

## Template 2

Fit for the Future

# Council Improvement Proposal

(Existing structure)



Office of  
Local Government



# Getting started . . .

Before you commence this template, please check the following:

- You have chosen the correct template – only councils that have sufficient scale and capacity and who do not intend to merge or become a Rural Council should complete this template (Template 2)
- You have obtained a copy of the guidance material for Template 2 and instructions for completing each question
- You have completed the self-assessment of your current performance, using the tool provided
- You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.
- Your Proposal has been endorsed by a resolution of your Council.

**Council name:** Botany Bay City Council

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**Date of Council resolution endorsing this submission:** 24 June 2015

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## 1.1 Executive Summary

Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and your planned improvement strategies and outcomes.

The City of Botany Bay provides this Council Improvement Proposal in response to the NSW Government's *Fit for the Future* local government reform process.

Council had long advocated for a strong, effective and sustainable local government sector in NSW and has previously indicated its support for many of the recommendations contained in the Independent Local Government Panel's (the Panel) Report '*Revitalising Local Government*'.

However we are strongly opposed to the recommendations of the Panel in relation to structural reform, particularly as they relate to the City of Botany Bay

We note that the *Fit for the Future* process has been designed to support voluntary council mergers and we welcome the State Government's support to councils that need to merge in order to overcome structural and financial difficulties.

The City of Botany Bay rejects both the theory that the strategic capacity and economic viability of local government is related to its scale and the assessment approach adopted by the *Fit for the Future* process and IPART. This theory is contradicted by substantive evidence, data and by experience.

It is Council's view that improvements to governance are significantly more important to the strategic capacity of local government than any

other change. In this regard, we believe we lead the way with a directly elected Mayor and single member wards, both of which maximise accountability and encourage decision making in the broad interests of the entire population.

Despite our views on the process, the City of Botany Bay has explored options in line with the Panel's recommendations. Our analysis indicates that none of these alternatives offer an improved outcome for Council or our community, when assessed against our current position. We have not pursued the option of a Joint Organisation, given the NSW Government's stated position on this for metropolitan councils.

Our self-assessment indicates that we currently (2013/2014) meet 4 out of the 7 benchmarks (we consider that despite being debt free, we meet this benchmark). Our improvement program has been developed by our Fit for the Future Committee and endorsed by Council. Financial modeling, including updated forecasting, has been undertaken by Independent consultants, Morrison Low.

Our Improvement program provides the strategies and means by which we will address our performance, and meet, the Fit for the Future benchmarks.

Our Council Improvement Proposal demonstrates that the City of Botany Bay is **fit for the future** and confirms that we are:

- financially sustainable;
- efficient;
- effectively managing our infrastructure and service delivery to the community; and
- we have appropriate scale and capacity

More important than any analysis are the views of our community members and key stakeholders. Significant land owners and employers such as Sydney Airport and Orica confirm the strategic capability of the City of Botany Bay. The Property Council of NSW has rated the City of Botany Bay an "A" for our achievement of housing growth targets.

Most importantly, our community strongly supports the City of Botany Bay remaining independent. We welcome their trust and confidence in our Council and our City's future.

## 1.2 Scale and Capacity

Does your council have the scale and capacity broadly consistent with the recommendations of the Independent Local Government Review Panel?

*(ie, the Panel did not recommend your council needed to merge or become a Rural Council).*

**Yes / No**

If No, please indicate why you are not proceeding with a voluntary merger or creation of a Rural Council as recommended by the Independent Panel and demonstrate how your council has scale and capacity (up to 500 words).

