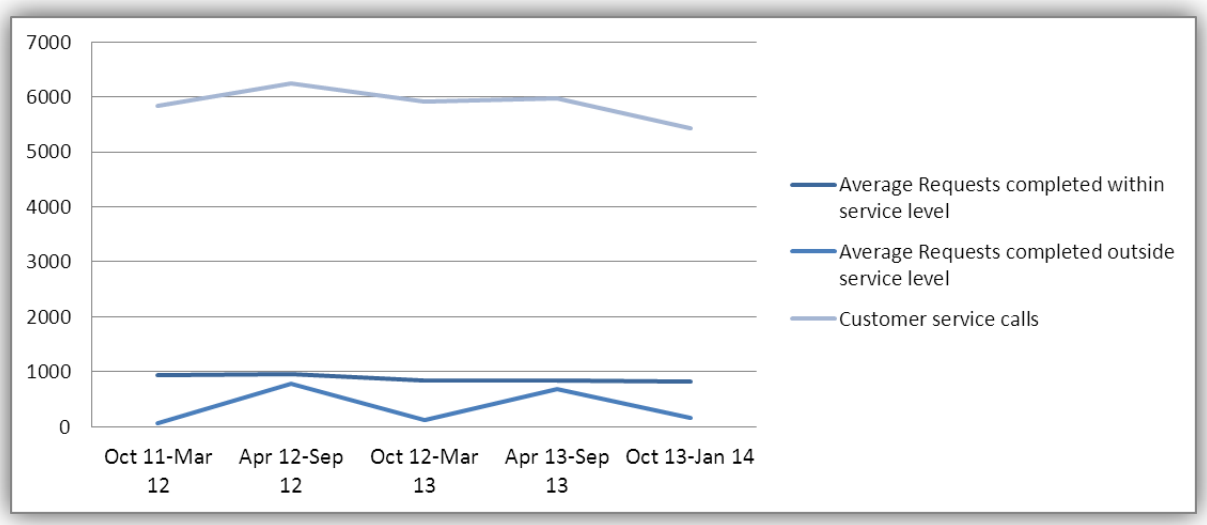
Customer Service

Council is committed to providing quality customer service whilst constraining costs. Staffing levels in our customer service centre have remained static over the past few years, while calls have increased by 2,000 per year. Service quality has not been compromised despite these increasing demands. This is largely as a result of training, new technology and ongoing reviews of workflows.

Council monitors its performance against set service levels across more than 100 customer service request types. These range from missed garbage collections and minor maintenance requests through to illegal development activity. These results are reported to Council and the community every six months.

The graph below shows the volume of calls, and the number of request completed, over the period from October 2011 to January 2012. As can be seen, some 5,000 to 6,000 calls are made to Council each month. On average, less than 10% of requests are completed outside of desired service levels, many due to the complexity of the request (for example, a drainage matter).

Figure 7.1.4 – Customer Service Requests



Operational examples of productivity improvements

The following table is presented as a summary of past, current and future continuous improvements.

Status – this column indicates whether the improvement has happened in the past, is currently underway, or will be realised in the future

Type – this column outlines the nature of the containment activity – being efficiency gain; new income; cost reduction; ongoing saving or service improvement.

Activity – this column describes the activity being undertaken within Council.

Description – this column gives an overview of the containment effort and its benefits.

Table 7.1.1– Past, current and future productivity improvements

Status	Type	Activity	Description
Current	Service improvement	Aquatic Services	The introduction of a range of new programs, as well as the 'Splash Pad' for children, has increased attendance. New programs are in development for the future.
Current	Efficiency gain	Aquatic Services	Introduction of Point of Sale software Gladstone has allowed for better data capture and monitoring of visitation numbers, dates and times.
Current, future	Service improvement	Aquatic Services	Retaining Council's 5 star rating via RLSSA requires a continuous improvement approach to services and facilities, demonstrated through meeting the requirements of this program.
Current, future	Cost containment	Aquatic Services	Monitoring of attendance numbers and patterns has informed the decision to reduce opening hours at East Maitland Pool, without a significant impact on users.
Current, future	Cost containment	Aquatic Services	Introduction of the Australian/NZ 'Leisurecheck' benchmarking program has allowed performance assessment in areas such as cost of services; usage numbers; revenue; user charges; staff resources and wages; asset management and operational practices.

Status	Type	Activity	Description
			The information is used to identify options for improving management and systems, in line with best practice.
Future	Cost containment	Aquatic Services	Following the construction of an indoor heated pool in 2015/16, Council will explore a range of options for management of the facility, including the possibility of partnerships and/or leasing arrangements.
Current	Service improvement	Aquatic Services	Council will complete a comprehensive review of aquatic services in 2013/14. This will include a future management options paper for Council's consideration.
Current, future	New revenue	Aquatic Services	The management of the kiosk at Maitland Aquatic Facility has been outsourced, providing ongoing revenue.
Current	Efficiency gain	Asset Management & Infrastructure Delivery	Workflows for all project types have been reviewed and amended. This review has seen redundant steps removed, accelerated processes and improved accountability for project tasks.
Current, future	Efficiency gain	Asset Management & Infrastructure Delivery	Introduction of Preliminary Project Information process has reduced officer time spent on projects through improving the pre-design scope, specification and cost estimates for capital works and maintenance projects
Current, future	Efficiency gain	Asset Management & Infrastructure Delivery	The introduction of a cross-functional group to review maintenance and capital works programs on a monthly basis ensures all implications have been considered (including impacts on users, project scope etc), as the program is implemented. This has improved communication with users and customers, improved response times for information from customers, and better on-ground result.
Current, future	Service improvement	Asset Management & Infrastructure Delivery	Productivity, communication and workplace safety and have been improved through the introduction of regular workforce meetings combining civil and recreational works staff.
Future	Efficiency gain	Asset Management & Infrastructure Delivery	The further introduction of tablet and mobile devices in 2014, supported by new software systems, will improve efficiency and remove manual data entry and duplication. It is expected the use of tablets in the field will allow real-time logging of maintenance tasks; allow accurate tracking of resources; facilitate timely close-out of customer service requests; and reduce paperwork associated with ordering and reconciliation.
Future	Efficiency gain	Asset Management & Infrastructure Delivery	The introduction of asset management modules in Horizon, which are being developed by IT specialists in consultation with professional engineering staff, will improve access and integration of asset related data and reduce reliance on disparate project files, spreadsheets, GIS data, and databases.
Current, future	Efficiency gain	Asset Management & Infrastructure Delivery	A proactive approach to learning and development has been implemented. Initiatives include mentoring for engineering staff who are new to local government or have limited work experience, assisting staff to more quickly reach their capacity and become more competent in the workplace.

Status	Type	Activity	Description
Current	Cost containment	Asset Management & Infrastructure Delivery	The continued application of best practice (eg NAMS, IIMM) will allow Council to contain costs, in line with industry trends. Council is recognised as having sound asset management practices and will strive to become more advanced as the city grows, new assets are realised and older assets require renewal.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	Council will continue to undertake a review of asset related policies and procedures every two years, complementing the proactive continuous improvement approach deployed in regard to operational procedures and programs.
Future	Efficiency gain	Asset Management & Infrastructure Delivery	A more detailed approach to maintenance of building and recreation assets will be initiated in 2014. This is possible due to the appointment of a dedicated building asset maintenance officer and the expansion of the Assets team to include two architects, which has improved in-house expertise.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	A change to how Council is billed for electricity by amalgamating several site readings into one, the completion of an Energy Management Plan, and the recent tendering for the provision of electricity to Council will enable Council to see further cost containment over the next 3 years.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	A focus on targeted employment on a temporary, project basis allows for appropriate specialised skills to come 'in-house' without ongoing employment costs.
Current, future	Efficiency gain	Asset Management & Infrastructure Delivery	An in-house project team sees contracts issued to specialised providers to assist in the delivery of capital works design. This ensures the best skills at the best price, in areas such as hydraulic design, landscape design and traffic and transport studies.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	A centralised approach to asset-related contracts allows for regular monitoring and review of alternative options to support service delivery, for example the establishment of a new position should the cost-benefit analysis support the case, particularly as Council's capital works program continues to grow.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	An in-house project team focused on maintenance and supply tenders ensures best value for Council through competitive tender and evaluation. Examples include electrical maintenance; plumbing maintenance; air conditioning; traffic control; line marking; fuel; tyres; and plant and vehicles. Tenders are called for a panel of three service suppliers for works over $3,000 in some instances to increase competitiveness.
Future	Cost containment	Asset Management & Infrastructure Delivery	The in-house project management of a new indoor 25m pool will reduce reliance on a head contractor and ensure value for money in all aspects of construction. The use of in-house staff will minimise upfront costs, with an estimated saving of 1-2% of project cost.

