

Strategic Review of Sutherland Shire Council



June 2013

Executive summary



Executive summary

1. Scope

In December 2012, PwC was engaged by Sutherland Shire Council to¹:

- complete an assessment of the financial performance of the Council, with a view to developing an accurate baseline of costs and profitability and then comparing performance against relevant benchmarks to identify areas of potential business improvement;
- determine how the Council can implement improvements to community service;
- identify potential enhancements to current Council operations (e.g. structure, governance, systems, processes etc); and to
- develop a high level implementation plan to ensure that all benefits will be realised and that strategic change is effectively managed.

The aim of the review was to ensure that SSC operations were efficient, resources were allocated effectively and that SSC could meet the challenges of the future whilst maintaining financial sustainability and customer centricity

1. Refer to Appendix S for scope of works issued by SSC in tender T 448/12.



2. Approach

The guiding question for PwC in this strategic review was: **“How can SSC better deliver sustainable value to the Sutherland Shire?”**

In response to this, PwC undertook a comprehensive approach for the Review. Key steps included:

1. **Aspiration for value** – identifying what tangible actions would be required (within a SSC context) that would increase stakeholder value through focusing on enhancing customer centricity, improving operational excellence and optimising the service catalogue.
2. **Identification of the case for change** – looking at what external factors would impact on SSC in the short, medium and long term.
3. **Current state assessment** – undertaking a comprehensive review of SSC that included:
 - information gathering interviews across Council and management;
 - activity analysis across all full-time employees;
 - a financial review;
 - a review of community feedback;
 - a review of key internal documents; and
 - comparable Council benchmarking.
4. **Opportunity identification** – identifying opportunities to enhance SSC that were both business-as-usual and strategic.
5. **Case for change assessment** – identify how SSC should address the case for change.
6. **Revised operating model development** – designing an appropriate organisational model to deliver strategic change.
7. **Implementation planning** – developing a plan for realising benefits.

The fundamental guiding question for PwC in this strategic review was:

“How can SSC better deliver sustainable value to the Sutherland Shire?”

Value is more than financial...

Given the broad range of stakeholders and their needs, a wide range of definitions of value were considered in determining a solution.



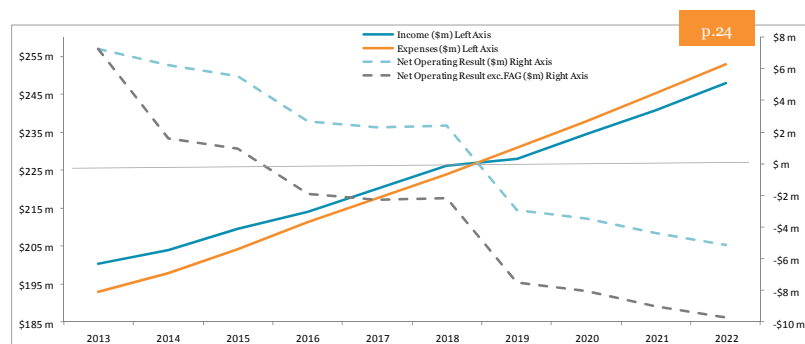
3. Case for change

A recent independent review had found SSC to be “...in a sound financial position”¹ but recommended that SSC take steps to address forecasted operating deficits and threats to asset sustainability.

In addition, SSC reporting² highlighted a range of significant financial risks that the organisation may face over the coming years that may further impact on the forecast operating result, including:

- potential elimination of \$4.6 million in grant funding;
- continued cost shifting from state to local government (representing an approximate 5% impact on the cost base of NSW councils in 2011)³;
- cost impact of any significant increase to SSC’s \$90m wage bill; and
- a potential deterioration in the general economic environment on investment returns, service demands, revenues and employment conditions.

SSC currently faces a forecast operating deficit by 2019, and a range of significant operating risks



External risks threaten to impact on current value delivery, and SSC must take appropriate mitigation measures

SSC should therefore take actions to ensure that significant risks are managed, asset sustainability is not compromised, operating deficits are avoided and current value delivery is sustained.

The outcome of the review should consider the full implications of all threats that have been raised

SSC is not adequately prepared...

A forecast operating deficit and a range of operating risks threaten sustained value delivery.

1. TCorp - Sutherland Shire Council, Financial Assessment and Benchmarking Report, September 2012
2. SSC Long Term Financial Plan 2012/13 – 2021/22
3. The Impact of Cost Shifting on NSW Local Government 2010/11, LGSA NSW

4. Current state assessment

SSC's performance against peers is mixed

SSC currently operates with six directors, while comparative councils ¹ operate with three or four.

SSC is the lowest ranked amongst comparative NSW councils in terms of uncollected rates and annual charges, and performance against this metric has worsened over recent years.

As a percentage of total expenses, SSC's employee costs are particularly high as compared with sector peers.

SSC has a high number of directorates and significant employee costs compared to other councils

Activity focus of business units is varied

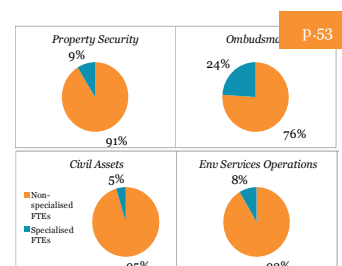
Based on PwC activity analysis and benchmarking, the performance and profile of SSC business units varies widely. Some business units are highly focused on core activities while others are highly fragmented, performing a wide range of non-specialised activities, which leads to inefficiency.

Some business units are performing a wide range of non-specialised activities

SSC can operate more efficiently

PwC's activity analysis revealed that a wide range of SSC business units were performing enquiry handling, general administration and financial management activities, which resulted in duplication of activities.

Internal performance reporting and PwC's stakeholder interviews highlighted historically poor performance in project delivery at SSC.



SSC should improve its customer centricity

A review of community consultation methods by PwC customer experts indicated that SSC can do more to guide and measure the perception of community value.

Critical community impact decisions are not being based on the appropriate customer insights.

Community consultation efforts at SSC could be improved

PwC Customer Expert (p.55)

A clear strategy is required for SSC

PwC did not consider the current SSC strategic plan ² to be well defined and considered it to be limited in its long term focus and commercial orientation. Strategic priorities have not been adequately articulated or cascaded to key decision makers in the organisation.

This leads to weaknesses in performance accountability and the potential for allocation of valuable resources towards low value activities at SSC.

Planning is short sighted and strategy is not well defined

1. Refer to page 36 for comparable councils and selection criteria
2. Community Strategic Plan for the Sutherland Shire: "Our Shire, Our Future - Our Guide for Shaping the Shire to 2030"

4. Current state assessment (cont)

There is an opportunity to introduce a high performance culture at SSC

Clear performance criteria do not exist in many SSC business units.

SSC has not clearly defined the behaviours necessary to deliver Council strategy nor the consequences for not adhering to those behaviours. This was particularly evident in the levels of internal and external customer service and the conservative approach to important Council initiatives.

Current KPIs are not adequately aligned to strategy and lack customer focus

SSC achieves mixed financial performance

SSC was recently independently assessed by TCorp as being “in a sound financial position”¹. Despite this, PwC has identified mixed performance in key areas relative to local government peers and a limited commercial mindset at SSC characterised by:

- a conservative approach to pursuing significant revenue or cost efficiency measures despite a forecast operating deficit;
- a significant infrastructure backlog;
- multiple operational risks; and
- no fully costed reporting of key services.

SSC operates with a limited commercial mindset

110 ‘business-as-usual’ opportunities can be implemented without strategic change

PwC’s current state assessment identified over 100 ‘business-as-usual’ opportunities that SSC may implement without the need to make any strategic changes to the current operating model.

Using PwC’s seven-point ‘Local Government Scoring’ methodology, the 20 opportunities representing the greatest benefit to SSC at this time were identified and analysed in detail (p.61).

PwC’s current state assessment identified over 100 ‘business-as-usual’ opportunities that SSC may implement

There is significant opportunity for performance improvement...

...across a number of areas including strategy, operational efficiency, customer centricity, culture and financial performance.

1. TCorp - Sutherland Shire Council, Financial Assessment and Benchmarking Report, September 2012

5. Strategic options

In response to the need to address the case for change, PwC proposed four cumulative strategic scenarios (Scenario 1-4) based on recommended design principles and the guiding objective of enhancing sustainable value delivery in the Sutherland Shire.

PwC applied a structured and weighted assessment criteria, as determined by the importance of our design principles, Scenario 3 was identified as representing the greatest benefit to SSC.

Assessment Criteria: SSC Strategic Scenarios				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Cumulative implications	BAU opportunities implemented	Competitive services exited	Underserved narrow services exited	Underserved broad services exited
Net Community Value	●	●	●	●
Net Operating Result Impact	●	●	●	●
Net Capital Impact	●	●	●	●
Employee Impact	●	●	●	●
Implementation Risk	●	●	●	●

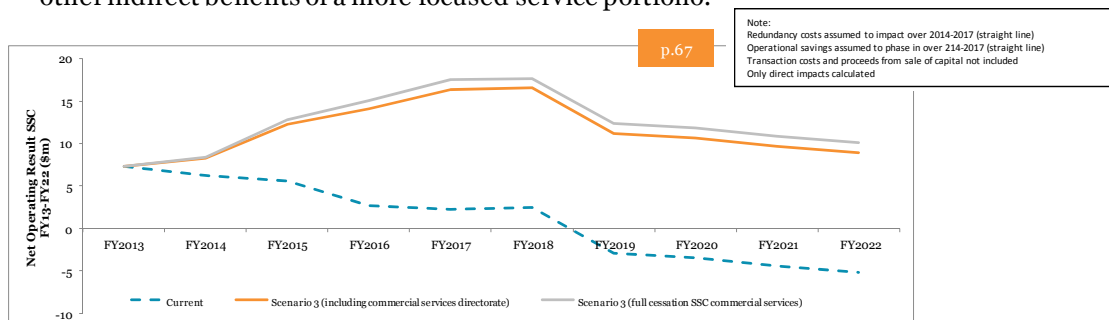
p.64

PwC proposed four strategic scenarios that SSC could consider to enhance value delivery, and applied a structured assessment approach to recommend the most appropriate

The benefits of Scenario 3 include:

- performance management and accountability;
- focused external and internal customer service;
- strengthened commercial mindset and transparency;
- optimised service offering through active service portfolio management;
- additional revenue opportunities;
- a structured and disciplined approach to service delivery optimisation;
- proceeds from disposal of capital to be applied to the infrastructure backlog;
- operating surpluses over the forecast period;
- increased ability to respond to adverse operational shocks; and
- other indirect benefits of a more focused service portfolio.

The recommended scenario refocuses SSC on critical council services, releases funds to address the infrastructure backlog and mitigates the forecast operating deficit



BAU opportunities will not adequately address the case for change...

PwC is of the opinion that optimal value delivery will require real strategic change.

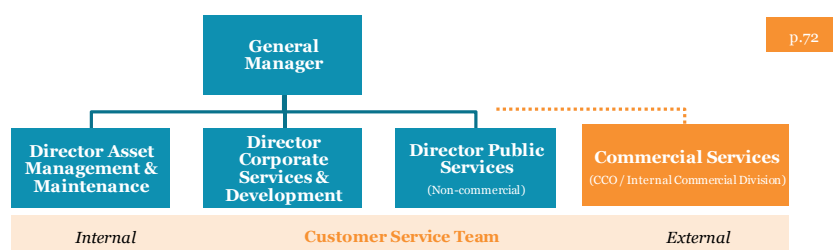
6. Operating model

The recommended operating model for Scenario 3 addresses the key issues raised, including the identified lack of customer centricity, limited internal customer service, and reluctance to execute initiatives outside the status-quo. It is anticipated that the recommended model would likely lead to additional indirect benefits to SSC, not quantified in this report. Key features of the recommended model include:

- a reduction of divisions from six to three (with the possibility of a fourth 'Commercial Services' division or CCO¹ model), made possible by a reduced and more focused service offer;
- a dedicated customer service team with direct access to senior decision makers to enhance customer service focus;
- a distinction between direct (Public Services and Commercial Services) and indirect customer contact (Asset Management & Maintenance, Corporate Services) divisions to better align enabling services and customer delivery efforts;
- a distinction between those services with the public service objective of accessibility and equity (e.g. libraries, aged services) and those which compete with private operators (e.g. cafes, leisure centres), enabling clear and distinct performance objectives; and
- Up-skilling and career progression opportunities for managers.

The recommended operating model addresses key performance weaknesses raised in the current state assessment

By emphasising the distinctions between external and internal customer service, and public and competitive services, SSC can realise additional indirect benefits not quantified in the strategic options or business-as-usual opportunities



Focus and clarity in the operating model is required.

1. Council Controlled Organisation – see Appendix P for further details

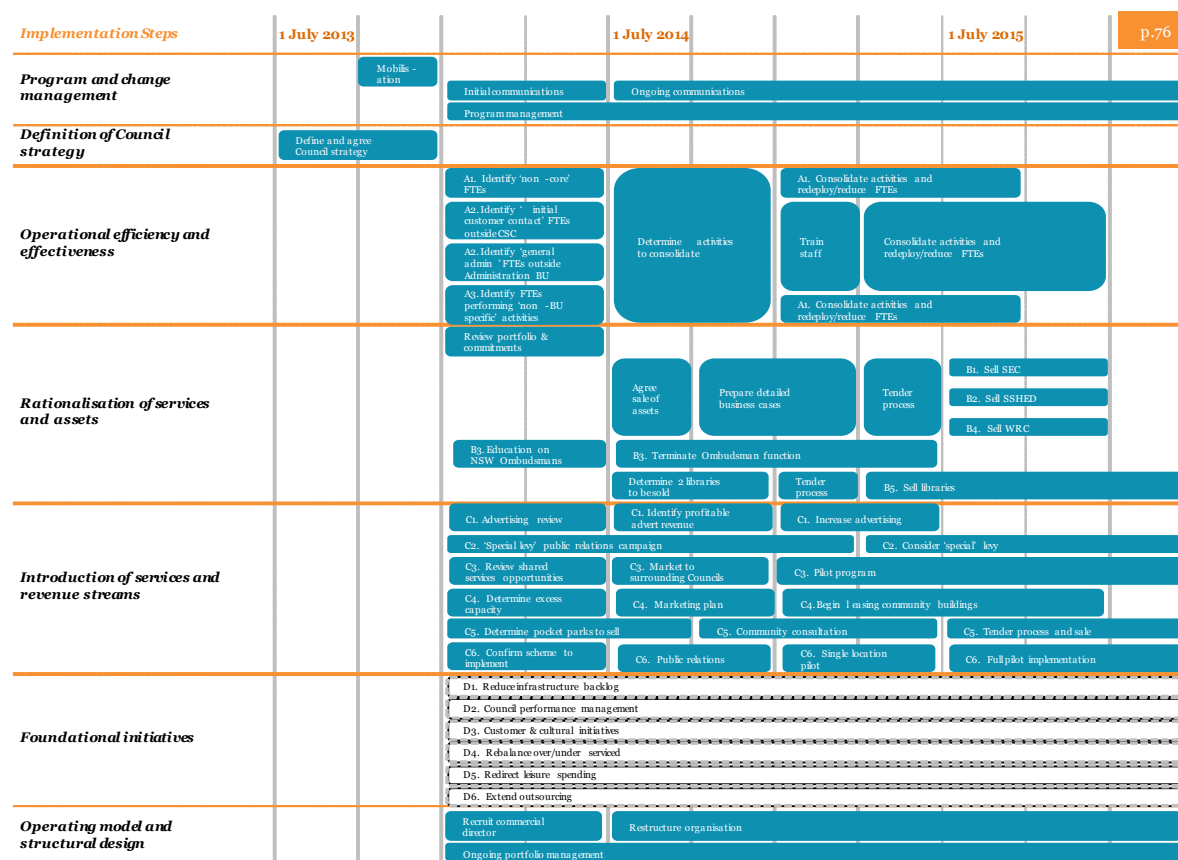
7. Implementation

Implementing the recommended operating model will itself be a significant transformation project for SSC.

To increase the likelihood of success, PwC recommends a range of critical success factors including:

- Employee involvement;
- Strong stakeholder sponsorship;
- A pragmatic implementation plan;
- Funding from business-as-usual opportunities; and
- Effective change management.

A range of key transformation workstreams have been identified and prioritised, with responsibilities to be divided amongst business units and Directors.



Importantly, there are a number of risks that should be mitigated for such a project. These include, erosion of employee morale, negative community response and loss of anticipated benefits.

The implementation of the recommendations will greatly assist in delivering sustainable value to the Sutherland Shire. Whilst there will be a short term cost with headcount reductions and a decreased service catalogue, the incremental savings can be used to reduce the infrastructure backlog and enhance SSC's focus on critical services.

Key recommendations: Business-as-usual

Significant opportunities exist for business-as-usual performance improvement to achieve key outcomes:

Outcome 1: SSC operates more efficiently

1. Consolidate 'initial customer contact' and 'general administration' FTEs into the Customer Service Centre and Administration business unit respectively (p.52)
2. Consolidate core support activities in frontline business units into Corporate Services teams (i.e. Finance, IT, HR) (p.52)
3. Reduce FTEs performing 'non-specialist' support activities and/or consolidate them into central teams, if possible (p.53)
4. Consider reducing the number of managers to optimise 'span of control' (p.55)
5. Implement full cost allocation to all services and simplify management reporting to support effective and timely decision making (p.33)

6. Consider moving towards full outsourcing of services that are currently partly outsourced e.g. waste services (p.33)
7. Improve culture of risk mitigation and management in key functions e.g. JV partnerships, Property Fund, Environmental Assessment Teams and Council Committees (p.59)
8. Perform a full review of IT strategy and operations (p.94)

\$2.7m

Improved operating result

50

Reduction in FTE headcount

\$0m

Funds from capital disposal

Note: The expected FTE impact is an indicative estimate based on a combination of qualitative interviews, an organisation-wide activity analysis and benchmarking, to identify areas of duplication and fragmentation of staff activity. While PwC's analysis indicates a significant opportunity to centralise and reduce non-specialised activities, it has been assumed that SSC will undertake further validation work to confirm the final figure, should the Council decide to implement the recommended initiatives. The FTE reduction is not expected to be fully realised until all initiatives have been implemented over the next two years. The FTE impact could be higher if natural attrition and voluntary redundancies are taken into consideration.

Outcome 2: SSC exits low-value initiatives

1. Exit the Sutherland Entertainment Centre (p.61)
2. Exit the SSHED (p.61)
3. Terminate the internal Ombudsman function (p.61)
4. Exit the Women's Rest Centre (p.61)
5. Exit the two libraries that deliver the least community value e.g. Miranda, Engadine or Menai (p.61)

6. Terminate the alliance with SSRoC (p.61)

\$1.6m

Improved operating result

31

Reduction in FTE headcount

\$11.3m

Funds from capital disposal

Outcome 3: SSC seeks commercial opportunities

1. Increase advertising revenue by up to 200% e.g. sporting fields, public places, bus shelters (p.61)
2. Investigate a possible special infrastructure levy at 4% (p.61)
3. Set up shared service functions to trial selling shared services to other councils e.g. corporate services, trucks, equipment (p.61)
4. Lease under-utilised buildings and facilities e.g. community halls and centres (p.61)
5. Sell up to 10 pocket parks (non-crown) (p.61)

6. Pilot paid parking in high-traffic locations in Cronulla (charging non-Cronulla residents only) (p.61)

\$8.4m

Improved operating result

0

Reduction in FTE headcount

\$3.6m

Funds from capital disposal

Outcome 4: SSC implements performance management and effective communication

1. Implement consistent performance criteria across the organisation (p.58)
2. Review all underlying factors leading to poor project delivery performance (p.54)
3. Refocus or outsource the Strategic Planning team to improve customer surveys and provide more relevant, targeted

- information to management and Councillors (p.55)

4. Implement management KPIs that are directly linked to internal/external customer service (p.58)

5. Ensure that there are clear expectations between Councillors and management as to what constitutes high performance, reporting and effective transparency (p.59)

Benefits to SSC

- Reduction in infrastructure backlog
- Increased focus on high value initiatives
- Reduced vulnerability to single revenue source
- Reduced waste and more efficient service delivery

Key recommendations: Strategic

Business-as-usual initiatives are not enough to address the 'case for change' so additional strategic initiatives are required that will deliver the following outcomes:

Outcome 5: SSC implements strategic change

1. Redesign Council's long term strategy with a theme of performance excellence (p.32)
2. Implement 'Scenario 3' (p.64), which involves:
 - Exiting 'competitive' services e.g. weddings / photography, property security, indoor sports centres, leisure centres, nursery, golf courses, golf driving range; and
 - Exiting 'under serviced narrow' services e.g. beach minding services, Cronulla Cycling Grand Prix, community programs, pub shuttle bus, Spring Festival, surf education, tennis courts, Wi-Fi hotspots, gallery
3. Engage in ongoing and disciplined service portfolio management (p.33)

\$1.2m

Improved operating result

7

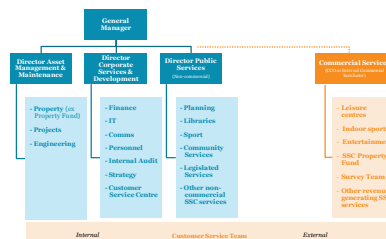
Reduction in FTE headcount

\$10.4m

Funds from capital disposal

Outcome 6: SSC's operating model is optimised to realise and sustain benefits

1. Restructure the operating model and leadership into three or four distinct divisions (p.72)
2. Establish a clear distinction between external-facing divisions (Commercial Services, Public Services) and internal-facing divisions (Asset Management & Maintenance, Corporate Services & Development) (p.72)
3. Establish a clear distinction between 'competitive' services (Commercial Services) and 'under serviced' services (Public Services) (p.72)
4. Establish a dedicated Customer Service Team that reports to both of the customer facing directors, elevating critical frontline customer information to senior levels (p.72)
5. Consider the talent and experience required under the future operating model and undertake a skills audit of all management and directors (p.72)
6. Consider appointing an optional fourth Director or CCO, to be accountable for the performance of 'competitive' services (p.72)



Outcome 7: SSC realises all benefits through robust implementation planning

1. Establish a transformation program that involves employees in the development and ownership of initiatives (p.75)
2. Develop a pragmatic implementation plan with Councillor and Director sponsorship of initiatives (p.75)
3. Fund the transformation program through business-as-usual opportunities (p.75)
4. Consult with employees, residents and unions upfront and throughout the transformation process (p.75)
5. Implement risk mitigation strategies against erosion of employee morale, negative community response and loss of anticipated benefit (p.75)

Total financial benefit of BAU and strategic initiatives

PwC recommends that SSC implement Scenario 3. SSC has the option of moving commercial services into a commercially operated Council Controlled Organisation (CCO) for testing or to exit some/ all of them immediately. Scenario 4 realises the greatest financial benefit but is **not** recommended by PwC (refer to page 68).

p.62

Scenario 3 (with commercial services Directorate or CCO)

Scenario 3 (with commercial services exited)

 Scenario 4 (extended opportunities)¹

Improved operating result

\$13.8m
\$15.3m
\$17.0m

Reduction in FTE headcount

88
133
269

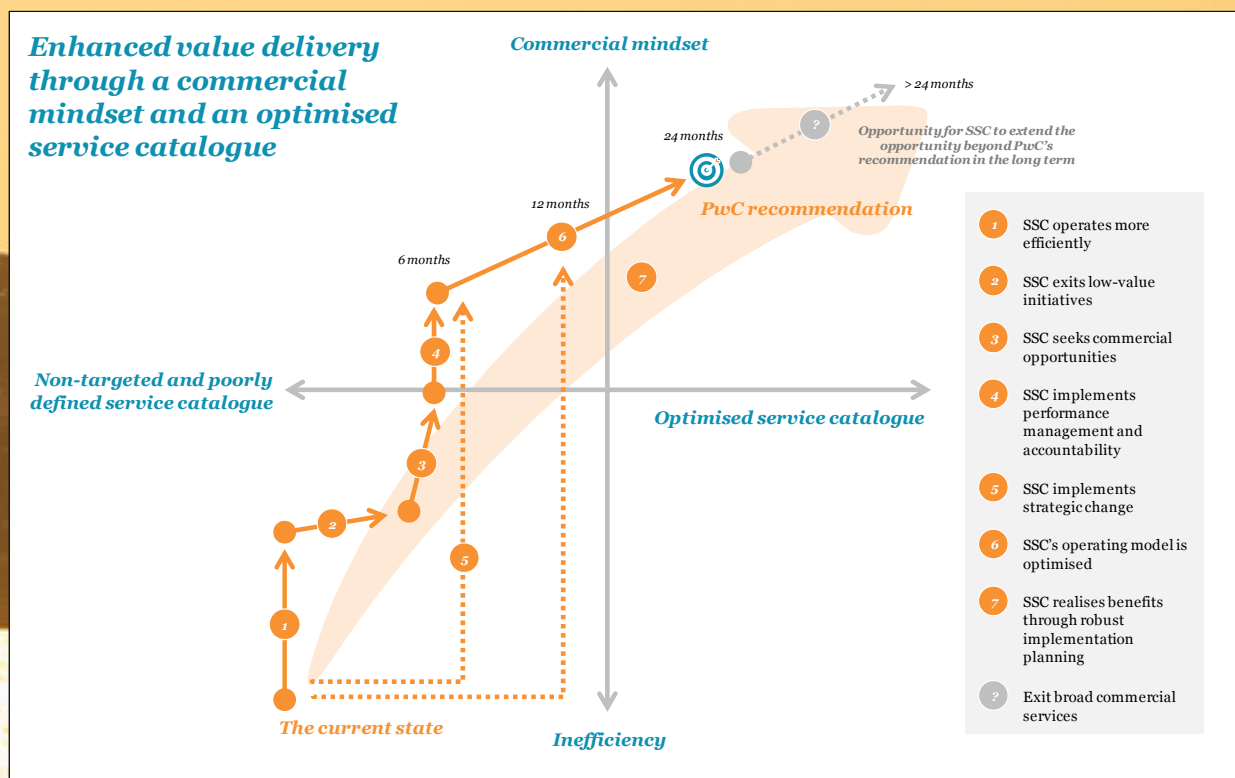
Funds from capital disposal

\$25.3m
\$37.2m
\$48.0m

¹ This scenario is **not** recommended by PwC and has been included to show the incremental change from Scenario 3.

Key recommendations: Implementation

For the seven key outcomes to be achieved and to move SSC towards a commercial mindset and an optimised service catalogue, PwC recommends a structured implementation plan. In the initial 6 months, all business-as-usual initiatives should be implemented and the testing of the commerciality of services should be completed. While some restructuring would have been undertaken in this period, it is expected that the full benefits of the key strategic recommendations would not be realised until the medium term.



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1.

Report context, scope, approach

1.1 Background

In December 2012, PwC was engaged by Sutherland Shire Council (SSC, the “Council”) to:

- Complete an assessment of the financial performance of the Council, with a view to developing an accurate baseline of costs and profitability and then comparing performance against relevant benchmarks to identify areas of potential business improvement;
- Determine how the Council can implement improvements to community service;
- Identify enhancements to current Council operations (e.g. structure, governance, systems, processes etc); and to
- Develop a high level implementation plan to ensure that all benefits will be realised and that any change management that is required is effectively managed.

1.2 NSW context

A number of external factors have historically, and will continue to, impact on SSC operations including influences from State and Federal Government and from other councils. Some examples include:

- The State and Federal Government continue to impose a greater regulatory and administrative burden on local governments. Coupled with revenue restrictions, such policies place significant stress on the local government cost base, and require rapid and effective Council response to protect existing service levels and infrastructure commitments. Recent reports of cost shifting, such those outlined in *The Impact of Cost Shifting on NSW Local Government 2010/11* by LGSA NSW and the proposed reporting changes from the NSW Auditor-General’s Report, *Monitoring local government*, provide timely examples.
- A mooted amalgamation of NSW Councils, in a ‘Super-Council’ strategy would see an unprecedented shake-up of the local government sector. Although other Councils may be higher priority candidates for amalgamation, the initiative may have significant impacts upon the operating environment of SSC and performance benchmarks. While the likelihood is still unknown, it is forcing many Councils to test their competitive capability.
- SSC is currently a member of the Southern Sydney Regional Organisation of Councils (SSRoC) an association of 16 southern Sydney Councils representing 1.4 million residents. The association operates with the objectives of sharing best industry practice and achieving economies of scale.

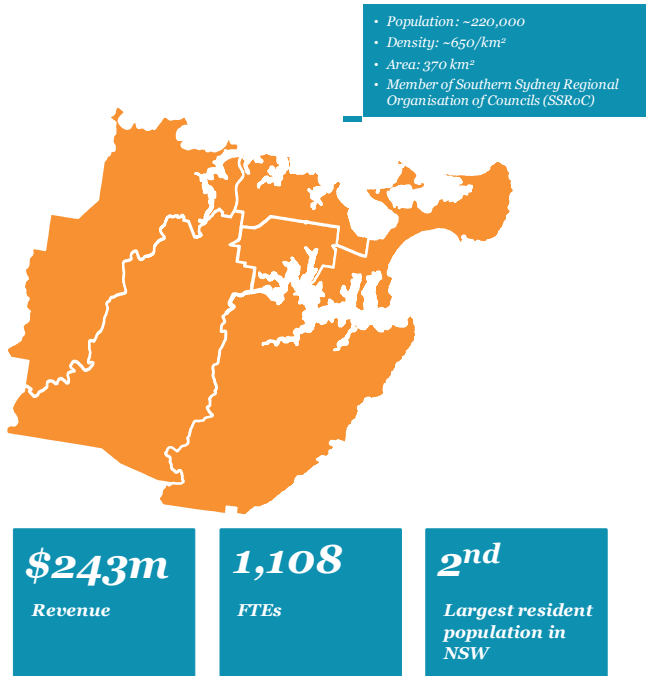
1.3 Sutherland Shire context

Current operational challenges for SSC in serving the local population include an ageing of the resident population, higher intensity use of limited sporting fields, a continued net outflow of students and workers each day from the Council area, and an ageing asset base.

Sutherland Shire Council (SSC) is the second largest council in NSW by resident population. The Council represents a unique geographic region in the south of Sydney, bordered by rivers, national park and beaches. The local population enjoys a strong socio-economic profile with unemployment rate, home ownership rate and median incomes all favourable against the Sydney average.

The role of SSC has evolved significantly over recent decades in response to a rising population and changing demographic profile. Over this time SSC has added a range of services to meet the evolving needs of residents.

An experienced and conservative management approach has seen SSC protect legacy services, maintain a sound financial position and avoid any major scrutiny from regulators or industrial relations bodies. Like many other councils, SSC has seen a high level of turnover in both Councillors and Mayors.



Source: SSC Annual Report 2012

Current financial challenges for SSC include a potential loss of key government grants, an increased cost and administrative burden, revenue limitations passed down from NSW State Government, and a significant infrastructure backlog.



1.4 SSC service catalogue

For the purpose of the Strategic Review (the “Review”), PwC has divided the current SSC service catalogue into four broad categories. Working definitions for each category and example services are provided in Table 1.1. A full SSC service catalogue is provided in Appendix C.

Table 1.1 – SSC service catalogue (summary)

Council Basic	Underserved Broad	Underserved Narrow	Competitive
97 Services	32 Services	22 Services	34 Services
Non-commercial services, which are typically provided by most councils due to legislative requirement or otherwise. ¹ May be traditionally referred to as ‘core’ council services.	Services which may be provided by non-government organisations to some extent but for which council intervention is required to deliver optimal public value (e.g. to protect equity & access). These services are further divided into those that benefit large proportions of the total community stakeholder population (‘under serviced broad’) and those that benefit narrow proportions (under serviced narrow).		Services for which a competitive market exists.
Example services			
Abandoned vehicles	Aged & disability services	Beach minding services	Accredited training
Alcohol free zones	Athletics	Cronulla Cycling Grand Prix	Bar & catering - SEC
Animal control enforcement	Australia Day activities	Gallery	Driving range – golf
Animal shelter operations	Before/after school care	Facility hire	Golf courses
Applications assessment	Child care centres	Public programs (narrow)	Hazelhurst Cafe
Beach pollution	Children’s services	Community programs (narrow)	Indoor sports

Source – 2012/13 SSC Adopted Budget

1.5 Scope exclusions

The following scope exclusions were agreed with the SSC General Manager and PwC in December 2012:

- Some areas of Environmental Services, which are being assessed as part of a separate review; and
- Reduced data gathering due to the availability of pre-existing data already held by SSC.

1.6 Design principles

Based on PwC’s discussions and review of data in December 2012, there are four key design principles that PwC have adhered to during the course of the Review:

1. A reduction of overall costs for services, operations and projects to ensure outstanding value for money;
2. A focus on the delivery of consistent high performance in program delivery, quality, safety, community and environment;
3. Improved operational agility to provide greater flexibility in programming and effective responsiveness to changing priorities; and
4. Comparison to industry best practices and improved sharing of knowledge within the Council.

¹ PwC acknowledge that some councils have either fully or partially outsourced such services.

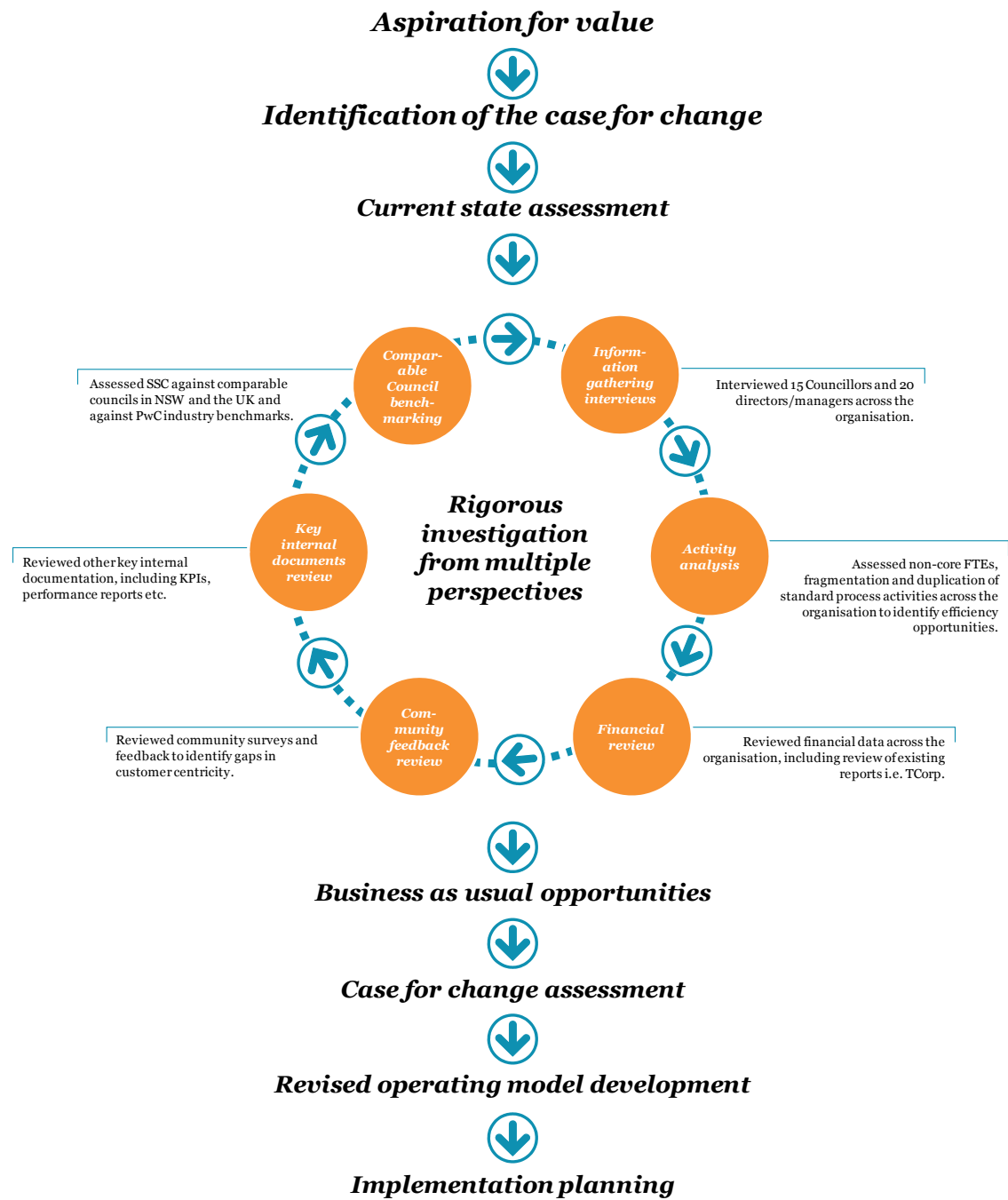
1.7 Approach

PwC’s Review of SSC was based on the fundamental question of:

“How can SSC better deliver sustainable value to the Sutherland Shire?”

In response to this, PwC undertook a comprehensive approach for the Review, as outlined in Figure 1.1.