The Independent Local Government Review Panel recommended that the City of Botany Bay merge with the councils of Randwick, Sydney, Waverley and Woollahra. We strongly reject the Panel's view that the appropriate determinant of scale is population or residential rate base. Viewed through a broader definition of scale, we consider that we have sufficient scale for the following reasons:

- We have a residential population of 44,742 and support a daily population (residents, workers and visitors) of between 250,000 and 300,000.
- Our City has seen unprecedented growth over the past decade with a population increase of almost 20%. Significantly, almost half of this increase has occurred over the past three years.
- Our total income base equates to \$64,590 million
- Our City generates \$9.5 billion in Gross Regional Product (GRP) representing 2% of the State's Gross State Product (GSP). We are located within the key economic corridor identified in the NSW Government's Metropolitan Plan.
- We generate and support employment opportunities for 63,250 local jobs

- We house centres of employment and economic activity such as the Lakes Business Park (home to over fifty companies); Westfield Eastgardens (with over 11 million customer visits annually) and more than 4,500 small business operators.
- Two of the main drivers of economic activity for the State and nation are located within our City's boundary – Sydney Airport and Port Botany. Council has productive relationships with these entities and actively supports their operations. We are the only council in our region to recognise the Port and Airport in our Local Environmental Plan (LEP).

**We are firmly of the view that any proposal to merge the City of Botany Bay into a larger entity would severely impact these relationships, result in a loss of expertise and a diversion and dilution of the capacity to effectively manage and support the continued growth of these two major economic drivers to the NSW economy.**

Regardless of scale, it is inarguable that the City of Botany Bay demonstrates and delivers strategic capacity. This capacity is evidenced primarily by:

- Our relationship with the Port and Airport
- Delivery on state and federal government priorities
- An ability to building community capacity
- Unambiguous community support and strong stakeholder engagement
- Significant experience in environmental management

We believe that the source of this capacity is not scale but our robust and strong governance. Our democratic accountability to the community is unprecedented and achieved through a popularly elected mayor and single council member wards.

We have demonstrated good governance over a sustained period of time, evidenced by our long term councillor relationships with the community, openness and transparency in our decision making and the strong governance frameworks we work within. We have had no code of conduct complaints raised against councillors or senior staff and there have been no suspensions, sackings or inquiries.

The Panel has produced no evidence to show that strategic capacity is a function of the size or scale of a council, nor evidence to show that councils with larger populations are more efficient or effective in providing services to local communities. Good governance is the key elements in delivering capacity.

Council is proud and confident of its scale and exceptional capacity to meet the needs of our local community now and well into the future.

## 2. Your council's current position

### 2.1 About your local government area

Explain the key characteristics of your local government area, your community's goals and priorities and the challenges you face in the future (up to 500 words).

*You should reference your Community Strategic Plan and any relevant demographic data for this section.*

The City of Botany Bay is located in the inner south-eastern suburbs of Sydney, about 7km south of the Sydney CBD. Our City shares its boundary with the Sydney LGA to the north, Randwick LGA to the east and Rockdale LGA to the south. Our area includes the suburbs of Banksmeadow, Botany, Daceyville, Eastgardens, Eastlakes, Hillsdale, Mascot, Pagewood and parts of Rosebery.

The City is located in the Federal seat of Kingsford-Smith and the State seats of Heffron and Maroubra. The traditional owners of our land are the Bidjil and Gadigal people of the Eora Nation.

We have 44,742 residents with a median age of 37 years. Our population has seen strong growth in recent years and this population growth is expected to exceed NSW Planning projections.

Our community profile reflects a city and community with a strong and proud history, rich in cultural diversity, growing and prospering, liveable and contributing to with wider community and the NSW State. ABS Statistics show that 42.1% of our residents were born overseas, with 35.8% coming from non-English speaking backgrounds. The change in our City is reflected in the SEIFA index (985) which shows significant disadvantage in the areas of Daceyville, Hillsdale and Eastlakes and greater wealth in the Eastgardens, Pagewood and Mascot precincts. 10.1% of our residents reside in social housing and the median weekly income for Botany Bay residents is \$1,245, significantly below other LGAs in the region. 21.3% of our residents are under 17 years of age. 17.5% are aged between 60-84yrs and the highest proportion of residents are 35-49 years age group (22.7%) followed by 25-34 years age group (16.10%). Family households are the highest in the region (46.8%). We have the highest average household number at 2.6.

61.1% of residents have lived in the local area for 5 years or more, reflecting the high liveability value of our City

Our local economy is strong. The number of businesses in the City has increased from 4,452 in 2013 to 4,520 in 2014. Our City provides employment opportunities in excess of the needs of our local community, with 2.8 jobs for each employed resident. We support key state and national infrastructure such as Sydney Airport and Port Botany, and associated industries, within our boundary.