Status	Type	Activity	Description
Current, future	Cost containment/service improvement	Asset Management & Infrastructure Delivery	The in-house project management of the refurbishment of the Town Hall performance space and building upgrades will ensure value for money, and also ensure changes meet the needs of key stakeholders.
Future	New revenue	Asset management & Infrastructure Delivery	The rationalisation of Council's assets will be explored, underpinned by strategic planning (including for community facilities and recreation) and appropriate community and stakeholder consultation. This may lead to sale or alternative management approaches for non-core assets.
Future	Service improvement/cost containment	Asset Management & Infrastructure Delivery	A continued focus on the development of pragmatic KPIs will see responsive and agile responses to trends as they emerge. KPIs include technical measures (such as pavement lengths and response times) through to qualitative measures (such as customer perceptions).
Current	Efficiency gain	Asset Management & Infrastructure Delivery	A full audit review of Council's flood control devices was completed in 2013. This has led to a new Flood Control Devices Operations Manual, which outlines procedures for a range of operational functions including liaison with State Government agency partners. The audit informed the development of maintenance schedules, based on asset performance rather than modelling.
Current, future	Cost reduction	Asset Management & Infrastructure Delivery	An integrated approach to construction processes with utility providers is reducing expenditure. For example, the installation of subsoil drainage as part of contract water main replacement works has eliminated the need for Council to undertake separate excavation and installation as part of later pavement replacement work.
Current, future	Cost containment/reduction	Asset Management & Infrastructure Delivery	Continued implementation of new technology and systems to reduce costs at Council's depot site, including timers and motion sensors to minimise electricity usage.
Current, future	New revenue	Asset Management & Infrastructure Delivery	Council's asset management is built on a sound strategic basis, which also accommodates flexibility. This has proved beneficial when seeking grant funding, for example, with a $200,000 energy grant in 2013/14.
Current	Efficiency gain	Asset Management & Infrastructure Delivery	The increased use of new technology including introduction of set traffic data recording points on major roads; hand held laser traffic counters; and on-board fixed traffic cameras has seen more accurate data available more quickly.
Current, future	Efficiency gain	Asset Management & Infrastructure Delivery	The identification and utilisation of appropriately skilled specialists in areas such as flood modelling, geotechnical investigations and drainage studies enables complex tasks to be completed efficiently.
Current, future	Cost containment	Asset Management & Infrastructure Delivery	Capital works programming is carefully planned, regularly reviewed, amended and prioritised according to risk. This has seen the overall program managed to budget each year, a process that will continue. Staff work to avoid issues such as scope 'creep' and ensure

Status	Type	Activity	Description
			costs are scrutinised by a senior manager for each project. A focus on the replacement of existing infrastructure, rather than new assets, has contained costs. New infrastructure is funded via Developer Contribution or other sources, rather than operational capital expenditure.
Current, future	Cost containment	Budget processes	In developing annual budgets, variable costs have and will be maintained from one budget cycle to the next, rather than seeing automatic increases applied to such costs.
Current, future	Service improvement	Central Maitland	The establishment of a Strategic Projects Group within Council, with oversight of design and construction of projects in the CBD, has ensured high level project management (including tender processes) without significantly impacting on the delivery of Council's capital works program.
Current, future	Cost containment	Central Maitland	The Strategic Projects Group has accountability for project delivery within adopted project budgets as resolved by Council, and as per grant funding agreements. This ensures strict budget management.
Future	Cost reduction	Central Maitland	The construction of 'The Levee' shared way will reduce maintenance costs associated with the current site. Over the past 5 years, $75,000 has been spent on paver repairs alone. Decisions on the use of stone, graffiti resistant surfaces, plant selection and street furnishings have considering future maintenance costs.
Future	Service improvement/cost containment	Central Maitland	As part of the construction of 'The Levee', contemporary public toilets and parents facilities will be constructed. This will allow Council to end a lease on current substandard facilities, a saving of approximately $42,000 per annum.
Current	Public private partnership	Central Maitland	As part of its funding commitment under the BBRC Grant, Council has committed to realising new affordable housing in Central Maitland. This will be delivered on both Council and privately owned land, and will require active partnerships with developers.
Current	Cost containment	City appearance	The establishment of a dedicated crew for litter collection and graffiti removal has minimised costs associated with this activity, and ensured an ongoing focus on this activity (which was previously an ancillary task for a road maintenance team).
Current, future	Cost containment	City appearance	A partnership with local Rotary Clubs using volunteers to remove graffiti is supplementing this activity and enabling graffiti on non-Council assets to be targeted. The number of volunteers and hours varies on a monthly basis, with the six month period from Jan to June 2013 seeing more than 738 incidents either removed or painted over.
Current, future	Cost reduction	City leadership	Councillor use of tablet devices has improved immediacy of communication. It has also seen a reduction in the costs associated with the printing and distribution of Council meeting agendas, an estimated annual saving of $30,000.

Status	Type	Activity	Description
Current, future	Cost reduction	City leadership	The introduction of a centralised approach to corporate stationery purchasing has reduced expenditure by $40,000 per annum.
Current, Future	Cost containment	City leadership	A centralised approach to all of Council's printing has seen quotations called for all jobs (regardless of value), ensuring best possible price. This will be further enhanced through the exploration of printing contracts in the future.
Current, future	Efficiency gain	City leadership	The continued roll-out of Council's new corporate brand incorporates the development of a suite of templates for staff, saving time in document design and ensuring a consistent and professional image.
Future	Cost containment	City leadership	Council's advertising contracts are reviewed and renegotiated/tendered every two years.
Future	Service improvement/efficiency gain	City leadership	The development of a new corporate website will take advantage of new technology, making interaction with Council easier, providing better access to information and enabling enhanced collaboration with the community.
Future	Efficiency gain	City leadership	The increased integration of social media in Council's internal and external engagement and communication will minimise printing, reduce advertising expenses, provide timely information and improve collaboration. It will also enable more opportunities for resident feedback that may provide valuable suggestions for further efficiencies.
Future	Efficiency gain/new revenue	Community buildings	An analysis of the use of community buildings will be undertaken to ensure best use of facilities, ensure revenues are appropriate and consult with tenants. This may lead to changes, pending final review, as Council seeks to minimise asset maintenance costs associated with delivery of non-core services.
Future	New revenue	Community buildings	A new policy is in development, which will see cost recovery for community centres and halls set at between 20% and 30% of operational costs, subject to the type of user and facility.
Current, future	Service improvement/cost containment	Community buildings	A Community Facilities and Public Toilet Strategy was completed in 2013. This has established the direction for future development and management, and will see some public toilets closed, new toilets built and key facilities maintained, in line with current and future usage.
Current, future	Service improvement	Community Development	Strategies have been developed to increase partnerships and sponsorships to assist in the delivery of projects and programs.
Current, future	Efficiency gain	Community Development	Efforts have been made at a program level to foster a more proactive approach to services. This has resulted in a streamlined approach to external and internal partnerships, better access to grant funds and a structured basis for decision-making.
Current, future	Cost containment	Community Development	A joint approach to training in the community sector (eg child protection) has been undertaken with other Councils and community organisations to reduce the costs of training Council staff.

Status	Type	Activity	Description
Current	Cost containment	Community engagement	Development of a single engagement brand 'Maitland Your Say' and single point of entry for engagement online has prevented duplication of effort across the organisation and provided a single point of contact for the community
Current, future	Efficiency gain/service improvement	Community engagement	Upskilling staff in the use of social media tools has led to increased community participation in Council planning and decision-making, with minimal associated expense
Current, future	Cost containment	Community engagement	Rather than staging opportunities for residents to engage with Council, opportunities to access crowds are actively pursued, including at Council's own events. This minimises expenditure on facilities hire.
Future	Service improvement	Community engagement	The introduction of a Community Engagement Guide and Toolkit (currently being developed) with a specific section for engaging young people. This will improve engagement opportunities for residents and young people, providing a valuable input to service planning. It will also enable more efficient processes, avoiding duplication of engagement efforts.
Current	Cost reduction	Compliance services	Introduction of a 7 day roster, including 10 hour split shifts, has reduced afterhours call out costs for rangers and increased operational hours in a weekday from 8 to 11hours.
Current	Cost containment	Corporate reporting	Utilisation of Council staff to write, photograph, design and publish a corporate reporting suite, using a branding template, has avoided the need for external communications and design support.
Past, current, future	Service improvement	Corporate reporting	As an active member of the Hunter/Central Coast Region IP&R practitioners group, Council is able to share examples of best practice, harness ideas and collaborate on regionally appropriate projects.
Future	Efficiency gain	Customer Service	The planned upskilling staff in the use of social media tools will enable social customer relations management to be introduced, leading to improved response times.
Current	Efficiency gain	Customer Service	Standard Operating Procedures are regularly revised to ensure best possible service delivery to customers. A biannual planning day is held with the Customer Service Team to identify and work on areas for improvement in processes, systems and initiatives.
Current	Efficiency gain	Customer Service	Staffing levels in the customer service centre have remained static, whilst telephone enquiries have risen by more than 2000 calls per year and customer service requests by over 340 per year.
Current, future	Cost containment/efficiency gain	Development assessment and approvals	Introduction of e-housing code for complying development will reduce manual handling, improve approval efficiency and allow for 24 hour, 7 day a week lodgement.
Future	New income	Development assessment and approvals	An increased focus on marketing Council's building certification activities will be introduced to ensure awareness and utilisation of Council's services.