Figure 1.1 – PwC approach: SSC strategic review 2013



1.8 Key definitions

Key definitions used in this report:

Table 1.2 – Key definitions

Term	SSC Strategic Review Working Definition
Council	Sutherland Shire Council (SSC).
Value delivery	Discussed in Section 2 of this report.
Service portfolio management	Proactive and ongoing assessment of Council service catalogue.
Community stakeholders	Any individual or group that may use or be impacted by the services provided by SSC.
Services	Those activities towards which SSC commits financial resources (as per SSC 2012/2013 adopted budget) and which have some level of direct impact on community stakeholders.
Council basic (service)	Non-commercial services which are typically provided by most councils due to legislative requirement or otherwise. May be informally referred to as 'core' council services.
Under serviced broad (service)	Services which may be provided by non-government organisations to some extent but for which council intervention is required to deliver optimal public value (e.g. to protect equity & access), and which benefit a large proportion of the total community stakeholder population.
Under serviced narrow (service)	Services which may be provided by non-government organisations to some extent but for which council intervention is required to deliver optimal public value (e.g. to protect equity & access), and which benefit a narrow proportion of the total community stakeholder population.
Competitive (service)	Services for which a competitive market exists and for which it is likely that private operators will adequately service community stakeholders without council intervention.
Operating model	The processes, technologies and organisational design that allow the organisation to achieve its function.

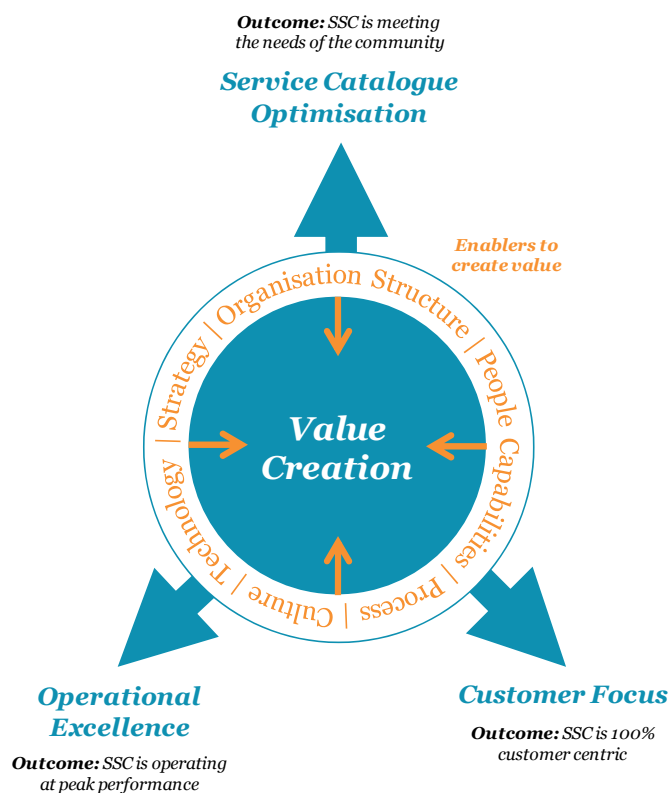
2.

Value at SSC

To ensure this Review was in the long term interest of SSC, PwC adopted the fundamental guiding design principle of maximising value. PwC applied a holistic definition of value creation in developing any recommendations for SSC. That is, from a PwC perspective, what tangible actions will be required (within a SSC context) to increase stakeholder value through focusing on enhancing customer centricity, improving operational excellence and optimising the service catalogue.

Throughout the review, PwC has looked at how to optimise the key enablers of value (i.e. strategy, organisation structure, people capabilities, process, culture and technology).

Figure 2.1 – Concept of value



Source: PwC

2.1 Guiding principles and assumptions

Value is a complex and multi-faceted concept that should be carefully interpreted for the context in which it is being applied. In order to effectively approach and answer the guiding question, PwC has carefully defined and applied a small set of guiding principles related to the concept of value – **as it applies to the Review**.

Table 2.1 – Guiding principles and assumptions

1. Carriers of value	
Services and value	The delivery of services, as opposed to other Council activities, is considered the primary vehicle for the delivery (or destruction) of value.
Broad before narrow	The adequate and sustainable delivery of services that benefit the broader SSC community stakeholder population should not be jeopardised by council efforts to deliver those services that benefit narrow or small proportions of the SSC community stakeholder population.
Basic before discretionary	The adequate and sustainable delivery of basic and fundamental local government services should not be jeopardised by the delivery of discretionary or novel local government services.
Complementing not competing	SSC should not operate in highly competitive markets where other operators will provide adequate levels of service and an appropriate level of accessibility (e.g. pricing) to customers.
2. Stakeholder considerations	
Customer understanding and awareness	Initiatives should have a positive impact on the customer and for value to be delivered, the customer must be aware of these impacts.
3. Sustained effectiveness	
Organisational and environmental sustainability	Through delivering value, SSC does not jeopardise organisational and environmental assets and the future capacity to deliver value.
Efficiency in delivery – minimised waste	Operational efficiency should be maximised to ensure value is not misallocated or wasted.
Proven value dividend	All initiatives should demonstrate evidence of effective implementation and successful delivery of value in the long term.

Consideration of the potential complications in the concept of public value is detailed in Appendix R.

In summary, the following key guiding principles with respect to value have been applied:

1. The Council should be targeting financial stability across three horizons – short, medium and long term – each with equal importance;
2. Community stakeholder value should be maximised;
3. Assets should be adequately maintained to ensure their sustainability;
4. Discretionary services should not be subsidised at the expense of ‘core’ service delivery;
5. Processes should be efficient and effective wherever possible;
6. Economies of scale and role specialisation should be achieved (i.e. simplify, standardise and share);
7. There should be appropriate spans of control, management layers and structures; and
8. There should be evidence that any recommended option has been implemented before (with reference to global best practices from the UK, New Zealand, USA and Australia).

Value is more than financial...

Given the broad range of stakeholders and their needs, all definitions of value were considered in determining a solution.

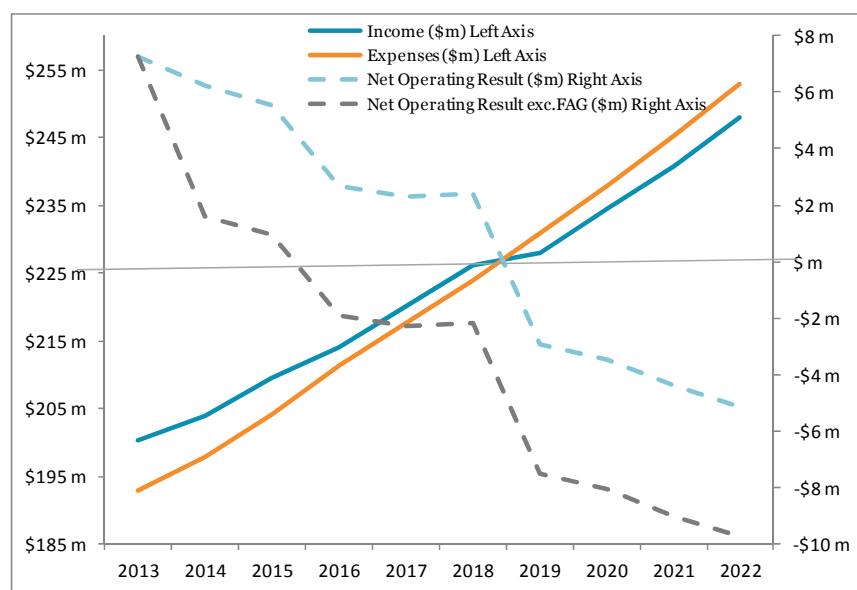
3.

The case for change

In September 2012, New South Wales Treasury Corporation (“TCorp”) conducted an independent assessment of SSC’s financial capacity and review of SSC’s historical financial performance, current financial position and long term financial forecasts. TCorp recommended that SSC take steps to address forecasted operating deficits and potential reductions in capital expenditure.

Figure 3.1 below illustrates the forecast operating result for SSC to 30 June 2022.

Figure 3.1 – Net operating result forecast 2013 - 2022



Potential elimination of \$4.6m grant

Continued State Government cost shift – 5% increase in cost base across NSW councils

SSC vulnerable to wage increase - 1% wage shift equates to \$900,000

\$96m to bring infrastructure to satisfactory standard

Source – SSC Long Term Financial Plan 2012-2022 (Option I), TCorp Sutherland Shire Council, Financial Assessment and Benchmarking Report (7 September, 2012)

The SSC Long Term Financial Plan (LTFP) also highlighted the \$96 million infrastructure backlog that the Council faces, which is “...not being addressed²”.

² Sutherland Shire Council – Long Term Financial Plan 2021/2022 - p. 41

Furthermore, the forecasts on which TCorp's recommendations are based exclude a number of key strategic risks that may further impact the forecast operating result, including:

- Changes in economic conditions, which may impact on investment returns, revenues, employment conditions and service demand;
- Potential loss of \$4.6 million in annual grant revenues due to redistribution of Federal Government Financial Assistance Grants (FAG);
- Continued cost shifting from State and Federal Governments, representing an estimated 5% impact on the cost base of council's across NSW in 2011; and
- Any increased wage-related cost burden (e.g. superannuation), with a \$900,000 cost base impact for each 1% rise in personnel costs.

The forecast operating deficit and identified financial risks pose significant operating and infrastructure backlog risks to SSC. PwC recommends that SSC take the necessary preventative measures to maintain financial stability over the medium to long term.

PwC's research suggested that SSC has historically opted for incremental reviews of the SSC cost base, in favour of more comprehensive reviews. With such an approach, any large shock to the current operating model threatens to force significant reactive measures from SSC to maintain service levels and financial position.

PwC therefore recommends a more comprehensive review of Council's priorities, performance and structure is required to prevent any disruption of services, a further increase in an already large infrastructure backlog or reactive (rather than planned) operating measures.

The outcome of this Review should address the full implications of these threats and respond to the case for change.

SSC is not adequately prepared...

A forecast operating deficit and a range of operating risks threaten sustained value delivery at SSC.

4.

Current state assessment

4.1 Introduction

Prior to commencing the Review, it was critical that the current profile, strengths and challenges of SSC were well understood. Following a thorough data gathering and analysis exercise incorporating 35 senior SSC stakeholder interviews, global local government advisory panel meetings, staff activity analysis and an internal document review, a current state assessment of SSC's financial and operational performance was compiled.

In summary this current state assessment revealed that:

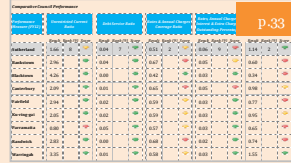
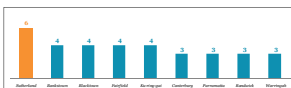
- SSC is a large and complex organisation in the context of the NSW Local Government sector;
- SSC has undertaken an incremental management approach over recent decades, often at the detriment of longer term strategic initiatives; and
- There are multiple opportunities for SSC to improve organisational performance in the short and long term.

4.2 Key opportunities summary

Table 4.1 summarises the key insights derived from the SSC current state assessment under seven categories, including strategic, Council performance, business unit performance, operational, customer, cultural and financial themes.



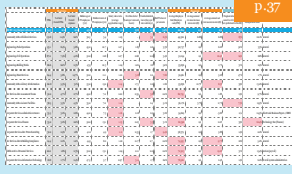
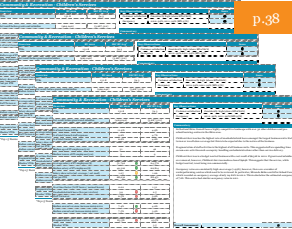

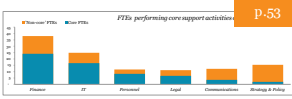

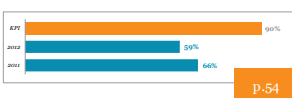

Table 4.1 – Current state assessment overview

Themes	Insights	Evidence
1 Strategic	1.1 SSC does not have a well defined and well communicated strategy.	<p>PwC was unable to identify a clearly defined and well-communicated SSC strategy. Whilst various planning documents exist for SSC, PwC does not consider them to be truly strategic i.e. they are not long term focused, commercially oriented or effectively implemented.</p> <p>“Don't see any planning on how to realise Council's 30 year vision.”</p>
	1.2 Resources allocated to low value initiatives.	<p>SSC has experienced a 'ratchet-up' effect in services, some of which are low value and service only a small proportion of the community.</p> <p>“We shouldn't be paying attention to things outside the rate payers' requirements.”</p>
	1.3 Conservative management approach.	<p>Analysis suggested a reluctance to implement difficult initiatives, regardless of strategic alignment.</p> <p>“Planning is short sighted - and we have paid the price in the past.”</p>
	1.4 Limited commercial mindset.	<p>Management reporting does not include full costing of Council activities, making fact-based decisions difficult.</p> <p>“It's a hard business to get our head around - 100 different businesses all a bit peculiar.”</p>
	1.5 Opportunities to enhance decision support.	<p>Feedback indicated that expectations are misaligned between Councillors and management with regards to the timeliness, quality and succinctness of management reports and other key documents.</p> <p>“It is hard to get the right types of information, that we need.”</p>
	1.6 Poor service portfolio management and poorly defined strategic priorities.	<p>No evidence of a clear set of strategic priorities (and trade-offs) to support decisions about the distribution of limited council resources.</p> <p>“Things are always added, but never taken away!”</p>
2 Council Performance	2.1 SSC achieves mixed performance against financial benchmarks, as compared with sector peers and defined performance thresholds.	<p>SSC is the lowest ranked amongst 9 comparative NSW councils in terms of uncollected rates and annual charges. Performance against this metric has worsened over recent years and is below sector performance thresholds.¹</p>  <p>P-33</p>
	2.2 SSC is a unique organisation in a number of respects as compared with sector peers.	<p>SSC currently operates with six directors, while sector peers operate with either three or four.</p> <p>As a percentage of total expenses, SSC's employee costs are particularly high as compared with sector peers.</p>  <p>P-34</p>

1. PwC acknowledges Council's policy of no recovery from pensions or ratepayers with legitimate financial hardship. This amounts to \$1.6 million and if deducted, the ratio would be 4.32% which is below the standard industry benchmark of 5%.

Source – Various (see Appendices for full list of references)

Table 4.1 (cont) – Current state assessment overview

Themes	Insights	Evidence
3 Business Unit Performance	3.1 Performance and profile of SSC's business units varied significantly.	Some business units are highly focused on core activities while others are highly fragmented, performing a wide range of non-specialised tasks.  p.37
	3.2 SSC business units may not be set up to achieve their strategic purpose.	There have been positive moves in some customer service teams to invest in appropriate technologies.  p.38
4 Operational	4.1 Same activities performed in multiple business units.	Activity analysis revealed a wide range of SSC business units are all performing enquiry handling, general administration and financial management activities.  p.52
	4.2 Corporate activities not concentrated in corporate teams (e.g. Finance, IT, HR).	Activity analysis revealed that a large number of staff outside of specialist corporate functions are performing corporate activities.  p.53
	4.3 Low degree of business unit specialisation.	Activity analysis revealed that the degree of specialisation within many key SSC business units is relatively low.  p.54
	4.4 Poor project delivery record.	Internal performance reporting and stakeholder interviews highlighted historical poor performance in project delivery at SSC.  p.54
	4.5 Potential further economies of scale are difficult to identify.	Council must embed a strong commercial mindset before the full value of shared services alliances can be realised. <p><i>“We are big enough to realise our own economies of scale. SSRoC doesn't achieve much”</i></p>
	4.6 Too few direct reports per manager.	A review of SSC organisational design identified that the average number of direct reports per manager is below that typically seen in high performing organisations.  p.55

Source – Various (see Appendices for full list of references)

Table 4.1 (cont) – Current state assessment overview

Themes	Insights	Evidence
5 Customer	5.1 Strategic decision making not supported by community consultation.	<p>APwC review of survey data indicated that community research is not addressing the critical questions to deliver value (trade-offs, core vs. non-core, willingness to pay) and are narrowly focused.</p> <p>“Our surveys are designed to make council look good, not to answer the tough questions.”</p>
	5.2 No consensus on SSC's role within the community.	<p>Interviews with managers and Councillors revealed a range of interpretations of Council's role.</p> <p>Managers p-57</p>
	5.3 Service offering not aligned with community perception of value.	<p>Surveys indicated that the community perceives Council to be over-servicing in some areas and under-servicing in others.</p> <p>p-57</p>
6 Cultural	6.1 Limited accountability and performance management.	<p>No clear performance criteria, no link to strategy and consequences for poor performance.</p> <p>“They are resistant when you ask about improving - I feel angst among staff.”</p>
	6.2 Communication and expectation management between Councillors and staff.	<p>Interviews revealed a common council issue of misalignment between Councillors and management in the prioritisation of strategic vs. operational issues and the quality of data provided to make decisions. Increased effectiveness in communication is required.</p> <p>“Directors and managers say you just have to trust the staff, they've done it for 30 years - you have to accept what's in front of you.”</p>
	6.3 Differences in strategic approach from managers and Councillors.	<p>Interviews revealed that management's approach is measured and conservative while Councillors tend to be agenda driven.</p> <p>“We meet our own KPIs not the KPIs that the rate payers expect us to meet.”</p>
	6.4 Limited customer focus.	<p>Community survey results are not acted upon. Business unit KPIs are not based on results.</p> <p>“Are the survey results used in day to day decision making... not really.”</p>
	6.5 Limited culture of effective risk mitigation and management.	<p>The risks associated with a number of core council functions, which are typical areas of scrutiny, require effective reporting and joint Councillor and management involvement.</p> <p>“I ask to see how it works and I just get back 200 pages. When I don't understand something, I get nervous.”</p>

Source – Various (see Appendix for full list of references)

4.3 Current state assessment: Key opportunities

This section presents additional detail and supporting commentary for the current state assessment insights presented in Table 4.1. Additional supporting detail and analysis can be found in the Appendices.

1 Strategic themes

The Review identified a number of factors that may be undermining SSC's ability to execute on key strategic priorities. Below are some of the recurring themes that were observed at SSC.

1.1 No clear strategy

SSC does not have a well defined and well communicated strategy.

"Is there a bible... no. There is a budget, and there are the services that we deliver. The services we deliver, they're just built up over decades".

Senior Manager - SSC

PwC interviews with Councillors and management did not identify a consistent view as to what the role of the Council is, or what the immediate and long term objectives are.

Management commented on the difficulty in engaging Councillors on the 30 year vision document and commented specifically on a short-term, agenda-driven approach. In contrast, interviews with Councillors revealed a frustration with a change resistant and overly conservative management staff.

1.2 Inadequate service portfolio management

Over the past 40 years SSC has responded to the needs of a growing and changing population by adding to the Council service catalogue. It was clear, however, that few services were scaled back or exited over the same period. A highly robust and structured approach to service portfolio management is required to ensure optimal delivery of community value. It is critical that when addressing community needs, SSC is able to both add and remove services to protect financial sustainability and achieve optimal value delivery.

1.3 A conservative and short-term/incremental approach

The analysis identified some reluctance from SSC management to implement difficult or unpopular initiatives, regardless of long term benefit and strategic alignment. Specifically PwC observed that:

- managers will often wait for retirements, resignations and redeployments to make key personnel changes rather than implement them immediately;
- outsourcing initiatives (e.g. Strategic Planning Team) and the closure of legacy services that represent relatively low community value (e.g. Ombudsman, Women's Rest Centre) are not acted upon but kept in reserve until there is an immediate need to implement;
- a significant infrastructure backlog is not being directly addressed, and some infrastructure maintenance is being conducted on a 'fail-basis'; and
- small incremental cost reduction exercises are made sporadically, with little discipline around regular strategic service portfolio review.

1.4 Commercial mindset is lacking

In many cases, SSC does not currently report on a full cost-of-service basis, and does not typically produce adequate profit centre reporting. This approach makes it particularly difficult for management and Councillors to make timely fact-based decisions about enhancing community value.

For example, PwC notes that business units occupying SSC property are not charged any rental costs. Furthermore, KPIs may not be structured in such a way to promote value-based decisions, with some senior managers being assessed on the budgeted performance of a portfolio comprising both highly competitive services and community services (e.g. leisure/aquatic centres).

1.5 Decision support

Councillor feedback indicated that they are not always provided with appropriate management reporting to enable them to make timely and high quality decisions. Interviews with Councillors suggested that reporting was overly complex, provided too much volume and was received without enough time to review before meetings. Quality decision support is critical for councils and particularly at SSC where Councillor turnover is high and Councillor experience is low for a highly complex organisation such as SSC.

Whilst Councillors expressed that they don't always have sufficient relevant information to make key service delivery decisions, PwC analysis identified that this reporting does in fact occur in some instances. What is required is clarity between Councillors and management as to what constitutes effective reporting and the better prioritisation of strategic and operational issues.

1.6 Strategic priorities and trade-offs

A review of Council strategy documents did not identify a clear and well-communicated set of strategic priorities to support decision making on the distribution of limited Council resources. In addition, there is little evidence that SSC has a clear consensus on key strategic trade-offs, or those activities that the Council will not direct valuable community resources towards. These observations are evident in:

- a clear consensus amongst interviewees that while services are often added, they are rarely taken away as a form of 'ratchet-up' effect;
- the lack of an internal list of services offered by SSC;
- strategic documents, with no clear link to management KPIs or day-to-day processes to support decision making;
- a range of opinions from both management and Councillors on what the role of SSC is in the community and how Council strategy can increase the delivery of value;
- suggestion from senior staff that there is a clear 'break' in the cascade of strategic accountabilities from senior management to operational managers;
- customer consultation methods (e.g. surveys) with dated question sets that do not provide the targeted insights necessary to guide strategic decision making;
- reactive Councillor directives that address short-term populist initiatives that are not linked to long term strategic direction (e.g. ending infrastructure levy, reversing a decision to close poorly performing libraries); and
- no clear approach to defining appropriate service standards with evidence of over-investing in some newer services (golf courses, new community halls, Hazelhurst Gallery) and under servicing of others (e.g. sporting fields, roads and footpaths).

Each of the above features of SSC's management approach is likely to be impacting Council's ability to effectively and sustainably deliver value to rate-paying customers.

Furthermore, PwC does not believe the current service portfolio is likely to deliver maximum community value from an economic perspective. Specifically, it is noted that SSC currently provides services in some highly competitive commercial sectors (e.g. cafes and gyms) where it is highly likely that a specialist commercial provider may be better placed to provide the service.

2 Council performance

Using standard sector benchmarks, PwC has considered SSC's financial performance against local government sector peers. The eight comparative councils represented in Table 4.2 were chosen based

on the 'group 3' definition outlined in Department of Local Government reporting³, and by further excluding those councils serving a resident population of less than 130,000. SSC's results are mixed, both in terms of variance with peers and variance to accepted industry thresholds.

SSC is the worst performer amongst the comparative councils, and below sector thresholds, with regards to 'rates, annual charges, interest & extra charges outstanding percentage', suggesting that recovery efforts for uncollected rates and charges should be improved. Furthermore, performance against this benchmark has worsened over the years 2010-2012 and the reasons for this should be investigated further.

SSC also ranks unfavourably against peers in terms of their 'unrestricted current ratio' and 'debt service ratio' although these results are broadly in line with acceptable sector thresholds.

Table 4.2 – SSC performance relative to sector peers

Performance Measure (FY12)	Unrestricted Current Ratio			Debt Service Ratio			Rates & Annual Charges Coverage Ratio			Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			Building & Infrastructure Renewals Ratio		
	Result	Rank (9)	Score	Result	Rank (9)	Score	Result	Rank (9)	Score	Result	Rank (9)	Score	Result	Rank (9)	Score
Sutherland	1.66	8		3.9%	7		51%	2		5.6%	9		1.14	2	
Bankstown	2.96			4.4%			67%			4.7%			0.60		
Blacktown	4.26			0.0%			42%			3.3%			0.34		
Canterbury	2.09			1.4%			65%			5.1%			0.98		
Fairfield	2.94			1.8%			59%			3.4%			0.77		
Ku-ring-gai	2.05			2.3%			59%			3.4%			0.95		
Parramatta	0.80			5.3%			57%			3.5%			0.65		
Randwick	2.83			0.0%			68%			2.4%			0.74		
Warringah	3.35			0.5%			58%			3.2%			1.55		

Performance thresholds: Notes

Purpose	To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	To assess the impact of loan principal & interest repayments on the discretionary revenue of council.	To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.	To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.
Performance thresholds	Over 2:1 = Green 1:1 to 2:1 = Amber Less than 1:1 = Red	<10% = Green; 10 to 15% = Amber; >15% = Red	<50% = Green; 50 to 60% = Amber; >60% = Red	<4% = Green; 4 to 5% = Amber; >5% = Red	Over 1:1 = Green; 1:0.90 to 1:1 = Amber; Less than 1: 0.90 = Red

³ Comparative Information on NSW Local Government Councils 2010/11, Department of Local Government

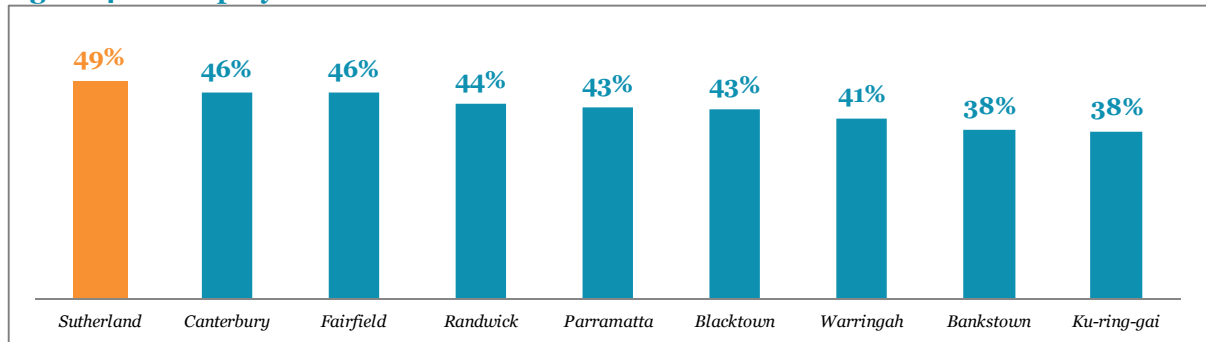
Table 4.2 (cont) – SSC performance relative to sector peers**SSC Time Series Performance**

Performance Measure	Unrestricted Current Ratio			Debt Service Ratio			Rates & Annual Charges Coverage Ratio			Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			Building & Infrastructure Renewals Ratio		
	Result	3y Avg		Result	3y Avg		Result	3y Avg		Result	3y Avg		Result	3y Avg	
Sutherland FY12	1.66	1.68	●	3.9%	5.0%	●	51%	58%	●	5.6%	4.9%	●	1.14	1.18	●
Sutherland FY11	1.69		●	7.8%		●	60%		●	4.9%		●	1.42		●
Sutherland FY10	1.53		●	4.1%		●	59%		●	4.7%		●	0.89		●
Sutherland FY09	1.83		●	3.2%		●	56%		●	5.1%		●	1.24		●

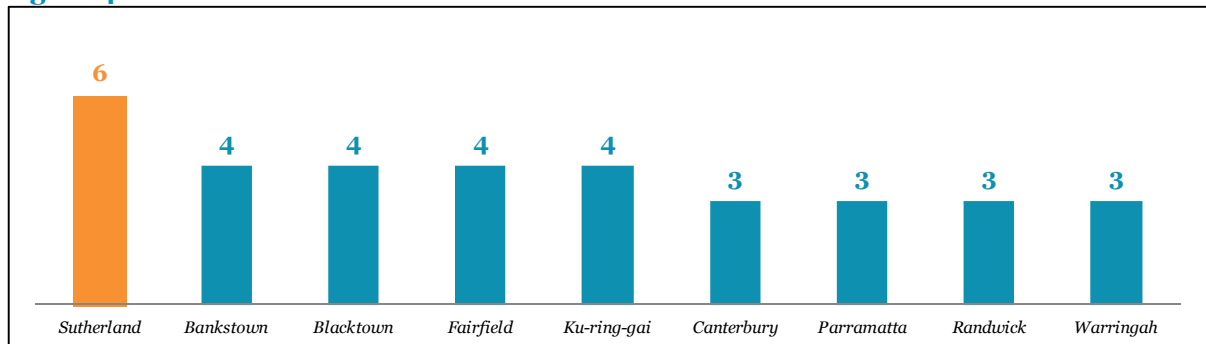
Source – 2012 Annual Reports, PwC Analysis

Further investigation identifies key areas of variance between SSC's profile and performance within this comparative group. These include:

- A relatively large employee cost base, as illustrated in Figure 4.1;
- A relatively high number of divisions, as illustrated in Figure 4.2; and
- The highest average rate per residential assessment and lowest average rate per business assessment, as illustrated in Figure 4.3 and Figure 4.4 respectively.

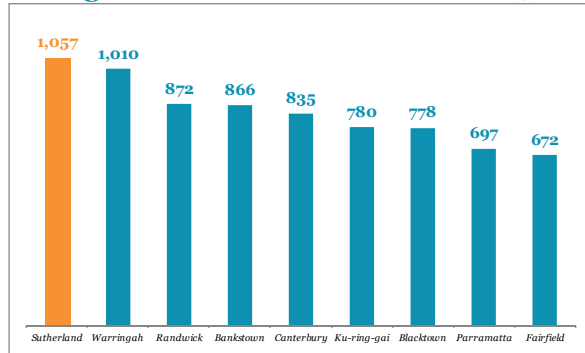
Figure 4.1 – Employee costs

Source – DLG Council Comparative report 2010/11

Figure 4.2 – Number of Directorates

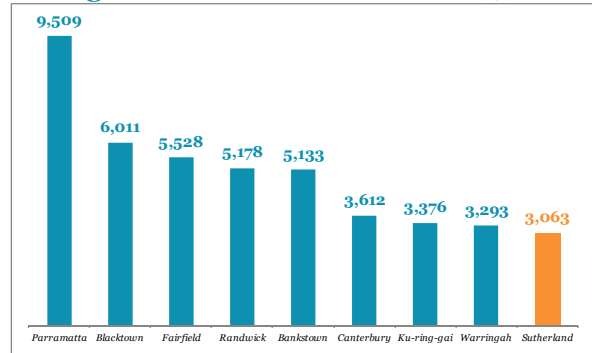
Source – DLG Council Comparative report 2010/11

**Figure 4.3 –
Average residential rate assessment (\$)**



Source – DLG Council Comparative report 2010/11

**Figure 4.4 –
Average business rate assessment (\$)**



3 Business unit performance

PwC analysed performance data across the 14 largest SSC business units (by FTEs), representing approximately 70% of the total SSC full time workforce. This data was considered in combination with PwC observational insights, qualitative performance reporting analysis and senior SSC stakeholder interview results in the assessment of current performance levels across these teams.

Highlights from this analysis are presented in Table 4.3. Further detail is provided in Appendix G.

Table 4.3 – Business unit performance and profile

	General Observations ⁴	Comment
<i>People</i>	<ul style="list-style-type: none"> Staff turnover at SSC is approximately 4%⁵, which may be considered low when compared with other PwC comparable client metrics, particularly for management staff. Interviews and staff survey data suggest that staff enjoy the benefits of working close to home and working for an organisation that makes a difference to the local community. Approximately 70% of employees are residents of the Sutherland Shire. Average employee cost and salary skew varies widely across SSC business units. 	<ul style="list-style-type: none"> A relatively high level of sick leave and unscheduled absenteeism was identified in the Children's Services business unit. Interviews with SSC management suggested that this was typical of the industry (e.g. burnout), however a closer investigation of these results by SSC is recommended. SSC may wish to address staff profile in particular business units to ensure alignment with strategy. Turnover is particularly low in Libraries and Environmental Assessment teams. Low turnover and a lack of talent diversity may be restricting innovation and objectivity around management approach. SSC should ensure that the appropriately skilled staff are employed in specialist teams and that employee costs are positioned against market rates.

⁴ 14 largest SSC teams by FTE.

⁵ Based on Q4 2012 SSC staffing report, provided by Personnel.

	General Observations ⁴	Comment
<i>Financial</i>	<ul style="list-style-type: none"> SSC has capacity to carry more debt and has additional revenue sources at its disposal. The infrastructure backlog and sustainability of the current service offering are of concern. Business units are not operating with a commercial mindset. Inefficiency is often disguised by the support of grants and subsidies and a lack of adequate commercial management reporting. 	<ul style="list-style-type: none"> User charges and fees have increased with the largest contributors being child care charges, restoration charges and swimming pool fees. Public roads and buildings account for 91% of the infrastructure backlog. Project management capability is a concern with only 65% of projects completed in 2011. Children's Services is reported as break-even but makes a loss if grants and subsidies are discounted and full costs are allocated. The industry is competitive with more than 30 private providers in the Sutherland Shire. Furthermore, there are more than 10 privately owned gym and health centre facilities in the Sutherland Shire. Pools, fitness classes, cafes and gyms make up 85% of Council leisure facility use and all of these services are offered by the private sector.
<i>Operational</i>	<ul style="list-style-type: none"> PwC analysis identified a varying degree of fragmentation across SSC's largest business units. 	<ul style="list-style-type: none"> Children's Services, Civil Operations and Leisure Facilities exhibited particularly high degrees of fragmentation, with staff performing over 60% of a possible 36 Council work activities. In contrast Environmental Assessment teams and Environmental Protection and Regulation teams exhibited higher degrees of specialisation, with staff performing a more narrow range of activities.
<i>Technology</i>	<ul style="list-style-type: none"> An assessment of technology performance at SSC by PwC subject matter experts found that SSC's current technology profile has room for improvement across strategy, process, structure, people and technology (Appendix F: Table F.1 provides further detail on PwC's assessment of IT at SSC). 	<ul style="list-style-type: none"> Technology will have varying implications for performance across different business units. SSC should ensure that technology capability is regularly assessed on a service by service basis in order to support strategy and meet the unique needs to the local community stakeholders. Specifically, PwC recommends that SSC administration continue to invest in enquiry handling, CRM and online forms technology to promote customer centricity at SSC.