Strong and increasing development activity has seen the construction of quality medium and high density residential housing, particularly around the Mascot Station Precinct. We coordinate development activity to the value of \$613 million.

Challenges we face in the future include:

- Maintenance and renewal of infrastructure to meet current and future community needs
- Securing affordable, accessible, integrated transport options to connect communities
- Responsibly working with the Port, Airport and local industry to manage the environmental and residential amenity of our City
- Land remediation and managing the environmental impact of industry
- Balancing the competing needs and aspirations of the community with strong population growth and changing demographics
- Delivering the outcomes agreed with our community outlined in the Community Strategic Plan in a climate of uncertainty



## 2.2 Key challenges and opportunities

Strengths	Weaknesses
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• <b>Community trust</b> – we foster an extremely high level of trust and credibility with our community.</li> <li>• <b>Political leadership</b> - experienced, qualified and cohesive.</li> <li>• <b>Organisational capacity</b> – experienced leadership team, qualified experienced and skilled staff, flexible resourcing, excellent staff retention, diverse workforce, strong corporate governance.</li> <li>• <b>Financial Sustainability</b> – strong operating income and well managed operating expenditure, robust long term financial plan.</li> <li>• <b>Positive outlook for City</b> – excellent access to Sydney CBD, highly desirable location, sustained population growth, high level of investment and development, significant investment in infrastructure.</li> <li>• <b>Continuous improvement</b> – Sustained financial performance, organisational change initiatives, service review program, self insurance, resource sharing arrangements.</li> <li>• <b>Regional collaboration</b> – leader and active contributor in region eg SSROC programs, Sydney Metropolitan Mayors, Business Enterprise Centre.</li> <li>• <b>Australian Mayoral Aviation Council</b> – advocacy and coordination of national aviation matters on behalf of local government.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ageing workforce</b> – a consequence of strong staff retention and employer of choice.</li> <li>• <b>Lack of specialist staff</b> – industry wide issue in particular professions.</li> <li>• <b>Asset backlog</b> – asset management has generally occurred on and ‘as required’ basis.</li> <li>• <b>Regulatory, compliance and reporting burdens.</b></li> <li>• <b>Reliance on cash</b> – Council ‘no debt’ policy means higher utilisation of cash assets to fund projects and infrastructure.</li> </ul>

<ul style="list-style-type: none"><li>• <b>Planning outcomes</b> – delivery on State planning and housing targets, strong development activity.</li><li>• <b>Stakeholder engagement</b> – robust and productive relationships with federal and state agencies, business entities and community based organisations.</li><li>• <b>Strategic Vision</b> – our Botany 2040 Vision outlines our plans for the future.</li><li>• <b>Environmental and risk management</b> – credibility in managing and partnering with others to address issues arising from environmental contamination and industry activities.</li><li>• <b>Commercial focus</b> – contracted commercial services to Sydney Airport and other significant stakeholders eg. Department of Defence, Sydney Ports, Centennial &amp; Moore Park Trust.</li></ul>	
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Opportunities	Threats
<ul style="list-style-type: none"> <li>• <b>Increased partnership with private entities.</b></li> <li>• <b>No debt</b> – ability to leverage borrowings.</li> <li>• <b>Urban renewal</b> – strong development activity and delivery of infrastructure.</li> <li>• <b>Asset review</b> – review existing assets and investigate potential for improved returns.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Fit for the Future</b> – uncertainty regarding long term outlook and context following reform initiatives.</li> <li>• <b>Loss of direct funding</b> - from State and Federal agencies.</li> <li>• <b>Cost shifting</b> - from other levels of government.</li> <li>• <b>External planning decisions</b> – lack of local context and associated infrastructure provision.</li> <li>• <b>Commercial contracts</b> – non-renewal would impact financial position.</li> <li>• <b>Economic downturn</b> – impact on investment and development within the City.</li> </ul>

## 2.3 Performance against the Fit for the Future benchmarks

### Sustainability

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-2.7	No	1.4%	Yes
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	71.8%	Yes	71.6%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	62.1%	No	178.4%	Yes

If the Fit for the Future benchmarks are not being achieved, please indicate why.