Status	Type	Activity	Description
Current, future	Efficiency gain	Economic Development	The advice and guidance provided by Council's economic development officer assists investors and developers in submitting appropriate applications to Council, preventing unnecessary 'to and fro' with the Development Control Unit.
Current, future	New income	Environmental services	An increased focus on grant opportunities has seen $312,000 realised over the past two years, enabling more on-ground projects to be realised.
Future	New income	Environmental services	A concerted effort will be made to increase program sponsorship, partnerships and community volunteers to support program delivery.
Future	Efficiency gain	Environmental services	An organisational-wide program is being developed to improve corporate understanding of environmental managements systems to improve environmental performance and operational compliance with various regulations.
Future	Service improvement	Governance	A review of Council's policy register is underway, with all policies assessed for legislative compliance and organisational appropriateness, with redundant policies rescinded.
Current	Efficiency gain	Grants	A centralised approach to grants management has been introduced to streamline acquittals.
Past, current, future	Cost containment	Plant and Equipment	Plant and equipment is proactively managed to ensure the best cost benefit. Our Plant and Equipment Replacement Policy addresses issues such as: replacement period; purchasing and disposal; utilisation levels; funding sources; and purchase / hire decisions.
Current, future	Cost reduction/costs containment	Plant and Equipment	The newly created position of Coordinator Mechanical Workshop will facilitate Council's continuous improvement in the area of fleet management, allowing the Council to realise savings through improvements and efficiency.
Current	Efficiency gain	Plant and Equipment	Introduction of new and more specialised equipment has helped to reduce costs and improve timeframes associated with works, particularly in recreation facility maintenance.
Future	New income	Heritage	An increased focus on grant opportunities has seen $45,000 realised over the past two years for heritage projects, enabling site interpretation plans, conservation plans and digitisation of resources.
Current, future	Cost reduction/ongoing saving	Information technology	The virtualisation of servers has reduced hardware, power and administration costs for the Council. This is estimated to have produced $110,000 savings in the first year and prevented future expenditure of $70,000 over 5 years.
Future	New revenue	Land use planning	The possibility of providing strategic planning services (eg environmental assessment and urban design) to other Councils will be explored.
Current	Efficiency gain	Land use planning	A new workflow process for planning proposals has been developed, aligned to internal and external (legislative) requirements. This has streamlined the process and improved accountability.

Status	Type	Activity	Description
Current, future	Efficiency gain	Land use planning	Recognising pressures of growth and legislative change, a review of the structure of the Urban Growth Department in 2012 resulted in the establishment of a Senior Strategic Planner to provide greater support and coordination.
Future	New revenue	Land use planning	A proposal to increase the administrative component of developer contribution fees from 1.5% to 2.5% is proposed to be presented to Council in 2014, as part of the review of the City-wide Section 94 contributions plan. This is in-line with many Councils and will increase revenue by approximately $100,000 per annum and more appropriately cover true costs.
Future	Efficiency gain	Land use planning	The introduction of the new corporate information system, Horizon, will see more efficient information management of both developer contributions and rezoning databases, as well as incorporate spatial information.
Current, future	Service improvement	Land use planning	Staff attend relevant professional development seminars to remain abreast of industry trends, as well as changes in policy and legislation.
Current	New revenue	Land use planning (Rezoning)	Rezoning fees were benchmarked against other Councils in 2013, which resulted in fees being increased to better reflect actual costs, the increasing complexity of proposals and relativity with other Councils. These changes are being implemented over three years.
Current, future	Efficiency gain	Library Services	Implementation of RFID system includes express checkout option for library customers with increased privacy and autonomy in checkout transactions. Over 70% of customers are using this option, enabling library staff to provide additional programs and services, such as early literacy programs, readers' advisory, adult literacy tutoring, technology assistance/training and Justice of the Peace availability. Other processes have been streamlined, for example automated bulk check-ins resulting in greater efficiencies for staff. Efficiencies have also been achieved in collection management, including improved processing of returns, identification of items with an exception status, stock inventory and security.
Current	New income	Library Services	Leasing of a café and meeting rooms within East Maitland Library Branch provides an ongoing source of revenue, while paid programs are continually refreshed.
Current, future	New income	Library Services	Fundraising undertaken by 'Friends of Maitland City Library' (such as the annual book sale) is used to fund specific projects that enhance library programs for the community,
Current, future	Efficiency gain	Library Services	Online ordering of books, standing orders and collection development priorities have contributed to more efficient collection management.
Future	Cost containment	Library Services	The option of outsourcing technical services is being explored in 2014, with a business case to be developed.

Status	Type	Activity	Description
Current	Service improvement/ Ongoing saving	Library Services	Upgrade of library management software to Windows-based functionality has improved management of customer records, improved catalogue output and electronic notification capability. Over 70% of library notifications (eg reservations, overdues) are sent via email or SMS, resulting in a reduction in handling and postage.
Current/ Future	Service improvement	Library Services	Unique local history/heritage resources, including over 1,000 photographs, 150 maps, archival records and important donated collections have been preserved in digital format and are accessible online via the Library's website.
Current/ Future	Efficiency gain/ Service improvement	Library Services	Online ticketing system streamlined management of library event promotion and bookings, including reduced cash handling through online management of financial transactions.
Current/ Future	Service improvement	Library Services	Introduction of federated searching option (February 2014) improved access to digital resources by integrating online databases and eResources (including eAudio, eBooks, eMagazines, downloadable music and streaming videos), offering users the option to perform one search from the Library's website across multiple content sources. The ability to search across all supplier portals through a single command with a single results page will significantly improve the customer experience and the Library's capacity to offer breadth of collection. Potentially, it will result in increased usage of our digital collections.
Current/ Future	Service improvement	Library Services	Free or low-cost services for customers, such as wireless access, internet access, email, printing, photocopying and scanning.
Current, future	Cost containment	Maitland Gaol operations	The former Maitland Gaol, a state-owned asset, is managed by Council on a cost-neutral basis. The facility provides tours, functions, events and is a site of significant historical significance. The Gaol is consistently managed on a 'break even' basis, with an increasing focus on grants to fund new activities asset renewal and program enhancement.
Current	Cost containment	Maitland Gaol operations	Installation of energy efficient lighting on site, returning cost savings over time
Current	Cost containment	Maitland Gaol operations	Installation of water recovery on site returning cost savings over time
Current	Cost containment	Maitland Events	Use of solar power, reducing reliance on costly generator hire.
Current, future	New revenue	Maitland Gaol operations	Development and leasing of café space
Future	Cost containment, New revenue	Maitland Gaol operations	A 'Friends of the Gaol' program will be explored for future implementation, with a view to enhancing site maintenance, improved fundraising and more.
Future	Cost containment, new revenue	Maitland Gaol operations	Further discussions to be staged with the NSW State Government regarding infrastructure maintenance and to ensure best value outcomes for the local community (currently no Council funding for asset as it is State-owned).

Status	Type	Activity	Description
Current, future	New income	Maitland Regional Art Gallery	New entrepreneurial activities and innovative programming is sought to offset costs of the service. Current activities include leasing of onsite café, gift shop and paid programs. Income received annually is approximately $200,000. MRAG is committed to increasing opportunities to maximise onsite revenue.
Past, current, future	New income	Maitland Regional Art Gallery	Gallery staff are focused pursuing all possible funding sources including grants, donations, sponsorships, auctions and fundraising by staff and members. Over the past two years, this has seen $190,000 realised. Whilst operating in a competitive and increasingly constrained arts funding environment, staff are committed to adding value to all areas of programming, including third party contributions.
Future	New income	Management of cemeteries	Council adopted its first ever strategy for cemetery management in 2013. The strategy identifies opportunities for further revenue generation, and will be progressively implemented over upcoming years.
Current	Efficiency gain	Management of cemeteries	The identification of plots has been improved for customers, and has been incorporated into a new module in Council's custom-built Horizon information management system.
Future	Efficiency gain	People Management	A Human Resources Information System will be introduced over the next two years. This will improve access to employee data, better manage individual employees and allow for improved trend analysis and response.
Past, current, future	Cost reduction	Procurement via Hunter Councils Inc	Council uses its membership of Hunter Councils for procurement on supply related contracts. These include road resurfacing, drainage pipes, concrete supply, line marking and more.
Current, future	Cost reduction/service improvement	Procurement/ tender panel	The introduction of a reduced tender threshold and panel of preferred tenderers for plumbing and electrical works has seen improved response on small projects and also cost savings.
Current, future	Service improvement/efficiency gain	Project Management	A proactive approach to secondments between departments has allowed agile movement of skills across the organisation, contributing to improved project outcomes and broadening of skills base.
Current, future	Service improvement/efficiency gain	Project Management	The recent move to accommodate in-house project management of heritage related projects has resulted in the development of a pool of experienced tradespersons and reduced reliance on project consultants eg Morpeth Courthouse project. It has also led to a significant increase in corporate knowledge which will provide benefits in planning for future heritage related works.
Current, future	Efficiency gain	Project Management	The further embedding of Council's Project Management Framework (aligned to leading PMBOK methodology) will ensure best practice project management, with 23 staff through accredited project management training.
Future	Efficiency gain	Project Management	The full deployment of project management software, aligned to Council's adopted framework, will enable efficient and transparent management of all Council