Source – PwC Analysis

Current state assessment

Table 4.4 – Business unit key performance metrics (14 largest business units by FTEs)

	Overview			People						Financial			Operational		Technology
	FTEs	% of total Council FTEs	% of total Council expenses	Median age of FT employees (yrs)	Median tenure of FT employees (yrs)	Salary skew ratio (average wage/median wage)	Overtime factor (hours per 100 work hours)	Unscheduled sick leave (days per 100 work days)	Staff Turnover per annum	Average Employee Cost (Employee costs/FTE)	Average annual revenue increase 2010-2012(B)	Average annual cost increase 2010-2012(B)	Fragmentation (% of 26 council activities which are performed in this BU)	% of FTEs performing non-specialist tasks	Systems used
SSC BU Avg (largest 14 business units)	54.3	n/a	n/a	45.6	9.3	1.1	131%	2.5	3.9%	60,814	n/a	n/a	43%	3.3	
Community & Rec-Children's Services	131.8	11.9%	6.0%	30.5	3.4	1.05	-	3.9	6.5%	49,320	6.8%	6.8%	83%	20.1%	General
Engineering-Parks Operations	93.1	8.4%	5.8%	45.0	10.7	1.07	1.85	2.6	3.3%	50,757	n/a	6.2%	50%	3.3%	General
Engineering-Civil Operations	87.0	7.9%	4.2%	52.0	12.8	1.07	0.68	2.0	3.4%	51,294	n/a	22.4%	64%	6.8%	General
Engineering-Building Works	66.6	6.0%	2.5%	43.5	10.3	1.04	1.06	1.8	5.0%	53,636	n/a	1.7%	31%	2.9%	General
Engineering-Waste Services	64.4	5.8%	14.7%	52.0	11.1	1.01	3.18	2.2	7.6%	52,961	n/a	5.2%	47%	1.7%	General
Community & Rec-Library & Information	60.8	5.5%	3.1%	53.0	15.2	1.14	1.75	2.2	1.6%	53,636	12.7%	8.5%	39%	13.0%	General
Env Services-Env Assessment Teams	52.0	4.7%	2.7%	49.0	7.0	1.00	0.39	3.8	0.0%	82,795	n/a	1.8%	19%	9.7%	General
Community & Rec-Leisure Facilities	38.5	3.5%	4.5%	35.0	7.0	1.14	-	2.4	5.1%	56,176	3.7%	2.7%	75%	19.5%	General
Corporate Services-Admin & Governance	35.5	3.2%	2.6%	44.0	7.3	1.16	2.18	2.9	3.2%	54,629	n/a	-3.6%	n/a	24.5%	Electronic Business Papers , CRMS
Corporate Services-Finance	35.0	3.2%	2.0%	50.0	13.1	1.13	0.03	3.3	3.1%	62,396	n/a	2.0%	39%	62.4%	Technology One (Finance)
Corporate Services-Env Protection & Reg	32.0	2.9%	1.8%	41.0	4.9	1.11	2.53	1.7	9.4%	58,379	n/a	5.8%	14%	0.0%	General
Env Services-Env & Building Compliance	24.4	2.2%	1.0%	44.5	8.2	1.02	0.17	2.7	0.0%	74,593	n/a	9.7%	22%	5.0%	General
GM Executive-Personnel Services	20.0	1.8%	2.3%	52.0	13.1	1.04	0.11	2.0	0.0%	72,303	n/a	19.2%	31%	15.4%	Aurion (payroll)
Corporate Services-Information Technology	18.8	1.7%	2.4%	47.5	5.7	0.97	3.14	1.7	6.0%	78,526	n/a	2.4%	14%	6.0%	Overall system administration

Source – SSC Performance Review Documentation, SSC Annual Report 2012, SSC Personnel Data

Figure 4.5 – Business unit performance summaries

Community & Recreation - Children's Services			
Overview	BU 2012	SSCBU Avg*	
FTEs	131.8	54.3	
Net result before grants and subsidies	(469,240)	(3,687,312)	
% of total Council FTEs	11.9%	4.9%	
% of total Council staff expenses	9.6%	4.7%	
% of total Council expenses	6.0%	4.0%	
Median age of FT employees (yrs)	31	46	
Median tenure of FT employees (yrs)	3	9	
Average salary of FT employees (\$)	51,790	64,570	
Median salary of FT employees (\$)	49,320	60,814	
Salary skew ratio (sal. average / sal. med)	1.05	1.06	
Cost per FTE	68,030	88,451	
Overtime Factor (% OT hours / normal hours)	0.00	1.31	
Unscheduled sick leave (hrs per 100 hrs)	3.9	2.5	
Staff Turnover	6.5%	3.9%	
Median annual revenue increase 2009-2012	7.4%	4.2%	
Median annual cost increase 2009-2012	7.5%	3.9%	
Fragmentation %	83.3%	43.5%	
Shadow' FTEs	-	3.5	
*Top 14 Teams Average			

Key:	Very Poor	Poor	Moderate	Good	Excellent
	○	○	○	●	●

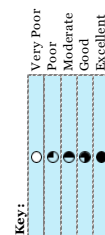
Key Observations	Score
Customer satisfaction	Consistently high (above KPI of 80%)
Occupancy	2012: 99%; 2011: 99% (KPI: 95%)
Commentary Sutherland Shire Council faces a highly competitive landscape with over 30 other childcare and pre-school learning centres in the Shire area. Children's Services has the highest rate of unscheduled sick leave amongst the largest business units. Staff turnover is well above average but this is to be expected due to the nature of the business. Fragmentation of staff activities is the highest of all business units. This suggests staff are spending time on non-core activities such as enquiry handling and administration rather than service delivery. Children's Services is a budget neutral business with a net result of \$632k in 2012. If grants and subsidies are removed, however, Children's Services makes a loss of \$469k. This suggests that the service, while budget neutral, is not being run commercially. Occupancy rates are consistently high on average (>99%), however, there are a number of underperforming centres which need to be reviewed. In particular, Miranda Before and After School Care, which recorded an occupancy average of only 64.82% in 2012. This is also below the estimated occupancy of 70%. This centre had similar occupancy rates in 2011.	
Overall Assessment	

Source - Various (See Appendix A for full list of references)

Engineering - Parks Operations

Overview	BU 2012	SSC BU Avg*
FTEs	93.1	54.3
Net result before grants and subsidies		
	(10,827,523)	(3,687,312)
% of total Council FTEs		
	8.4%	4.9%
% of total Council staff expenses		
	5.9%	4.7%
% of total Council expenses		
	5.8%	4.0%
Median age of FT employees (yrs)		
	45	46
Median tenure of FT employees (yrs)		
	11	9
Average salary of FT employees (\$)		
	54,284	64,570
Median salary of FT employees (\$)		
	50,757	60,814
Salary skew ratio (sal. average / sal. med)		
	1.07	1.06
Cost per FTE		
	59,117	88,451
Overtime Factor (% OT hours / normal hours)		
	1.85	1.31
Unscheduled sick leave (hrs per 100 hrs)		
	2.6	2.5
Staff Turnover		
	3.3%	3.9%
Median annual revenue increase 2009-2012		
	-27.5%	4.2%
Median annual cost increase 2009-2012		
	3.6%	3.9%
Fragmentation %		
	50.0%	43.5%
Shadow FTEs		
	-	3.5

*Top 14 Teams Average



Key Observations	Score
CRMs actioned	92%
Maintenance complete	71% (KPI: 70%)
Injury rate	116 (SSC avg: 78)
Commentary At a loss of \$10.8m before grants and subsidies, Parks Operations is the most costly business unit of the 14 analysed. Median annual revenue has decreased by 28% over the past 4 years. Overtime is considerably high within Parks Operations. Fragmentation of staff activities is quite high at 47% given the nature of Parks Operations. This suggests staff and spending time on non-core activities such as enquiry handling and administration rather than service delivery. The injury rate is the highest of all high risk BUs.	
Overall Assessment	

Source - Various (See Appendix A for full list of references)

Engineering - Civil Operations				
Overview		BU 2012	SSC BU Avg*	
FTEs		87.0	54.3	
Net result before grants and subsidies		(5,970,694)	(3,687,312)	
% of total Council FTEs		7.9%	4.9%	
% of total Council staff expenses		4.5%	4.7%	
% of total Council expenses		4.2%	4.0%	
Median age of FT employees (yrs)		52	46	
Median tenure of FT employees (yrs)		13	9	
Average salary of FT employees (\$)		54,682	64,570	
Median salary of FT employees (\$)		51,294	60,814	
Salary skew ratio (sal. average / sal. med)		1.07	1.06	
Cost per FTE		47,802	88,451	
Overtime Factor (% OT hours / normal hours)		0.68	1.31	
Unscheduled sick leave (hrs per 100 hrs)		2.0	2.5	
Staff Turnover		3.4%	3.9%	
Median annual revenue increase 2009-2012		13.7%	4.2%	
Median annual cost increase 2009-2012		15.6%	3.9%	
Fragmentation %		63.9%	43.5%	
Shadow FTEs		-	3.5	
*Top 14 Teams Average				
<p>Key:</p>				
Source - Various (See Appendix A for full list of references)				

Engineering - Building Works

Overview		BU 2012	SSC BU Avg*
FTEs		66.6	54.3
Net result before grants and subsidies		(4,681,136)	(3,687,312)
% of total Council FTEs		6.0%	4.9%
% of total Council staff expenses		3.4%	4.7%
% of total Council expenses		2.5%	4.0%
Median age of FT employees (yrs)		44	46
Median tenure of FT employees (yrs)		10	9
Average salary of FT employees (\$)		55,648	64,570
Median salary of FT employees (\$)		53,636	60,814
Salary skew ratio (sal. average / sal. med)		1.04	1.06
Cost per FTE		47,623	88,451
Overtime Factor (% OT hours / normal hours)		1.06	1.31
Unscheduled sick leave (hrs per 100 hrs)		1.8	2.5
Staff Turnover		5.0%	3.9%
Median annual revenue increase 2009-2012		-23.2%	4.2%
Median annual cost increase 2009-2012		-1.6%	3.9%
Fragmentation %		30.6%	43.5%
Shadow FTEs		-	3.5
Key Observations		9.4% (2012); 98% (2011)	Score
Projects delivered		68% (2012); 70% (2011) (KPI: 65%)	●
Productivity rate		7.4 (SSC avg: 7.8)	●
Injury rate			●
Commentary		<p>Costs have decreased slightly over the past 4 years but revenues have decreased significantly.</p> <p>Staff turnover is above average.</p> <p>Fragmentation of staff activities is below average but there is opportunity to reduce the amount of enquiry handling and administration to allow staff to focus on core activities.</p> <p>The percentage of projects delivered and the productivity rate as dropped from prior year.</p>	
Overall Assessment			●

*Top 14 Teams Average

Key:

○	Very Poor
●	Poor
●	Moderate
●	Good
●	Excellent

Source - Various (See Appendix A for full list of references)

Engineering - Waste Services

Overview	BU 2012	SSC BU Avg*
FTEs	64.4	54.3
Net result before grants and subsidies	(3,463,603)	(3,687,312)
% of total Council FTEs	5.8%	4.9%
% of total Council staff expenses	10.8%	4.7%
% of total Council expenses	14.7%	4.0%
Median age of FT employees (yrs)	52	46
Median tenure of FT employees (yrs)	11	9
Average salary of FT employees (\$)	53,738	64,570
Median salary of FT employees (\$)	52,961	60,814
Salary skew ratio (sal. average / sal. med)	1.01	1.06
Cost per FTE	156,588	88,451
Overtime Factor (% OT hours / normal hours)	3.18	1.31
Unscheduled sick leave (hrs per 100 hrs)	2.2	2.5
Staff Turnover	7.6%	3.9%
Median annual revenue increase 2009-2012	4.3%	4.2%
Median annual cost increase 2009-2012	4.3%	3.9%
Fragmentation %	47.2%	43.5%
'Shadow' FTEs	-	3.5

Top 14 Teams Average

Key Observations			Score
CRMs actioned	62%		●
Service level	Full service except for AWT facility		●
Waste recovery	52% (target: 66%; benchmark avg: 49%)		●
Collection freq.	Dry waste: Weekly; Recycling: Fortnightly		●
Waste mgmt charge	\$274 (benchmark avg: \$269)		●
Injury rate	52 (SSC avg: 78)		●
Commentary			
<p>Sutherland services approximately 80,000 households - second highest amongst benchmarked Councils in terms of coverage and total domestic waste generation. Sutherland offers full service waste collection except for an alternative waste treatment facility (AWT) (only 13% of Councils in NSW offer this service).</p> <p>Waste Services accounts for 14.7% of total Council expenses. The next highest is Children's Services at 6%.</p> <p>Waste Services accounts for 5.8% of Council FTEs but employee costs account for 10.8% of total Council staff expenses, placing it the highest amongst the BUS analysed. Overtime is considerably high within Waste Services which explains why the cost per FTE (\$152k) is so much higher than the median salary (\$53k). Waste Services also experiences a high level of staff turnover.</p> <p>Fragmentation of staff activities is quite high at 47% given the nature of Waste Services. This suggests staff and spending time on non-core activities such as enquiry handling and administration rather than service delivery.</p> <p>Sutherland's domestic waste recovery rate is above the benchmark average of 49% but still needs considerable improvement to reach the target of 66% by 2014. Collection frequency is in line with the practices of comparable Councils.</p>			
Overall Assessment			●

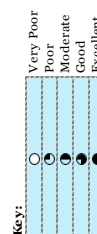
Source - Various (See Appendix A for full list of references)

Source - Various (See Appendix A for full list of references)

Community & Recreation - Library & Information

Overview	BU 2012	SSC BU Avg*
FTEs	60.8	54.3
Net result before grants and subsidies	(5,444,639)	(3,687,312)
% of total Council FTEs	5.5%	4.9%
% of total Council staff expenses	5.1%	4.7%
% of total Council expenses	3.1%	4.0%
Median age of FT employees (yrs)	53	46
Median tenure of FT employees (yrs)	15	9
Average salary of FT employees (\$)	61,053	64,570
Median salary of FT employees (\$)	53,636	60,814
Salary skew ratio (sal. average / sal. med)	1.14	1.06
Cost per FTE	78,732	88,451
Overtime Factor (% OT hours / normal hours)	1.75	1.31
Unscheduled sick leave (hrs per 100 hrs)	2.2	2.5
Staff Turnover	1.6%	3.9%
Median annual revenue increase 2009-2012	8.5%	4.2%
Median annual cost increase 2009-2012	8.9%	3.9%
Fragmentation %	38.9%	43.5%
Shadow FTEs	-	3.5

*Top 14 Teams Average



Key Observations	Score
Libraries	8 (benchmark avg: 4.5)
Library visits	17% decrease
Library visits per capita	1.4% decrease
Loans	5% decrease
Catalogue searches	10% decrease
Stock	162k books (benchmark avg: 78k)
Age of stock	24% greater than 10 years old (benchmark avg: 21%)
Internet terminals	31 (benchmark avg: 50)
Weekly opening hrs	351 (benchmark avg: 230)
Total staff	61 (benchmark avg: 54)
% qualified	54% (benchmark avg: 35%)

Commentary

Overtime is high within Library Services which explains why the cost per FTE (\$79k) is higher than the median salary (\$54k). Fragmentation of staff activities is below average but there is opportunity to reduce the amount of enquiry handling and administration to allow staff to focus on core activities.

Use of library services has decreased significantly over recent years. Visits per capita, loans and catalogue searches have all decreased sharply from prior year and show no signs of slowing. This suggests diminishing demand for the service. Despite this, Sutherland has a high number of libraries compared to other Councils.

Sutherland has a high number of hard copy books compared to other Councils, however, internet terminals are significantly below the average of benchmarked Councils. With loans decreasing and remote access increasing, Sutherland's service is not aligned to changing community demand.

Despite reduced use of library services, Sutherland still has the highest number of total weekly library opening hours and above average staff levels - mostly due to the high number of libraries. In addition, 54% of library staff are qualified, which is the highest amongst comparable Councils. While this may indicate high service levels, it could also indicate a level of service that is not required.

Overall Assessment

●

Source - Various (See Appendix A for full list of references)

Environmental Services - Environmental Assessment Teams

Overview			
FTEs	BU 2012	SSC BU Avg*	Score
	52.0	54.3	●
Key Observations			
% of DAs approved		93% (benchmark avg: 96%)	●
Avg days to determine		64 days (benchmark avg: 70 days)	●
Determination rate		54% in 52 days (2012); 63% (2011) (KPI: 66%)	●
DA values		97% \$0-\$1m (benchmark avg: 97% \$0-\$1m)	n/a
DA types		62% alterations (benchmark avg: 38% alterations)	n/a
Commentary			
<p>The Environmental Assessment Teams have the highest median salary of the largest BUs with Council. Overtime is low compared to the SSC average but unscheduled sick leave is the highest amongst the largest BUs.</p> <p>Fragmentation of staff activities is low compared to the rest of Council. While there is room for reduction in enquiry handling and administration, this suggest staff are generally focusing on core activities.</p> <p>The percentage of development applications approved by benchmark Councils ranges from 87% (Kuring-gai) to 99% (Bankstown). Sutherland sits in the lower end of the scale with 93.4% of development applications approved. While not meeting the KPI of 66% determined within 52 days over the past two years, it has been noted that 66% of applications were determined in 69 days or less.</p> <p>The average number of days to determine development applications by benchmark Councils ranges from 46 days (Warringah) to 102 days (Canterbury). Sutherland sits around the middle with an average of 64 days to determine development applications.</p> <p>Sutherland determined 1,219 developed applications of which 97% fell in the \$0-\$1 million range. This is one of the higher percentages amongst benchmark Councils. Sutherland does not deal with a large number of high value applications. 62% of determinations were for 'alterations and additions'. This is the highest percentage amongst benchmark Councils. Furthermore, 16% of development applications related to 'single new dwellings' and 8% related to 'commercial/retail/office'. Only 2% of development applications related to 'industrial'. There were no development applications related to 'infrastructure'.</p> <p>Sutherland predominantly deals with low value (\$0-\$1m), residential (alterations/additions) development applications. Given these applications are generally less complex, determination time and approval rates would normally be higher.</p>			
Overall Assessment			●

Source - Various (See Appendix A for full list of references)

*Top 14 Teams Average

Key:	Very Poor
	Poor
	Moderate
	Good
	Excellent

Community & Recreation - Leisure Facilities

Overview	BU 2012	SSC BU Avg*
FTEs	38.5	54.3
Net result before grants and subsidies	(614,466)	(3,687,312)
% of total Council FTEs	3.5%	4.9%
% of total Council staff expenses	6.3%	4.7%
% of total Council expenses	4.5%	4.0%
Median age of FT employees (yrs)	35	46
Median tenure of FT employees (yrs)	7	9
Average salary of FT employees (\$)	63,908	64,570
Median salary of FT employees (\$)	56,176	60,814
Salary skew ratio (sal. average / sal. med)	1.14	1.06
Cost per FTE	153,768	88,451
Overtime Factor (% OT hours / normal hours)	0.00	1.31
Unscheduled sick leave (hrs per 100 hrs)	2.4	2.5
Staff Turnover	5.1%	3.9%
Median annual revenue increase 2009-2012	4.2%	4.2%
Median annual cost increase 2009-2012	6.1%	3.9%
Fragmentation %	75.0%	43.5%
Shadow FTEs	-	3.5

*Top 14 Teams Average

Key:

○	Very Poor
◐	Poor
◑	Moderate
◒	Good
◓	Excellent

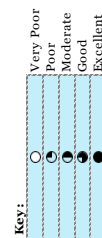
Key Observations	Score
Facilities quality	66% same or better than other facilities
Infrastructure quality	75% same or better than other facilities
Cost of membership	67% same or better than other facilities
Value for money	70% same or better than other facilities
<p>Commentary</p> <p>Within a 3km radius of Sutherland Shire Leisure centre, there are over 10 other privately owned gym and health centre facilities.</p> <p>Pools, fitness classes, cafes and gyms make up 85% of Council leisure facility use. All services that are offered by the private sector.</p> <p>Leisure accounts for only 3.5% of Council FTEs but employee costs account for 6.3% of total Council staff expenses, placing it the highest amongst the BUs analysed. Cost per FTE is the highest of all large BUs at \$153k. Leisure Facilities also experiences a high level of staff turnover but this is to be expected due to the nature of the business.</p> <p>Median annual cost increase of 6.1% has outstripped median annual revenue increase of 4.2% over the past 4 years.</p> <p>Fragmentation of staff activities is amongst the highest of all business units. This suggests staff members are spending time on non-core activities such as enquiry handling and administration rather than service delivery. There is a significant opportunity to centralise enquiry handling and admin activities in particular.</p>	
Overall Assessment	

Source - Various (See Appendix A for full list of references)

Corporate Services - Administration & Governance

Overview	BU 2012	SSC BU Avg*
FTEs	35.5	54.3
Net result before grants and subsidies	(4,813,058)	(3,687,312)
% of total Council FTEs	3.2%	4.9%
% of total Council staff expenses	3.1%	4.7%
% of total Council expenses	2.6%	4.0%
Median age of FT employees (yrs)	44	46
Median tenure of FT employees (yrs)	7	9
Average salary of FT employees (\$)	63,187	64,570
Median salary of FT employees (\$)	54,629	60,814
Salary skew ratio (sal. average / sal. med)	1.16	1.06
Cost per FTE	81,390	88,451
Overtime Factor (% OT hours / normal hours)	2.18	1.31
Unscheduled sick leave (hrs per 100 hrs)	2.9	2.5
Staff Turnover	3.2%	3.9%
Median annual revenue increase 2009-2012	n/a	4.2%
Median annual cost increase 2009-2012	3.2%	3.9%
Fragmentation %	80.6%	43.5%
'Shadow' FTEs	30.6	3.5

*Top 14 Teams Average



Key Observations	Score
Customer satisfaction	Consistently high and increasing
Cost per capita	98 (SSROC avg: 134)
Commentary	
Overtime is considerably high within Admin which explains why the cost per FTE (\$81k) is so much higher than the median salary (\$63k). Admin also has a high level of unscheduled sick leave.	
Fragmentation of staff activities is amongst the highest of all business units. While this is to be expected in an Admin function, it suggests staff are spending time on too many other activities other than administration tasks.	
In addition, activity analysis reveals there are up to 31 'shadow' FTEs within the Council that are performing admin activities, which increases the true size and cost of the admin team. Centralising admin tasks across the Council would significantly decrease the number of 'shadow' FTEs.	
Overall Assessment	

Source - Various (See Appendix A for full list of references)

Corporate Services - Finance

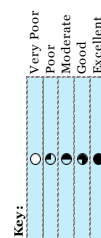
Overview	BU 2012	SSC BU Avg*
FTEs	35.0	54.3
Net result before grants and subsidies	(2,765,673)	(3,687,312)
% of total Council FTEs	3.2%	4.9%
% of total Council staff expenses	2.9%	4.7%
% of total Council expenses	2.0%	4.0%
Median age of FT employees (yrs)	50	46
Median tenure of FT employees (yrs)	13	9
Average salary of FT employees (\$)	70,235	64,570
Median salary of FT employees (\$)	62,396	60,814
Salary skew ratio (sal. average / sal. med)	1.13	1.06
Cost per FTE	76,594	88,451
Overtime Factor (% OT hours / normal hours)	0.03	1.31
Unscheduled sick leave (hrs per 100 hrs)	3.3	2.5
Staff Turnover	3.1%	3.9%
Median annual revenue increase 2009-2012	-0.1%	4.2%
Median annual cost increase 2009-2012	2.3%	3.9%
Fragmentation %	38.9%	43.5%
'Shadow' FTEs	6.3	3.5

Top 14 Teams Average

Key Observations	Score
Financial Bottom Line matched to forecasts to a level of + or - 10%	●
Receipt of an unqualified Audit Report	●
Statements lodged to meet compliance deadline	●
Report monthly to management within 5 days of month end	○
Report quarterly – within 21 days of quarter end	○
Report annually – within 21 days of year end	○
Budgets incorporate a 3 year plan	●
Rigour of budget review and then ongoing budget to actual results analysis	●
RAO formally reports to Council on the sign off of Financial Statements	●
Established Audit Committee comprising elected members and community	●
Commentary	
<p>The management practices of the finance team have been assessed against 10 key criteria above. Sutherland meets all but 3 of these criteria. All these 'failed' criteria relate to timeliness of reporting. Best practice monthly reporting should be done within 5 days of month end and quarterly/annual reporting with 21 days. Sutherland normally take 3-6 weeks to report.</p> <p>Overtime within Finance is very low but unscheduled sick leave is amongst the highest in Council.</p> <p>Fragmentation of staff activities is below average but there is opportunity to reduce the amount of enquiry handling and administration to allow staff to focus on core finance activities. In addition, activity analysis reveals there are up to six 'shadow' FTEs within the Council that are performing financial management activities, which increases the true size of the finance team.</p>	
Overall Assessment	●

Source - Various (See Appendix A for full list of references)

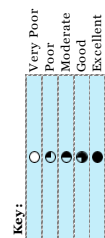
Source - Various (See Appendix A for full list of references)



Corporate Services - Environmental Protection & Regulation

Overview	BU 2012	SSC BU Avg*
FTEs	32.0	54.3
Net result before grants and subsidies	1,251,415	(3,687,312)
% of total Council FTEs	2.9%	4.9%
% of total Council staff expenses	2.4%	4.7%
% of total Council expenses	1.8%	4.0%
Median age of FT employees (yrs)	41	46
Median tenure of FT employees (yrs)	5	9
Average salary of FT employees (\$)	64,524	64,570
Median salary of FT employees (\$)	58,379	60,814
Salary skew ratio (sal. average / sal. med)	1.11	1.06
Cost per FTE	70,586	88,451
Overtime Factor (% OT hours / normal hours)	2.53	1.31
Unscheduled sick leave (hrs per 100 hrs)	1.7	2.5
Staff Turnover	9.4%	3.9%
Median annual revenue increase 2009-2012	10.1%	4.2%
Median annual cost increase 2009-2012	9.4%	3.9%
Fragmentation %	13.9%	43.5%
Shadow FTEs	-	3.5

*Top 14 Teams Average



Key Observations	Score
CRMs actioned	97.6% (KPI: 95%)
Animals returned/sold	60% (KPI: 95%)
Infringements issued	95% (KPI: 95%)
Overall Assessment	4

Commentary

Overtime is amongst the highest of business units. Staff turnover is the highest of all BUs.

Environmental protection & regulation is meeting most KPIs but there is opportunity for improvement, particularly in finding homes for impounded animals.

Fragmentation of activities is very low. Staff members are focused on delivering services. This is reflected in the high percentage of CRMs actioned.

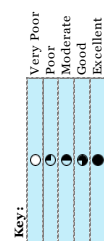
Source - Various (See Appendix A for full list of references)

Env Services - Environment & Building Compliance

Overview	BU 2012	SSC BU Avg*	Key Observations	Score
FTEs	24.4	54.3	CRMs actioned 82%	●
Net result before grants and subsidies	(1,688,073)	(3,687,312)		
% of total Council FTEs	2.2%	4.9%		
% of total Council staff expenses	2.1%	4.7%		
% of total Council expenses	1.0%	4.0%		
Median age of FT employees (yrs)	45	46		
Median tenure of FT employees (yrs)	8	9		
Average salary of FT employees (\$)	76,280	64,570		
Median salary of FT employees (\$)	74,593	60,814		
Salary skew ratio (sal. average / sal. med)	1.02	1.06		
Cost per FTE	79,455	88,451		
Overtime Factor (% OT hours / normal hours)	0.17	1.31		
Unscheduled sick leave (hrs per 100 hrs)	2.7	2.5		
Staff Turnover	0.0%	3.9%		
Median annual revenue increase 2009-2012	1.5%	4.2%		
Median annual cost increase 2009-2012	10.0%	3.9%		
Fragmentation %	22.2%	43.5%		
'Shadow' FTEs	-	3.5		
Overall Assessment				●
Commentary			<p>Median annual cost increase of 10% has significantly outstripped median annual revenue increase of 1.5% over the past 4 years.</p> <p>Fragmentation of activities is low. Staff members are focused on delivering core services.</p>	

Source - Various (See Appendix A for full list of references)

*Top 14 Teams Average



GM Executive - Personnel Services

Overview		BU 2012	SSC BU Avg*
FTEs		20.0	54.3
Net result before grants and subsidies			
		(4,168,380)	(3,687,312)
% of total Council FTEs			
		1.8%	4.9%
% of total Council staff expenses			
		2.7%	4.7%
% of total Council expenses			
		2.3%	4.0%
Median age of FT employees (yrs)			
		52	46
Median tenure of FT employees (yrs)			
		13	9
Average salary of FT employees (\$)			
		75,364	64,570
Median salary of FT employees (\$)			
		72,303	60,814
Salary skew ratio (sal. average / sal. med)			
		1.04	1.06
Cost per FTE			
		125,391	88,451
Overtime Factor (% OT hours / normal hours)			
		0.11	1.31
Unscheduled sick leave (hrs per 100 hrs)			
		2.0	2.5
Staff Turnover			
		0.0%	3.9%
Median annual revenue increase 2009-2012			
		n/a	4.2%
Median annual cost increase 2009-2012			
		2.2%	3.9%
Fragmentation %			
		30.6%	43.5%
'Shadow' FTEs			
		3.4	3.5

*Top 14 Teams Average

Key:

○	Very Poor
●	Poor
●	Moderate
●	Good
●	Excellent

Key Observations		Score
SSC overtime factor	0.99 (2012); 1.94 (2011); 1.84 (2010); 1.77 (2009)	●
Absenteeism	4.50 (2012); 4.14 (2011); 3.81 (2010); 4.08 (2009)	○
Staff turnover %	12.23 (2012); 9.22 (2011); 9.11 (2010); 8.82 (2009)	○
PT staffing rate	17.15 (2012); 16.49 (2011); 16.17 (2010); 14.22 (2009)	●

Commentary	
Council full time headcount has declined over the past 5 years partly offset by an increasing part time staffing rate without sacrificing any significant services.	
Potential to increase employee self-service rate, currently approximately 70%	
Very strong sentiment that council is not doing enough to attract new staff. 41% agree. Many cite lack of competitive salary as main reason. Some concern around the link between performance review and council strategy as it cascades from manager to junior staff.	
Staff sighted inequality and pay as biggest dislike for working for council, although we find salary skew to be quite low at 1.04. Suggesting these concerns are unfounded.	
Staff importance rankings show an increase of importance of carers leave and customer service culture and decrease in additional workplace benefits. Satisfaction scores also show that staff are a lot more satisfied with carers leave and taking responsibility and being accountable.	
32% of the workforce expect to leave the council in the next five years - succession planning is key, particularly for senior positions.	
Overall Assessment	
●	

Source - Various (See Appendix A for full list of references)

Corporate Services - Information Technology

Overview	BU 2012	SSC BU Avg*
FTEs	18.8	54.3
Net result before grants and subsidies	(4,572,862)	(3,687,312)
% of total Council FTEs	1.7%	4.9%
% of total Council staff expenses	1.9%	4.7%
% of total Council expenses	2.4%	4.0%
Median age of FT employees (yrs)	48	46
Median tenure of FT employees (yrs)	6	9
Average salary of FT employees (\$)	76,311	64,570
Median salary of FT employees (\$)	78,526	60,814
Salary skew ratio (sal. average / sal. med)	0.97	1.06
Cost per FTE	96,282	88,451
Overtime Factor (% OT hours / normal hours)	3.14	1.31
Unscheduled sick leave (hrs per 100 hrs)	1.7	2.5
Staff Turnover	6.0%	3.9%
Median annual revenue increase 2009-2012	n/a	4.2%
Median annual cost increase 2009-2012	-1.7%	3.9%
Fragmentation %	13.9%	43.5%
Shadow FTEs	8.2	3.5

*Top 14 Teams Average

Key:

○	Very Poor
●	Poor
●	Moderate
●	Good
●	Excellent

Key Observations	Score
CRMs actioned	95%
Customer satisfaction	98% (KPI: 95%)
Incident resolution time	45 mins (2011: 31 mins)
% support outsourced	10% (benchmark avg: 17%)
Commentary <p>Along with Waste Service, IT has the highest rate of overtime amongst business units. Staff turnover is also amongst the highest.</p> <p>Average salary is high and cost per FTE is even higher due to overtime.</p> <p>Fragmentation of activities is very low. Staff are focused on delivering IT services. This is reflected in high customer satisfaction scores and percentage of CRMs actioned. In addition, activity analysis reveals there are up to eight 'shadow' FTEs within the Council that are performing IT activities, which increases the true size and cost of the IT team.</p> <p>Average incident resolution time has increased significantly from prior year.</p> <p>Only 10% of support is outsourced which is low compared to other councils</p>	
Overall Assessment	●

Source - Various (See Appendix A for full list of references)

4 Operational themes

4.1 Activity analysis methodology

PwC collected data at a very detailed level across the whole organisation and split the Council across 53 functional business units (Appendix D). PwC’s approach allowed an engagement directly with the managers in charge of each BU.

PwC’s data analysis was based on a standard processes model, which includes 36 core processes (refer to Appendix D for definitions). PwC reviewed data for all Council FTEs. Activities that were performed less than 5% of the time by an employee were not included in our analysis.

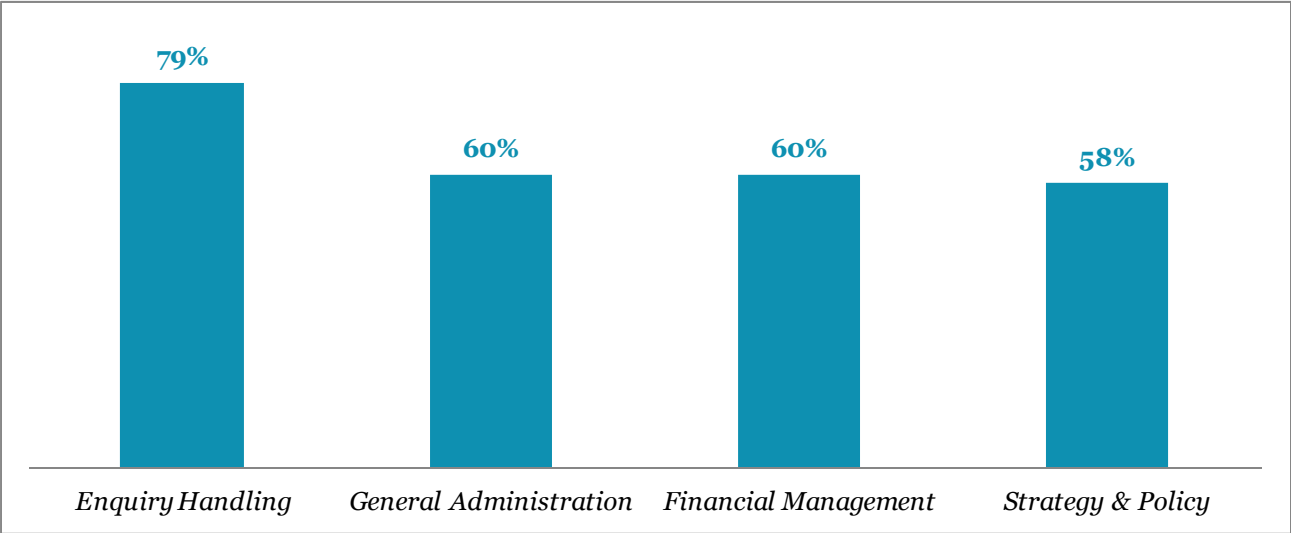
PwC have analysed the data to identify three issues:

- **Duplication** - where the same processes are performed in many service areas within the Council. PwC highlighted processes that are performed in more than a certain percentage of the functions for further investigation and to determine whether standard ways of working exist.
- **Fragmentation** – where a single service area performs many processes. PwC highlighted services that carried out more than 20 processes for further investigation and to determine if these services could maximise their efficiency by focusing on their primary activity.
- **Non-core BU activities** – where a process activity is being performed outside its core function area (e.g. IT service activities being performed in a BU other than IT). PwC have highlighted key support functions for further investigation to determine whether these processes can be standardised.

4.2 Duplication of activities

A common operational challenge that organisations face is the effective allocation of labour both within and across business units. PwC, in conjunction with SSC management, undertook an extensive activity analysis exercise across all SSC staff to understand which activities staff were performing and in what quantities. The analysis revealed that in a number of cases, SSC staff from different business units were performing the same tasks. Figure 4.6 shows those activities that were being performed in a wide range of SSC business units. For example, enquiry handling tasks were being performed in 79% of SSC business units, and general administration tasks were being performed in 60% of SSC business units.

Figure 4.6 – Percent of SSC business units undertaking stated activity



Source – PwC Activity Analysis

In many cases, such activities should be redistributed, as much as possible, to dedicated teams so that SSC can realise the benefits of job specialisation and avoid associated inefficiencies such as double handling or staff time spent moving between tasks.

4.3 Core functions

A review of global council best practice indicated that high performing councils will promote specialisation of corporate activities within specialist corporate teams.

Figure 4.7 – SSC FTEs performing specialist corporate activities (within and external to specialist corporate teams)



Source – PwC Activity Analysis

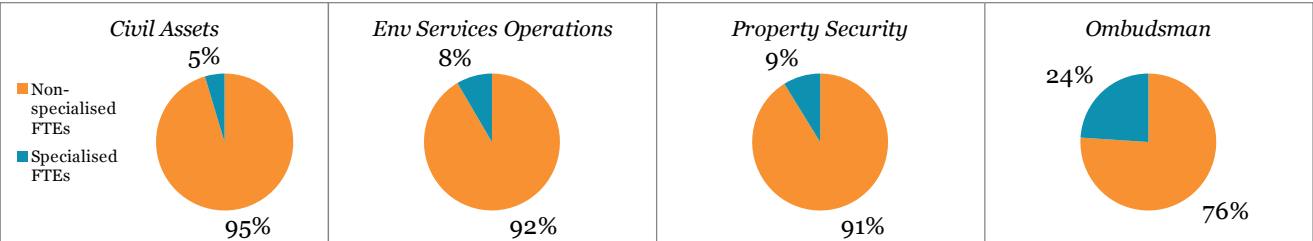
As detailed in Figure 4.7, activity analysis identified a number of cases in which specialist corporate activities at SSC were being performed by staff outside of corporate teams. In total these activities equated to 52 full time equivalents (FTE), representing significant opportunity to realise cost efficiencies at SSC by reallocating such activities back to the central corporate functions.

4.4 Specialisation of business units

SSC currently operates 53 business units, to deliver a wide range of specialist internal and customer facing services. To achieve high performance, SSC should ensure that each business unit is focused on delivering its respective specialist service. Non-specialist activities should be sourced from other SSC business units or from corporate administration teams.

Activity analysis reveals that the degree of specialisation within many key SSC business units is relatively low. Those teams with a particularly low degree of specialisation are shown in Figure 4.8.

Figure 4.8 – Business units performing highest degree of non-specialised tasks



Source – PwC Activity Analysis

SSC may improve operational performance and realise cost efficiencies by increasing the degree of specialisation within key business units and centralising non-specific tasks to corporate administration teams.

4.5 Project delivery

Project delivery is a critical capability for any Council. Stakeholder interviews and a review of internal performance reporting identified a poor track record in project delivery at SSC over recent years.

Figure 4.9 – SSC delivery of capital works performance against KPI



Source – SSC Annual Report 2012

SSC has recently recruited a Director of Projects to address this concern. While such a senior appointment is likely to improve project delivery performance at SSC, PwC has identified other reasons for the poor performance that SSC should address. These include:

- A lack of accountability at SSC for project delivery;
- Poor internal and external stakeholder management;
- Poor internal systems to support project delivery (e.g. lack of specialist project management software and manual processes); and
- A variation in the quality of project management talent at SSC.

4.6 Alliances and shared services

SSC is currently a member of the Southern Sydney Regional Organisation of Councils (SSRoC). The 16 member association collectively represent 1.4 million residents, and exists to provide economies of scale in joint activities and as a forum for councils to share best practice initiatives.

Cost of membership is approximately \$60,000 per annum for all 14 councils. Given that the cost of membership is a flat rate (i.e. not based on resident headcount) the association represents relatively higher value to larger members like SSC.

Interviews with SSC senior stakeholders suggested that any benefits of the association for SSC were limited. SSC has had no major shared service projects with SSRoC in 2011/2012, and interviews with SSC management revealed that while the alliance “doesn’t achieve much”, there was acknowledgement that some benefits had been realised in joint procurement.