All benchmarks met

## 2.3 Performance against the Fit for the Future benchmarks

### Infrastructure and service management

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	6.93%	No	2.8%	No
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	130.3%	Yes	100.0%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	0.0%	Yes	0%	Yes

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Council's Infrastructure backlog is decreasing and will attain benchmark of under 2% in 2017/2018.  
Council considers it meets the benchmark in respect of Debt Service Ratio despite being debt free

## 2.3 Performance against the Fit for the Future benchmarks

### Efficiency

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	\$1,120	Yes	\$1,081	Yes

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Benchmark met

## 2.4 Water utility performance

*NB: This section should only be completed by councils who have direct responsibility for water supply and sewerage management*

Does your council currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework?

~~Yes~~ / ~~No~~ **NA**

If NO, please explain the factors that influence your performance against the Framework.

NA

How much is your council's current (2013/14) water and sewerage infrastructure backlog?

NA

## 2.4 Water utility performance

Identify any significant capital works (>\$1m) proposed for your council's water and sewer operations during the 2016-17 to 2019-20 period and any known grants or external funding to support these works.

### Capital works

Proposed works	Timeframe	Cost	Grants or external funding
NA			



## 2.4 Water utility performance

Does your council currently manage its water and sewerage operations on at least a break-even basis?

**Yes / No NA**

If No, please explain the factors that influence your performance.

NA

## 2.4 Water utility performance

Identify some of your council's strategies to improve the performance of its water and sewer operations in the 2016-17 to 2019-20 period.

### Improvement strategies

Strategy	Timeframe	Anticipated outcome
1. NA		

## 3. How will your council become/remain Fit for the Future?

### 3.1 Sustainability

Summarise your council's key strategies to improve performance against the Sustainability benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

Council financial position has improved significantly over the past three years.

We have built upon a number of existing strategies to improve sustainability including:

- Improved asset management – delivering annual savings of approximately \$1.5M in depreciation
- Increased own source revenue – including additional rating income of \$2,690,000 (inclusive of anticipated rate pegging increases) reflective of the strong development activity in our City; a review of fees and charges generating an additional \$450,000
- Increased efficiencies in procurement and business practices resulting in expenditure savings of \$430,000

Explain the key assumptions that underpin your strategies and expected outcomes.

*For example the key assumptions that drive financial performance including the use of SRVs, growth in rates, wage increases, Financial Assistance or other operating grants, depreciation, and other essential or major expense or revenue items.*

Developments will be constructed and occupied as projected. Rate increases estimated at 2.5% Council has used an inflationary figure of 3% across all other areas of income with the exception of parking 6% and investment income 2.5%. Wage increases 3% - 3.25%. Council has also allowed an average increase of 3% per annum in all other areas of expenditure for the life of the plan.

Our methodology in respect of accounting for depreciation has been reviewed by external parties and agreed to by Council's External Auditor.

## 3.1 Sustainability

Outline your strategies and outcomes in the table below.

### 3.1 Sustainability

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Operating performance measure to meet or exceed benchmark	Improved performance through increased Own Source Revenue performance	Annual review Fees and Charges <ul style="list-style-type: none"> <li>• identify potential new fees</li> <li>• Internal Audit to ensure fees are being applied correctly 2015/2016</li> <li>• Fee categories with stronger focus on cost recovery/market rates</li> </ul> Investigate new revenue streams <ul style="list-style-type: none"> <li>• Marketing – commercial advertising 2015/2016</li> <li>• Fees – new commuter and shopping centre car parks 2016/2017</li> </ul>	Increased revenue contributes to increased operating performance  Continued non-reliance on loan borrowings  Reduced reliance on grant funding	Increased Own Source Revenue