Status	Type	Activity	Description
			projects. The software is integrated with Council's corporate planning and reporting and employee performance software, enabling a holistic view of Council performance in real time.
Current	Efficiency gain	Property management	Responsibility for leasing avoids duplication of effort in the development of lease arrangements across different functional areas, whilst ensuring appropriate insurances and risk management measures are in place.
Current, future	Cost containment	Rates collection	Ensuring appropriate cash flow from rates and other charges, whilst also accommodating individual cases of hardship, is a challenge for all Councils. Council has a low percentage of outstanding rates, and will continue to fairly apply Council policies.
Future	Public private partnerships/improved service/cost reduction	Recreation asset management	Council has called for Expressions of interest for use of Walka Pump House in 2013/14. The goal is to further activate the Walka Water Works site, and potentially generate revenue to offset maintenance costs.
Future	New revenue	Recreation asset management	A review of fees and charges saw the introduction of new user fees to support ongoing maintenance.
Current	Service improvement	Recreation asset management	Introduction of new wet weather assessment and management protocol, enabling sports clubs to undertake assessments on weekends and prevent the need for staff to undertake these on Friday afternoons, maximising opportunities for weekend sport.
Current, future	Cost reduction	Recreation asset management	Introduction of mobile enabled sportsground lighting via 'Cloudmaster' app. The use of technology will allow for accurate billing of users and minimise electricity use.
Current	Ongoing saving	Recreation Planning	An increasing need for strategic plans utilising specialist services was recognised. A change in roles and recruitment has seen staff employed that are adept at strategic plan preparation, reducing the need for consultancies.
Current, future	Cost containment	Recruitment	Council has partnered with other local Council's to reduce advertising costs in the regional newspaper. Bulk placements have also been taken over a 12 month period to reduce costs.
Current	Cost containment	Recruitment	A revised Attraction and Engagement Protocol has been developed and implemented, ensuring streamlined processes, improved accountability and executive level review and approval of all vacancies.
Current	Cost reduction	Recruitment	Council has implemented an on-line recruitment system that has resulted in fewer people hours being dedicated to review of applications and improved turnaround times for applicants.
Current, future	Cost containment	Recruitment	A call for Expressions of Interest for recruitment agencies has minimised time and workplace disruption when seeking to fill interim or hard to find positions.
Current, future	Service improvement	Recruitment	A process of monthly meetings with new starters, coupled with exit interviews, allows for agile and pre-emptive responses to issues, assisting in the retention of employees.

Status	Type	Activity	Description
Current	Cost reduction	Recycling	A new tender for recycling services, called by Hunter Resource Recovery (consisting of four local Councils including Maitland), has seen a reduction in contract price of $6.8 million over 10 years.
Current, future	Service improvement	Sporting facilities	Active partnerships and improved advice to sporting groups has resulted in better understanding of turf and surface management of playing fields, resulting in improved playing surfaces for community use.
Current, future	Cost containment	Sporting facilities	A change in the structure of the sportsfield renovation program has improved drainage and enabled increased use of grounds.
Future	Efficiency gain	Sporting facilities	The introduction of new mowers in 2014 will allow more frequent mowing and various cut 'types', without any additional staff.
Future	Service improvement	Sporting facilities	A changed approach to drainage and irrigation of facilities will be introduced, lifting the playing standard and availability of fields following wet weather.
Past	Efficiency gain	Stores management	Responsibility for purchasing was transferred to a single department within Corporate Services in 2013, including management of the depot store. This has led to increased efficiency in stock management, ordering and payment
Past, current, future	Cost containment	Street lighting	Tendering of electricity supply has been sent to the open market, and will continue to be so, in three yearly cycles. It should be noted, however, that savings in energy costs are eroded by heavy increases in network and statutory charges.
Current, future	Cost containment/reduction	Street lighting	Council accepted a proposal from Ausgrid in 2013 to introduce LED lighting as standard in new residential subdivisions. The introduction of LED reduces cost by 3%, compared to former Compact Fluorescent Lights.
Current, future	Cost reduction?	Street lighting	The use of energy efficient technology has been accelerated in partnership with the energy provider. This will see outdated and inefficient lights in the system removed and replaced. Alternatives will continue to be pursued as technological advances are made.
Current	Service improvement	Subdivision engineering	Council's Manual of Engineering Standards was updated in consultation with development industry in 2013. The manual ensures a balance between community requirements and minimising costs for developers.
Current	Cost containment	Tourism	A restructure of Council's Marketing and Communications department in 2011 with a focus of service delivery and marketing of Tourism services has streamlined processes and contained the tourism budget over time.
Current	Efficiency gain	Tourism	A restructure of Council's Marketing and Communications department in 2011 has enabled a cross-functional approach to the department's portfolio and programs, complemented by skilled staff leading the functions of marketing, business operations, events management and service delivery.

Status	Type	Activity	Description
Current, future	Cost containment	Maitland Events	The introduction of a dedicated, professional events team in 2011 has seen improvements to processes and execution of events. Post event reviews ensure continuous improvement, including budget analysis, budget performance, sponsorships/partnerships, visitation and economic benefits.
Past, current future	New revenue	Tourism	Continued leasing of café space within the Visitor Information Centre and the operation of a small retail shop assists in offsetting service costs.
Future	Service improvement	Tourism	A review of Visitor Information Centre operations will be undertaken to ensure the relevance of the centre and current operating models. This may see a change in service delivery model, ensuring a contemporary approach is maintained.
Future	Efficiency gain	Tourism	The further use of technology to assist in events systems and processes.
Future	New revenue	Tourism	Partnerships and sponsorships for events will be more actively pursued to ensure the longevity and sustainability of events, and assist in meeting increasing event costs.
Current, future	New revenue	Traffic management	The identification of key projects in Maitland's Integrated Land Use and Transport Study has allowed Council to leverage projects in obtaining grant funding, in particular focused on the Maitland CBD.
Current, future	Cost containment	Transport planning	Strategic planning allows for identification of required traffic studies and analysis, with competitive tenders and temporary recruitment of qualified individuals on a project basis.
Future	Efficiency gain, cost containment	Volunteer management	Council has a wide pool of volunteers, supporting a range of activities from libraries, art gallery through to events. The possible centralised coordination of volunteers will be explored over the next two years, to improve coordination and support for this valuable community resource. A centralised focus will also allow for increased recruitment of volunteers to assist in appropriate activities. Additionally, centralising management of volunteers will minimise the amount of time required from activity managers in supporting the volunteers. The use of volunteers also offsets the costs of providing some activities.
Current/future	Efficiency gain/service improvement	Waste management	The appointment of a dedicated waste coordinator has improved statutory compliance and improved the practices of residents through fostering introduction of new product capture initiatives.
Past	New revenue	Waste management	Council's funding under the now defunct (2013) Waste and Sustainability Improvement Program (WaSIP) from the NSW State Government was grown by $100,000 each year.
Current, future	New revenue	Waste Management	With changes made to WaSIP and its replacement with 'Waste Less, Recycle More', Council is hoping to access considerably more funding. Council is seeking $1.3 million under the program to assist in the purchase of green waste bins and is currently developing EOI