A common view from management was that the same or greater economies of scale may be realised without the alliance. It is not clear to PwC that this is likely to be the case in reality with such a broad population using similar shared services to deliver similar service portfolios. In the event that SSC is in fact achieving superior economies of scale then the Council should seek to sell back services, where there is surplus capacity, to less efficient councils.

It is however likely that potential gains from such alliances have been difficult to assess given limitations of the current management reporting (i.e. transparency, decision support, and full cost allocation).

PwC recommends a three step approach to enhancing economies of scale with regards to best practice and economies of scale:

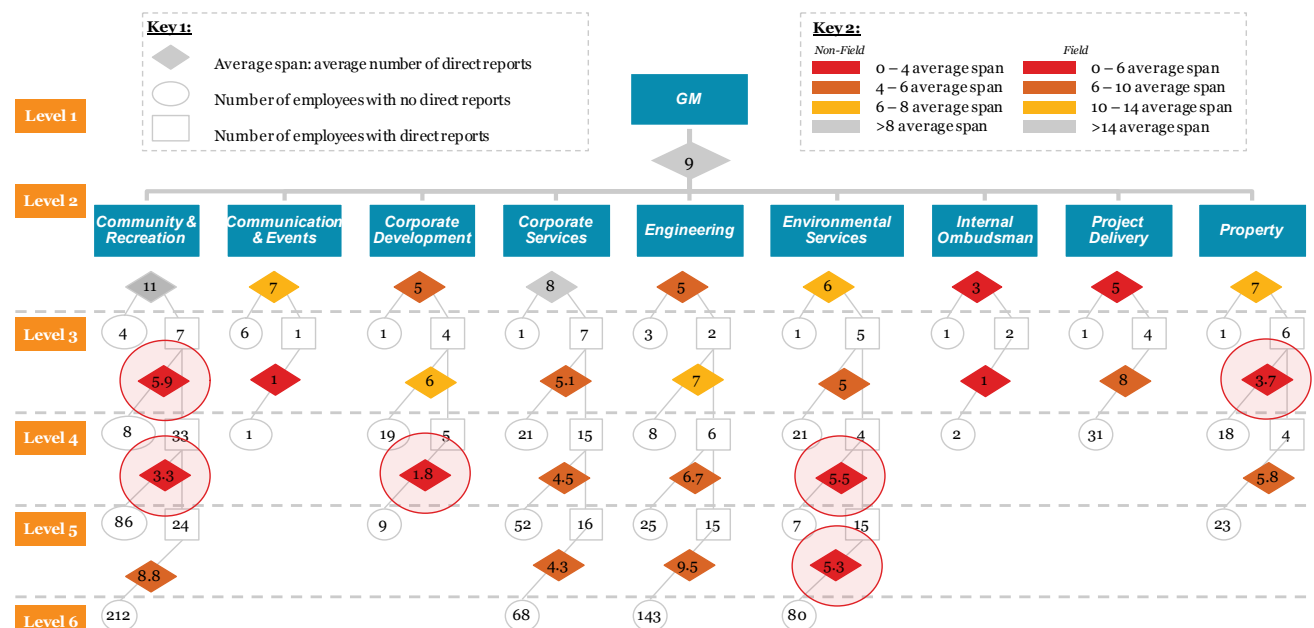
1. Do not increase commitment to SSRoC in the short term;
2. Implement robust, transparent and commercially orientated management reporting across SSC, with all services reported on a fully costed basis;
3. Re-assess and pursue opportunities for sale of shared services or economies of scale to be achieved through strategic alliances.

4.7 Spans of control

Based on PwC's experience in working with public sector organisations, less than eight direct reports per manager may be considered an indication of low organisational effectiveness (and cost efficiency) with potentially too many managers working across too few staff.

A 'spans and layers' analysis at SSC revealed that, on average, managers had less than six direct reports. Figure 4.10 shows a significant variation in the number of direct reports across SSC business units. Those with a particularly low number of direct reports are circled in red.

Figure 4.10 - Management spans and layers at SSC



Source – SSC Organisational Charts, PwC Analysis

The results suggest an opportunity for SSC to consolidate the management structure in a number of business units. Managed effectively and where appropriate, such measures could return significant cost efficiencies to SSC without a reduction in overall organisational performance. Fewer managers may also lead to indirect benefits such as increased collaboration and communication across the organisation and managers being less removed from front line customers.

5 Customer themes

5.1 Community consultation

At a cost of \$380,000 per annum and 4.5 FTEs, SSC has invested heavily in an internal customer research capability (i.e. the Strategic Planning business unit). This team primarily administers regular and ad-hoc community surveys, conducts analysis on survey results and prepares community consultation reporting to SSC management.

The Review suggested that the team's approach and methodology was broadly sound, including:

- Adequate sample size for robust statistical analysis;
- Appropriate frequency of survey distribution; and
- Appropriate survey question design.

Despite this, PwC suggests that community consultation efforts at SSC may be further improved. Specifically:

- It is not immediately clear how current community consultation efforts help SSC to address the key strategic challenges raised in this report. PwC suggest that any research insights should better address key questions around trade-offs, concept of value & service offer, performance and customer centricity;
- Survey design is currently based on a time series program, with the same question format used for each scheduled release to maintain comparison. While comparability over time is important, SSC should balance the benefit of consistency against the benefits of relevance when considering appropriate question sets for each survey release;
- Industry best practice recommends that community consultation should be broad in approach and methodology, not restricted to regular controlled surveys, which may have their own disadvantages (e.g. limiting consultation with non-English speakers and illiterate residents). PwC recommends that additional consultation channels be explored at SSC (e.g. internet feedback and CRM traffic analysis);
- Some customer surveys are also currently being administered within SSC business units (see PwC activity analysis for further detail). While there are clear advantages to this approach in some instances (e.g. feedback collected by those close to the customers) the Strategic Planning business unit should play a greater coordination role wherever possible to ensure a high quality and consistent approach, and to mitigate duplication of activities;
- PwC has discovered that approximately 80% of SSC business units have some form of customer contact, however, only a very small proportion of these are currently providing SSC management with key customer insights. This is a missed opportunity to provide management with timely customer insights directly from the front line to support key strategic decisions; and
- Activity analysis suggests that by improving specialisation, outputs of this team may be increased in the short term. This may allow the team to increase the frequency and quality of research undertaken, and better coordinate the many other disjointed community consultation efforts currently being undertaken across business units (business unit surveys, website visitors, CRM traffic).

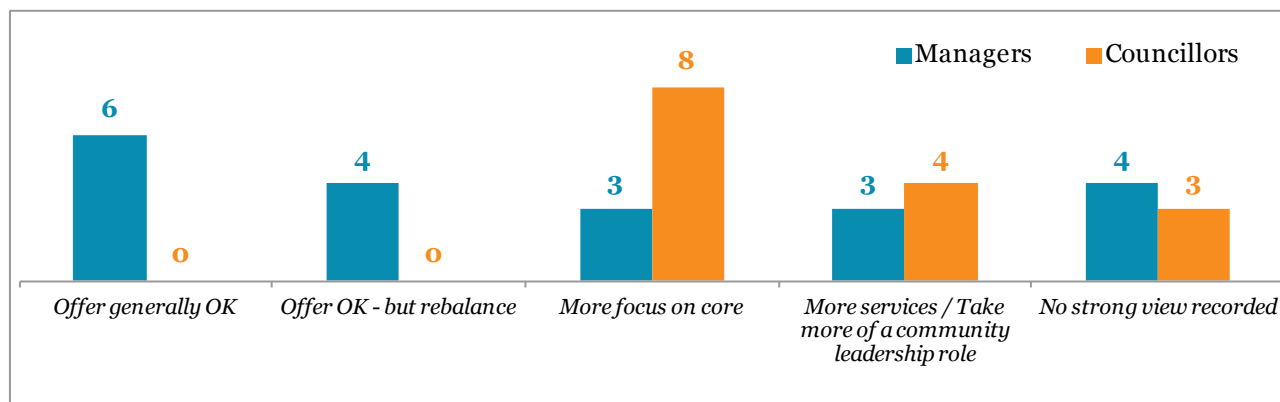
While the performance and relevance of the Strategic Planning team is likely to be enhanced by addressing these points, it is not clear to PwC why SSC should operate an internal, dedicated customer research team. High quality customer consultation research and reporting services are likely to be provided by highly competitive private sector operators.

Community consultation is a critical element to the execution of Council strategy and ongoing service portfolio management, and Council should continue to invest in such activities, however, an external provider may provide these services at the same or lesser cost than an internal provider.

5.2 Customer and organisational alignment

Delivery of Council strategy requires clarity and consensus throughout the organisation over the role of Council and how value will be delivered. Extensive interviews with managers and Councillors suggest a range of interpretations of Council's role. As illustrated in Figure 4.11, the majority of Councillors believe there should be increased focus on the core service offerings of Council⁶, whereas the majority of managers and directors believe the current offer is generally okay but may require some redistribution of services within the catalogue (rebalance).

⁶ When asking this question, PwC did not define 'core' and instead relied upon the interviewees interpretation of what generally should be considered a 'core' service.

Figure 4.11 – Interviewee perceptions of appropriateness of current SSC service catalogue

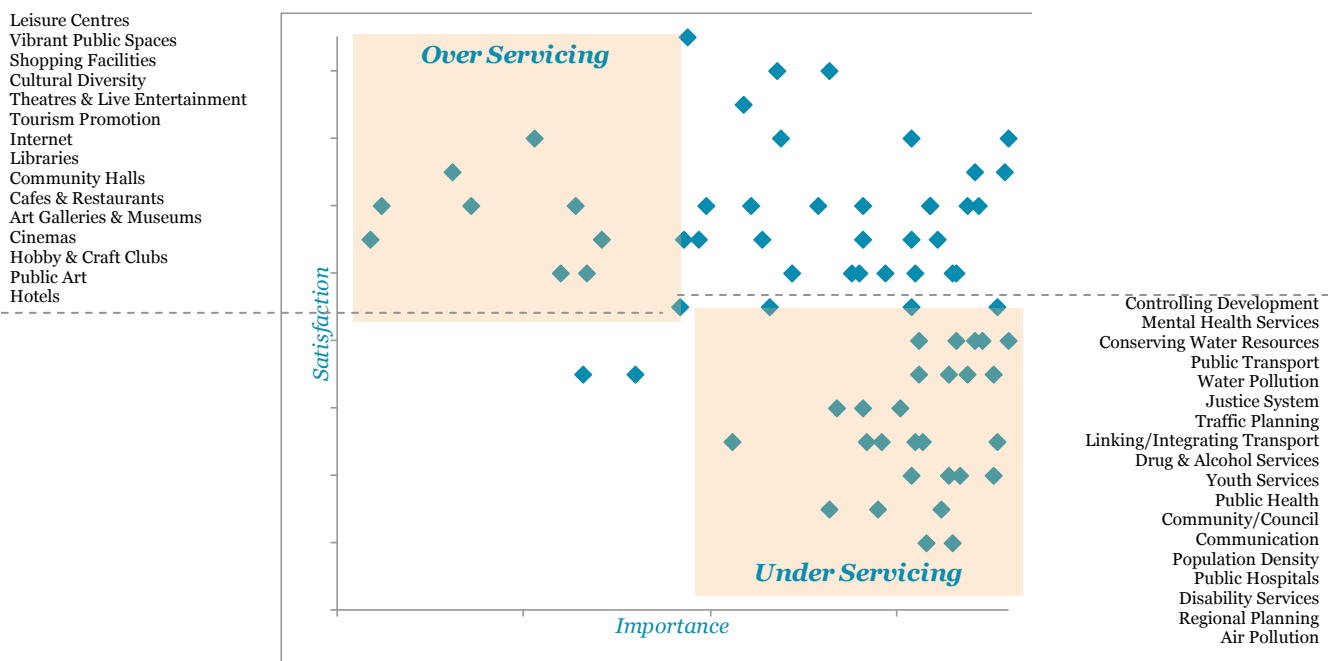
Source – PwC led SSC Stakeholder Interviews

5.3 Delivering value

PwC reviewed community satisfaction survey data to help determine community's perceptions of SSC's performance. PwC questions the timeliness of this particular research at SSC with the most recent 'Communities Priority Survey' being undertaken eight years ago (2005).

When considering the community satisfaction for services of both low importance and high importance, results suggested that SSC may be allocating too few resources to some highly important services (under servicing) and too many resources to less important services (over servicing). These observations are illustrated in Figure 4.12.

It is critical that SSC decision makers have a timely and accurate view of those services that community stakeholders find most important, and how effectively they are being delivered, when allocating valuable Council resources.

Figure 4.12 – Delivery of SSC services by importance and satisfaction

Source – SSC Customer Satisfaction Survey 2005

6 Cultural themes

Extensive interviews with senior SSC stakeholders and observational insights highlighted some preliminary views of the unique culture at SSC.

6.1 Accountability and performance management

Although stronger in some divisions than others, PwC found that performance management and accountability frameworks were generally weak at SSC. Specifically:

- Performance criteria for management staff is often not specific and measurable;
- The link between Council strategy and performance criteria is not clear;
- Performance criteria against Council's strategic priorities are not effectively cascaded from top levels of management to operational staff; and
- Consequences for poor performance are not clear.

6.2 Trust

SSC currently has a long serving and highly experienced full time management leadership team. SSC Councillors are part-time and many have lower levels of experience within the local government sector and/or within large complex organisation such as SSC.

Interviews suggested that some senior managers did not feel that Councillors had the time or experience to understand the complex business of Council. Interviews with Councillors suggested that they did not always feel they had access to all of the information required to make key decisions.

Fostering a culture of collaboration and trust at SSC through more transparent processes and reporting would contribute to increased performance.

6.3 Cultural alignment

As discussed in the strategic themes, PwC recognises key differences in the preferred strategic approach of SSC managers and Councillors. From a cultural perspective PwC notes that management's approach appears relatively more measured and conservative while there is evidence that Councillors may not all have extensive local government experience and often have private sector expertise. Councillors can be agenda-driven and may even respond too quickly to some small but vocal sections of the community on occasion.

PwC acknowledges that the diversity of Councillor experience is an ever-present tension in the local government environment that can lead to a misalignment in expectations regarding the timeliness, quality and relevance of management reporting to Council. All these factors can affect quality decision making. If Councillors and management work together effectively, the variety of experience can in fact lead to real benefits for SSC.

6.4 Customer centricity

PwC have identified a general lack of customer centricity at SSC. This is evident in:

- Concerns shared with PwC on the behaviour of some senior management staff within the Council towards community stakeholders;
- Lack of management KPIs directly related to customer service; and
- Slow turnaround of development applications and other information requests.

6.5 Culture of risk mitigation and management

There are a number of core council functions that have traditionally demanded deeper scrutiny in councils due to public interest.

With regards to SSC, these include:

- Joint venture partnerships with private sector operators;
- The operation of the SSC property fund;
- The performance of the Environmental Assessment teams; and
- Council committees.

PwC is aware that the SSC Property Division has entered into two major property joint ventures. PwC subject matter experts have conducted a high level review of contract documents in both cases and note that such practices are typical of the local government sector, and that the format and content of the contracts appeared generally standard.

The SSC Property Division also operates the SSC Property Fund. The fund is used to capture proceeds from the sale of property assets, internally loan funds for major Council initiatives and to draw income from Council's current property stock. A high level review of this practice by PwC provided no reason to doubt that operations were sound.

Interviews with senior stakeholders at SSC suggested performance concerns in the SSC Environmental Assessment teams, particularly in relation to customer service and efficiency in process. A review of the Environmental Assessment teams at SSC showed that performance is generally in line with comparative NSW Councils. A failure to meet the 2012 KPI of having 66% of development applications determined in 52 days or less was explained in the 2012 Annual Report as being related to "difficulties filling supervisory positions and an increase in the complexity of applications received". PwC is aware of a separate scope of work currently being commissioned by SSC that will include a review of this team. A review of this scope by PwC subject matter experts suggested that the scope should be extended to ensure that a full range of enhancements are implemented, and that the SSC Environmental Assessment team's operational and risk management processes are more comprehensively assessed to ensure the appropriate levels efficiency, customer centricity and transparency.

Council committees play a critical role in enabling key functions with SSC to have Councillor involvement and oversight and to build better working relationships between Councillors and management. It is important that there is active Councillor involvement in all committees so that there is clear transparency and communication in the flow and accessibility of information, which will lead to more informed decision making.

7 Financial themes

7.1 Industry benchmarks

PwC has reassessed key industry benchmarks subsequent to TCorp's 2012 report. SSC's debt service ratio and infrastructure renewals ratio remains favourable, however, other ratios are less favourable. Council has total borrowings of \$35.6 million, which represents 3.1% of net assets.

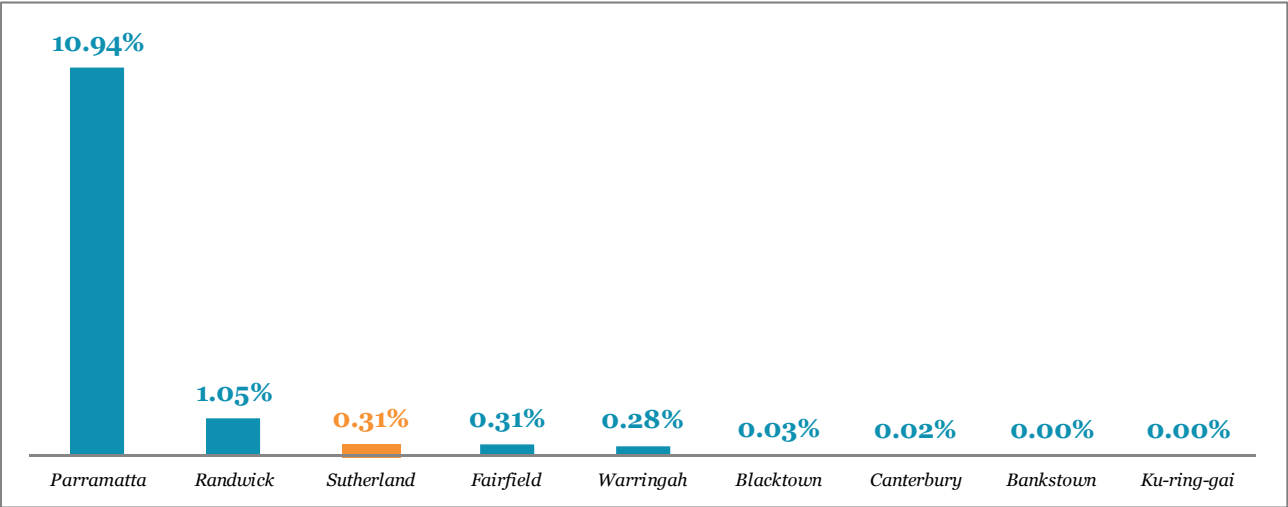
The least favourable ratio is the rates and annual charges outstanding percentage. Performance against this metric has worsened in recent years, which indicates some potential concern around SSC recovery actions.

7.2 User pays services

Interviews indicated a high degree of resistance at SSC towards the introduction of additional user pays services. While the opportunity to charge for services will vary from council to council (Figure 4.13), anecdotal evidence suggests the community is willing to pay for some services and SSC is missing a significant revenue opportunity by not considering the gradual introduction of user pays for certain services. For example, some of the SSC stakeholders interviewed suggested that special-purpose rates would be more readily accepted by the

community because they were tied to strict time frames and because it could be clearly seen how the rates were being allocated.

Figure 4.13 – Percentage of revenue derived from user charges under s.502



Source - NSW Council Annual Reports 2012

7.3 Commercial services

A number of SSC’s businesses units compete directly with private sector organisations (e.g. child care and leisure centres). Such services are not currently reported on a fully costed basis, making it difficult to determine both performance and appropriateness of Council’s current delivery model for these services.

PwC recommends that management reporting is provided on a fully costed basis, particularly for those commercial services for which more effective delivery models could be used.

7.4 Financial risks

SSC currently faces a significant infrastructure backlog of \$96 million⁷ as well as a number of key strategic risks that will threaten SSC’s financial stability into the future. Section 3 of this report (The case for change) shows SSC moving into a net operating deficit by 2019 if these risks are not addressed. SSC’s current debt levels are low and TCorp indicates that the Council would be able to access more than \$30 million in debt funding before their debt-service coverage ratio is reduced to the benchmark level.

⁷ Sutherland Shire Council Financial Assessment and Benchmarking Report, TCorp, 7 September 2012.

4.4 Current state assessment: The size of the prize

The SSC current state assessment identified over 110 discrete opportunities that SSC may pursue to enhance the organisation's operations (see Appendix L: Table L.1 for further detail). These opportunities may be executed in isolation, or in combination as part of a wider transformational program. Opportunities have been assessed using PwC's seven-point 'Local Government Initiative' scoring methodology, and prioritised accordingly. This seven-point methodology considers the likely result of each initiative in terms of:

1. Capital impact;
2. Short term tangible benefits to customers;
3. Customer satisfaction;
4. Speed of delivery;
5. Risk;
6. SSC ability to deliver; and
7. Impact on employees.

Table 4.5 details the top 20 prioritised opportunities complete with estimated financial and FTE headcount. Collectively, PwC estimates that these initiatives could return up to \$12.6 million to SSC in annual operating performance, with an immediate loss of approximately 81 FTEs. The one-off capital contribution is estimated at \$14.9 million.

Table 4.5 – 'Business-as-usual' opportunities

Themes	Initiatives	Incremental Operating Profit/Loss	One-off net Capital Contribution	Redundancy & Other Costs	FTE Impact*
Operational efficiency enhancements	A1 Optimisation of Corporate Service through centralisation	1,112,018	-	(1,112,018)	20
	A2 Centralise initial customer contact and administration	1,132,540	-	(1,309,835)	21
	A3 Reduce other non-specialist BU activities	481,118	-	(481,118)	9
		2,725,676	-	(2,902,971)	50
Exit low-value services	B1 Exit SEC	431,920	6,109,720	(896,500)	16
	B2 Exit SSHED	230,276	3,844,455	(192,500)	3
	B3 Terminate Ombudsman function	231,980	-	(275,000)	4
	B4 Close Womens Rest Centre	88,615	157,675	(83,994)	1
	B5 Close 2 least strategic libraries	602,007	1,184,595	(418,000)	7
		1,584,798	11,296,445	(1,865,994)	31
Introduce commercial revenue opportunities	C1 Increased Advertising Revenue	2,060,000	-	-	-
	C2 Conditional Levies at 4%	4,922,920	-	-	-
	C3 Consider Sale of Shared Services to Less Efficient Councils	435,000	-	-	-
	C4 Lease out community buildings and facilities during down-time	221,067	-	-	-
	C5 Sell pocket parks (non-crown)	50,000	3,600,000	-	-
	C6 Pilot paid parking at high traffic locations in Cronulla (non-Cronulla residents only)	665,000	-	(425,000)	-
		8,353,987	3,600,000	(425,000)	-
Other foundational initiatives	D1 Reduce the infrastructure backlog with surplus cash/property		n/a		n/a
	D2 Performance management (Portfolio management, Management Reporting, Increase Accountability and Councillor Decision Support)				n/a
	D3 Customer and cultural opportunities				n/a
	D4 Rebalance over/underserved initiatives & services				n/a
	D5 Redirect spending on sporting facilities to those with more broad based benefit				n/a
	D6 Extend outsourcing (risk aversion driving insource/outsource mixture e.g. Engineering)				n/a
Total		12,664,461	14,896,445		81

*Adjusted for double count in operational efficiency initiatives

Source – SSC internal reporting; 2012/2013 SSC Budget

Supporting detail for each of these initiatives is provided in Appendix I. See Figure 6.1 for implementation plan.

BAU opportunities will not address the case for change
Optimal value delivery will require real strategic change.

5.

Sutherland Shire Council's future operating model options

5.1 Introduction

In Section 2, PwC detailed the guiding principles applied throughout the Review to address the focusing question:

“How can SSC better deliver sustainable value to the Sutherland Shire?”

While the business-as-usual initiatives presented in Section 4 will deliver incremental value to the Sutherland Shire in the short term, PwC does not consider them adequate in addressing the threats raised in the case for change (Section 3) or in ensuring sustainable value delivery for SSC.

It is therefore PwC's recommendation that SSC should consider enhancements to the operating model, including how the organisation utilises processes, technology and organisational design to deliver on its vision, purpose and strategy. In determining which enhancements will, and will not, allow for incremental and sustainable value delivery, PwC has adhered closely to the guiding principles and assumptions.

The delivery of services is a key vehicle for the delivery (or destruction) of value in a local government context. PwC reviewed the service catalogue and organisational model to shortlist and then recommend a preferred operating model for SSC. This decision is inherently difficult for Councillors given the broad discretionary powers afforded to councils in determining their local service offer (i.e. lack of legislated prescription), and the lack of objective market forces to guide prioritisation of services (as private organisations face). Furthermore, the decision carries significant responsibility given the direct consequences for the wellbeing of community stakeholders.

In summary, PwC has used the following design principles to help select and evaluate potential enhancements to the operating model:

- The Council should be targeting financial stability across three horizons – short, medium and long term – each with equal importance;
- Community stakeholder value should be maximised;
- Assets should be adequately maintained to ensure their sustainability;
- Discretionary services should not be subsidised at the expense of 'basic' service delivery;
- Processes should be efficient and effective wherever possible;
- Economies of scale and role specialisation should be achieved (i.e. simplify, standardise and share);

- There should be appropriate spans of control, management layers and structures; and
- There should be evidence that any recommended option has been implemented before (with reference to global best practices from the UK, New Zealand, USA and Australia).

5.2 The service catalogue – scenarios for consideration

PwC has identified 185 services that SSC currently delivers to community stakeholders (see Appendix C), which is typical for councils of a similar size (although the service portfolio mix may vary, based on population characteristic etc).

Senior stakeholder interviews at SSC revealed widespread consensus of SSC's tendency to add to the Council's service offer over time, with a much lesser focus on removing services (or regularly reassessing the value that the current service offer represents). PwC's current state assessment also suggested that some of the services added to the portfolio of the Council's history, may no longer represent high value to community stakeholders.

PwC used the guiding principles of the Review to divide this service catalogue into four categories based on the economic nature of the service and the proportion of the SSC customer population that benefits from the service (see Table 1.1, Section 1). The guiding principles were further applied to arrive at four strategic scenarios as presented in Table 5.1. Each scenario is distinguished by the types of services that would be included in the SSC service catalogue.

Table 5.1 – Strategic scenarios

Scenario	Description	Rationale	Relevant services
Scenario 1	SSC's current operating model with 'business-as-usual' initiatives implemented (see Section 4).	Achieve incremental performance without implementing major strategic change.	<ul style="list-style-type: none"> • n/a
Scenario 2	In addition to Scenario 1 , SSC exits those services in the 'competitive service' category.	Question over whether SSC adds to public value by providing services in highly competitive markets.	<ul style="list-style-type: none"> • Weddings/Photography • Property Security • Indoor Sports • Leisure Centres • Nursery
Scenario 3	In addition to Scenario 2 , SSC exits those services in the 'underserved narrow service' category. Alternatively, the appropriate level of Council investment in these services may be tested over time in a commercial services division or CCO.	Question over whether SSC can increase net public value by redistributing resources from services that benefit smaller proportions of the overall community stakeholder populations to those services that benefit the wider community stakeholder population.	<ul style="list-style-type: none"> • Beach Minding Services • Cycling Grand Prix • Pub Shuttle Bus • Spring Festival • Surf Education • Tennis Courts • Wireless Hotspots • Gallery
Scenario 4	In addition to Scenario 3 , SSC exits those services in the 'underserved broad' service category.	Question over whether SSC should return to typical, basic local government service offer (council basic).	<ul style="list-style-type: none"> • Child Care Services • Aged & Disability • Social Planning • Youth & Safety • Athletics • Community Programs

Source – PwC Analysis

5.3 Scenario assessment

The four scenarios were evaluated against five PwC assessment criteria that included:

Table 5.2 – Scenario definitions and scoring





Criteria	Definition	Scoring
1. Net community value	The level of increase in the satisfaction levels of the community from implementation of the option.	The higher the score, the more positive the impact for SSC.
2. Net operating result impact	The level of increase in the year-to-year operating performance as a result of the option.	The higher the score, the more positive the impact for SSC.
3. Net capital impact	The level of one-off capital proceeds from the disposal of assets from implementation of the option.	The higher the score, the more positive the impact for SSC.
4. Employee impact	The level of impact on employees by implementation of the option.	The higher the score, the lower the employee impact for SSC.
5. Implementation risk	The level of risk (financial, reputational and operational) associated with the implementation of the option.	The higher the score, the lower the implementation risk for SSC.

Source – PwC Analysis

5.4 The selected scenario

As outlined in Table 5.3, the assessment of the four scenarios identified Scenario 3 as the most favourable long term option for SSC. In this scenario the identified 'business-as-usual' initiatives are implemented, and Council exits those services identified under the 'competitive' and 'under serviced narrow' categories as defined in the Review. PwC determined appropriate weightings with which to apply the assessment criteria with close reference to the guiding principles of the Review.

Table 5.3 – Assessment of SSC Strategic Options

Assessment Criteria: SSC Strategic Scenarios						
	Scoring	Weighting	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net community value	1 = Low/ Negative 3 = Mid 5 = High/ Positive	40%	4	5	5	1
Net operating result impact		20%	2	3	4	5
Net capital impact		20%	2	3	4	5
Employee impact		10%	3	2	2	1
Implementation risk		10%	4	3	2	1
Score/Total		100%	 3.1	 3.7	 4.0	 2.6

Source – PwC Strategic Options Assessment Criteria; PwC Analysis

In applying assessment criteria, Scenario 3 scored highly in terms of 'net community value', which carried a heavy weighting in PwC's assessment criteria (40%). Assumptions contributing to this include:

- Commercial operators will likely fill most market gaps left by SSC when exiting 'Competitive' services (should they represent true community value and demand exists); and
- Any negative community impacts resulting from Council exiting 'under serviced narrow' services will be restricted to a relatively small sub-set of SSC's community stakeholders, and will be offset by the broad community benefits associated with SSC's enhanced focus on core and broad-based services and long term sustainability.

Net community value and financial impacts are likely to be significant under this scenario as Council resources are released from those services that benefit smaller proportions of the total community stakeholder population and may be used to address Council infrastructure or service commitments with wider public impact. This availability of funding may become increasingly important given the range of strategic risks that Council faces, as presented in Section 3 (The case for change) and given Council's desire to maintain rates and critical services at current levels.

Importantly, given the range of services that are exited under this scenario, both employee impact and execution risk (political and delivery) are likely to be relatively high.

This scenario was also directly assessed against the guiding principles of the Review as best addressing the focusing question given:

- The identified need to address business-as-usual initiatives immediately to improve effectiveness in the delivery of the current service catalogue, and SSC financial sustainability (Scenario 1 initiatives);
- The identification of a number of services in the SSC catalogue that are likely to be adequately supplied by other organisations; and
- The identification of a number of services in the SSC catalogue that benefit very narrow or small proportions of the total SSC community stakeholder population.

5.5 Implementation considerations

It will be important that the implementation of Scenario 3 is carried out appropriately so that all benefits can be realised. There are a number of important gateways that SSC should work towards that will ensure all short term and long term benefits will be realised. In the short term, business-as-usual improvements can be made that will deliver the majority of the improvement on SSC's annual operating result. In the longer term, it is proposed that these services identified as 'competitive' are market tested to determine what level of market intervention is appropriate for SSC.

a. Scenario 3 – short-term

The estimated short-term operational impacts and benefits of Scenario 3 are detailed in Table 5.4. These figures exclude any organisational impact from the full or partial cessation of competitive services (Scenario 2 initiatives) which are discussed below as potential future impacts.

Key assumptions:

- All impacts are direct. Flow on effects from redistribution of staff to other parts of the organisation are not considered (e.g. the re-engineering of jobs).
- Casual staff are not considered in our analysis of benefits.
- Impacts are applied to the current organisation model, not the proposed model.

Table 5.4 – Scenario 3: immediate impacts

Themes	Incremental Operating Profit/Loss	One-off net Capital Contribution	FTE Impact*
Operational enhancements	2.7	-	50
Exit low-value services	1.6	11.3	31
Additional commercial opportunities	8.4	3.6	-
Exit 'underserviced narrow' services	1.2	10.4	7
Scenario 3 impact (short-term)	13.8	25.3	88

*Adjusted for double count in operational efficiency initiatives

The incremental increase to net community value under this scenario are estimated to be significant as Council resources are released from those services that benefit smaller proportions of the total community stakeholder population and may be used to address Council infrastructure or service commitments with wider public impact. It is important to note however, that Council must communicate the nature of these trade-offs to community stakeholders, to ensure that community perceptions reflect reality as customers carry a natural tendency to focus on losses over gains.

In summary, it is estimated that immediate impacts from the implementation of Scenario 3 will give SSC:

- The opportunity to apply the estimated \$25.3 million⁸ in proceeds from the disposal of assets to the SSC infrastructure backlog;
- An increased year-on-year operating performance of \$13.8m, allowing SSC to achieve an operating surplus to the end of the forecast horizon as illustrated in Figure 5.2;
- The ability to better respond to adverse operating environment shocks without the need to compromise essential services or increase residential rates; and
- A reduced complexity and breadth in the SSC service catalogue which may lead to additional efficiencies as the operating model is further simplified and consolidated over time.

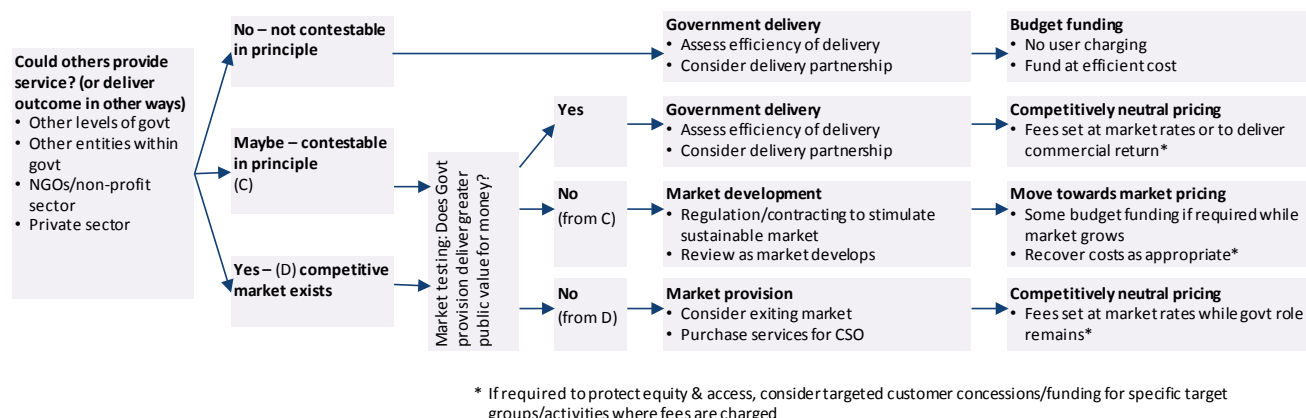
b. Scenario 3 – long term (commercial testing)

As part of Scenario 3, PwC has recommended that SSC exit those services that they currently provide in highly competitive markets. Our definition of competitive services assumes that the services will be adequately provided in terms of quality and accessibility to community stakeholders without the need for Council provision.

While the review identified a small range of services in the current SSC service catalogue that may fall under this definition, the need for some level of council provision could not be ruled out. It is for this reason that PwC has recommended that these services be market tested in the first instance before SSC determines the appropriateness of Council provision.

Figure 5.1 illustrates PwC's standard approach to such testing.

⁸ PwC has assumed all assets can be disposed of at their book value as per the fixed asset register. If SSC decides to implement PwC's recommendations, further analysis will be required to confirm saleability of assets and any relevant transaction costs.

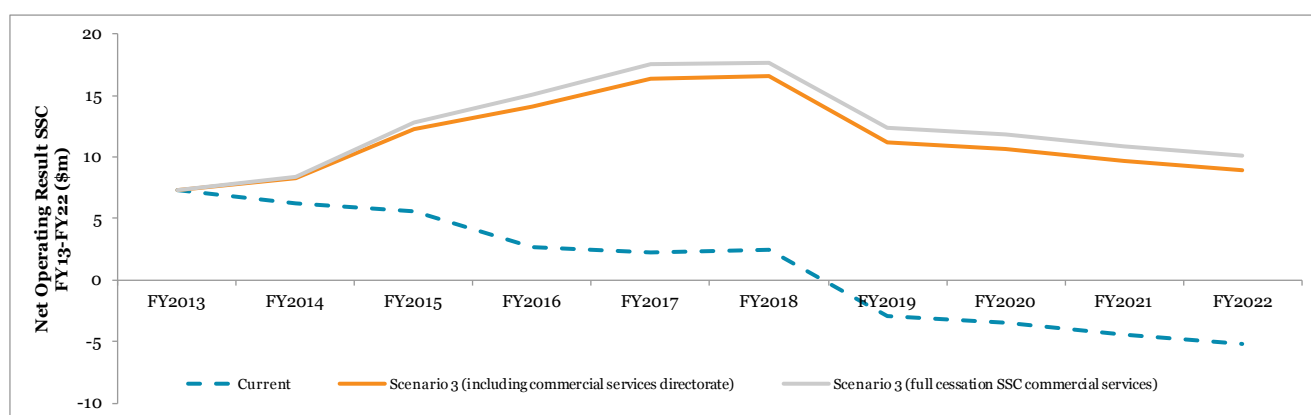
Figure 5.1 – Process for determining appropriate value delivery

Following this testing approach, it is likely that some or all competitive services could be exited. While this approach could simply represent a change in service delivery model to the community (e.g. services resume under a private provider), PwC estimates total operational impact to SSC would result in incremental operating performance of \$1.5m and an additional headcount reduction of 45. This is estimated to result in a total improvement in operating performance of \$15.3m per annum and a total FTE impact of 133.