		<p>Rates and Charges</p> <p>Significant increase in rate income as a result of projected development activity 2018/2019 and 2019/2020</p> <p>Reconsider need for Special Rate Variation in 2016/2017</p> <p>Review Rating Strategy in 2016/2017</p>		
	Review Asset Management methodology	<p>Review of depreciation methodology for useful life of assets 2015/2016</p> <p>Review conditions of assets 2015/2016</p> <p>Revaluation of assets 2015/2016</p>	<p>Depreciation expense significantly reduces from 2014/2015 onwards contributes to increased operating performance</p>	<p>Improvement in Building and Infrastructure Renewal Ratio</p> <p>Improvement in Infrastructure Backlog Ratio</p>

	Decrease in operating expenditure through improved efficiency	<p>Undertake operational reviews to improve efficiency 2015/2016:</p> <ul style="list-style-type: none"> <li>• Fleet Management</li> <li>• Improved use of technologies</li> <li>• Improved environmental sustainability</li> <li>• Rationalisation of communication</li> <li>• After-hours cleaning and maintenance (overtime)</li> </ul>	Decreased expenditure contributes to increased operating performance	Decrease in Real Operating Expenditure Per Capita
Own Source Revenue to meet or exceed benchmark	Improved operating performance through additional revenue	<p>Annual review Fees and Charges</p> <ul style="list-style-type: none"> <li>• identify potential new fees</li> <li>• Internal Audit to ensure fees are being applied correctly 2015/2016</li> <li>• Fee categories with stronger focus on cost recovery/market rates</li> </ul>	<p>Increased revenue contributes to Own Source Ratio benchmark</p> <p>Continued non-reliance on loan borrowings</p> <p>Reduced reliance on grant funding</p>	Improved Operating Performance Ratio

		<p>Investigate new revenue streams</p> <ul style="list-style-type: none"> <li>• Marketing – commercial advertising 2015/2016</li> <li>• Fees – new commuter and shopping centre car parks 2016/2017</li> </ul> <p>Rates and Charges Significant increase in rate income as a result of projected development activity 2018/2019 and 19/2020</p> <p>Reconsider need for Special Rate Variation in 2016/2017</p> <p>Review Rating Strategy in 2016/2017</p>		
Meet Building Infrastructure Asset Renewal Ratio	Review and refine depreciation methodology in line with accounting	Continue to refine Asset Management Plans (annually)	Building and infrastructure renewal will continue to increase	Own Source Revenue will increase as infrastructure backlog

	<p>standards and industry practices</p> <p>Review community demand and community need for assets</p> <p>Review asset portfolio and assess ongoing viability of assets</p> <p>Review need for new assets in line with community needs</p>	<p>Undertake condition of asset review 2015/2016</p> <p>Continue to review useful life of assets (annually)</p> <p>Undertake Community Facilities Review 2015/2016</p> <p>Undertake Recreational Needs Analysis 2015/2016</p>	<p>over the life of the Plan to reduce infrastructure backlog</p> <p>Provide assets that are well functioning and meet community needs</p>	<p>declines</p> <p>Asset Maintenance Ratio reduces to benchmark reflective of less reactionary maintenance</p>
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## 3.2 Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the Infrastructure and service management benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

Our key strategies to improve performance against infrastructure and service management benchmarks focus on:

- Asset Management – Improved Asset Management across the organisation; Council has realigned its spending on assets. A greater proportion of funds have been directed towards renewals to reduce infrastructure backlog. Asset maintenance remains at a level to meet benchmarks (marginal decline in 2015/16) with savings in depreciation reducing the required maintenance to be undertaken annually. The development of asset maintenance schedules for all classes of assets will ensure better value for money with less of a likelihood of reactionary maintenance needing to be undertaken.

Explain the key assumptions that underpin your strategies and expected outcomes.