Status	Type	Activity	Description
			documentation for funding of up to $10 million dollars for capital infrastructure, organics processing and household hazardous waste management systems.
Current, future	Cost containment	Waste management facility	The introduction of a flare at Mount Vincent has assisted in reducing Council's carbon tax liability, through a reduction of 2.5 million cubic metres of greenhouse gases.
Current, future	Cost containment	Work Health and Safety	Monthly reports are provided to the executive leadership team, highlighting incidents and trends. This allows for quick responses to issues emerging, through training, communication etc.
Current, future	Cost containment	Work Health and Safety	Development of close working relationships with key stakeholders such as Construction team leaders, Coordinators and Managers. This allows for support and guidance to be provided to key stakeholders to assist them in managing safety in the workplace.
Current, future	Cost containment	Work Health and Safety	Completion of safety reviews on work crews as they complete their tasks. Safety reviews assist in promoting working safely by the interactive nature of the review, where questions are asked regarding the task, observation of the task occurs and review of WHS procedures for the task takes place.
Current, future	Cost containment	Work Health and Safety	Regular reports of WorkCover prosecutions, advices, safety alerts etc are forwarded to relevant Managers, Coordinators and Team Leaders for their information and to present to staff at team meetings and/or toolbox talks. This provision of information assists in staff at all levels gaining a better understanding of issues that may be relevant to their area of work.
Current, future	Cost containment	Work Health and Safety	Regular review of current WHS management systems within Council in conjunction with key stakeholders. Safe work method statements (SWMS), procedures etc are reviewed and updated in consultation with the stakeholders. This allows for ownership of WHS by all stakeholders.
Current, future	Cost containment	Work Health and Safety	Training in key aspects of WHS legislation and Council's WHS management system is undertaken on regular intervals. This training assists in the development and understanding of WHS requirements.
Current, future	Cost containment	Work Health and Safety	A proactive approach to training is taken to assist in the prevention of injuries. Council has a number of wellness programs in place including nutrition advice, programs with an exercise physiologist, talks by Cancer Council, talks by persons who have had personal experience with mental health issues, flu vaccinations and more
Current	Efficiency gain	Workforce	A review of start and finish times for the outdoor workforce in 2013 has resulted in increased productivity as employees spend 38 hours per week on site; more efficient utilisation of vehicles; improved and more consistent management of employee start and finish times as all employees commence and finish all shifts at the Depot.

Status	Type	Activity	Description
Current, future	Efficiency gain/cost reduction	Workforce	A review of the Appearance and Infrastructure department has resulted in the consolidation of six departments into four. The reduction in management positions and associated savings (approximately $300,000 per annum) has been reinvested in establishing coordinator and technical specialist positions.

Comparative performance

Council is proud of its record and performance, and enjoys a reputation as a progressive, stable and responsive organisation.

Elsewhere in this application Maitland City Council demonstrates:

- a strong commitment to the IP&R framework (considered by the DLG as a Council to be benchmarked against, as per their IP&R manual pgs. 62 &78)
- a high level of operational efficiency
- effectiveness as a member of Hunter Councils Inc. with the model receiving positive feedback during the in the Independent Local Government Review process
- a high level of community satisfaction, and
- is seen as a great place to live, evidenced by the growth in the City's population.

We recognise the importance of benchmarking, using comparative performance data from other councils, the private sector and all levels of government to test performance and identify potential areas for improvement.

We welcome the opportunity to contribute to reviews, committees, local government reform enquiries and audit processes.

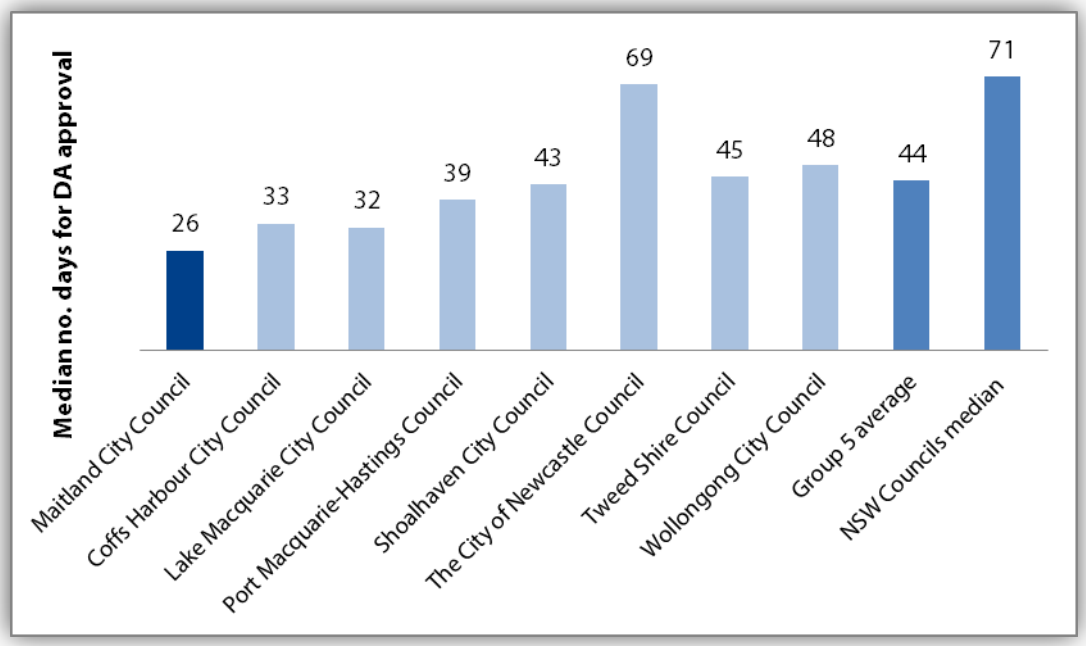
In analysing data available from various sources including the Division of Local Government Council's performance is notable in a number of areas.

Development Application Performance

Maitland City's growth is demonstrated through the large number of Development Applications lodged across residential, business and industry, and the significance of these. Council has maintained efficiency in their processing as demonstrated by local government performance monitoring data provided by the Department of Planning and Infrastructure.

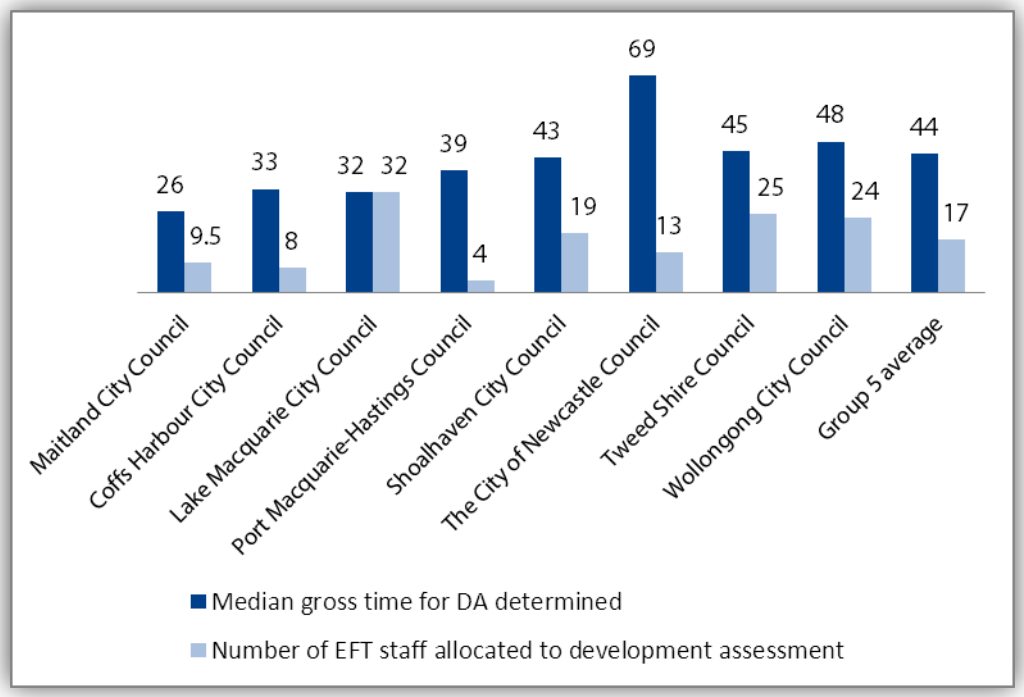
As illustrated below, Council's median processing times in the lowest within Group 5, at 26 days.

Figure 7.1.5 – Median time for DA determination, 2011/12, Group 5 Councils



Council continues to provide this result with a full-time staff allocation well below Group 5 average, as illustrated below.