Table 5.5 – Scenario 3: long term impact

Themes	Incremental Operating Profit/Loss	One-off net Capital Contribution	FTE Impact*
Operational enhancements	2.7	-	50
Exit low-value services	1.6	11.3	31
Additional commercial opportunities	8.4	3.6	-
Exit 'underserved narrow' services	1.2	10.4	7
Exit 'competitive' services	1.5	11.9	45
Scenario 3 impact (long-term)	15.3	37.2	133

*Adjusted for double count in operational efficiency initiatives

Figure 5.2 - SSC net operating result

Source – 2012/2013 SSC Adopted Budget, 2012 Actual Trading Activities SSC Leisure & Menai IS, Long term Financial Plan (Option 1)

Note:

Redundancy costs assumed to impact over 2014-2017 (straight line); operational savings assumed to phase in over 2014-2017 (straight line); capital not included; only direct operational impacts included

With an increased discipline in management reporting and full cost allocation to all SSC services, additional efficiencies may be realised with additional outsourcing opportunities identified across the SSC service portfolio. Importantly, outsourcing opportunities are considered distinct from reduced investment opportunities discussed above. With regards to outsourcing opportunities, Council retains the responsibility of investment into the provision of the service but a partner provider may be sourced on contract to deliver the service.

5.6 Extended opportunities⁹

Scenario 4 proposed that SSC exit 'underserviced broad' services; namely, those services that provide benefit to a large proportion of the SSC community stakeholder population and which may not be adequately serviced by commercial providers. This scenario is **not** recommended by PwC as any potential improvements to SSC's financial performance and position (e.g. higher net operating and capital benefits) are likely to be offset by the adverse impacts on the community and employees. Furthermore, such a drastic reduction in service offer is likely to prompt community calls for rate reduction or compensating services, further offsetting any gains realised.

PwC does however endorse the full and transparent costing of all services to provide decision makers with the ability to prioritise and plan for the sustainable delivery of value. It is PwC's opinion that this is not currently adequately provided at SSC. Should the arm's length, commercial division be established, large revenue generating services could potentially be transitioned – not necessarily with a view to exit the service but with a view to understand the true cost of service delivery and to afford SSC decision makers the opportunity to decide what level of investment that SSC is comfortable in providing.

Should SSC decide to cease providing **all** 'under-serviced broad' services (as per Scenario 4), this would result in incremental operating performance of \$1.7m and an additional headcount impact of 136 – resulting in an improved operating result of \$17.0m per annum and total FTE reduction of 269.

Table 5.6 – Scenario 4: Extended opportunity impact

Themes	Incremental Operating Profit/Loss	One-off net Capital Contribution	FTE Impact*
Operational enhancements	2.7	-	50
Exit low-value services	1.6	11.3	31
Additional commercial opportunities	8.4	3.6	-
Exit 'underserviced narrow' services	1.2	10.4	7
Exit 'commercial' services	1.5	11.9	45
Scenario 3 impact (long-term)	15.3	37.2	133
Scenario 4	1.7	10.8	136
Scenario 4: Extended opportunity	17.0	48.0	269

*Adjusted for double count in operational efficiency initiatives

⁹ This scenario is **not** recommended by PwC and has been included to show the incremental change from Scenario 3.

5.7 Scenario 3 – the recommended organisational model

Implementation of Scenario 3 would represent a significant shift in the organisational purpose of SSC, inevitably requiring fundamental changes to the current SSC organisational model.

A decision to move to a new organisational model would also allow SSC to address additional operational, cultural, strategic and customer opportunities as identified in the SSC current state assessment. It is likely, by implementing the appropriate operating model, SSC will realise organisational benefits beyond those identified in the four proposed strategic scenarios.

Table 5.7 summarises some of the key weaknesses of the current model, as identified in the SSC current state assessment, as well as the associated objectives for a recommended future model.

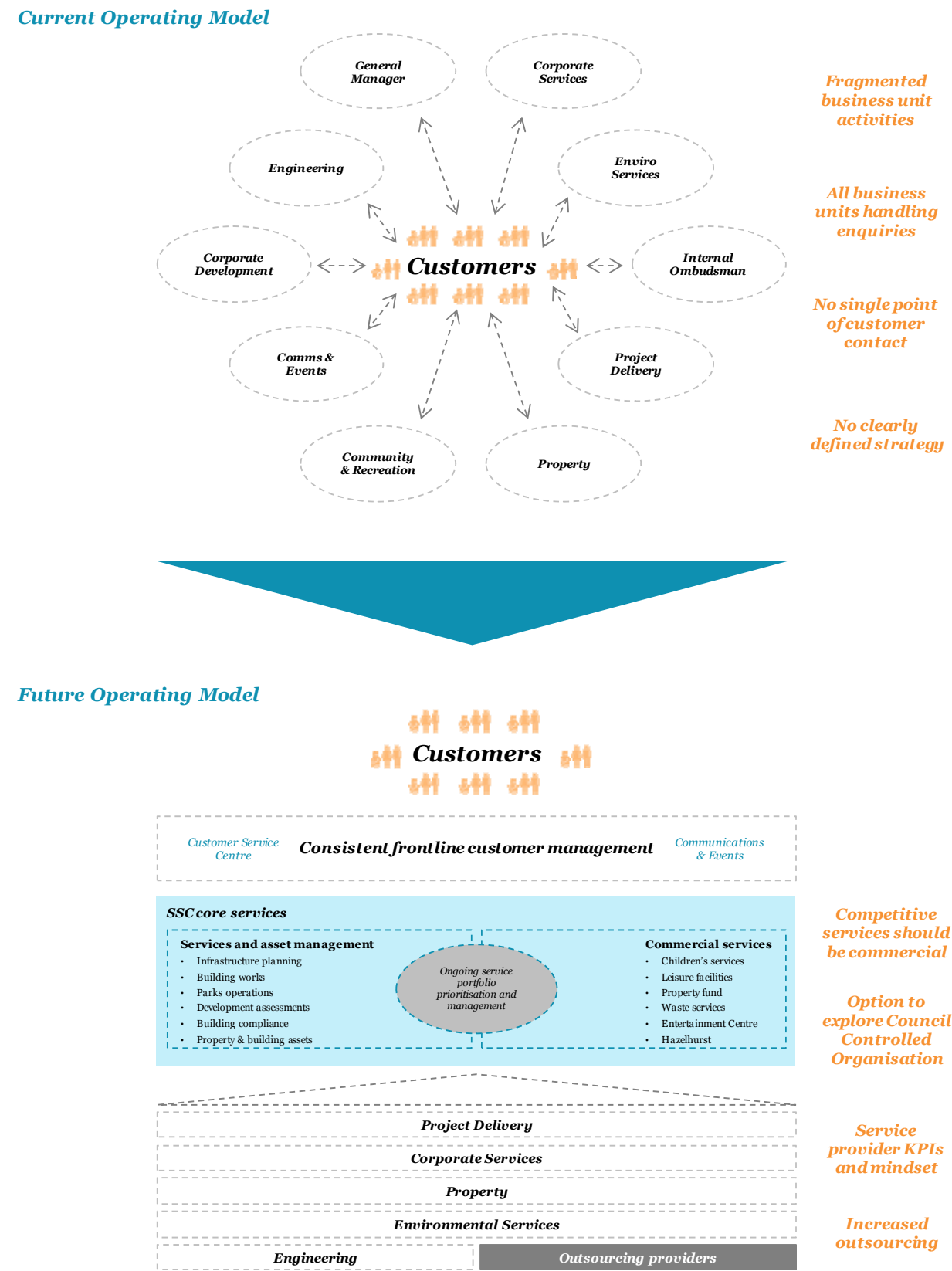
Table 5.7 – Contrasting current and future SSC organisational model

Aspect	Current Model	Future Model
Commercial mindset	The true cost of service provision is typically neither reported nor readily available to key decision makers.	All internal and external services are managed to strict efficiency standards. Where necessary these standards are balanced against public value delivery.
Transparency	Decision makers do not have the relevant information to make timely and accurate decisions.	Concise, relevant management reporting to Councillors, allowing for fact-based decision making across SSC.
Performance management	No clear connection between Council strategy and performance.	Staff are clear about what represents good performance and are managed to deliver.
Status quo biases	Important but difficult initiatives delayed until more favourable circumstances transpire.	Innovative decisions are encouraged and important initiatives are executed in a direct and timely manner.
Internal customer service	Managers inconsistent in their treatment of internal requests and/or providing inadequate data in an untimely manner.	The objectives of internal service providers aligned with the objectives of customer facing services.
Customer centricity	Whilst levels of customer service are adequate, at present there are some issues in regards to the need for more strategic insight, increased relevance and opportunities to enhance the current methodology.	All major service decisions made with the customer 'front of mind' and in a coordinated manner, considering both operational and strategic issues.

Source – PwC Analysis

From a conceptual perspective, the difference between the current model and the proposed state is shown in Figure 5.3.

Figure 5.3 – Current and future operating model: concept



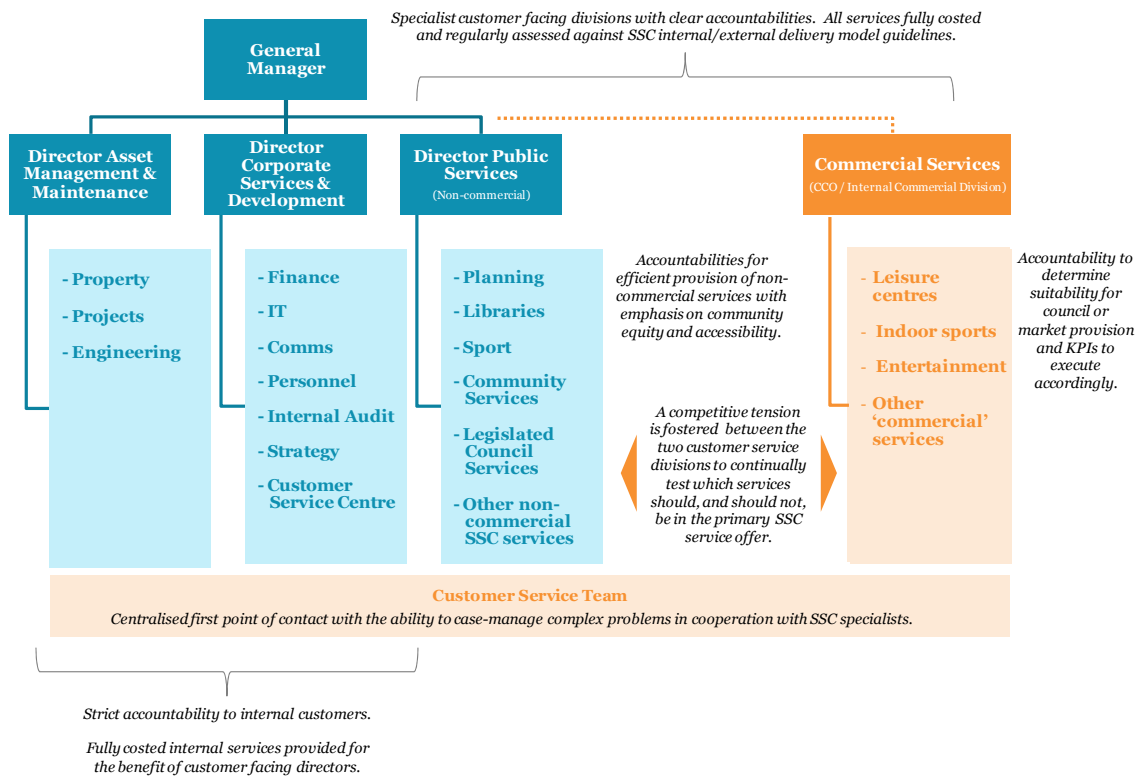
Proposed organisational design

The recommended organisational model (Figure 5.4) will represent a significant departure from the current organisational model. The key differences between the current and recommended organisational models when applied to the current organisational chart include:

- A reduction in the number of directorships from six to three, with the option of a fourth, arms-length directorship held accountable for the economic performance of competitive services¹⁰;
- A distinction between divisions that frequently service external customers (Public Services, Commercial Services), and those divisions that more frequently service internal customers (Corporate Services & Corporate Development, Asset Management & Maintenance) both with the appropriate, strict customer service accountabilities;
- A distinction between commercial and non-commercial services. A Commercial Services Director continually tests the appetite for SSC to invest in services that may be adequately provided without SSC intervention. A Public Services Director ensures that those non-commercial services are provided as efficiently as possible. The Public Services Director may also continually test the service delivery strategy for all non-commercial services and tender for appropriate outsourcing partners where necessary.
- A dedicated Customer Services unit reporting to both of the customer facing directors, elevating critical front-line customer information to the most senior levels at SSC.
- By reducing the number of divisions and aggregating some core functions, there is a great opportunity to provide up-skilling and career progression opportunities for talented managers.

These features will allow SSC to effectively deliver the recommended scenario and address a range of opportunities identified in the current state assessment.

¹⁰ While Scenario 3 proposes the cessation of 'Competitive' services at SSC, the Council might consider testing and transitioning such services through either a dedicated internal commercial division or arms-length CCO (see Appendix P for more detail on CCO structures).

Figure 5.4– Conceptual SSC future state organisational design

Source – PwC Analysis

There are two critical roles in this revised model:

1. Director Public Services – in addition to the more traditional aspects of this role, the key mandate of this function is to determine the most efficient delivery model for non-competitive services. This will involve assessing all relevant services against key benchmarks and alternative market providers to identify how SSC compares. If it is determined that efficiency in delivery has already been achieved, then the Director's role will be to continue to monitor performance on an ongoing basis. However, if testing indicates that inefficiencies exist, then the Director can either address these inefficiencies through improving internal processes etc or investigate and implement alternative service delivery models (e.g. outsourcing).

2. Director Commercial Services / CCO – the key objective of this role is to determine the appropriate level of subsidy or investment required to provide an adequate level of service to the community. In order to effectively test the need for full or partial SSC provision of competitive services, PwC recommends that competitive services are immediately transitioned into a commercial division. This division should be operated as an arm's length entity¹¹ headed by a skilled commercial director to be charged with:

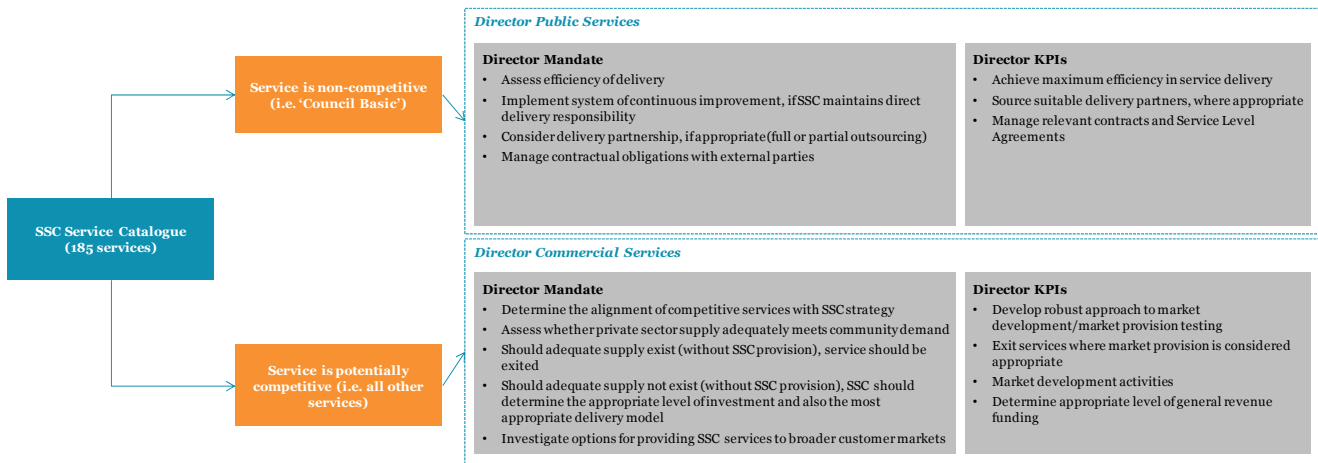
- Understanding the true cost of service delivery and market supply and demand dynamics for these services;
- Defining SSC's appetite for investment into competitive services, in line with SSC strategy;
- Continually challenging SSC's role in competitive markets;
- Closing of any competitive services that will be adequately provided without Council intervention; and

¹¹ SSC may consider the implementation of a Council Controlled Organisation (CCO) structure. See Appendix P for further detail.

- Delivering an acceptable economic return from the portfolio of services and ensuring maximum commercial efficiency of the portfolio.
- Importantly, this function should continue beyond the testing of the identified competitive services at SSC, and should be charged with the ongoing active service portfolio management at SSC (including assessing those services identified as ‘underserved broad in Table 1.1).
- Key milestones for implementing market testing and ongoing disciplined service portfolio management at SSC include:
- **Milestone 1** – Skilled Commercial Director recruited or promoted internally immediately.
 - **Milestone 2** – The preliminary and immediate goal of commercial testing should be to understand the true cost of ‘competitive service’ delivery (it is PwC’s opinion that this is either not done adequately for all services at SSC and/or is not adequately provided to SSC decision makers). PwC recommends that SSC commission this work immediately with a goal to delivering appropriate cost reporting to Councillors within 3 months. At the appropriate time, this process should also be extended to all SSC services to determine outsourcing opportunities in instances where a high level of market intervention has been deemed appropriate.
 - **Milestone 3** – With close reference to community value, market supply and demand dynamics, SSC determines its appetite for investment into ‘competitive services’ provision.
 - **Milestone 4** – Exit these services (or reduce investment) where the service will be adequately provided without SSC intervention.

The distinction between the two roles is illustrated in Figure 5.5.

Figure 5.5– Director’s roles – Commercial Services vs. Public Services



Source – PwC Analysis

5.8 Benefits of proposed organisational design

The proposed organisational design is likely to result in a range of indirect benefits for SSC beyond those identified as part of the Strategic Scenarios and ‘business-as-usual’ opportunities presented in this report. Key indirect benefits include:

- **Performance management and accountability**

PwC analysis revealed that performance management practices at SSC were generally not optimal. The analysis identified situations in which SSC managers faced conflicting objectives within business units, or between business units, related to the inherent tensions between internal and external service activities, or between commercial mindset and public service. The proposed organisational design has the benefit of

running services in divisions based on their main customer service objectives. For example, a SSC leisure centre may be the responsibility of a 'Commercial Services' manager, while a SSC library would be under the direction of a Public Services manager.

- **Internal customer service**

Accountabilities can be further clarified in the proposed organisational model with the distinction between business units that have a high frequency of external customer interactions (Public Services, Commercial Services), and those which provide property or infrastructure services to the customer facing business units. The former group should be assessed on external customer engagement metrics and the latter on internal customer engagement metrics.

- **Enhanced commercial mindset and transparency**

The true cost of all services should be accounted for and readily available to SSC decision makers. In addition to driving high levels of efficiency and accountability across the organisation, these practices will allow the external service divisions to continually test the true nature of each SSC service and determine the need for SSC to commit resources to their provision, and if so, how they should be delivered.

An added benefit of the new structure in this regard would be that the Directors would have the mandate to ensure the efficient delivery of 'core' contestable services (outside the control of the commercial Services Division or CCO). If the Directors can be comfortable with relinquishing control, a number of 'core' contestable services could be fully or partially outsourced. The model also provides the opportunity for SSC staff to be involved in the preparation of bids, to be compared with any tenders received.

- **Challenging the status quo – maintain tensions**

Current state assessment and PwC analysis identified many examples in which difficult decisions or challenging initiatives were postponed or avoided despite sometimes being of particular strategic importance (e.g. waiting for retirement or resignation from key positions before revisiting organisational structure). By creating internal marketplaces within SSC, and holding directors and managers accountable to the appropriate performance criteria, constructive internal tensions will ensure strategic decisions occur in a timely manner.

- **External customer service (customer centricity)**

Investigations highlighted customer service as a particular concern for SSC. The recommended organisational model has clear advantages over the existing model with regards to customer focus. In the current model, customer service teams are spread throughout the organisation and are often subjected to conflicting performance objectives. In the proposed model, (one or two) dedicated customer service divisions are established and a dedicated customer service team directly reports to the (one or two) most senior customer facing decision makers in the organisation.

- **New markets**

As the second largest council in NSW (in terms of population represented) SSC has been able to realise significant economies of scale in a number of internal functions, including staging of local elections, commercial quantity printing services, statistical survey analysis and graffiti removal. PwC's analysis did not identify any reason why such services should not seek revenue opportunities from both internal and external customers to SSC. In having these services report to an arms-length director or CCO vehicle, such services could be run to either earn additional revenue for SSC or be commercially managed until they are able to be effectively sold or replaced by private providers.

- **Control**

A risk of outsourcing could be that SSC would lose 'control' of the outsourced service, and be unable to adequately monitor and respond to the delivery of the services. By creating two customer facing divisions, and fostering a competitive tension between them with regards to public/private provision, control/service concerns could be tested until such time as SSC is satisfied that the service can be fully or partially outsourced with service levels and SSC responsiveness retained.

Focus and clarity in the operating model is required...

Themes including reduced spans of control, increased commerciality and a stronger customer focus are essential.

6.

Implementation planning & next steps

Implementing both the 'business-as-usual' opportunities plus the operating model opportunities will be a significant transformation project for SSC. In this section, the critical success factors are summarised and a recommended implementation plan to significantly enhance value at SSC is outlined.

6.1 Critical success factors

Critical experience gained in other councils and transformation projects has highlighted the following critical success factors in delivering significant value and benefits to residents:

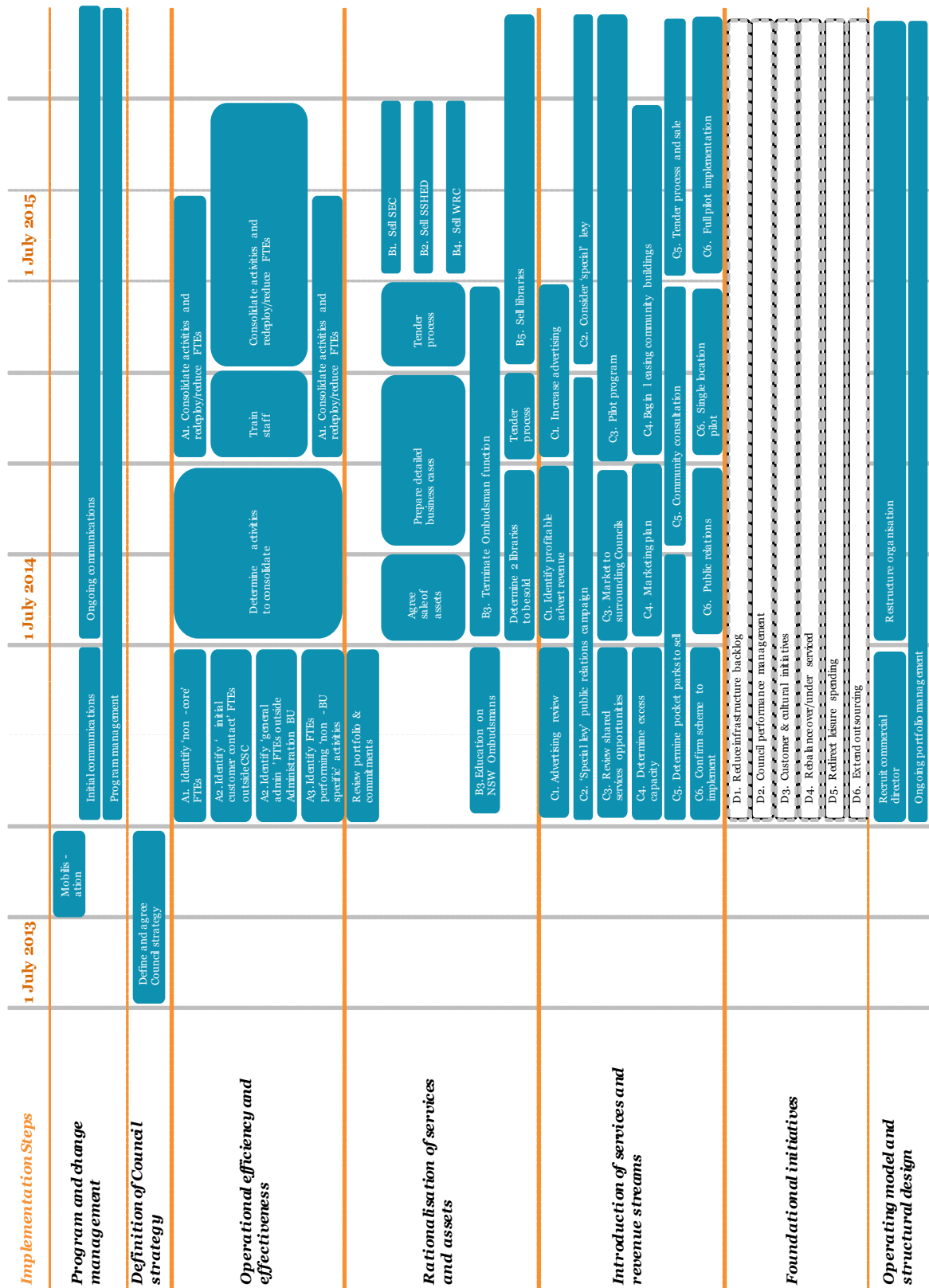
- 1 Involvement of SSC employees in the development and ownership of transformation initiatives;
- 2 Strong Councillor and director sponsorship/leadership of initiatives;
- 3 Development of a pragmatic implementation plan that balances the need to drive transformation with the Council's ability to drive change;
- 4 Transformation and operating model changes funded by business-as-usual opportunities; and
- 5 Effective change management, including consultation and engagement with employees, residents and unions.

6.2 Key transformation work streams and timeline

Tasks and activities have been scheduled based on priority, expected duration, critical path identification and PwC's assessment of the capacity of SSC to drive numerous work streams simultaneously. It has been suggested that the majority of initiatives commence and run simultaneously as responsibilities have been divided amongst business units and directors. This will ensure completion of initiatives within the specified timeline.

This indicative plan and timeline should be developed and refined once Council's strategy has been defined. It is recommended that the following key work streams and structures are put in place to deliver the stated objectives of the transformation program by FY16 (Figure 6.1).

Figure 6.1 – Potential program timeline



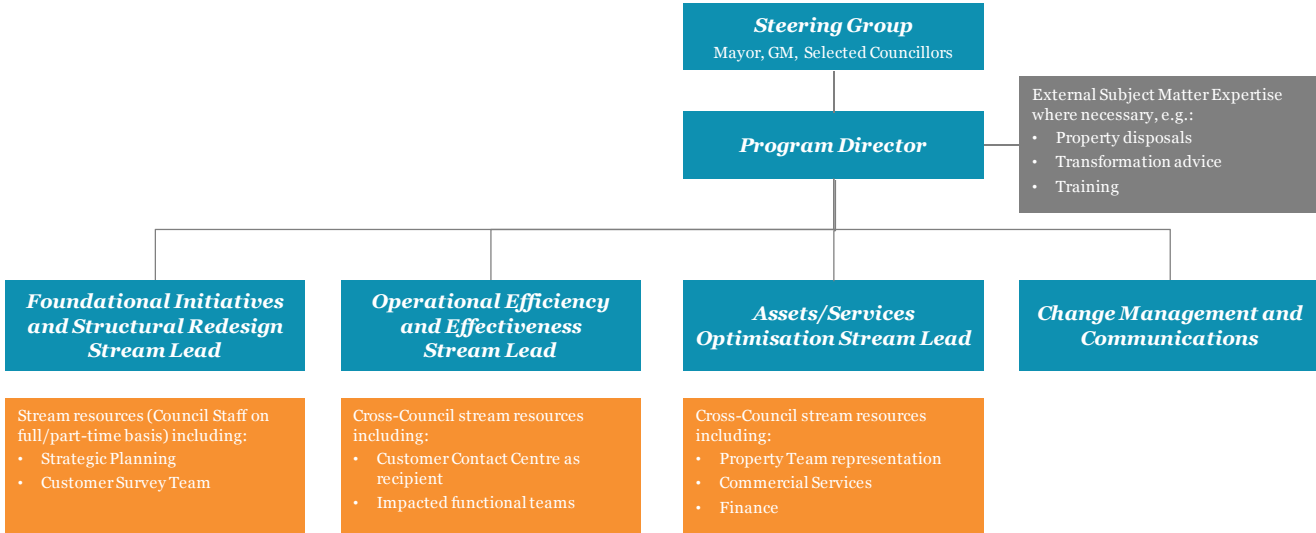
6.3 Potential delivery team structure

To effectively deliver the targeted outcomes of transformation, SSC will need to ensure that sufficient resources are allocated to the program of work. Based upon extensive experience in large-scale transformational projects, the following potential team structure is put forward for Council’s consideration.

It is essential that Councillors and senior employees are seen to be leading the transformation. Involvement of SSC employees across all work streams is equally important. Where gaps in capability, experience or subject matter expertise exist, external party input should be sought.

It is Council’s responsibility to assign staff to key roles on the transformation program. There are potentially pivotal roles for members of the Strategic Planning team and the Projects division given the nature of some initiatives. Identifying the right team, assigning appropriate accountabilities and monitoring performance against the work plan will be critical in delivering the identified target benefits from the program.

Figure 6.2 – Proposed program structure



Source: PwC Analysis

6.4 Program risk management

A number of risks need to be mitigated in a project of this nature.

Table 6.1 – Risks and mitigations strategies

Risk	Potential mitigation strategy
Erosion of employee morale due to potential headcount implications.	<ul style="list-style-type: none">• Ensure redundancies, if any, are voluntary, where possible;• If redundancies are required, treat impacted persons with respect and ensure an appropriate exit package is given; and• Consult early with unions and employees
Residents respond negatively to any closure or transfer of services.	<ul style="list-style-type: none">• Appropriate communications of Council’s objectives and transformation program. Emphasis should be given to:<ul style="list-style-type: none">– Involvement of residents in detailed prioritisation of initiatives through focus groups and co-creation forums to provide input from residents;– The objective to improve overall value for money and resident satisfaction; and– The pro-activeness of Council to address long term sustainability of services.

Risk	Potential mitigation strategy
Failure to deliver projects to a satisfactory standard and on time.	<ul style="list-style-type: none"> • Robust program management with Council oversight and sponsorship; • Adequate resourcing of projects; and • Ensure the transformation program is a key priority on Council's agenda.
Ongoing benefits are not realised.	<ul style="list-style-type: none"> • Ensure key structural mechanisms are built into Council's operations (e.g. ongoing portfolio management to optimise service delivery).

6.5 Recommended next steps

The following steps should be carried out immediately to mobilise the transformation program in a timely manner.

Table 6.2 – Next steps

Next Steps	Summary
Councillor review	Presentation of this Review to Council for consideration.
Review and approve recommendations	Council to review, approve or reject recommendations (either in full or in part).
Determine appropriate leadership and management	Successful implementation of recommendations will require a commercially minded, innovative team with a strong appetite for change. An appropriate leadership and management team should lead the implementation program.
Develop work programme	Based on approved recommendations, develop detailed work programme for implementation.
Communications	Develop communications plan to share relevant key points from Strategic Review with all operations staff and unions.
Define Council strategy	Before implementing any initiatives, Council strategy needs to be agreed, defined and communicated to all staff.
Move to implementation	Commence detailed planning, resourcing and mobilisation of selected initiatives and programme.

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Appendix A *List of assumptions and data sources*

PwC has used information from a number of sources, including information provided directly by SSC, reports issued by SSC and publicly available information. The following is a list of the main data sources used.

Table A.1 – Reports and data sources used

Reference	Source
S1	PwC Activity Analysis
S2	SSC Organisational Charts
S3	Local Government Annual Reports 2012
S4	SSC Stakeholder Interviews
S5	SSC customer surveys
S6	SSC employee surveys
S7	SSC internal reporting; 2012/2013 SSC Budget
S8	SSC Long Term Financial Plan 2012-2022
S9	TCorp Sutherland Shire Council, Financial Assessment and Benchmarking Report
S10	Cameron Webb, PwC Subject Matter Expert
S11	Divisional Report - activity by resource type 2012 Actuals
S12	SSC Fixed asset register
S13	Report on the feasibility of introducing pay parking schemes at various beaches and reserves in Cronulla (Traffic and Transport Unit)
S14	Property Listing (Finance team)
S15	DLG NSW Local Government Councils Comparative Information 2010/11
S16	SSC Personnel Listing
S17	European Human Capital Effectiveness Report (2006/2007) compiled by Saratoga for PwC
S18	Business unit performance agreements
S19	Waste Services outsourcing analysis performed by Council 2009
S20	The Impact of Cost Shifting on NSW Local Government: A Survey of Councils by LGSA NSW
S21	NSW local government waste and resource recovery data report 2009-10
S22	SSRoC Benchmarking
S23	Operational Plan 2012/13 Financial Information
S24	Delivery Program 2012/2016
S25	Our Shire, Our Future

PwC has made a number of assumptions during the course of this review. The following is a list of key assumptions in our analysis.

Table A.2 – Key assumptions

Reference	Assumption
A1	Spans and Layers benchmarks are based on the European Human Capital Effectiveness Report (2006/2007) compiled by Saratoga for PricewaterhouseCoopers.
A2	Average divisional manager salaries are based on average salary for managers of business units taken from the payroll listing provided by the Personnel team. Implementation costs have been excluded.
A3	Total span of control is calculated based on staff and manager numbers taken from the payroll listing and organisational charts respectively.
A4	PwC assumes the restructure of corporate services will cause 25% of FTEs to be redeployed or new FTEs hired for the newly centralised workload.
A5	Redundant FTEs will be paid 12 months' salary - calculated based on median tenure of 12 years and median salary of \$55,000.
A6	PwC has assumed that the Customer Service Centre has excess capacity to accommodate additional enquiries post centralisation of 'initial customer contact'. However, additional training will be required. Therefore, all excess 'initial customer contact' FTEs are assumed redundant.
A7	Assumed that as the customer service centre absorbs new roles they will require training to handle a more diverse range of queries.
A8	PwC assumes the annual operating costs of the two least strategic libraries at 12.5% of total library operating costs.
A9	Sale price for each library is estimated at the average written down value of Miranda, Engadine & Menai libraries (\$1,184,595).
A10	PwC forecasts that advertising revenues has the capacity to increase from current revenues of \$1.3m (Bus shelter \$730k; Claude neon \$300k) by 200%.
A11	Proposed special levy has been calculated at FY12 rates & annual charges multiplied by 4%.
A12	PwC has initially assumed that three councils will purchase SSC's shared services.
A13	It is estimated that shared services will be sold at \$200,000 per Council p.a. based on current corporate services spend.
A14	The cost to provide extra shared services is estimated to be an additional median FTE of \$55,000.
A15	PwC assumes an average rental yield of 3% of the written down value for buildings & facilities.
A16	It is estimated that per year there is a 20% excess capacity opportunity for all building and facilities to be leased.
A17	PwC estimates the market price of each park to be \$600/sqm with the total area of 10 parks being 6,000 sqm.
A18	Currently the maintenance cost of pocket parks is assumed at \$50,000 p.a. per park.
A19	Pilot paid parking program in Cronulla with only Cronulla rate payers and residents exempt.
A20	Initially infringement revenue will only be collected from pay parking area and not surrounding areas.

Appendix B List of interviewees

Table B.1 – List of interviewees

SSC Management	Councillors
Peter Hazeldine, Director, Projects Delivery	Cr Hassan Awada
Peter Evans, Manager, Personnel	Cr Carol Provan
Paul Spink, Manager, Strategic Planning	Cr Peter Towell
Belinda Hanrahan, Manager, Hazelhurst Retreat	Cr Bruce Walton
Lyn Barakat, Manager, Libraries & Information	Cr Steve Simpson
Ken Shelston, Manager, Corporate Development	Cr Tom Croucher
Graham Thomas, Manager, Finance	Cr Kevin Schreiber, Deputy Mayor
Trevor Rowling, Manager, Administration	Cr Scott Williams
Des Hewitt, Director, Property	Cr John Riad
David Ackroyd, Manager, Communities Unit	Cr Carmelo Pesce
John Brunton, Director, Environmental Services	Cr Tracey Cook
Tony Gorgo, Manager, Leisure Centres	Cr Kent Johns, Mayor
John Rayner, General Manager	Cr Phil Blight
Stephen Bourke, Director, Community & Rec	Cr Peter Scaysbrook
Renae Giles – Manager, Children's Services	Cr Diedree Steinwall
Derril Greenway, Director, Property	
Scott O'Hara, Manager, Entertainment Centre	
Bob Honeyman, Director, Corporate Services	
Brad Whittaker, Manager, Active Communities	
Manjeet Grewal, Group Manager, Engineering Op	
Ian McNaught, Manager, Business Development	

Appendix C List of Council services

SSC Currently provides 185 services to the resident population which it serves. For the purpose of this report we have organised the SSC service portfolio under four categories as detailed below.