Expenditure on asset renewals to continue at the forecast rate in LTFP  
Increased renewal expenditure will extend the useful life of assets as well as reducing maintenance costs.  
Condition of drainage assets to be confirmed through progressive program of CCTV inspections  
Council remains debt free

## 3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

### 3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
To reduce infrastructure backlog to meet benchmark	Refinement of asset methodology to determine and agree satisfactory standard with the community.	Refine Asset Management Strategy and Plans 2015/2016  Review Capital Works Program annually  Consult annually with the community as part of IP&R Process	Greater proportion of asset portfolio meeting satisfactory standard  Better value for money through less reactionary asset maintenance  Reduced backlog	Increase in Building and Infrastructure Renewal ratio  Potential increase in Operating Performance ratio once infrastructure backlog is reduced allowing additional funds for other purposes  Asset Maintenance Ratio should reduce reflecting less reactionary maintenance

Maintain Asset Maintenance at benchmark	<p>Review Asset Management Plans to inform maintenance requirements</p> <p>Maximise funds to achieve balance between ‘renewal’ and ‘maintenance’</p>	<p>Finalise maintenance schedules for all classes of assets:</p> <p>Buildings 2015/2016</p> <p>Roads 2015/2016</p> <p>Parks Infrastructure 2015/2016</p> <p>Kerb &amp; Gutter 2016/2017</p> <p>Footpaths 2016/2017</p> <p>Drainage 2016/2017</p>	<p>Greater proportion of asset portfolio meeting satisfactory standard</p> <p>Better value for money through less reactionary asset maintenance</p> <p>Provide assets that are well functioning and meet community needs</p>	Building and Infrastructure increasing as funds diverted from maintenance to renewals
Utilise debt responsibly and only as required	Continue to reassess need for loan borrowings to fund major capital works projects and for the equitable distribution over the useful life of the asset.	Review annually in conjunction with Capital Works Program	<p>Infrastructure backlog being reduced without the need for loan borrowings</p> <p>New community assets being realised through use of Section 94, VPA and Revenue funds</p>	Potentially increase Operating Performance and Cost per Capita

### 3.3 Efficiency

Summarise your council's key strategies to improve performance against the Efficiency measures in the 2016-20 period, including the outcomes you expect to achieve.

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The combined impact of the improvement initiatives from sustainability and infrastructure and service management combined with strong population growth will result in the projected decrease in real operating expenditure per capita.

Explain the key assumptions that underpin your strategies and expected outcomes.

Attaining benchmarks in other ratios  
Strong residential population growth;

### 3.3 Efficiency

Outline your strategies and outcomes in the table below.

### 3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Maintain levels of services as agreed with the community	Maintain efficient and effective service delivery	Benchmarking	Services and facilities meet community needs and aspirations	Operating Performance
Respond to changing community needs and statutory requirements	Continue to explore efficiency gains through regional collaboration	Community Survey	Efficient and effective service delivery	
	Monitor and review financial performance	Internal Business Process Improvement Program		
	Plan for significant increase in residential growth	Annual Operational Plan		
		Monthly Budget Review		

## 3.4 Improvement Action Plan

Summarise the key improvement actions that will be achieved in the first year of your plan.

### Action plan

#### Actions

#### Milestones

##### 1.Asset Management

Continue to refine Asset Management Strategy and Plans including:

- Review condition of assets
- Revaluation of assets
- Review service levels for assets
- Finalise maintenance schedules for buildings, roads and parks infrastructure
- Depreciation methodology
- Conduct Community Facilities Review
- Conduct Recreational Needs Analysis

June 2015 - June 2016

##### 2. Revenue opportunities

- Review fees and charges to identify potential new fees and charges
- Revenue Policy to focus on cost recovery/market rates
- IA to conduct audit to ensure fees are being applied correctly
- Pursue marketing options for commercial advertising signage
- Fees – new commuter car parks (construction 2016-2017)
- Fees – additional parking income from new residential parking schemes
- Fees and charges – additional income regulatory enforcement

January 2016-June 2016

<ul style="list-style-type: none"> <li>Review Rating Strategy</li> </ul>	
3. Improved efficiencies <ul style="list-style-type: none"> <li>Review Fleet Management</li> <li>Improved use of technologies</li> <li>Improved environmental sustainability</li> <li>Rationalisation of communications</li> <li>Review after-hours cleaning and maintenance (overtime)</li> </ul>	Sept 2015-June 2016
4. Quality Improvement and evaluation <ul style="list-style-type: none"> <li>Continue Business Improvement Program</li> <li>Monthly Budget Review and Reporting to Executive Committee</li> <li>Delivery Program and Quarterly Budget Review</li> <li>Continue Training and Development program</li> <li>Undertake Benchmarking opportunities</li> <li>Undertake Community Survey</li> </ul>	July 2015 – June 2016
<b>* Please attach detailed action plan and supporting financial modelling</b>	

Outline the process that underpinned the development of your Action Plan.