Figure 7.1.6 – Median time for DA determination and staff 2011/12, Group



The value of these DAs is shown below:

Figure 7.1.7 – Value of DAs 2011/12, Group 5 Councils

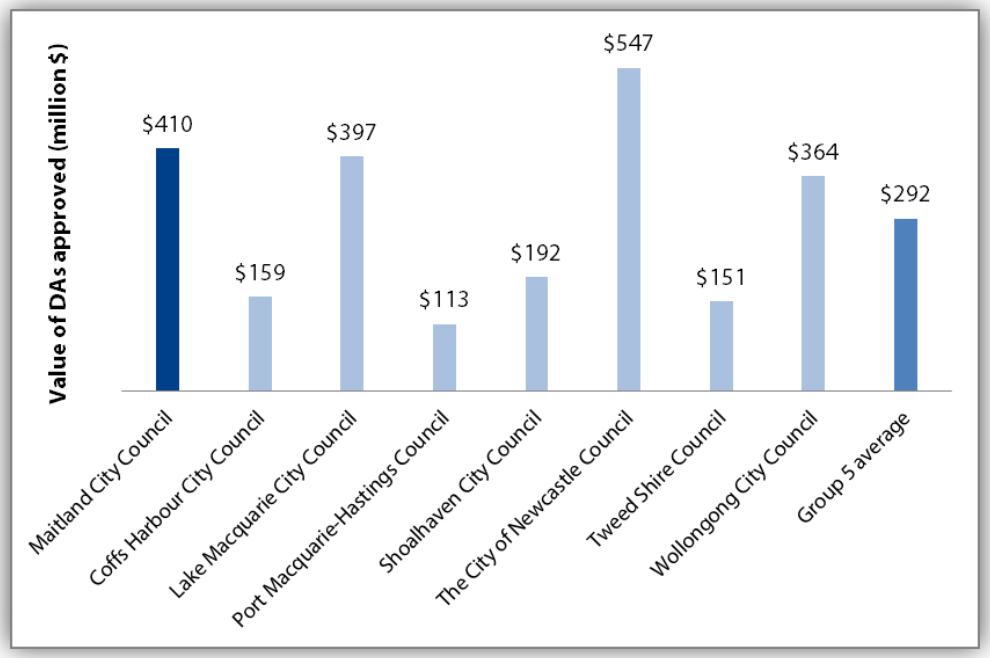
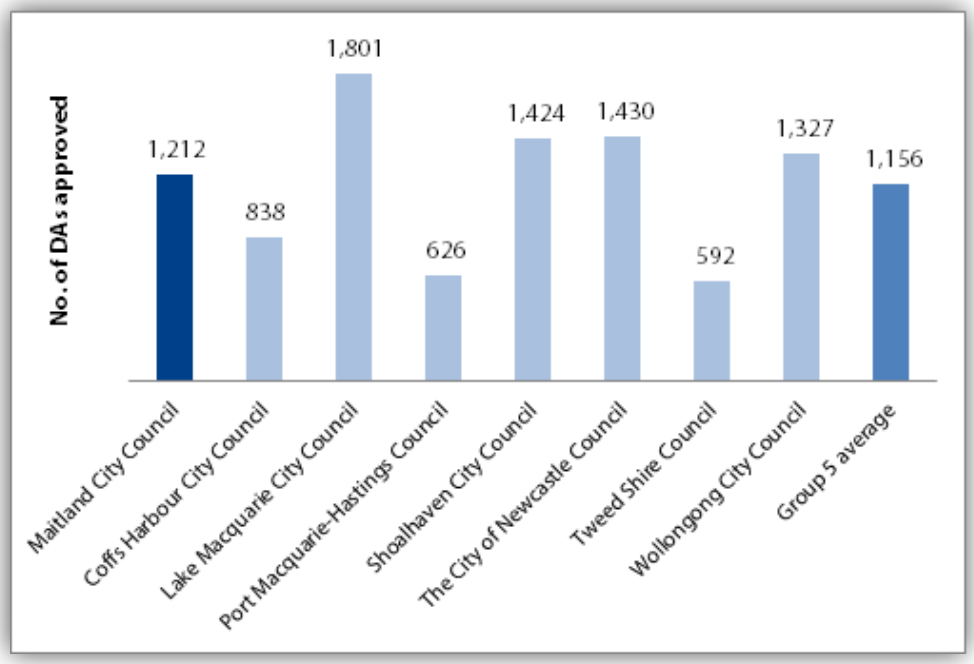


Figure 7.1.8 –Number of DAs approved 2011/12, Group 5 Councils



Sustainability Measures

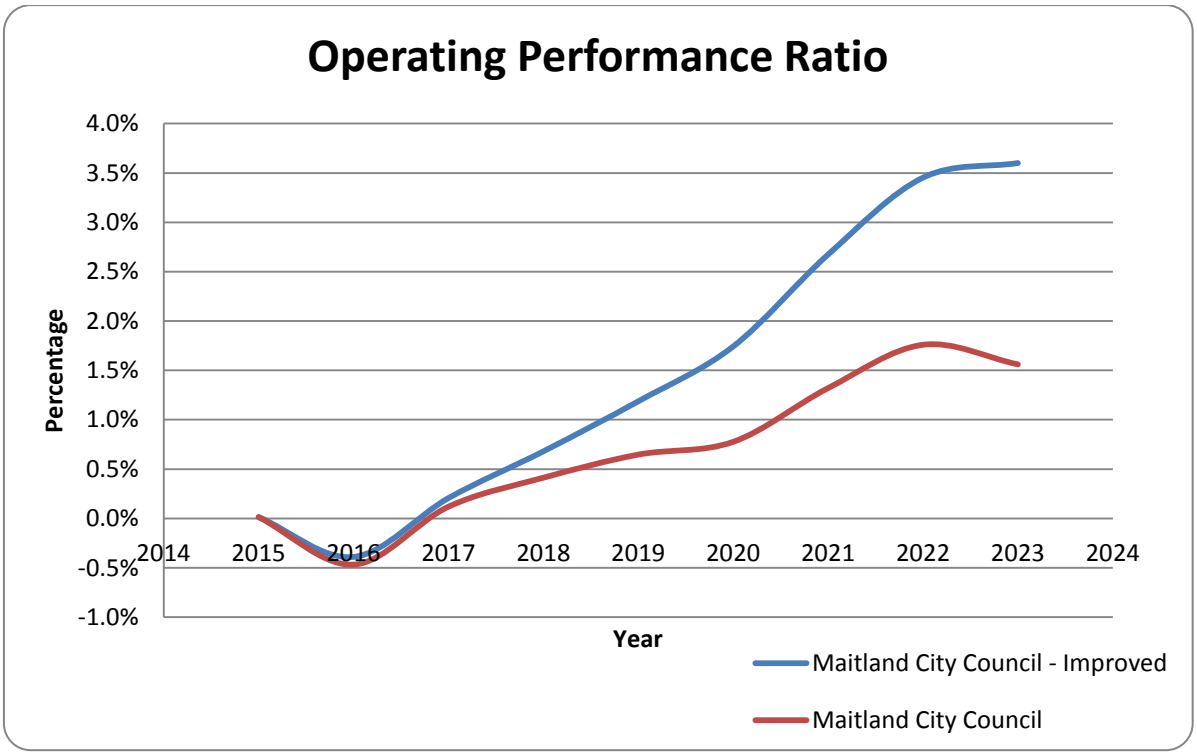
Looking at T-Corp's sustainability measures, Council has performed on par or above other members of Group 5. Under this application, Council expects to move from a Moderate to Sound position, and maintain a neutral outlook.

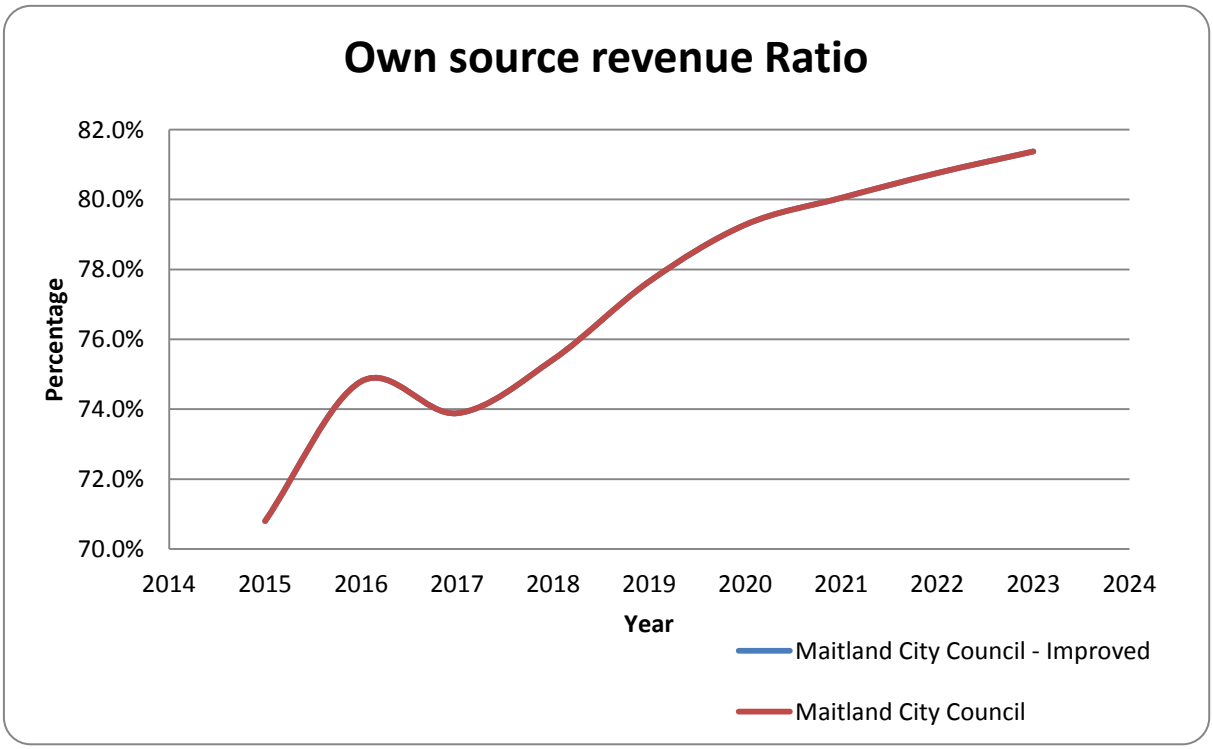
Table 7.1.2– T-Corp ratings, Group 5 Councils