Table C.1– SSC current service catalogue

Council Basic		Underserved Broad	Underserved Narrow	Competitive
97 Services		32 Services	22 Services	34 Services
Abandon Vehicles	Maintenance - Car parks	Aged & Disability	Beach Minding Services	Accredited Training
Alcohol Free Zones	Maintenance - Drainage - General	Athletics	Cronulla Cycling Grand Prix	Bar & Catering - SEC
Animal Control Enforcement	Maintenance - Footpaths	Australia Day Activities	Gallery	Driving Range - Golf
Animal Shelter Operations	Maintenance Of Playground Equipment	Before/After School Care	Gallery - Facility Hire	Golf Courses
Applications Assessment	Maintenance - Other	Child Care Centres	Gallery - Public Programs	Hazelhurst Cafe
Beach Pollution	Ovals	Children's Services	Programs - Cinema Events	Indoor Sports - Competitions
B-Tidy Operations	Painting Program	Christmas Events	Programs - Citizen Of The Year	Indoor Sports - Private Hire
Bushland Services - Other	Parks/Reserves Cleaning	Community Activities	Programs - Citizenship Ceremonies	Indoor Sports Centres - Equipment Hire
Business Information Pack	Pavement Cleaning	Community Programs	Programs - Coffee Festival	Indoor Sports Centres - Events
Call Centre	Pest Control	Easter Show	Programs - Cook Commemoration	Indoor Sports Centres - Kiosk
Car parks In Reserves	Pest Species	Entertainment Centre - Other	Programs - Fiesta	Indoor Sports Centres - Other
Certification Unit	Playground Inspection Program	Entertainment/Promotions - SEC	Programs - International Women's Day	Indoor Sports Centres - Parties
Clean Up Australia	Pre-Commencement & Final Inspections	Family Day Care	Programs - Naidoc Events	Leisure Centres - Birthday Parties
Coastal Care Contribution	Promotions	Indoor Sports Centres - Schools Programs	Pub Shuttle Bus	Leisure Centres - Cafe
Collection Management - Library	Public Education	Internet	School Of Arts	Leisure Centres - Classes
Commercial/Business Waste	Public Place Enquiry	Leisure Centres - Creche	Spring Festival	Leisure Centres - Coaching
Community Centres	Records & Archives	Leisure Centres - Learn To Swim	SSHED	Leisure Centres - Customer Relations
Community Hall Rentals	Recycling - Other	Leisure Centres - Pool Attendants	Surf Education	Leisure Centres - Equipment Hire
Community Information	River Service	Leisure Centres - School Programs	Tennis Courts	Leisure Centres - Events

Council Basic		Underserved Broad	Underserved Narrow	Competitive
Community Law Enforcement	Riverkeeper Program	Leisure Centres - Swim School	Wireless Hotspots	Leisure Centres - First Aid
Community Relations	Road Safety Campaign	Lifeguard	Women's Rest Centre	Leisure Centres - Gym Programs
Council Clean Up	Roads	Needle Collection Program	Programs - Christmas Concert	Leisure Centres - Gym Supervisors
Crane/Pump Permits	Rural Fire Service	Programs - Seniors Christmas Concert		Leisure Centres - Holiday Program
Customer Service Centre	Serials - Libraries	Programs - Seniors Concert		Leisure Centres - Other
Design Approvals	Shopping Centres Maintenance	Programs - Seniors Luncheon		Leisure Centres - Parties
Document Delivery Service	Special Needs Programs	Programs - Youth Music Awards Grant		Leisure Centres - Shop
Domestic Waste Services - Other	State Emergency Services	Schools Educational Programmes		Leisure Centres - Specialist Trainers
Dune Management	Stormwater Management	Social Planning		Leisure Centres - Supervisors
Emergency Fire Safety	Street Cleaning	Sutherland Tourism Association		Leisure Centres - Training
Environment And Health Regulation	Street Scapes Shopping Centre	Tourism And Visitor Information Centre		Nursery
Environmental & Building Compliance	Subsidies & Grants	Vacation Care		Personal Trainers
Environmental Enforcement	Summer Bushland Program	Youth & Safety		Property Security
Environmental Planning	The Ridge			Sports Shop
Environmental Protection & Regulation - Other	Tree Maintenance & Management			Weddings/Photograph/Picnic Bookings
Foreshore Protection	Vandalism			
Gardening	Volunteer Programs			
General Maintenance-Foreshore Protection	Waste Management Booklet			
General Parks Program	Waste Policy			
Graffiti Removal	Wharves & Jetties			
Greenwaste	Boat Ramps			
Gutter Cleaning Program	Community Language Resources			
Illegal Dumping - Waste Education	Contribution To Soil Conservation Service			
Illegally Dumped Rubbish	External Phone Usage (Blue Phone)			
Irrigation Maintenance Program	Photocopier - Library			
Land Information - Other	Playground Softfall Maintenance Program			
Landscaping	Property Rentals			
Libraries - Other	Tidal Pools Maintenance			
Linemarking				
Maintenance - Bridges				

Appendix D Activity analysis

What was analysed?

PwC collected data at a very detailed level across the whole organisation and split the Council across 53 functional business units (Table D.1). PwC's approach allowed an engagement directly with the managers in charge of each BU.

PwC's data analysis was based on a standard processes model, which includes 36 core processes (Figure D.). PwC reviewed data for all Council FTEs.

What type of analysis was performed?

PwC have analysed the data to identify three issues:

- **Duplication** - where the same processes are performed in many service areas within the Council. PwC highlighted processes that are performed in more than a certain percentage of the functions for further investigation and to determine whether standard ways of working exist.
- **Fragmentation** – where a single service area performs many processes. PwC highlighted services that carried out more than 20 processes for further investigation and to determine if these services could maximise their efficiency by focusing on their primary activity.
- **Non-core department activities** – where a process activity is being performed outside its core function area (e.g. IT service activities being performed in a BU other than IT). PwC have highlighted key support functions for further investigation to determine whether these processes can be standardised.

Table D.1 – 53 business units at SSC

GM Executive	Corporate Services	Engineering	Environmental Services
GM Executive Office	Admin & Governance	Directorate	Directorate
Ombudsman	Information Technology	Group Manager Engineers	Env & Building Compliance
Comm & Events Mgmt	Insurance & Claims	Business Development	Env & Health Regulation
Corporate Development	Legal Services	Building Works	Env Assessment Teams
Strategic Planning	Finance	Civil Operations	Env Planning
Civil Assets	Customer Service Centre	Fleet & Workshops	Env Science & Policy
Online & Business Development	Land Information	Parks Operations	Env Services Operations
Personnel Services	Env Protection & Reg	Infra Plan & Services	Certification Unit
		Waste Services	

Property	Community & Recreation	Project Delivery
Directorate	Directorate	Directorate
Economic Development	Community Services	Design Services
Energy Sustainability	Children's Services	Program Support
Property & Bldg Assets	Active Communities	Project Services
Property Security	Leisure Facilities	Survey Services
SSHED	Library & Information	
Tourism	Entertainment Centre	
	Hazelhurst Retreat	

PwC's analysis was based on a standard processes model, which includes 36 core processes across front line operations and strategic & support functions. PwC reviewed data for all Council FTEs.

Figure D.1 – 36 core processes

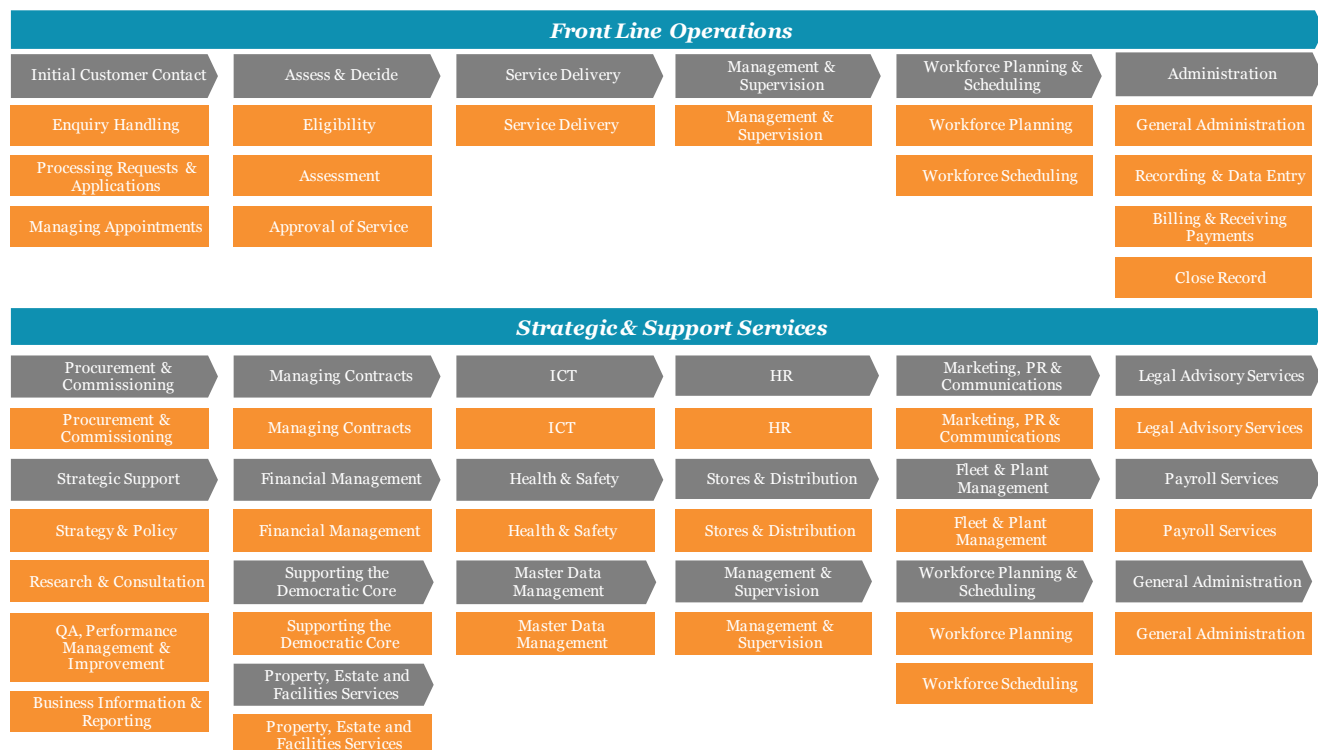


Table D.2 – Activity definitions

Activity		Definition
Front Line Operations - External Facing Customer Activity (external customer / service users)	Initial Customer Contact	Enquiry Handling % of time spent managing / handling contact from external customers / service users. Include here requests for service provision or proactive contact (Council initiates an element of service) from within the council. 'Contact' is defined as engagement with external customers including the business community and covers all channels i.e. face to face, telephone, mail or web. This doesn't include internal customer enquiry. Enquiry handling is limited to the first point of contact i.e. a telephone call, opening a letter, receiving a fax or e-mail or talking to a customer in a contact centre.
		Processing requests & applications % of time spent handling and completing requests for applications for services, licenses and information relating to an ongoing applications. Application requests is all about actually processing the application, not just receiving it and passing it on. The activity would therefore include ensuring forms were properly completed, proof of identity was included and appropriate, copying documents (such as passports) and actually processing the application in whatever way it has to be processed. This would stop at the point that the results of the application were known i.e. when the application is approved and is handed off for service delivery, or where the application is rejected and the activity is carried out to inform the customer of the result.
		Managing appointments % of time spent setting up, managing and changing appointments including the submission of requests for service from customers to the relevant directorate. This does not include internal appointment taking e.g. office to office meeting requests..
	Assess and decide	Eligibility % of time spent performing eligibility checks with or on behalf of the customer to determine either entitlement to a service or entitlement to request a service. It could be simple or complex depending on the service
		Assessment % of time spent performing assessments on the service request received from customers or others to confirm and determine the extent of a customers entitlement to a service. This assessment may be simple or complex depending on the nature of the service and the specific circumstances of the customer. It should be noted that the assessment can also be periodic in nature. For example to reassess customer needs for a service that may have been provided for over 1 year.
		Approval of service Approving services for delivery to meet the needs of the customer from suppliers or partner organisations. For example independent care homes or highways contractor. This will normally relate to existing care plans or agreements i.e. an approval from an existing schedule that front line staff can initiate.
	Service Delivery	Service Delivery % of time spent "Doing" - The actual delivery of the front line service to customers . e.g. street cleaning, teaching children, mending roads, collecting waste, caring for the elderly in their homes etc
	Manage-ment and Supervision	Management and Supervision % of time spent supervising work, managing individual/team performance, budget, staff appraisals, sickness absence and HR authorisations etc. Includes the relevant staff from each of the Front Line Operations groups (i.e. Initial Customer Contact, Assess and Decide, Service Delivery)
	Workforce Planning & Scheduling	Workforce Planning % of time spent analysing/forecasting of work required to undertake service delivery activities
		Workforce Scheduling % of time spent scheduling planned and unplanned work for efficient completion by the workforce. This includes diary management for tasks. These are both 'middle office' activities - so include all of the tasks to arrange for the activities to be done (but not the doing itself) after the customer conversation/contact has taken place.
	Administration	General Administration % of time spent undertaking administrative, clerical and secretarial support to managerial, technical and professional staff in Front Line Operations
		Recording & Data Entry % of time spent updating and maintaining data relating to jobs.
		Billing & Receiving Payments % of time spent billing for council services, accounts receivable, housing rent, council tax and non-domestic rates billing and collection, receiving cash and other payments over the counter
		Close record % of time spent finalising record details and closing the record following completion of the job.

Table D.2 (cont) – Activity definitions

Activity			Definition
Strategic and support functions	Procurement & Commissioning	Procurement & Commissioning	% of time spent undertaking activities relating to the specification, purchase and payment for goods and services provided by external parties to, or on behalf of the Council.
	Managing Contracts	Managing Contracts	% of time spent arranging, maintaining & performance monitoring of goods and services provided by external parties to, or on behalf of the Council, under a contract or Service Level Agreement
	ICT	ICT	% of time spent on the provision, maintenance and development of ICT/IT strategy, services and assets.
	HR	HR	% of time spent providing HR support and strategy including resource requirements and competencies to meet planned and projected service demand. Including recruitment, training and staff development activities within the department. (not payroll)
	Marketing, PR & Comms	Marketing, PR & Comms	% of time spent on all internal / external marketing of council services especially around revenue generation. All internal / external PR and communications
	Legal Advisory Services	Legal Advisory Services	% of time spent on the provision of professional legal advisory services
	Strategic Support	Strategy & Policy	% of time spent determining the future direction and objectives for the Council and the specific policies needed to support achievement of this. Would include strategic planning and policies at a Community Planning, Council and Service level.
		Research & Consultation	% of time spent undertaking research and consultation activity in support of strategy and policy development.
		QA, Perf. Management & Improvement	% of time spent on the development and maintenance of quality standards/processes and service performance targets. Initiation of change/improvement activities.
		Business Information & Reporting	% of time spent gathering, analysing, reporting and interpreting business data and performance. Includes the development of any standard / bespoke reports, trend analysis and recommendations
	Financial Management	Financial Management	% of time spent on financial management for example budget cycles, management accounting reports, audit functions & completion of final accounts. (Not Assets, Accounts Receivables/Payables))
	Health & Safety	Health & Safety	% of time spent inspecting, auditing and the implementation & maintenance of Health and Safety Guidance.
	Stores & Distribution	Stores & Distribution	% of time spent on activities related to the receiving, storing and distribution of goods and materials required for service delivery (e.g. building maintenance materials, social care aids etc). Procurement activity would be recorded separately in the procurement and commissioning, and/or contract management categories.
	Fleet & Plant Management	Fleet & Plant Management	% of time spent on the management and maintenance of vehicle fleets and plant/machinery assets. Includes cars, vans and specialist vehicles such as dust carts, grass cutters etc.
	Payroll	Payroll	% of time spent on all activities related to the payment of staff.
	Council Support	Supporting Council business	% of time spent supporting council business &, committees, including admin support for members.
	Master Data Mgt	Master Data Mgt	% of time spent recording & maintaining data for example allocating addresses to new building plots, adding new suppliers to the approved register and new citizens moving into the area.
	Management & Supervision	Management & Supervision	% of time spent supervising work, managing individual/team performance, budget, staff appraisals, sickness absence and HR authorisations etc. Includes the relevant staff from all of the Strategic and Support Services Areas.
	Workforce Planning & General Administration	Workforce Planning	% of time spent analysing and forecasting of work required to undertake service delivery activities
		Workforce Scheduling	% of time spent scheduling work to meet planned and unplanned demand for services
	General Administration	General Administration	% of time spent on administrative, clerical and secretarial support to managerial, technical and professional staff in strategic and support services functions.
			% of time spent on the management and provision of property services, including professional services such as surveying, facilities management and in-house catering.

The high level outputs of this analysis are shown in Figure D.2 for discussion. Numbers indicate the number of FTEs performing each activity. Percentages indicate the percentage of business units with some degree of involvement in each activity.

Figure D.2 – Initial analysis of duplication of activities across business units

Front Line Operation							
Enquiry Handling	Processing Requests & Applications	Appointment Taking and Booking	Eligibility	Assessment	Approval of Service	Service Delivery	Management & Supervision
62	42	2	3	52	5	583	52
79%	55%	34%	13%	38%	32%	62%	68%
Workforce Planning	Workforce Scheduling	General Administration	Recording & Data Entry	Billing & Receiving Payments	Close Record	TOTAL FRONT LINE OPS	
8	8	35	36	26	2	916	
42%	40%	60%	49%	42%	19%	87%	
Strategic & Support Services							
Procurement & Commissioning	Managing Contracts	ICT	HR	Marketing, PR & Comms	Legal Advisory Services	Strategy & Policy	Research and Consultation
11	9	25	13	17	11	17	14
57%	57%	25%	38%	43%	11%	58%	47%
QA, Performance Management & Improvement	Business Information & Reporting	Financial Management	Health & Safety	Stores & Distribution	Fleet & Plant Management	Payroll Services	Supporting the Councillors
18	13	14	11	5	16	6	15
55%	58%	60%	57%	13%	6%	15%	36%
"Master Data Mgt"	Management & Supervision	Workforce Planning	Workforce Scheduling	General Administration	Property Estate & Facilities Services	TOTAL SUPPORT	
8	10	2	1	38	7	281	
25%	62%	36%	21%	55%	21%	96%	

Duplication?
>30 FTEs &
>50% of BUs

Benchmarking

PwC UK has worked with over 50 Councils in the UK since 2008 to help transform the way they operate without impacting upon the level and quality of frontline services.

PwC UK's focus has been to work with Councils on standardising, simplifying and ultimately sharing common processes that operate across the organisation regardless of departmental and professional silos.

Even the most efficient Councils have a tendency to duplicate and fragment common processes that can and should be streamlined. The following outlines some of the findings and insights PwC has into the way that local government delivers standard processes and compares them to PwC's findings at Sutherland Shire Council.

How does Sutherland Shire Council compare to the average UK Council *before* Transformation? The table below shows the percentage of FTEs performing each process activity compared to an average based on 43 UK Councils.

Table D.3– Average UK Council comparison (pre-transformation)

<i>Front Line Activity</i>	<i>Average UK Council</i>	<i>SSC</i>
Enquiry Handling	4.5%	4.9%
Processing Requests & Applications	2.3%	3.3%
Appointment Taking and Booking	0.9%	0.2%
Eligibility	1.1%	0.2%
Assessment	4.4%	4.5%
Approval of Service	0.6%	0.4%
Service Delivery	47.1%	48.4%
Management & Supervision	4.3%	4.8%
Workforce Planning	1.0%	0.7%
Workforce Scheduling	1.2%	0.7%
General Administration	3.4%	2.8%
Recording & Data Entry	4.4%	2.9%
Billing & Receiving Payments	1.2%	2.3%
Close Record	0.4%	0.1%

<i>Support Activity</i>	<i>Average UK Council</i>	<i>SSC</i>
Procurement & Commissioning	1.5%	0.9%
Managing Contracts	1.1%	0.8%
ICT	1.6%	2.3%
HR	1.4%	1.1%
Marketing, PR & Communications	0.4%	1.1%
Legal Advisory Services	0.6%	1.0%
Strategy & Policy	1.5%	1.4%
Research and Consultation	0.9%	1.2%
QA, Performance Management & Improvement	1.7%	1.5%
Business Information & Reporting	1.3%	1.1%
Financial Management	1.9%	1.3%
Health & Safety	0.7%	1.0%
Stores & Distribution	0.4%	0.4%
Fleet & Plant Management	0.3%	1.5%
Payroll Services	0.5%	0.4%
Supporting the Democratic Core	0.7%	1.2%
Master Data Mgt	0.4%	0.7%
Management & Supervision	1.3%	0.9%
Workforce Planning	0.3%	0.2%
Workforce Scheduling	0.5%	0.1%
General Administration	2.0%	2.8%
Property Estate & Facilities Services	2.0%	0.6%

Divisional and business unit analysis

In addition to analysing activities of SSC as a whole, PwC looked at divisions and the largest 14 business units by number of FTEs.

Table D.4– Divisions

<i>Directorate</i>	<i>Employees</i>	<i>FTEs</i>	<i>FTE %</i>	<i>Frontline FTEs</i>	<i>Frontline %</i>	<i>Support FTEs</i>	<i>Support %</i>
GM Executive	74	57	5%	14	1%	43	4%
Corporate Services	177	161	15%	78	7%	84	8%
Engineering	376	365	34%	317	29%	47	4%
Env Services	134	127	12%	105	10%	21	2%
Property	47	41	4%	22	2%	20	2%
Community & Rec	350	286	27%	251	23%	35	3%
Project Delivery	39	39	4%	34	3%	5	0%
TOTAL	1197	1077	100%	822	76%	255	24%

Appendix E Comparative Councils data

Three tiers of analysis were performed – overall Council, divisions and business units.

Table E.1 – Overall council data

Red = High

Measure	Sutherland	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Warringah
Population	220,835	188,814	307,816	145,668	196,567	200,849	172,333	133,116	145,865
Area (km ²)	334	77	240	34	102	648	61	36	149
Pop'n Density (pop'n/area)	662	2,459	1,282	4,335	1,935	310	2,807	3,667	976
Pop'n Growth (5yr average) %	0.7%	1.6%	2.1%	1.6%	1.0%	1.0%	2.6%	1.2%	1.1%
Wards	5	4	5	3	3	5	5	5	3
Councillors	15	12	15	10	13	10	15	15	10
Councillors per Ward	3.0	3.0	3.0	3.3	4.3	2.0	3.0	3.0	3.3
Directorates	6	4	4	3	4	4	3	3	3
FTEs 2011/12	1,108	702	1,336	531	718	443	742	497	545
FTEs 2010/11	1,099	699	1,329	539	733	429	740	494	554
Increase in headcount from PY	0.8%	0.4%	0.5%	-1.5%	-2.0%	3.3%	0.3%	0.6%	-1.6%
Employee Costs 2011/12	93,268,000	55,722,000	103,730,000	43,819,000	62,212,000	33,887,000	74,714,000	49,777,000	54,434,000
Cost per FTE	84,177	79,376	77,642	82,522	86,646	76,494	100,693	100,155	99,879
Total revenue 2011/12	243,316,000	144,578,000	342,540,000	99,256,000	146,676,000	112,316,000	190,251,000	124,129,000	143,015,000
Total revenue per capita 2011/12	1,101,800	765,717	1,112,808	681,385	746,188	559,206	1,103,973	932,487	980,461
Total expenses 2011/12	190,807,000	147,640,000	243,682,000	95,037,000	135,091,000	90,202,000	174,601,000	114,092,000	134,277,000
Total expenses per capita 2011/12	864,025	781,934	791,648	652,422	687,252	449,104	1,013,161	857,087	920,557
Rates/annual charges revenue 2012	123,073,000	97,296,000	144,244,000	64,980,000	86,425,000	65,779,000	108,833,000	84,059,000	83,119,000
Rates/annual charges revenue 2011	118,378,000	93,315,000	135,626,000	62,492,000	83,523,000	62,780,000	102,824,000	78,954,000	79,257,000
Percentage movement in rates and annual charges revenue from previous year	4.0%	4.3%	6.4%	4.0%	3.5%	4.8%	5.8%	6.5%	4.9%
Total Residential Rates Revenue 2010/11	83,337,000	50,097,000	77,018,000	37,125,000	38,903,000	29,521,000	39,428,000	41,515,000	52,004,000
Number of Rateable Residential Properties 2010/11	78,864	57,842	99,016	44,444	57,911	37,840	56,540	47,629	51,511
Average rate per residential assessment	1,057	866	778	835	672	780	697	872	1,010
Total Business Rates Revenue 2010/11	12,585,000	23,389,000	29,522,000	10,247,000	22,741,000	3,126,000	40,471,000	10,459,000	12,942,000
Number of Rateable Business Properties 2010/11	4,109	4,557	4,911	2,837	4,114	926	4,256	2,020	3,930
Average rate per business assessment	3,063	5,133	6,011	3,612	5,528	3,376	9,509	5,178	3,293
User Charges and Fees 2011/12	26,907,000	9,930,000	21,135,000	7,675,000	15,860,000	12,306,000	26,281,000	12,819,000	31,792,000
User Charges and Fees 2010/11	27,354,000	7,895,000	21,019,000	7,130,000	15,733,000	11,499,000	25,274,000	13,228,000	30,287,000
Percentage movement in user charges and fees revenue from previous year	-2%	26%	1%	8%	1%	7%	4%	-3%	5%
Specific User Charges (per s.502 - Specific "actual use" charges) 2012	7,555,000	-	95,000	15,000	452,000	-	20,817,000	1,303,000	405,000
Specific User Charges (s.502) as a % of total revenue	0.3%	0.0%	0.0%	0.0%	0.3%	0.0%	10.9%	1.0%	0.3%
Rates and Annual Charges 2011/12	123,073,000	97,296,000	144,244,000	64,980,000	86,425,000	65,779,000	108,833,000	84,059,000	83,119,000
% total ordinary revenue	51%	67%	42%	65%	59%	59%	57%	68%	58%
User Charges and Fees 2011/12	26,907,000	9,930,000	21,135,000	7,675,000	15,860,000	12,306,000	26,281,000	12,819,000	31,792,000
% total ordinary revenue	11%	7%	6%	8%	11%	11%	14%	10%	22%
Interest Revenue 2011/12	7,822,000	5,999,000	17,937,000	1,968,000	5,336,000	6,368,000	5,473,000	3,253,000	5,329,000
% total ordinary revenue	3%	4%	5%	2%	4%	6%	3%	3%	4%
Other Revenues 2011/12	14,775,000	8,723,000	12,148,000	4,108,000	8,658,000	7,295,000	18,407,000	8,290,000	9,356,000
% total ordinary revenue	6%	6%	4%	4%	6%	6%	10%	7%	7%
Grants & Contributions provided for Operating Purposes 2011/12	16,729,000	14,152,000	45,521,000	14,311,000	24,162,000	6,677,000	20,136,000	8,894,000	8,677,000
% total ordinary revenue	7%	10%	13%	14%	16%	6%	11%	7%	6%
Grants & Contributions provided for Capital Purposes 2011/12	54,010,000	8,478,000	102,322,000	6,041,000	5,974,000	13,754,000	10,500,000	6,814,000	4,160,000
% total ordinary revenue	22%	6%	30%	6%	4%	12%	6%	5%	3%
Employee Costs 2011/12	93,268,000	55,722,000	103,730,000	43,819,000	62,212,000	33,887,000	74,714,000	49,777,000	54,434,000
% of total expenses	49%	38%	43%	46%	46%	38%	43%	44%	41%
Materials and Contracts 2011/12	34,741,000	23,438,000	34,721,000	27,203,000	20,112,000	28,244,000	32,703,000	29,394,000	49,522,000
% of total expenses	18%	16%	14%	29%	15%	31%	19%	26%	37%
Depreciation 2011/12	24,033,000	38,429,000	54,040,000	10,202,000	24,574,000	14,958,000	34,388,000	22,396,000	13,880,000
% of total expenses	13%	26%	22%	11%	18%	17%	20%	20%	10%
Other Expenses 2011/12	36,062,000	28,417,000	51,191,000	13,405,000	27,816,000	12,653,000	28,487,000	12,343,000	16,129,000
% of total expenses	19%	19%	21%	14%	21%	14%	16%	11%	12%
Current investments 2011/12	55,991,000	46,065,000	223,226,000	22,000,000	43,351,000	58,835,000	67,612,000	28,000,000	68,537,000
Non-current investments 2011/12	9,368,000	25,000,000	45,000,000	13,000,000	29,790,000	36,948,000	23,220,000	15,984,000	4,318,000
Total investments 2011/12	65,359,000,000	71,065,000,000	268,226,000,000	35,000,000,000	73,141,000,000	95,783,000,000	90,832,000,000	43,984,000,000	72,855,000,000
Infrastructure & PPE 2011/12	1,151,829,000	1,790,846,000	2,419,987,000	814,517,000	1,626,045,000	892,560,000	3,612,999,000	1,257,944,000	2,383,286,000
Current assets less external restrictions 2011/12	56,737,000	61,687,000	162,714,000	23,057,000	45,531,000	25,649,000	66,871,000	36,552,000	56,432,000
Current Liabilities Less Specific Purpose Liabilities 2011/12	34,086,000	20,849,000	38,224,000	11,042,000	15,480,000	12,540,000	83,804,000	12,929,000	16,863,000
Unrestricted current ratio	1.66	2.96	4.26	2.09	2.94	2.05	0.80	2.83	3.35
Net Debt Service Cost 2011/12	7,203,000	5,871,000	-	1,177,000	2,378,000	2,218,000	9,122,000	-	729,000
Revenue from Continuing Operations 2011/12	182,366,000	132,565,000	223,255,000	87,096,000	132,144,000	96,439,000	171,215,000	113,388,000	136,199,000
Debt service ratio	3.95%	4.43%	0.00%	1.35%	1.80%	2.30%	5.33%	0.00%	0.54%
Rates & annual charges 2011/12	123,073,000	97,296,000	144,244,000	64,980,000	86,425,000	65,779,000	108,833,000	84,059,000	83,119,000
Income from continuing operations 2011/12	243,316,000	144,578,000	342,540,000	99,256,000	146,676,000	112,316,000	190,251,000	124,129,000	143,015,000

Measure	Sutherland	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Warringah
Rates & annual charges coverage ratio	50.58%	67.30%	42.11%	65.47%	58.92%	58.57%	57.20%	67.72%	58.12%
Rates & annual charges outstanding 2011/12	7,223,000	4,854,000	4,987,000	3,503,000	3,050,000	2,308,000	3,953,000	2,041,000	2,743,000
Rates & annual charges collectible 2011/12	129,817,000	103,094,000	150,226,000	68,533,000	90,183,000	68,179,000	113,564,000	86,143,000	86,159,000
Rates, annual charges, interest and extra charges outstanding %	5.56%	4.71%	3.32%	5.11%	3.38%	3.39%	3.48%	2.37%	3.18%
Asset Renewals 2011/12	18,240,000	15,031,000	14,833,000	6,663,000	15,070,000	11,106,000	11,522,000	12,464,000	14,126,000
Depreciation and Amortisation, and Impairment 2011/12	15,955,000	24,853,000	43,574,000	6,825,000	19,638,000	11,680,000	17,626,000	16,784,000	9,137,000
Building & infrastructure renewals ratio	114.32%	60.48%	34.04%	97.63%	76.74%	95.09%	65.37%	74.26%	154.60%
Divisions	Community & Recreation; Corporate Services; Engineering; Environmental Services; Property; Projects	Assets and Infrastructure; Planning and Environment Services; Corporate and Financial Services	Assets; Strategy & Development; Finance & Corporate Strategy; Sustainable Living	Corporate Services; City Planning; City Works	City Outcomes; City Services; Corporate Support; Environmental Standards	Community Services; Development & Regulation; Operations; Strategy & Environment	City Services; Corporate Services; Outcomes	City Planning; City Services; Governance & Financial Services	Community & Environmental Services; Strategic & Development Services; Corporate Services
Fee generating services	Waste Management Services (non-domestic)	Nil	Sullage and Septic Tank Charges	Domestic Waste Management Services	Domestic Waste Management Services; Waste Management Services (non-domestic)	Nil	Golfcourse; Pools; Halls; Parks and reserves; Childcare; Library incl. photocopy; Parramatta Riverside Theatres; Parking meters; Multi-level parking stations; Resident parking scheme; Other	Waste Management Services (non-domestic)	Waste Management Services (non-domestic)
Average salary of FT employees (\$)	65,559								
Median salary of FT employees (\$)	55,074								
Average age of FT employees (yrs)	45.5								
Median age of FT employees (yrs)	47.0								
Average tenure of FT employees (yrs)	11.7								
Median tenure of FT employees (yrs)	9.3								
GM remuneration 2011/12	345,475	315,091	301,075	327,436	310,012	311,578	414,715	356,431	365,276
Total director remuneration 2011/12	1,322,434	718,552	928,133	619,101	864,166	1,021,381	1,448,668	801,201	539,277
Average remuneration per director	220,406	179,638	232,033	206,367	216,042	255,345	289,734	267,067	179,759

Source: DLG NSW Local Government Councils Comparative Information 2010/11; Council Annual Report 2011/12

Table E.2 – Comparative council services

Red = High

Service	Sutherland	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Warringah
Environmental management expenses 2010/11	30,414,000	30,890,000	44,463,000	17,430,000	25,465,000	19,165,000	22,398,000	32,118,000	21,577,000
% of total expenses	16%	21%	18%	18%	19%	21%	13%	28%	16%
Cost per capita	138	164	144	120	130	95	130	241	148
Spend increase/decrease since 2008/09	16%	19%	37%	8%	25%	11%	16%	33%	68%
Environmental management expenses 2009/10	28,734,000	29,529,000	36,619,000	16,260,000	27,328,000	17,083,000	2,512,000	28,858,000	21,192,000
Environmental management expenses 2008/09	26,268,000	26,055,000	32,449,000	16,183,000	20,343,000	17,252,000	19,235,000	24,207,000	12,821,000
Net recreation, leisure and cultural expenses 2010/11	31,277,000	19,042,000	35,033,000	7,892,000	16,414,000	13,303,000	19,350,000	19,165,000	14,075,000
% of total expenses	16%	13%	14%	8%	12%	15%	11%	17%	10%
Cost per capita	142	101	114	54	84	66	112	144	96
Spend increase/decrease since 2008/09	17%	-8%	1%	-23%	-2%	32%	9%	-27%	37%
Net recreation, leisure and cultural expenses 2009/10	27,799,000	18,085,000	37,303,000	9,128,000	17,948,000	10,670,200	19,534,000	21,428,000	13,237,000
Net recreation, leisure and cultural expenses 2008/09	26,720,000	20,640,000	34,697,000	10,221,000	16,821,000	10,103,000	17,680,000	26,344,000	10,274,000






Service	Sutherland	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Warringah
Community services expenses 2010/11	14,640,000	5,143,000	18,427,000	7,289,000	11,717,000	4,954,000	8,446,000	5,232,000	6,492,000
% of total expenses	8%	3%	8%	8%	9%	5%	5%	5%	5%
Cost per capita	66	27	60	50	60	25	49	39	45
Spend increase/decrease since 2008/09	17%	8%	7%	-9%	2%	25%	-3%	10%	0%
Community services expenses 2009/10	13,970,000	4,721,000	18,140,000	7,769,000	11,059,000	5,136,000	8,842,000	5,145,000	6,320,000
Community services expenses 2008/09	12,498,000	4,765,000	17,186,000	7,989,000	11,508,000	3,968,000	8,695,000	4,745,000	6,482,000
Public order & safety expenses 2010/11	9,966,000	4,849,000	6,059,000	3,090,000	5,321,000	4,641,000	5,554,000	6,872,000	2,555,000
% of total expenses	5%	3%	2%	3%	4%	5%	3%	6%	2%
Cost per capita	45	26	20	21	27	23	32	52	18
Spend increase/decrease since 2008/09	12%	19%	14%	9%	13%	22%	-1%	30%	28%
Public order & safety expenses 2009/10	9,652,000	4,365,000	6,087,000	2,873,000	6,638,000	4,162,000	5,929,000	6,616,000	2,477,000
Public order & safety expenses 2008/09	8,862,000	4,077,000	5,324,000	2,828,000	4,721,000	3,811,000	5,632,000	5,284,000	2,003,000
Housing and community amenities expenses 2010/11	6,507,000	7,771,000	9,383,000	3,966,000	5,145,000	4,203,000	1,951,000	12,209,000	7,425,000
% of total expenses	3%	5%	4%	4%	4%	5%	1%	11%	6%
Cost per capita	29	41	30	27	26	21	11	92	51
Spend increase/decrease since 2008/09	13%	69%	9%	-37%	-2%	7%	-53%	12%	33%
Housing and community amenities expenses 2009/10	5,971,000	6,944,000	9,061,000	4,200,000	5,135,000	3,573,000	20,775,000	12,690,000	6,824,000
Housing & community amenities expenses 2008/09	5,745,000	4,590,000	8,622,000	6,305,000	5,265,000	3,934,000	4,165,000	10,869,000	5,577,000

Source: DLG NSW Local Government Councils Comparative Information 2010/11

Appendix F IT assessment

Table F.1 – IT - current state assessment

Red = poor; **Amber** = moderate; **Green** = good

Value Driver	Score	Comments
<i>Strategy</i>		To drive value from IT, it should be clear what is expected from the IT organisation, including services provided, how they are provided and their purpose. SSC does not have a clear IT strategy. Much of the technology decision making occurs within individual business units. Decisions are therefore driven by business users instead of through a clear strategy.
<i>Process</i>		A key feature of efficient IT organisations is clearly defined processes for support and development with clear process owners. SSC has clear ownership of infrastructure and application support but it is not clear who the process owners are within the business for oversight of changes being made. Furthermore, there is evidence of sound documented support processes, however, those governing IT change and program delivery are not clear.
<i>Structure</i>		The head of IT should be responsible for both IT services and the value derived from them. They should typically be responsible for both BAU and change activities. IT decision making can either be centralised or dispersed (i.e. business led IT decision making) or somewhere in between. SSC's IT structure is dispersed, however, infrastructure, applications support and some project management activity is centralised. This type of structure is inefficient and complex and requires broad skill sets to operate effectively. Process consistency, organisational analytics and customer focus is critically important when considering the provision of 'shared services' to other Councils. Whilst the current structure gives business units influence over the IT services they receive, it is a high cost structure.
<i>People</i>		In any function, the capability of the people within the organisation will determine the effectiveness of the service delivery and value generated. This was not assessed as part of this Review, however, staff appear to be capable.
<i>Technology</i>		Technology focuses on the applications, networks and infrastructure supporting an organisation. Based on our review, the approach adopted at SSC is typical of many Councils. However, given the strategic desire to be more customer focused, to consider shared service opportunities and to continue driving down IT costs, SSC should consider how to rationalise and simplify the IT landscape to lower costs and increase value.