This Action Plan was developed by the FFF Committee. An independent consultant, Morrison Low, was engaged to assist with financial forecasting, asset management and improvement program. Council adopted submission at Council Meeting on 24 June 2015.

### 3.5 Other actions considered

In preparing your Improvement Action Plan, you may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

Merger options – Options explored did not offer an improved outcome for Council or our community.

Special Rate Variation – All benchmarks predicted to be met within the required timeframes. We may consider this option at a later date, in consultation with the community, following the outcome of our Botany 2040 Project – *The City we Want*

Loan Borrowings - All benchmarks predicted to be met within the required timeframes. We may consider this option at a later date, in consultation with the community, following the outcome of the Botany 2040 Project

Discontinue services where grant funding from other levels of government has been withdrawn or under threat (FDC and HACC {CSP} including Meals on Wheels, Centre Based Day Care, List Shopping) - These services are valued and have been agreed with our community through CSP. These are important services to vulnerable members of the community, aids community connection and supports social justice principles. We will reassess and reconsider the continuation of these services consultation with our community in 2016/2017

Market rental and full cost recovery applied to use of premises by community organisations - Services valued and agreed with community. Through CSP. Increased fees may result in a reduced use of facilities by community groups, leading to a decline in social capital, and negative outcomes for our community. Community Facilities Needs Analysis and Utilisation Review will be undertaken in 2015/2016.



## 4. How will your plan improve performance?

### 4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	.01%	1.0%	1.4%	1.9%	3.0%	4.9%	Yes
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	70.5%	67.7%	71.6%	75.9%	84.4%	85.0%	Yes
<b>Building and Infrastructure Asset Renewal</b> Ratio (Greater than 100% average over 3 years)	115.6%	149.1%	178.4%	143.4%	114.5%	100.0%	Yes
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	7.8%	5.1%	2.8%	1.7%	1.7%	1.7%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	119.7%	93.8%	100.0%	100.0%	100.0%	100.0%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	\$1,114	\$1,092	\$1,081	\$1,073	\$1,086	\$1,090	Yes

**Note:** IPART will assess this table in accordance with section 3.3 in the [Methodology for Assessment of Council Fit for the Future Proposals](#)

\*if your council is including FAGs in this calculation please provide information for years 2020/21 to 2024/25 on the following page.

## 4.1 Expected improvement in performance (rural with FAGS considered\*)

Measure/ benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)						Yes/No
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)						Yes/No

\*Includes councils in OLG groups 8,9, 10 and 11 only. See page 42 of IPART's [Methodology for Assessment of Council Fit for the Future Proposals](#)

## 4.1 Expected improvement in performance

If, after implementing your plan, your council may still not achieve all of the Fit for the Future benchmarks, please explain the likely reasons why.

Council is confident, based on our financial modelling and an independent review by Morrison Low, that all benchmarks will be met within the required timeframe

## 5. Putting your plan into action

How will your council implement your Improvement Action Plan?

The Fit for the Future Improvement Plan has been incorporated into our Integrated Planning and Reporting documents for 2015/2016. Included in this suit of documents is our Operational Plan for the forthcoming year adopted by Council in June 2015. Our submission, including our improvement program, was also adopted in June 2015.

The General Manager is responsible for ensuring the Improvement Plan is implemented and communicated to all relevant staff. Each Director has responsibilities for delivering on relevant actions within the Plan.

Progress under the Delivery Program is reviewed by Council twice a year. Financial reporting and review is undertaken by Council on a quarterly basis.

The Executive Committee considers finance and performance matters at each fortnightly meeting with a full budget review undertaken monthly.