Council	TCorp Financial Sustainability	Infrastructure Audit
Maitland City Council	Moderate - neutral	Moderate
Coffs Harbour City Council	Weak - negative	Weak
Lake Macquarie City Council	Moderate -neutral	Strong
Port Macquarie-Hastings	Weak - negative	Moderate
Shoalhaven City Council	Sound - negative	Moderate
The City of Newcastle Council	Moderate - negative	Moderate
Tweed Shire Council	Moderate - neutral	Strong
Wollongong City Council	Moderate - neutral	Moderate

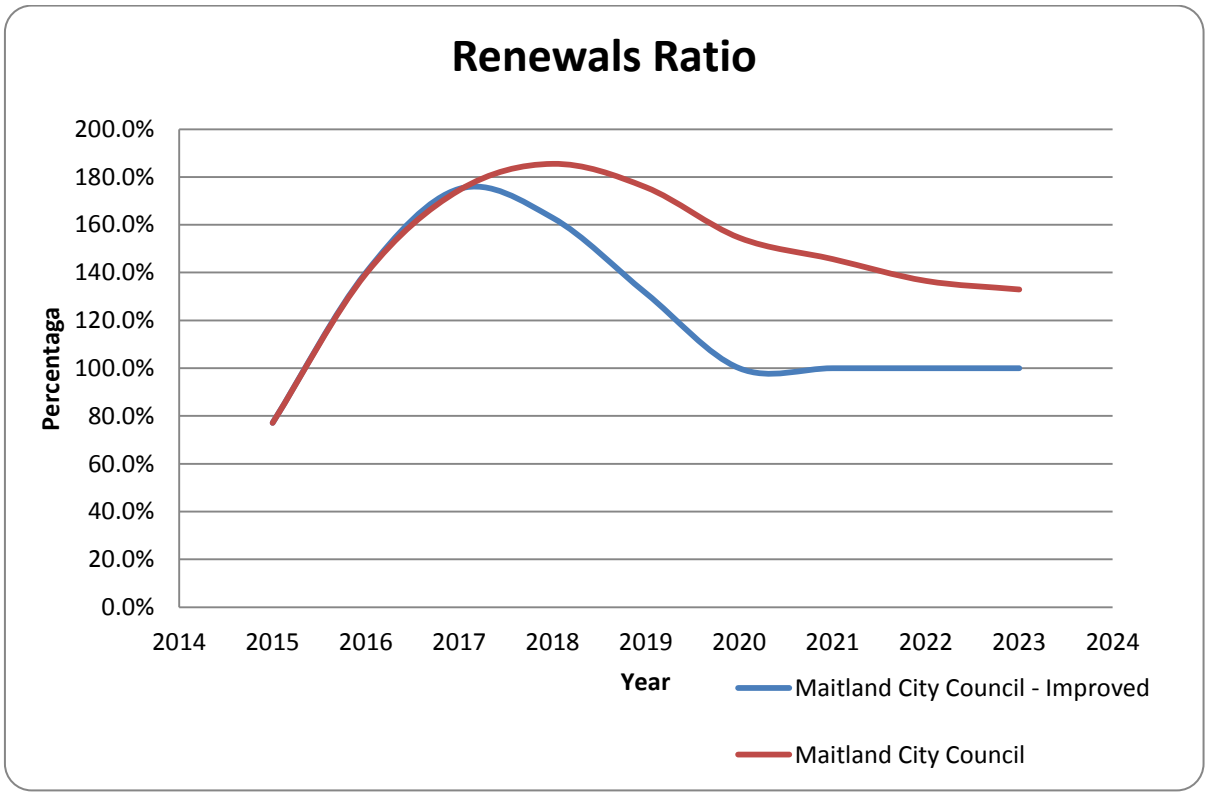
APPENDIX B

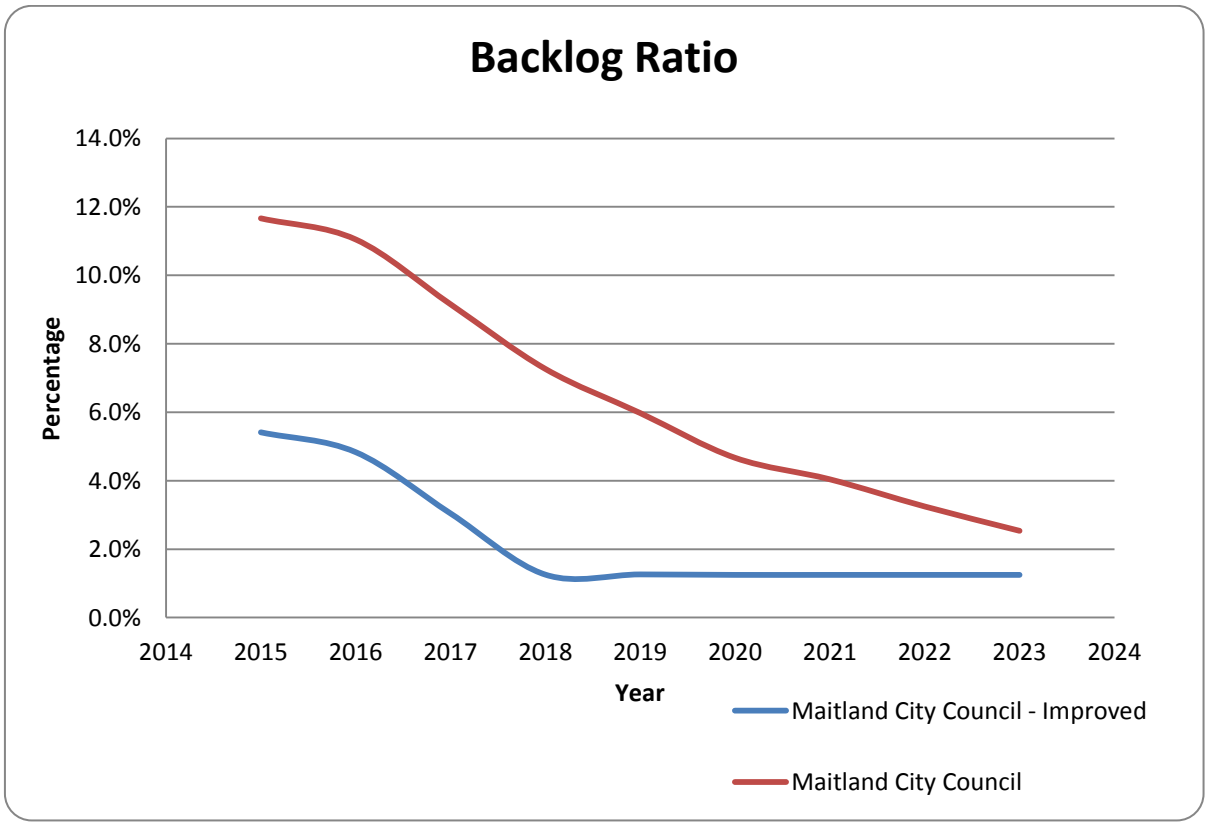
Overall performance improvement is shown in the following charts.