Source: Cameron Webb, PwC Subject Matter Expert; SSC IT Support Documents & Interviews

Appendix G Business unit performance overview

PwC analysed a range of performance data across the 14 largest SSC business units (by FTE), representing approximately 70% of the total SSC full time workforce. This data was considered in combination with PwC observational insights, qualitative performance reporting analysis and senior SSC stakeholder interview results in the assessment of current performance levels across these teams.

Table G.1 – BUs chosen for analysis

Measure	Community & Rec-Childrens Services	Engineering-Parks Operations	Engineering-Civil Operations	Engineering-Building Works	Engineering-Waste Services	Community & Rec-Library & Information	Env Services-Env Assessment Teams
FTEs	131.8	93.1	87.0	66.6	64.4	60.8	52.0
% of total Council FTEs	11.9%	8.4%	7.9%	6.0%	5.8%	5.5%	4.7%
Employee Costs 2011/12	8,962,967	5,505,543	4,158,804	3,170,742	10,084,290	4,786,147	5,039,943
% of total Council staff expenses	9.6%	5.9%	4.5%	3.4%	10.8%	5.1%	5.4%
Cost per FTE	68,030	59,117	47,802	47,623	156,588	78,732	96,959
Total expenses (2011/12)	11,438,036	11,042,948	8,044,718	4,799,197	28,055,603	5,894,810	5,133,533
% of total Council expenses	6.0%	5.8%	4.2%	2.5%	14.7%	3.1%	2.7%
Total revenue (2011/12)	12,070,554	424,115	2,074,023	118,061	24,743,947	1,078,753	1,739,103
% of total Council revenue	5%	0%	1%	0%	10%	0%	1%
Net result	632,518	(10,618,833)	(5,970,694)	(4,681,136)	(3,311,657)	(4,816,056)	(3,394,431)
Less: Grants & subsidies	1,101,758	208,690	-	-	151,946	628,583	-
Net result before grants and subsidies	(469,240)	(10,827,523)	(5,970,694)	(4,681,136)	(3,463,603)	(5,444,639)	(3,394,431)

Measure	Community & Rec-Leisure Facilities	Corporate Services-Admin & Governance	Corporate Services-Finance	Corporate Services-Env Protection & Reg	Env Services-Env & Building Compliance	GM Executive-Personnel Services	Corporate Services-Information Technology
FTEs	38.5	35.5	35.0	32.0	24.4	20.0	18.8
% of total Council FTEs	3.5%	3.2%	3.2%	2.9%	2.2%	1.8%	1.7%
Employee Costs 2011/12	5,916,982	2,887,724	2,680,800	2,258,741	1,938,714	2,511,586	1,810,104
% of total Council staff expenses	6.3%	3.1%	2.9%	2.4%	2.1%	2.7%	1.9%
Cost per FTE	153,768	81,390	76,594	70,586	79,455	125,391	96,282
Total expenses (2011/12)	8,622,932	5,036,964	3,782,560	3,478,047	1,970,981	4,325,726	4,582,929
% of total Council expenses	4.5%	2.6%	2.0%	1.8%	1.0%	2.3%	2.4%
Total revenue (2011/12)	8,008,466	223,906	1,016,888	4,729,462	282,909	260,258	10,067
% of total Council revenue	3%	0%	0%	2%	0%	0%	0%
Net result	(614,466)	(4,813,058)	(2,765,673)	1,251,415	(1,688,073)	(4,065,468)	(4,572,862)
Less: Grants & subsidies	-	-	-	-	-	102,911	-
Net result before grants and subsidies	(614,466)	(4,813,058)	(2,765,673)	1,251,415	(1,688,073)	(4,168,380)	(4,572,862)

Note: Employee costs include salaries, wages, leave liability, labour overheads, leave termination and superannuation. Cost per FTE is, therefore, not an indication of average staff salary.

Table G.2 – Business unit performance

	SSC BU Avg	Community & Rec- Childrens Services	Engineering-Parks Operations	Engineering-Civil Operations	Engineering-Building Works	Engineering-Waste Services	Community & Rec- Library & Information
FTEs	54.3	131.8	93.1	87.0	66.6	64.4	60.8
Net result before grants and subsidies	(3,687,312)	(469,240)	(10,827,523)	(5,970,694)	(4,681,136)	(3,463,603)	(5,444,699)
% of total Council FTEs	0.0	11.9%	8.4%	7.9%	6.0%	5.8%	5.5%
% of total Council staff expenses	0.0	9.6%	5.9%	4.5%	3.4%	10.8%	5.1%
% of total Council expenses	0.0	6%	6%	4%	3%	15%	3%
Median age of FT employees (yrs)	45.64	30.5	45.0	52.0	43.5	52.0	53.0
Median tenure of FT employees (yrs)	9.27	3.4	10.7	12.8	10.3	11.1	15.2
Average salary of FT employees (\$)	64,570.0	51,790	54,284	54,682	55,648	53,738	61,053
Median salary of FT employees (\$)	60,814.4	49,320	50,757	51,294	53,636	52,961	53,636
Salary skew ratio	1.06	1.05	1.07	1.07	1.04	1.01	1.14
Overtime Factor	1.3	-	1.85	0.68	1.06	3.18	1.75
Unscheduled sick leave	2.5	3.9	2.6	2.0	1.8	2.2	2.2
Staff T turnover	4%	6.5%	3.3%	3.4%	5.0%	7.6%	1.6%
Median annual revenue increase 2009-2012	4.2%	7.4%	-27.5%	13.7%	-23.2%	4.3%	8.5%
Median annual cost increase 2009-2012	3.9%	7.5%	3.6%	15.6%	-1.6%	4.3%	8.9%
Fragmentation %	43%	83%	50%	64%	31%	47%	39%
'Shadow' FTEs	3.46	0	0	0	0	0	0
Employee Costs 2011/12		8,962,967	5,505,543	4,158,804	3,170,742	10,084,290	4,786,147
Total expenses (2011/12)		11,438,036	11,042,948	8,044,718	4,799,197	28,055,603	5,894,810
User Charges and Fees 2011/12		7,172,895	-	1,212,213	56,811	757,984	428,428
% of total Council user charges/fees		27%	0%	5%	0%	3%	2%
Total revenue (2011/12)		12,070,554	424,115	2,074,023	118,061	24,743,947	1,078,753
Net result		632,518	-	5,970,694	-	3,311,657	-
% of total Council revenue		5%	0%	1%	0%	10%	0%
Less: Grants & subsidies		1,101,758	208,690	-	-	151,946	628,583
Cost per FTE	88,451.36	68,030	59,117	47,802	47,623	156,588	78,732
Average age of FT employees (yrs)		33.6	44.6	50.0	44.7	50.9	49.3
Average tenure of FT employees (yrs)		5.3	12.7	17.2	12.2	11.1	15.2
Fragmentation (activities performed out of 36)		30	18	23	11	17	14
FTEs performing core activity		87.04	n/a	n/a	n/a	53	44.66
% above core FTEs		0%	0%	0%	0%	0%	0%
% of FTEs performing core activity		66%	n/a	n/a	n/a	82%	73%
Systems used		General	General	General	General	General	General

Red = poor; Amber = moderate; Green = good

	Env Services-Env Assessment Teams	Community & Rec- Leisure Facilities	Corporate Services- Admin & Governance	Corporate Services- Finance	Corporate Services- Env Protection & Reg	Env Services-Env & Building Compliance	CM Executive- Personnel Services	Corporate Services- Information Technology
FTEs	52.0 (3,394,431)	38.5 (614,466)	35.5 (4,813,058)	35.0 (2,765,673)	32.0 (1,251,415)	24.4 (1,688,073)	20.0 (4,168,380)	18.8 (4,572,862)
Net result before grants and subsidies	4.7%	3.5%	3.2%	3.2%	2.9%	2.2%	1.8%	1.7%
% of total Council FTEs	5.4%	6.3%	3.1%	2.9%	2.4%	2.1%	2.7%	1.9%
% of total Council staff expenses	3%	5%	3%	2%	2%	1%	2%	2%
Median age of FT employees (yrs)	49.0	35.0	44.0	50.0	41.0	44.5	52.0	47.5
Median tenure of FT employees (yrs)	7.0	7.0	7.3	13.1	4.9	8.2	13.1	5.7
Average salary of FT employees (\$)	82,977	63,908	63,187	70,235	64,524	76,280	75,364	76,311
Median salary of FT employees (\$)	82,795	56,176	54,629	62,396	58,379	74,593	72,393	78,526
Salary skew ratio	1.00	1.14	1.16	1.13	1.11	1.02	1.04	0.97
Overtime Factor	0.39		2.18	0.03	2.53	0.17	0.11	3.14
Unscheduled sick leave	3.8	2.4	2.9	3.3	1.7	2.7	2.0	1.7
Staff turn over	0.0%	5.1%	3.2%	3.1%	9.4%	0.0%	0.0%	6.0%
Median annual revenue increase 2009-2012	0.8%	4.2%	n/a	-0.1%	10.1%	1.5%	n/a	n/a
Median annual cost increase 2009-2012	1.3%	6.1%	3.2%	2.3%	9.4%	10.0%	2.2%	-1.7%
Fragmentation %	19%	75%	81%	39%	14%	22%	31%	14%
'Shadow' FTEs	0	0	30,597.8	6.25	0	0	3.35	8.2
Employee Costs 2011/12	5,039,943	5,916,982	2,887,724	2,680,800	2,258,741	1,938,714	2,511,586	1,810,104
Total expenses (2011/12)	5,133,533	8,622,932	5,036,964	3,782,560	3,478,047	1,970,981	4,325,756	4,582,929
User Charges and Fees 2011/12	1,738,478	7,634,705	124,583	497,423	421,075	143,272	-	-
% of total Council user charges/fees	6%	28%	0%	2%	2%	1%	0%	0%
Total revenue (2011/12)	1,739,103	8,008,466	223,906	1,016,888	4,729,462	282,909	260,258	10,067
Net result	-	614,466	4,813,058	2,765,673	1,251,415	1,688,073	4,065,468	4,572,862
% of total Council revenue	1%	3%	0%	0%	2%	0%	0%	0%
Less: Grants & subsidies	-	-	-	-	-	-	102,911	-
Cost per FTE	96,959	153,768	81,390	76,594	70,586	79,455	125,391	96,282
Average age of FT employees (yrs)	47.6	36.7	42.7	49.7	41.3	44.3	51.4	43.7
Average tenure of FT employees (yrs)	9.7	8.6	10.7	15.3	5.0	10.3	16.4	10.0
Fragmentation activities performed out of 36)	7	27	29	14	5	8	11	5
FTEs performing core activity	27,466	15,6515	17,2895	24	n/a	n/a	8,255	16,58
% above core FTEs	0%	0%	86%	18%	0%	0%	17%	44%
% of FT Es performing core activity	53%	41%	49%	69%	n/a	n/a	41%	88%
Systems used	General	General	Customer Request Management System (CRMS); Electronic Business Papers (EBP)	Technology One (Finance)	General	General	Aurion (payroll)	Lotus Notes (email)

Appendix H Environmental Assessment Teams

PwC has performed a ‘deep-dive’ analysis of development application approvals.

Table H.1 – Council Comparative Data

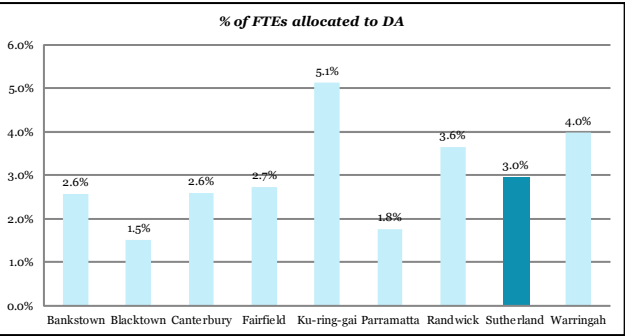
Measure	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Sutherland	Warringah
Total Council FTEs	699	1,329	539	733	429	740	494	1,099	554
Number of EFT staff allocated to development assessment	18	20	14	20	22	13	18	33	22
% allocated to development assessment	2.6%	1.5%	2.6%	2.7%	5.1%	1.8%	3.6%	3.0%	4.0%
Number of DA determined	1,102	2,380	595	1,129	813	808	1,000	1,219	1,849
Value of DA determined	357,473,901	535,448,297	126,510,051	267,901,869	350,577,786	374,541,121	553,683,511	416,522,925	469,625,779
Number of DA approved	1,091	2,346	573	1,095	707	769	974	1,139	1,733
Value of DA approved	316,777,901	531,945,297	125,203,652	264,203,166	283,915,836	360,149,391	517,001,489	362,072,523	351,779,237
% of DAs approved	99.0%	98.6%	96.3%	97.0%	87.0%	95.2%	97.4%	93.4%	93.7%
Number of CDC determined	159	525	203	125	446	368	202	505	113
Number of CDC determined by council	66	84	53	15	25	73	97	230	12
Value of CDC determined by council	1,331,541	-	2,939,493	600,385	1,567,203	1,973,646	4,827,232	10,042,164	525,950
Number of CDC determined by private certifiers	93	441	150	110	421	295	105	275	101
Value of CDC determined by private certifiers	20,646,621	-	11,881,311	33,685,835	81,519,283	7,536,813	19,327,287	34,279,610	13,056,937
% of CDCs determined by Council	42%	16%	26%	12%	6%	20%	48%	46%	11%
Number of CDC approved	159	520	201	125	446	368	199	505	112
Value of CDC approved	21,978,162	-	14,785,805	34,286,220	83,086,486	9,510,459	23,901,519	44,321,774	13,582,887
% of CDCs approved	100%	99%	99%	100%	100%	100%	99%	100%	99%
Mean gross time for DA determined (days)	56	63	102	68	68	89	77	64	46
Median gross time for DA determined (days)	31	39	70	43	67	65	60	50	39
Number of DA determined of value \$0-\$1M	1071	2323	579	1113	775	749	945	1182	1807
% of total DA	97.2%	97.6%	97.3%	98.6%	95.3%	92.7%	94.5%	97.0%	97.7%
Number of DA determined of value \$1M-\$5M	21	51	13	6	28	52	45	23	30
% of total DA	2%	2%	2%	1%	3%	6%	5%	2%	2%
Number of DA determined of value \$5M-\$20M	7	4	3	7	8	6	5	11	8
% of total DA	1%	0%	1%	1%	1%	1%	1%	1%	0%
Number of DA determined of value \$20M and over	3	2	0	3	2	1	5	3	4
% of total DA	0%	0%	0%	0%	0%	0%	1%	0%	0%
Number of DA determined of value \$30M and over	0	1	0	0	1	1	4	0	3
% of total DA	0%	0%	0%	0%	0%	0%	0%	0%	0%
Number of DA determined of value \$50M and over	0	0	0	0	0	0	1	0	1
% of total DA	0%	0%	0%	0%	0%	0%	0%	0%	0%

Measure	Bankstown	Blacktown	Canterbury	Fairfield	Ku-ring-gai	Parramatta	Randwick	Sutherland	Warringah
Mean gross days of DA determined for value of \$0-\$1M	53	59	96	65	64	81	72	62	44
Mean gross days for DA determined of value \$1M-\$5M	133	192	263	197	88	181	171	155	124
Mean gross days for DA determined of value \$5M-\$20M	301	263	575	453	419	216	184	126	172
Mean gross days for DA determined of value \$20M and over	129	759	n/a	176	144	210	162	90	99
Mean gross days for DA determined of value \$30M and over	n/a	1071	n/a	n/a	287	210	183	n/a	101
Mean gross days for DA determined of value \$50M and over	n/a	n/a	n/a	n/a	n/a	n/a	174	n/a	91
Average per type	154	469	311	223	200	180	158	108	105
Alterations and additions - number of DA determined	240	724	292	270	350	194	588	751	751
% of total DA	22%	30%	49%	24%	43%	24%	59%	62%	41%
Single new dwellings - number of DA determined	175	1078	71	198	274	92	107	200	178
% of total DA	16%	45%	12%	18%	34%	11%	11%	16%	10%
New second occupancy - number of DA determined	164	76	38	122	47	119	17	16	14
% of total DA	15%	3%	6%	11%	6%	15%	2%	1%	1%
New multi-unit - number of DA determined	11	45	13	13	10	26	19	9	9
% of total DA	1%	2%	2%	1%	1%	3%	2%	1%	0%
Seniors living - number of DA determined	5	1	0	4	0	1	1	4	4
% of total DA	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other residential - number of DA determined	207	7	14	1	0	85	4	4	60
% of total DA	19%	0%	2%	0%	0%	11%	0%	0%	3%
Commercial/retail/office - number of DA determined	121	174	81	216	46	146	136	101	93
% of total DA	11%	7%	14%	19%	6%	18%	14%	8%	5%
Mixed development - number of DA determined	4	2	7	11	0	16	3	6	6
% of total DA	0%	0%	1%	1%	0%	2%	0%	0%	0%
Infrastructure - number of DA determined	1	4	2	5	0	0	0	0	1
% of total DA	0%	0%	0%	0%	0%	0%	0%	0%	0%
Industrial - number of DA determined	88	54	19	101	0	29	8	27	15
% of total DA	8%	2%	3%	9%	0%	4%	1%	2%	1%
Community facility - number of DA determined	0	20	6	27	21	11	18	27	3
% of total DA	0%	1%	1%	2%	3%	1%	2%	2%	0%
Subdivision only - number of DA determined	29	95	16	64	44	28	33	33	20
% of total DA	3%	4%	3%	6%	5%	3%	3%	3%	1%
Other - number of DA determined	57	100	36	97	8	61	66	41	669
% of total DA	5%	4%	6%	9%	1%	8%	7%	3%	36%
Non-standard - number of DA determined	0	0	0	0	13	0	0	0	26
% of total DA	0%	0%	0%	0%	2%	0%	0%	0%	1%
Mean gross days for alterations and additions DA determined	45	53	76	53	60	54	73	60	60
Mean gross days for single new dwelling DA determined	58	46	132	79	68	83	97	73	75
Mean gross days for new second occupancy DA determined	80	129	145	80	78	98	145	62	105
Mean gross days for new multi-unit DA determined	163	186	283	188	337	202	178	132	147
Mean gross days for seniors living DA determined	284	99	n/a	124	n/a	329	102	130	214
Mean gross days for other residential DA determined	36	87	103	49	n/a	120	135	71	47
Mean gross days for commercial/retail/office DA determined	43	94	102	53	62	82	76	60	68
Mean gross days for mixed DA determined	169	182	442	251	n/a	196	160	105	145
Mean gross days for infrastructure DA determined	84	199	235	19	n/a	n/a	n/a	n/a	167
Mean gross days for industrial DA determined	49	136	128	74	n/a	74	72	85	58
Mean gross days for community facility DA determined	n/a	115	146	134	81	84	107	59	75
Mean gross days for subdivision DA determined	83	113	76	114	80	64	88	105	101
Mean gross days for other DA determined	77	55	58	14	41	96	22	40	14
Mean gross days non-standard DA determined	n/a	n/a	n/a	n/a	51	n/a	n/a	n/a	11
Average per type	98	115	161	95	95	124	105	82	92
Number of DA determined by councillors	16	22	2	16	0	102	150	13	0
% of DA determined by councillors	1%	1%	0%	1%	0%	13%	15%	1%	0%
Number of DA determined by council staff	1080	2358	556	1111	813	702	841	1195	1827
% of DA determined by council staff	98%	99%	93%	98%	100%	87%	84%	98%	99%

Source: DLG NSW Local Government Councils Comparative Information 2010/11

Benchmarked Councils were chosen based on the following broad criteria for comparability:

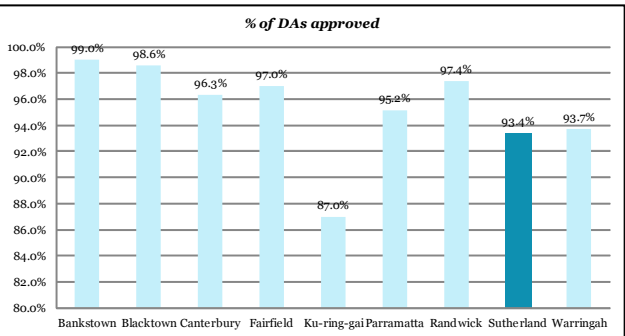
Councils are first classified as either urban or rural. Urban councils are then divided into four categories – capital city, metropolitan developed, regional town/city or fringe. Rural councils are divided into three categories – significant growth, agricultural or remote. The final classification step for both urban and rural councils is based on population. It should be noted however, that the groupings are based on broad demographic variables. As a result, there are often large differences between councils in the same group.



The percentage of FTEs allocated to development applications by benchmarked Councils ranges from 1.5% (Blacktown) to 5.1% (Ku-ring-gai).

Sutherland sits around the middle with **3%** of total FTEs allocated to development applications. This places it **fourth** out of the nine benchmarked Councils.

Our activity analysis noted 4.8% of FTEs at Sutherland are in the *Environmental Assessment Team*. Within this team of 52 FTEs, 27.5 are performing "assessment" activities. This equates to 2.5% of FTEs. This is generally in line with the benchmarking data.



The percentage of development applications approved by benchmarked Councils ranges from 87% (Ku-ring-gai) to 99% (Bankstown).

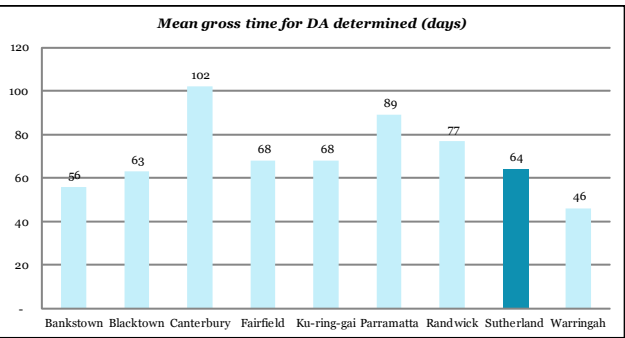
Sutherland sits in the lower end of the scale with **93.4%** of development applications approved. This places it **eighth** out of the nine benchmarked Councils.

In addition, Sutherland Shire Council's *Annual Report 2011/12* notes a KPI/goal of "66% of development applications determined within 52 days. The result was **"54% of applications were determined in 52 days or less"**.

The report comments that,

"In prior years this KPI has been achieved. A range of factors is responsible for the change in performance against this KPI, including difficulties filling supervisory positions and an increase in the complexity of applications received. This last is illustrated by an increase in the average value of applications of 18%".

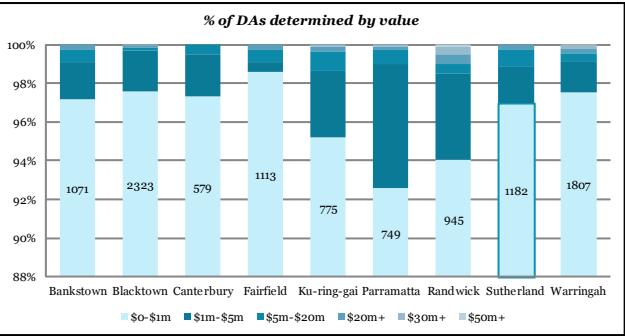
The annual report notes that "66% of applications were determined in 69 days or less".



The average number of days to determine development applications by benchmarked Councils ranges from 46 days (Warringah) to 102 days (Canterbury).

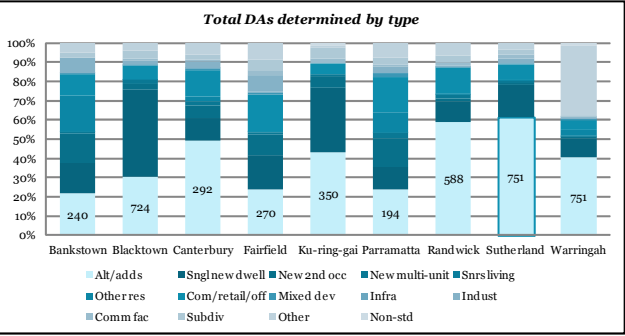
Sutherland sits around the middle with an average of **64 days** to determine development applications. This places it **fourth** out of the nine benchmarked Councils.

This analysis is corroborated by the SMH article, *Councils named and shamed over DA approvals*, Kelsey Munro (February 18, 2012). The article names Canterbury as one of the "slowest" Councils in NSW. It also names Warringah and Bankstown as two of the "fastest". Sutherland is not mentioned in the article.



The most common value of development applications across the benchmarked Councils is **\$0-\$1 million**. A number of Councils also determine a significant number of development applications in the \$1-\$5 million range. The benchmarked Councils determine very few development applications above \$20 million.

Sutherland determined 1,219 developed applications of which **97%** fell in the \$0-\$1 million range. This is one of the higher percentages amongst benchmarked Councils. **Sutherland** does not deal with a large number of high value applications.



The most common type of development application across the benchmarked Councils is **'alterations and additions'**. While there are a significant number of other categories, this is the most common.

Sutherland determined 1,219 developed applications of which **62%** were for 'alterations and additions'. This is the **highest** percentage amongst benchmarked Councils.

Furthermore, 16% of development applications related to 'single new dwellings' and 8% related to 'commercial/retail/office'. Only 2% of development applications related to 'industrial'. There were no development applications related to 'infrastructure'.

Sutherland predominantly deals with low value (\$0-\$1m), residential (alterations/additions) development applications.

Appendix I Business-as-usual (BAU) opportunities

The following details the top 20 prioritised opportunities complete with estimated financial, FTE headcount and community value impacts, including calculations and assumptions used.

Figure I.1 – Operational efficiency & effectiveness opportunity

The expected FTE impact is an indicative estimate based on a combination of qualitative interviews, an organisation-wide activity analysis and benchmarking, to identify areas of duplication and fragmentation of staff activity. While PwC's analysis indicates a significant opportunity to centralise and reduce non-specialised activities, it has been assumed that SSC will undertake further validation work to confirm the final figure, should the Council decide to implement the recommended initiatives. The FTE reduction is not expected to be fully realised until all initiatives have been implemented over the next two years. The FTE impact could be higher if natural attrition and voluntary redundancies are taken into consideration.

Assumption 1: 25% of FTEs will be redeployed or new FTEs hired centrally within the Council to increase labour capacity for newly centralised workload.
Assumption 2: Redundant FTEs will be paid 12 months salary - calculated based on median tenure of 12 years and median salary of \$55k.
Assumption 3: Customer Service Centre has excess capacity to accommodate additional enquiries. Additional training will be required. Therefore, all excess Enquiry Handling FTEs are redundant.
Assumption 4: Customer Service Centre staff will require training to handle more complex enquiries

Call Centre FTEs	17.73
Training cost/FTE	\$ 10,000
Training Cost	\$ 177,295

List of activities below. Bold indicates a specific activity as per our assumption (see not A1).

Activities:

Enquiry Handling	Procurement & Commissioning
Processing Requests & Applications	Managing Contracts
Appointment Taking and Booking	ICT
Eligibility	HR
Assessment	Marketing, PR & Communications
Approval of Service	Legal Advisory Services
Service Delivery	Strategy & Policy
Management & Supervision	Research and Consultation
Workforce Planning	QA, Performance Management & Improvement
Workforce Scheduling	Business Information & Reporting
General Administration (frontline)	Financial Management
Recording & Data Entry	Health & Safety
Billing & Receiving Payments	Stores & Distribution
Close Record	Fleet & Plant Managemen
	Payroll Services
	Supporting the Democratic Core
	Master Data Mgt
	Management & Supervision
	Workforce Planning
	Workforce Scheduling
	General Administration (support)
	Property Estate & Facilities Services

Table I.1 – Business-as-usual (BAU) opportunities

Service	Total FTEs	Activities Performed	'Non-specific' FTEs	% of BU FTEs	Target	Gap	'Non-specific' FTE reduction (gross)	Add 25% redeploy/hire	'Non-specific' FTE reduction (net)
GM Executive-GM Executive Office	4.00	6	0.70	18%	30%	0%	-	-	-
GM Executive-Ombudsmans	5.02	30	2.51	50%	30%	20%	(1.00)	0.25	(0.75)
GM Executive-Comm & Events Mgmt	7.60	6	-	0%	30%	0%	-	-	-
GM Executive-Corporate Development	2.55	8	1.49	58%	30%	28%	(0.72)	0.18	(0.54)
GM Executive-Strategic Planning	4.50	9	2.60	58%	30%	28%	(1.25)	0.31	(0.93)
GM Executive-Civil Assets	6.47	13	1.39	22%	30%	0%	-	-	-
GM Executive-Online & Business Develop	7.30	9	1.25	17%	30%	0%	-	-	-
GM Executive-Personnel Services	20.03	11	3.08	15%	30%	0%	-	-	-
Corporate Services-Admin & Governance	35.49	29	8.70	25%	25%	0%	-	-	-
Corporate Services-Information Technology	18.80	5	1.12	6%	6%	0%	-	-	-
Corporate Services-Insurance & Claims	5.00	5	0.40	8%	30%	0%	-	-	-
Corporate Services-Legal Services	9.00	9	0.30	3%	30%	0%	-	-	-
Corporate Services-Finance	35.00	14	21.85	62%	62%	0%	-	-	-
Corporate Services-Customer Service Centre	17.99	13	2.65	15%	15%	0%	-	-	-
Corporate Services-Land Information	8.20	27	4.70	57%	57%	0%	-	-	-
Corporate Services-Env Protection & Reg	32.00	5	-	0%	0%	0%	-	-	-
Engineering-Directorate	2.00	12	0.60	30%	30%	0%	-	-	-
Engineering-Group Manager Engineers	2.00	16	0.65	33%	30%	3%	(0.05)	0.01	(0.04)
Engineering-Business Development	10.60	16	2.70	25%	30%	0%	-	-	-
Engineering-Building Works	66.58	11	1.90	3%	30%	0%	-	-	-
Engineering-Civil Operations	87.00	23	5.95	7%	30%	0%	-	-	-
Engineering-Fleet & Workshops	19.78	9	0.70	4%	30%	0%	-	-	-
Engineering-Parks Operations	93.13	18	3.04	3%	30%	0%	-	-	-
Engineering-Infra Plan & Services	19.30	18	5.39	28%	30%	0%	-	-	-
Engineering-Waste Services	64.40	17	1.10	2%	0	-	-	-	-
Env Services-Directorate	2.00	11	0.65	33%	30%	3%	(0.05)	0.01	(0.04)
Env Services-Env & Building Compliance	24.40	8	1.22	5%	30%	0%	-	-	-
Env Services-Env & Health Regulation	11.51	11	2.08	18%	30%	0%	-	-	-
Env Services-Env Assessment Teams	51.98	7	5.06	10%	30%	0%	-	-	-
Env Services-Env Planning	13.00	9	2.12	16%	30%	0%	-	-	-
Env Services-Env Science & Policy	7.46	21	3.61	48%	30%	18%	(1.37)	0.34	(1.03)
Env Services-Env Services Operations	7.63	9	5.99	78%	30%	48%	(3.70)	0.92	(2.77)
Env Services-Certification Unit	8.82	26	1.08	12%	30%	0%	-	-	-
Property-Directorate	2.00	18	0.70	35%	30%	5%	(0.10)	0.03	(0.08)
Property-Economic Development	10.90	23	1.47	13%	30%	0%	-	-	-
Property-Energy Sustainability	3.70	12	1.76	48%	30%	18%	(0.65)	0.16	(0.49)
Property-Property & Bldg Assets	15.32	32	4.45	29%	30%	0%	-	-	-
Property-Property Security	4.00	12	2.30	58%	30%	28%	(1.10)	0.28	(0.83)
Property-SSHEd	3.50	19	0.45	13%	30%	0%	-	-	-
Property-Tourism	2.04	17	0.26	13%	30%	0%	-	-	-
Community & Rec-Community Services	9.80	27	3.85	39%	30%	9%	(0.91)	0.23	(0.68)
Community & Rec-Childrens Services	131.75	30	26.52	20%	30%	0%	-	-	-
Community & Rec-Active Communities	18.50	16	1.63	9%	30%	0%	-	-	-
Community & Rec-Directorate	4.00	24	1.55	39%	30%	9%	(0.35)	0.09	(0.26)
Community & Rec-Leisure Facilities	38.48	27	7.52	20%	30%	0%	-	-	-
Community & Rec-Library & Information	60.79	14	7.90	13%	30%	0%	-	-	-
Community & Rec-Entertainment Centre	16.32	24	2.34	14%	30%	0%	-	-	-
Community & Rec-Hazelhurst Retreat	7.00	10	1.50	21%	30%	0%	-	-	-
Project Delivery-Design Services	16.00	7	0.30	2%	30%	0%	-	-	-
Project Delivery-Directorate	2.00	14	0.70	35%	30%	5%	(0.10)	0.03	(0.08)
Project Delivery-Program Support	2.00	6	0.90	45%	30%	15%	(0.30)	0.08	(0.23)
Project Delivery-Project Services	11.00	8	0.30	3%	30%	0%	-	-	-
Project Delivery-Survey Services	8.00	7	0.30	4%	30%	0%	-	-	-
TOTAL	1,077.64						(11.65)	2.91	(8.74)
Median salary								\$	55,074
FTE Cost Saving								-\$	481,118
Redundancy assumption per FTE (12 months)								\$	55,074
Redundancy Cost								\$	481,118