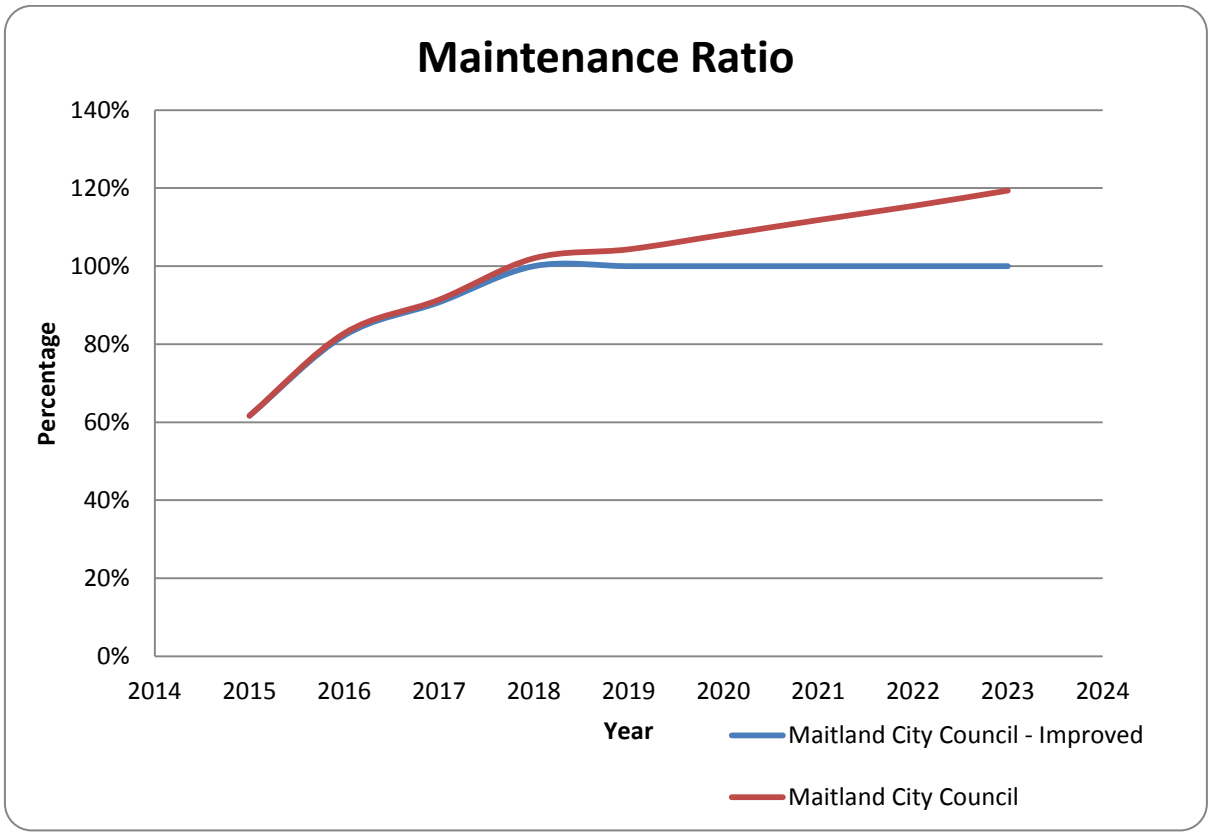


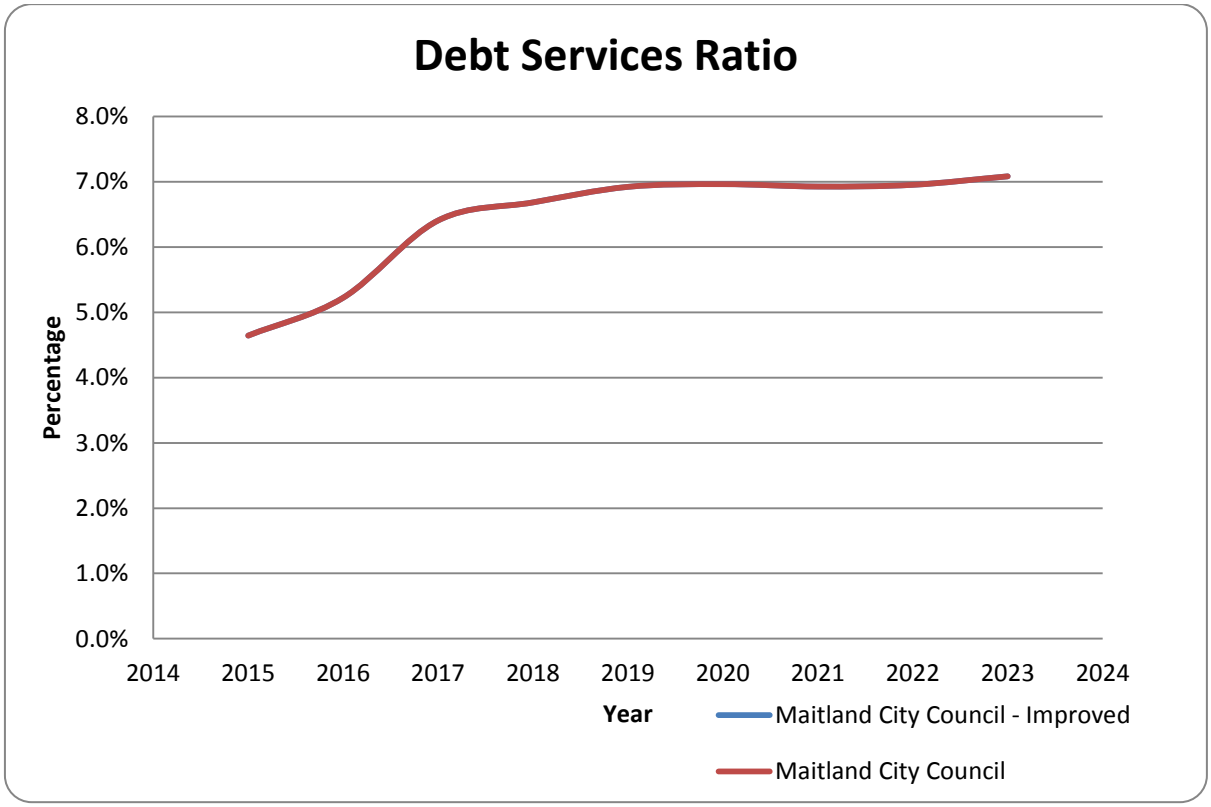


Note: there is no change to Own Source Revenue under the planned improvements.

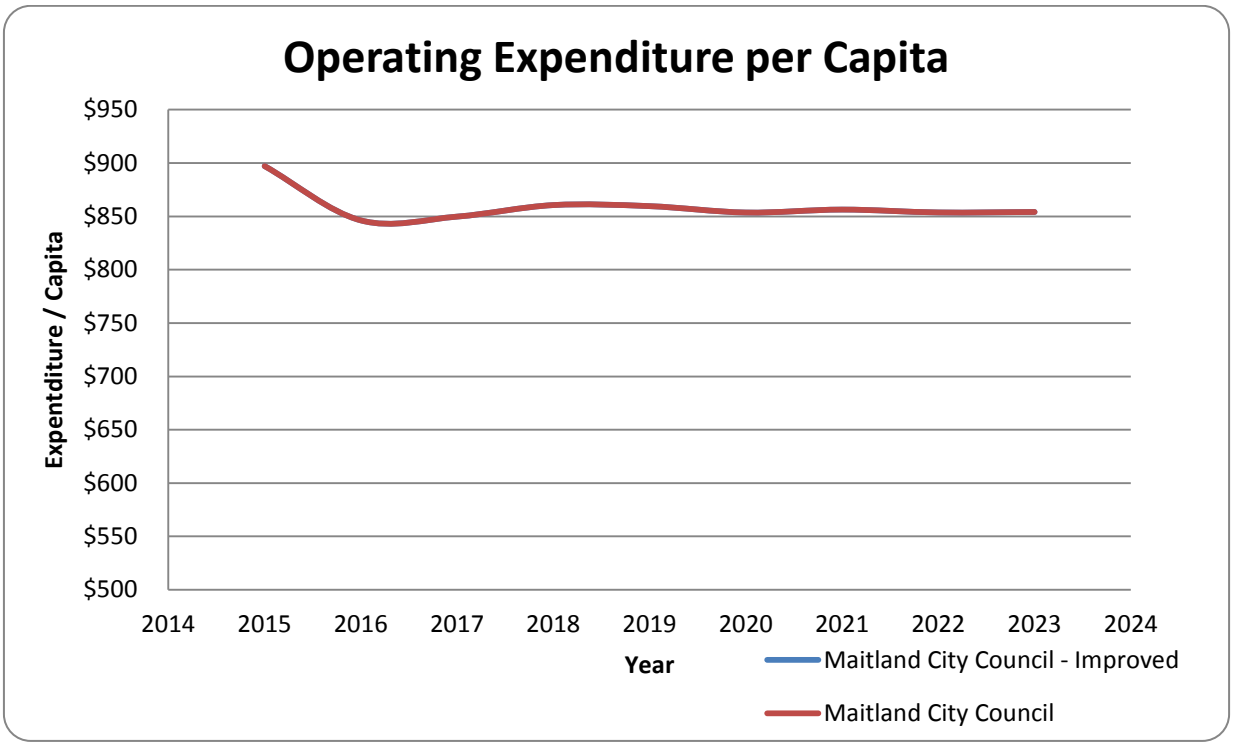

Renewals Ratio
200.0%
180.0%
160.0%
140.0%
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
Percentaga
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Year
Maitland City Council - Improved
Maitland City Council


Backlog Ratio
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
Percentage
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Year
Maitland City Council - Improved
Maitland City Council





Note: there is no change to Debt Services Ratio under the proposed improvements.



Note: there is no change to Real Operating Expenditure per Capita under the proposed improvements.