Source: PwC Analysis

Table I.1 (cont) – Business-as-usual (BAU) opportunities

Service	Non-core FTEs performing Finance	Non-core FTEs performing IT	Non-core FTEs performing HR	Non-core FTEs performing Marketing/Comms	Non-core FTEs performing Legal	'Non-core' FTEs	FTE reduction (gross)	Add 25% redeploy/hire	FTE reduction (net)
GM Executive-GM Executive Office	0	0	0	0	0	0	-	-	-
GM Executive-Ombudsmans	0.059	0	0.088	0.044	0.165	0.356	(0.36)	0.09	(0.27)
GM Executive-Comm & Events Mgmt	-	-	-	-	-	0	-	-	-
GM Executive-Corporate Development	-	-	0.42	-	-	0.42	(0.42)	0.11	(0.32)
GM Executive-Strategic Planning	-	-	-	0.23	-	0.225	(0.23)	0.06	(0.17)
GM Executive-Civil Assets	0.10	-	0.10	-	-	0.2	(0.20)	0.05	(0.15)
GM Executive-Online & Business Devlop	-	3.60	-	-	-	3.6	(3.60)	0.90	(2.70)
GM Executive-Personnel Services	0.10	-	-	-	-	0.1	(0.10)	0.03	(0.08)
Corporate Services-Admin & Governance	0.22	0.84	0.06	0.11	0.08	1.313	(1.31)	0.33	(0.98)
Corporate Services-Information Technology	-	-	-	-	-	0	-	-	-
Corporate Services-Insurance & Claims	-	-	-	-	-	0	-	-	-
Corporate Services-Legal Services	-	-	-	-	-	0	-	-	-
Corporate Services-Finance	-	-	-	-	-	0	-	-	-
Corporate Services-Customer Service Centre	0	0	0	0.05	0	0.05	(0.05)	0.01	(0.04)
Corporate Services-Land Information	0.05	1.15	0.18	0.48	0.03	1.89	(1.89)	0.47	(1.42)
Corporate Services-Env Protection & Reg	0	0	0	0	0	0	-	-	-
Engineering-Directorate	0.1	0	0	0	0	0.1	(0.10)	0.03	(0.08)
Engineering-Group Manager Engineers	0.1	0.05	0.2	0	0	0.35	(0.35)	0.09	(0.26)
Engineering-Business Development	1.1	0	0.1	0.05	0	1.25	(1.25)	0.31	(0.94)
Engineering-Building Works	0.1	0	0.1	0	0	0.2	(0.20)	0.05	(0.15)
Engineering-Civil Operations	0.3	0	0.1	0	0	0.4	(0.40)	0.10	(0.30)
Engineering-Fleet & Workshops	0.2	0	0.2	0	0	0.4	(0.40)	0.10	(0.30)
Engineering-Parks Operations	0.15	0	0	0	0	0.15	(0.15)	0.04	(0.11)
Engineering-Infra Plan & Services	0.195	0.05	0	0.23	0	0.475	(0.48)	0.12	(0.36)
Engineering-Waste Services	0.1	0	0.1	0	0	0.2	(0.20)	0.05	(0.15)
Env Services-Directorate	0	0	0	0	0	0	-	-	-
Env Services-Env & Building Compliance	0	0	0	0	0	0	-	-	-
Env Services-Env & Health Regulation	0.05	0	0	0	0	0.05	(0.05)	0.01	(0.04)
Env Services-Env Assessment Teams	0	0	0	0	0	0	-	-	-
Env Services-Env Planning	0	0	0	0	0	0	-	-	-
Env Services-Env Science & Policy	0.093	0	0.043	0.343	0.21	0.689	(0.69)	0.17	(0.52)
Env Services-Env Services Operations	0	0.6	0	0	0	0.6	(0.60)	0.15	(0.45)
Env Services-Certification Unit	0.01	0	0.01	0.03	0	0.05	(0.05)	0.01	(0.04)
Property-Directorate	0.1	0	0	0.05	0	0.15	(0.15)	0.04	(0.11)
Property-Economic Development	0.1	0	0	1.34	0	1.44	(1.44)	0.36	(1.08)
Property-Energy Sustainability	0	0	0	0.03	0	0.03	(0.03)	0.01	(0.02)
Property-Property & Bldg Assets	0.17	0.03	0.11	0.15	0	0.46	(0.46)	0.12	(0.35)
Property-Property Security	0.05	0	0	0	0	0.05	(0.05)	0.01	(0.04)
Property-SSHED	0.085	0.1	0	0.27	0	0.455	(0.46)	0.11	(0.34)
Property-Tourism	0.01	0	0	1.05	0	1.06	(1.06)	0.27	(0.80)
Community & Rec-Community Services	0.15	0.15	0.2	0.2	0	0.7	(0.70)	0.18	(0.53)
Community & Rec-Childrens Services	0.4	0.1	0.876	0.193	0	1.569	(1.57)	0.39	(1.18)
Community & Rec-Active Communities	0	0	0	0	0	0	-	-	-
Community & Rec-Directorate	0.1	0	0.1	0.1	0	0.3	(0.30)	0.08	(0.23)
Community & Rec-Leisure Facilities	0.7475	0.132	0.3	1.271	0	2.4505	(2.45)	0.61	(1.84)
Community & Rec-Library & Information	0	1.4	0	0.445	0	1.845	(1.85)	0.46	(1.38)
Community & Rec-Entertainment Centre	0.112	0	0.06	0.7723	0	0.9443	(0.94)	0.24	(0.71)
Community & Rec-Hazelhurst Retreat	0	0	0	1.2	0	1.2	(1.20)	0.30	(0.90)
Project Delivery-Design Services	0	0	0	0	0	0	-	-	-
Project Delivery-Directorate	0.2	0	0	0	0	0.2	(0.20)	0.05	(0.15)
Project Delivery-Program Support	0.9	0	0	0	0	0.9	(0.90)	0.23	(0.68)
Project Delivery-Project Services	0.1	0	0	0	0	0.1	(0.10)	0.03	(0.08)
Project Delivery-Survey Services	0	0	0	0	0	0	-	-	-
TOTAL	6.25	8.20	3.35	8.63	0.49	26.92	(26.92)	6.73	(20.19)
Median salary									\$ 55,074
FTE Cost Saving									-\$ 1,112,018
Redundancy assumption per FTE (9 mths)									\$ 55,074
Redundancy Cost									\$ 1,112,018

Source: PwC Analysis

Table I.1 (cont) – Business-as-usual (BAU) opportunities

Service	Initial Customer Contact FTEs	Frontline FTEs	% Frontline FTEs	Target	Estimated Reduction	FTE Reduction	Total Admin FTEs	% total FTEs	Target	Estimated Reduction	FTE Reduction	TOTAL
GM Executive-GM Executive Office	1.40	2.30	61%	5%	56%	(0.78)	0.90	23%	5%	18%	(0.16)	(0.94)
GM Executive-Ombudsmen	0.60	1.79	34%	5%	29%	(0.17)	0.71	14%	5%	9%	(0.06)	(0.24)
GM Executive-Comm & Events Mgmt	0.97	3.81	25%	5%	20%	(0.20)	1.00	13%	5%	8%	(0.08)	(0.28)
GM Executive-Corporate Development	-	-	0%	5%	-5%	-	0.05	2%	5%	-3%	-	-
GM Executive-Strategic Planning	-	-	0%	5%	-5%	-	0.22	5%	5%	0%	-	-
GM Executive-Civil Assets	4.48	5.57	80%	5%	75%	(3.38)	0.29	5%	5%	0%	-	(3.38)
GM Executive-Online & Business Develop	0.92	0.92	100%	5%	95%	(0.87)	0.78	11%	5%	6%	(0.04)	(0.92)
GM Executive-Personnel Services	-	-	0%	5%	-5%	-	2.14	11%	5%	6%	(0.12)	(0.12)
Corporate Services-Admin & Governance	4.00	5.12	78%	5%	73%	(2.92)	17.73	50%	50%	0%	-	(2.92)
Corporate Services-Information Technology	-	-	0%	5%	-5%	-	-	0%	5%	-5%	-	-
Corporate Services-Insurance & Claims	-	-	0%	5%	-5%	-	0.35	7%	5%	2%	(0.01)	(0.01)
Corporate Services-Legal Services	0.05	0.75	7%	5%	2%	(0.00)	1.20	13%	5%	8%	(0.10)	(0.10)
Corporate Services-Finance	4.65	21.10	22%	5%	17%	(0.79)	0.90	3%	5%	-2%	-	(0.79)
Corporate Services-Customer Service Centre	13.42	17.49	77%	7%	0%	-	0.42	2%	5%	-3%	-	-
Corporate Services-Land Information	0.38	1.41	27%	5%	22%	(0.08)	0.50	6%	5%	1%	(0.01)	(0.09)
Corporate Services-Env Protection & Reg	1.95	32.00	6%	5%	1%	(0.02)	4.80	15%	5%	10%	(0.48)	(0.50)
Engineering-Directorate	0.30	0.60	50%	5%	45%	(0.14)	0.50	25%	5%	20%	(0.10)	(0.24)
Engineering-Group Manager Engineers	0.40	1.15	35%	5%	30%	(0.12)	0.15	8%	5%	3%	(0.00)	(0.12)
Engineering-Business Development	-	0.15	0%	5%	-5%	-	0.30	3%	5%	-2%	-	-
Engineering-Building Works	-	65.48	0%	5%	-5%	-	0.65	1%	5%	-4%	-	-
Engineering-Civil Operations	0.20	82.50	0%	5%	-5%	-	0.80	1%	5%	-4%	-	-
Engineering-Fleet & Workshops	-	1.78	0%	5%	-5%	-	1.10	6%	5%	1%	(0.01)	(0.01)
Engineering-Parks Operations	5.69	90.58	6%	5%	1%	(0.07)	1.77	2%	5%	-3%	-	(0.07)
Engineering-Infra Plan & Services	0.85	12.27	7%	5%	2%	(0.02)	-	0%	5%	-5%	-	(0.02)
Engineering-Waste Services	2.52	62.80	4%	5%	-1%	(0.01)	1.08	2%	5%	-3%	-	(0.22)
Env Services-Directorate	0.10	0.60	17%	5%	12%	(0.01)	0.70	35%	5%	30%	(0.48)	(0.49)
Env Services-Env & Building Compliance	1.30	23.60	6%	5%	1%	(0.01)	4.10	17%	5%	12%	(0.16)	(0.16)
Env Services-Env & Health Regulation	0.32	11.12	3%	5%	-2%	-	1.67	15%	5%	10%	(0.01)	(1.54)
Env Services-Env Assessment Teams	10.32	51.98	20%	5%	15%	(1.53)	2.82	5%	5%	0%	-	(2.02)
Env Services-Env Planning	3.81	6.57	58%	5%	53%	(2.02)	0.58	4%	5%	-1%	-	(0.02)
Env Services-Env Science & Policy	0.34	2.98	11%	5%	6%	(0.02)	0.28	4%	5%	-1%	-	(0.02)
Env Services-Env Services Operations	-	0.60	0%	5%	-5%	-	1.00	13%	5%	8%	(0.08)	(0.08)
Env Services-Certification Unit	2.18	8.52	26%	5%	21%	(0.45)	0.40	5%	5%	0%	-	(0.45)
Property-Directorate	0.65	0.80	81%	5%	76%	(0.50)	0.25	13%	5%	8%	(0.02)	(0.51)
Property-Economic Development	1.27	8.29	15%	5%	10%	(0.13)	0.38	3%	5%	-2%	-	(0.13)
Property-Energy Sustainability	-	-	0%	5%	-5%	-	0.07	2%	5%	-3%	-	-
Property-Property & Bldg Assets	2.95	9.05	33%	5%	28%	(0.82)	0.83	5%	5%	0%	(0.00)	(0.82)
Property-Property Security	0.75	0.80	94%	5%	89%	(0.67)	0.60	15%	5%	10%	(0.06)	(0.73)
Property-SSIED	0.37	2.16	17%	5%	12%	(0.04)	0.37	10%	5%	5%	(0.02)	(0.06)
Property-Tourism	0.10	0.57	18%	5%	13%	(0.01)	0.02	1%	5%	-4%	-	(0.01)
Community & Rec-Community Services	0.55	3.20	17%	5%	12%	(0.07)	0.75	8%	5%	3%	(0.02)	(0.09)
Community & Rec-Childrens Services	7.09	120.55	6%	5%	1%	(0.06)	2.10	2%	5%	-3%	-	(0.06)
Community & Rec-Active Communities	1.93	18.15	11%	5%	6%	(0.11)	0.30	2%	5%	-3%	-	(0.11)
Community & Rec-Directorate	0.50	1.80	28%	5%	23%	(0.11)	0.90	23%	5%	18%	(0.16)	(0.27)
Community & Rec-Leisure Facilities	6.98	32.60	21%	5%	16%	(1.15)	1.67	4%	5%	-1%	-	(1.15)
Community & Rec-Library & Information	1.29	56.55	2%	5%	-3%	-	1.30	2%	5%	-3%	-	-
Community & Rec-Entertainment Centre	1.07	13.83	8%	5%	3%	(0.03)	0.62	4%	5%	-1%	-	(0.03)
Community & Rec-Hazelhurst Retreat	1.50	4.80	31%	5%	26%	(0.39)	0.80	11%	5%	6%	(0.05)	(0.45)
Project Delivery-Design Services	0.10	15.90	1%	5%	-4%	-	-	0%	5%	-5%	-	-
Project Delivery-Directorate	0.40	0.60	67%	5%	62%	(0.25)	0.40	20%	5%	15%	(0.06)	(0.31)
Project Delivery-Program Support	-	0.20	0%	5%	-5%	-	-	0%	5%	-5%	-	-
Project Delivery-Project Services	1.10	9.80	11%	5%	6%	(0.07)	-	0%	5%	-5%	-	(0.07)
Project Delivery-Survey Services	0.80	7.90	10%	5%	5%	(0.04)	-	0%	5%	-5%	-	(0.04)
TOTAL	90.54				(18.05)						(2.51)	(20.56)
Median salary					\$ 55,074					\$ 55,074		
FTE Cost Saving					-\$ 994,269					-\$ 138,271		-\$ 1,132,540
Redundancy assumption per FTE (9 mths)					\$ 55,074					\$ 55,074		
Redundancy Cost					\$ 994,269					\$ 138,271		\$ 1,132,540

Source: PwC Analysis

Table I.1 – Rationalise/replace/ consolidate underutilised services/assets opportunities

	Close SEC ¹	Close SSHED ²	Terminate Ombudsmen Function ³	Close Womens Rest Centre ⁴	Close 2 least strategic libraries ⁵	Total
Revenue	1,187,759	309,238	197	1,983	134,844	1,634,020
Current staff cost	(936,350)	(315,622)	(227,184)	(83,994)	(598,268)	(2,161,419)
Current operating cost	(683,329)	(223,891)	(4,994)	(6,603)	(138,583)	(1,057,400)
Current Accounting Profit/Loss	(431,920)	(230,276)	(231,980)	(88,615)	(602,007)	(1,584,798)
Gross proceeds from disposal ⁶	6,109,720	3,844,455	-	157,675	1,184,595 ⁹	11,296,451
Redundancy costs ⁷	(896,500)	(192,500)	(275,000)	(83,994)	(418,000)	(1,865,994)
Total one off contribution	5,213,220	3,651,955	(275,000)	73,681	766,595	9,430,451
FTE ⁸	16.3	3.5	5.0	1.5	7.6	33.9

Notes

- 1 Divisional Report - activity by resource type 2012 Actuals - SEC
- 2 Divisional Report - activity by resource type 2012 Actuals - Business Incubator
- 3 Divisional Report - activity by resource type 2012 Actuals - Ombudsman
- 4 Divisional Report - activity by resource type 2012 Actuals - Womens Rest Centre
- 5 Divisional Report - activity by resource type 2012 Actuals - Library - Assumed at 12.5% of overall library operating contribution (smallest 2 of 8 libraries)
- 6 SSC Fixed asset register review
- 7 Redundant FTEs will be paid 12 months salary - calculated based on median tenure of 12 years and median salary of \$55k.
- 8 FTE based on activity analysis
- 9 Based on average written down value of Miranda, Engadine & Menai libraries (\$1,184,595)

Table I.2 – Introduce services/revenues opportunities

	Bus Shelter	Claude Neon	Total
FY 12 Advertising Revenue ¹	730,000	300,000	1,030,000
Proposed Increase	200%	200%	
Total	1,460,000	600,000	2,060,000

FY rates and annual charges	123,073,000
Levy rate	4%
Total increase in rates ²	4,922,920

	Revenue	Expenses	Total
Sale of Shared Services	200,000	55,000	
Number Of Councils	3	3	
Total Sale of Shared Services ³	600,000	165,000	435,000

Building & Facility	Written Down Value	3% Average Yield	Yearly Rent	Excess Capacity	Total Lease Income
WORONORA HEIGHTS COMMUNITY HALL, OVAL CLUBHOUSE & PUBLIC TOILETS	963,800	3%	28,914	20%	5,783
SYLVANIA HEIGHTS COMMUNITY HALL	206,664	3%	6,200	20%	1,240
MIRANDA COMMUNITY CENTRE/COTTAGE	1,574,310	3%	47,229	20%	9,446
JANNALI COMMUNITY CENTRE	167,855	3%	5,036	20%	1,007
MARTON HALL COMMUNITY HALL	401,004	3%	12,030	20%	2,406
GYMEA COMMUNITY CENTRE	1,021,515	3%	30,645	20%	6,129
MAIANBAR COMMUNITY HALL	165,312	3%	4,959	20%	992
MENAI COMMUNITY CENTRE	785,818	3%	23,575	20%	4,715
BUNDEENA COMMUNITY CENTRE	972,544	3%	29,176	20%	5,835
LOFTUS COMMUNITY HALL	568,125	3%	17,044	20%	3,409
GRAYS POINT COMMUNITY HALL	532,532	3%	15,976	20%	3,195
SYLVANIA COMMUNITY HALL	771,974	3%	23,159	20%	4,632
OYSTER BAY COMMUNITY HALL	431,781	3%	12,953	20%	2,591
BOOMERANG HALL COMMUNITY HALL	359,996	3%	10,800	20%	2,160
YARRAWARRAH COMMUNITY HALL	361,382	3%	10,841	20%	2,168
BANGOR COMMUNITY HALL	59,878	3%	1,796	20%	359
ALFORD'S POINT COMMUNITY HALL & OVAL AMENITY BUILDING	412,527	3%	12,376	20%	2,475
PORT HACKING COMMUNITY CENTRE	904,196	3%	27,126	20%	5,425
STAPLETON AVENUE COMMUNITY CENTRE	1,727,200	3%	51,816	20%	10,363
SYLVANIA HEIGHTS COMMUNITY COTTAGE	136,335	3%	4,090	20%	818
SANDY POINT COMMUNITY HALL	463,848	3%	13,915	20%	2,783
Cronulla Central - Community Centre & Library (also includes Public Toilets & Various Admin/Operational Facilities)	11,689,538	3%	350,686	20%	70,137
Engadine Community Centre	6,258,895	3%	187,767	20%	37,553
SUTHERLAND SHIRE COMMUNITY TRANSPORT DEPOT	169,092	3%	5,073	20%	1,015
SUTHERLAND COMMUNITY GARDEN COTTAGE	116,632	3%	3,499	20%	700
Cronulla St (85-89) Cronulla - L1 DP1076758 (Land & 3 Retail Shops in 3 Two Storey Buildings with 2 Commercial Offices & 1 Residential Accommodation above) (Restricted Asset for Note 14)	5,220,152	3%	156,605	20%	31,321
GYMEA COMMUNITY AID CENTRE & WRC	268,577	3%	8,057	20%	1,611
CRONULLA COMMUNITY AID CENTRE & WRC	133,000	3%	3,990	20%	798
				Total ⁴	221,067

Cost per SQM	600
Number of Pocket Parks	10
Average SQM per park	600
Total Capital Contribution ⁵	3,600,000

Yearly Maintenance Costs	5,000
Number of Pocket Parks	10
Total Maintenance Costs p.a. ⁵	50,000

¹ In the first instance, we recommend doubling of current advertising revenue efforts. Currently \$1m (Bus shelter \$730k;

² Calculated as FY 12 rates & annual charges multiplied by special levy at 4%

³ Assumptions: 1) 3 Councils are serviced at \$200,000 based on estimated corporate services spend. 2) One additional

⁴ Assumptions: 1) Average yield of buildings & facilities 3% of written down value, therefore sum of rent p.a. at \$1,100,000 2)

⁵ Assumptions: 1) \$600/sqm estimated at 6000 sqm 2) Maintenance of 1 pocket park at \$5000 p.a.

Table I.3 – Paid parking

Source: Report on the feasibility of introducing pay parking schemes at various beaches and reserves in Cronulla (Traffic and Transport Unit)

SSC should introduce a pilot scheme of paid parking in high traffic areas in Cronulla, specifically, Cronulla Park, Dunningham Park & North Cronulla Beach.

Assumption:

Option 2 should be implemented i.e. exempt payment by Cronulla ratepayers and residents. Broader Sutherland Shire residents will not be exempt.

To avoid charging local residents, infringement revenue will only be collected from pay parking area and not surrounding areas (lost revenue of \$350k pa).

Cronulla Park

	Option 1	Option 2*	Option 3*
Capital Costs	100,000	100,000	100,000
Annual Operating Costs	125,000	110,000	110,000
Ticket Revenue	155,000	340,000	385,000
Infringement Revenue (pay parking areas)	75,000	175,000	195,000
Infringement Revenue (surrounding areas)	100,000	-	100,000
Permit revenue	20,000	20,000	20,000
Total revenue	350,000	535,000	700,000
Annual Surplus	225,000	425,000	590,000

Dunningham Park & North Cronulla Beach

	Option 1	Option 2*	Option 3*
Capital Costs	325,000	325,000	325,000
Annual Operating Costs	325,000	305,000	305,000
Ticket Revenue	135,000	330,000	370,000
Infringement Revenue (pay parking areas)	75,000	175,000	200,000
Infringement Revenue (surrounding areas)	250,000	-	250,000
Permit revenue	40,000	40,000	40,000
Total revenue	500,000	545,000	860,000
Annual Surplus	175,000	240,000	555,000

Total Capital Cost	425,000
Total Annual Profit	665,000
Total FTE impact	n/a

Notes

- 1 Option 1 - exempt payment by Shire ratepayers and residents
- 2 Option 2 - exempt payment by Cronulla ratepayers and residents
- 3 Option 3 - Exempt payment by adjoining residents

Appendix J Spans and layers analysis

An opportunity exists for SSC to optimise its span of control and layer profile and to realise associated efficiency and effectiveness benefits. The potential cost saving ranges from \$4m (45 staff) to \$9.2m (84 staff), depending on whether SSC chooses to target hotspots only or the organisation more broadly.

Table J.1 – Spans and layers - divisional potential opportunity

	Directorate	Current Staff	Current Managers	Current Avg. Span	Target Span	Target Managers	FTE Opportunity	Avg. Manager Salary	Gross Saving
Field	Community & Recreation	301	65	4.6	12	25.1	39.9	\$ 87,650	\$ 3,498,696
	Engineering	359	24	15.0	12	29.9	-	\$ 118,028	\$ -
	Environmental Services	109	25	4.4	12	9.1	15.9	\$ 153,617	\$ 2,445,071
	Project Delivery	35	4	8.8	12	2.9	1.1	\$ 110,798	\$ 120,031
Non-Field	Corporate Services	130	39	3.3	6	21.7	17.3	\$ 113,057	\$ 1,959,655
	Corporate Development	44	10	4.4	6	7.3	2.7	\$ 124,499	\$ 331,997
	Internal Ombudsman	4	3	1.3	6	0.7	2.3	\$ 101,122	\$ 235,951
	Communications & Events	11	2	5.5	6	1.8	0.2	\$ 146,823	\$ 24,471
	Property	34	11	3.1	6	5.7	5.3	\$ 111,885	\$ 596,720
	Total	1,027.0	183.0	5.6			84.8		\$ 9,212,591

Source: SSC Organisational Charts; SSC Personnel Listing (supplied by P Evans)

¹ Benchmarks are based on the *European Human Capital Effectiveness Report* (2006/2007) compiled by Saratoga for PricewaterhouseCoopers.

² This estimate is based on average salaries for managers of specific business units taken from the payroll listing. Implementation costs have been excluded as the amount will depend on the implementation pathway selected.

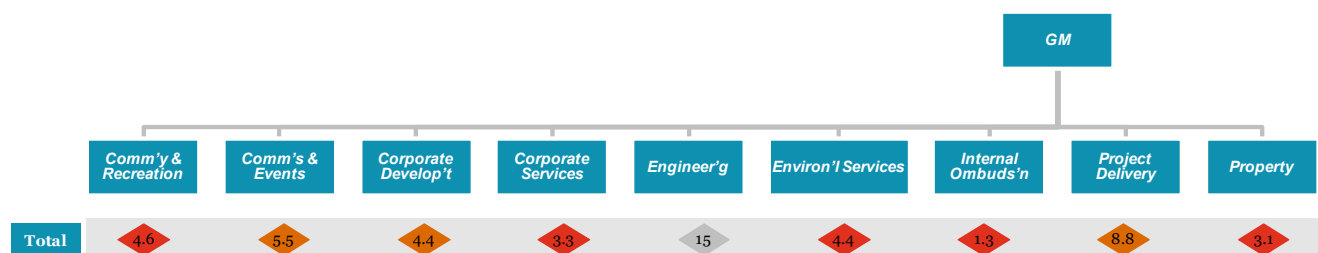


Table J.2 – Spans and layers - 'hotspot' only potential opportunity

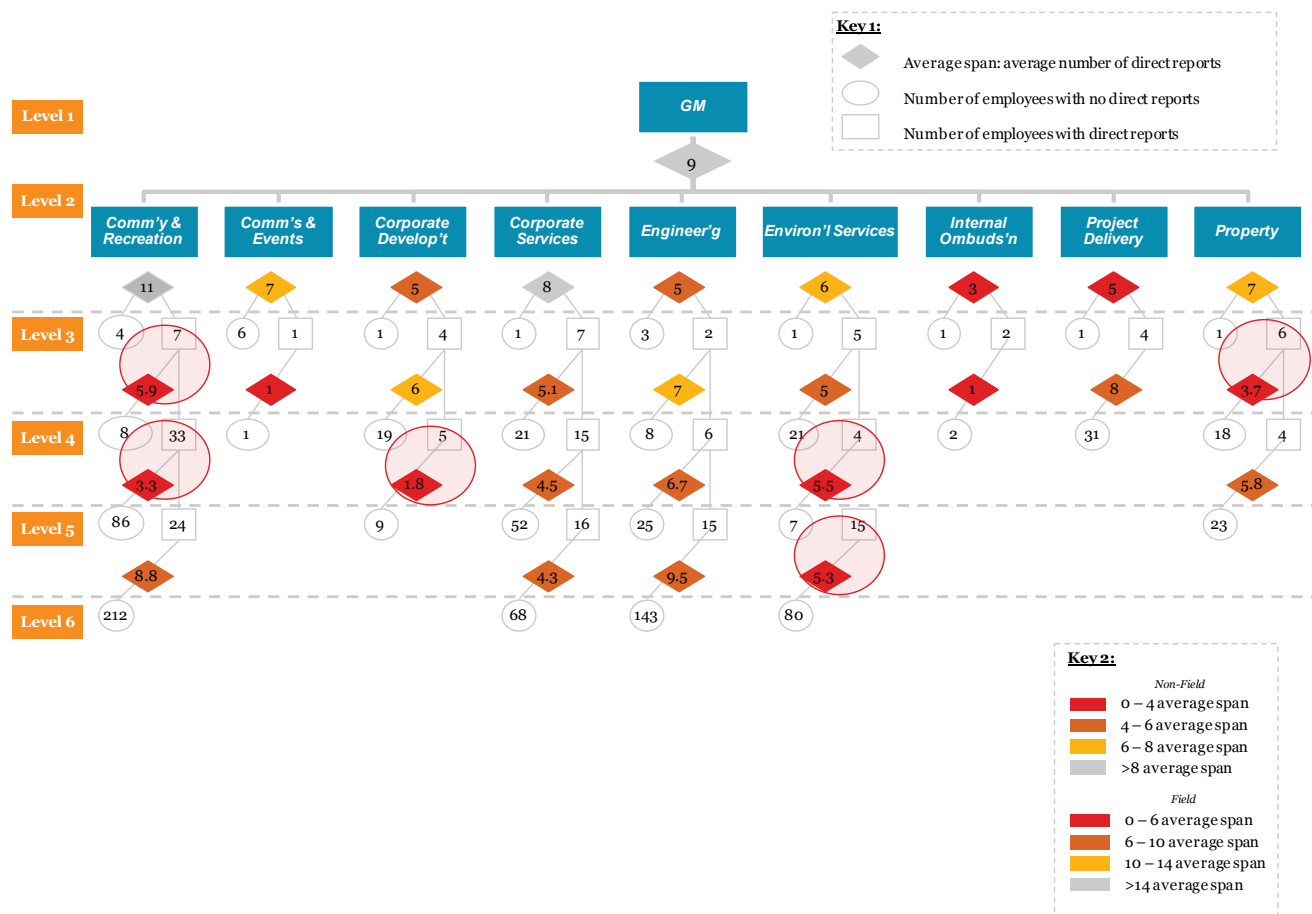
Directorate	Current Staff	Current Managers	Current Avg. Span	Target Span	Target Managers	FTE Opportunity	Avg. Manager Salary	Gross Saving
Community & Recreation (Level 3)	41	7	5.9	12	3.4	3.6	\$ 136,396	\$ 488,752
Community & Recreation (Level 4)	110	33	3.3	12	9.2	23.8	\$ 68,429	\$ 1,630,891
Corporate Development (Level 4)	9	5	1.8	6	1.5	3.5	\$ 79,767	\$ 279,185
Environmental Services (Level 4)	22	4	5.5	12	1.8	2.2	\$ 156,551	\$ 339,194
Environmental Services (Level 5)	80	15	5.3	12	6.7	8.3	\$ 92,587	\$ 771,558
Property (Level 3)	22	6	3.7	12	1.8	4.2	\$ 120,741	\$ 503,088
Total						45.6		\$ 4,012,668

Source: SSC Organisation Charts; SSC Personnel Listing (supplied by P Evans)

¹ Benchmarks are based on the *European Human Capital Effectiveness Report* (2006/2007) compiled by Saratoga for PricewaterhouseCoopers.

² This estimate is based on average salaries for managers of specific business units taken from the payroll listing. Implementation costs have been excluded as the amount will depend on the implementation pathway selected.

Figure J.1 – Management spans and layers at SSC



Appendix K Notes to 'business-as-usual' opportunities

Table K.1 – Notes

A1	Assumes 'core' support functions of Finance, IT, Personnel, Legal, Communications, Strategy and Policy. The BUs have a number of 'shadow' FTEs e.g. there are a number of staff performing finance activities outside the core finance function. Assumes that 25% of redundant FTEs will be redeployed into core support functions to accommodate increased workload. Therefore, total net FTE saving at median SSC salary assumes redundancy payout of 12 months median SSC salary.
A2	Enquiry handling and general administration are the most duplicated activities across BUs - being performed by 79% and 60% of BUs respectively. We recommend that each BU should have no more than 5% of FTEs allocated to these activities as the majority of enquiry handling and admin can be centralised. Assumes that current Customer Service Centre and Admin team have capacity to take additional work load but will need to be trained at a cost of \$10k per FTE. Assumes redundancy payout of 12 months median SSC salary.
A3	Non-specific activities include: <div>Eligibility</div> <div>Approval of Service</div> <div>Workforce Planning</div> <div>Workforce Scheduling</div> <div>Recording & Data Entry</div> <div>Billing & Receiving Payments</div> <div>Close Record</div> <div>Procurement & Commissioning</div> <div>Managing Contracts</div> <div>Research and Consultation</div> <div>QA, Performance Management & Improvement</div> <div>Business Information & Reporting</div> <div>Supporting the Democratic Core</div> <div>Master Data Mgt</div> <div>Workforce Planning</div> <div>Workforce Scheduling</div>
B1	Ongoing cost.
B2	We feel that there are more effective ways that SSC can deliver value to local business stakeholders - economic development efforts and incentives to businesses.

- B3 PwC has received strong feedback that this service is not as effective in delivering community value as it once was. It is a 'dated concept'.
- B4 PwC has received strong feedback that this service is not as effective in delivering community value as it once was. It is a 'dated concept'.
- B5 Visitor numbers are down and the role that libraries play in the community is evolving. SSC has a large number of libraries relative to the local population
- C1 In the first instance we propose a doubling of current advertising revenue efforts. Currently \$1m (Bus shelter \$730k; Claude neon \$300k).
- C2 The Strategic Planning team has communicated significantly less resistance to implementation of "special levies" as compared with basic levy increases. Special levies are those tied to specific initiatives and generally have a short expiry.
- C3 SSC enjoys significant economies of scale. Surrounding councils do not.
- C4 PwC has proposed increasing current lease-out revenue efforts.
- C5 PwC has proposed selling 10 of the appropriately sized non-crown pocket parks that contribute to anti-social behaviour. These parks currently draw anti-social behaviour and add little else to local amenity. We consider their sale a win-win. Calc: 600 sq. metres x \$600 psqm = \$3.6m. Maintenance cost estimated at \$5k p.a.
- C6 Although politically unfavourable we see that an increasing traffic flows from outside of the council area will place increasing demand on current parking stocks. If for nothing else user pays (non-resident) parking should be used to limit overuse of current parking space stocks.
- D1 Difficult to see why Council would maintain special cash funds and property fund at current level while simultaneously bearing infrastructure risk/debt.
- D2 PwC see a decision-making paralysis at SSC. A streamlined Councillor structure and representation with synergies and full time Councillors would contribute to more effective decision making.
- D3 PwC see some cultural issues at SSC that may be impacting on performance and agility ('no-culture' and resistance, conservative, protectionist, risk-averse, inside-out management).
- D4 Reduce service levels in some areas and increase in others (e.g. Olympic standard swim coaches and world class community centres are at the expense of poor tourism offer in Cronulla and SS beautification programs.
- D5 Very strong sporting culture in Sutherland - all age groups and M/F - current allocation of funding to facilities not optimal - refocus to broad based benefit (e.g. golf to ovals - artificial turf for busiest 20%).

Appendix L Full list of opportunities

The following is a full list of potential opportunities from a variety of sources, including interviews with Councillors and SSC management, document review, customer surveys, benchmarks, and comparison to Council/other organisations' better practice.

For the purposes of this report PwC has only costed the top 20 prioritised opportunities.

Table L.1 – Full list of opportunities

SSC Opportunity Area	Item Number	Detailed Opportunity Description
Strategy, Structure and Other Opportunities	1	Improve the tourism offer (Cronulla)
	2	Re-focus council priorities - general all encompassing opportunity
	3	Rebalance permanent to casual (contract) staff ratio
	4	Move to Full time Councillors
	5	Reduce 'gold-plating' practices (olympic standard swim coaches, competition standard sports facilities)
	6	Explore Council Controlled Organisations as a relevant concept for SSC - see NZ example
	7	Introduce new Commercial Division at SSC to manage Commercial Services. (Includes recruit Commercial Director)
	8	Increase Development in Sutherland Shire
	9	Recruit an assistant GM to give GM role more strategic focus
	10	Council strategy to acknowledge trade-offs (those types of strategic initiatives SSC will <u>not</u> pursue)
	11	Significant upgrade of retail centres/facilities in SS
	12	Improved KPI cascade to support execution of strategy at SSC
	13	Dissolve or reduce number of Wards
	14	Strategy execution to be driven by rational analysis, not politics or emotion
	15	Clearly articulated and communicated strategy incorporating role of council and service portfolio strategy
	16	Vision and ambition of Council to place greater emphasis on the most appropriate community consultation information
	17	Increased long term focus at SSC and more attention given to key strategic risks
	18	Artificial turf sporting fields (for the top 20% highest usage to ensure asset is available for the community)
	19	Tendering process overhaul/review
	20	Instate a minimum 4 year term for Mayor
	21	Implement strict performance accountability framework for all staff
	22	Re-zone worst performing sporting facilities to high use categories (eg golf to league/netball/soccer). I.e. focus sporting assets on highest participation sports.
	23	Appoint administrator to push through (politically difficult) initiatives
	24	Attract wealthy residents to the Shire (including encouraging private schools, business opportunities)
	25	Improved & Increased Community Consultation - Surveys, Internet etc
	26	Re-deploy/replace aging blue collar work force (to low skill internal roles/retire/voluntary or forced redundancy)
	27	Longer Councillor terms
	28	Remove no forced redundancy policy.
	29	Reduce maintenance cost of Low value/high maintenance gardens e.g. to be grassed/concreted/artificial
	30	Upgrade the 'four gateways' (into the SS)

	31	Liquidate property fund (non-strategic assets) - including consideration of sale and leaseback opportunities
	32	Comprehensive overhaul of Cronulla
	33	Education campaign to residents - Role and service offer of your council
	34	Take on debt to clear asset and basic infrastructure backlogs
	35	Comprehensive SS beautifications programme
	36	Change Ward boundaries to realise natural synergies (eg Cronulla, Green Belt, Western)
	37	Undertake detailed succession plan strategy for all senior roles
	38	Undertake detailed talent management review
	39	Property and projects to become 'horizontal functions' on the organisation chart to serve division teams
	40	Introduce Commercial Division with specialist (ex Private-Sector) Director
	41	Technology overhaul of SSC
	42	Ensure Performance Reporting for each service includes an assessment of fully loaded costs and revenues i.e. to understand if profitable or requiring subsidy by other Council activities.
	43	Customer advocacy training to SSC management & staff
	44	Formal and compulsory Councillor education programs (on Council Operations)
	45	Restructure management contracts to line up with Councillor terms (i.e. currently an incoming Council is faced with a management team that has just had its contracts renewed)
	46	Performance manage bottom 20% performers (to either improve or exit SSC)
	47	Undertake cultural transformation program
	48	Optimisation of Corporate Service through increased centralisation

Revenue	49	Pilot paid parking at high traffic locations in Cronulla (non-Cronulla residents only)
	50	Sell shared services to less efficient councils (on similar technology etc)
	51	Introduce user pays for sporting facilities (as assets are 'consumed/damaged' by use)
	52	Increase efforts to seek State/Fed Government funding
	53	Increase hire out community buildings and facilities during down-time
	54	Sell certification services to private/external customers
	55	Implement 'special' levies - address infrastructure backlog, redevelopment of key assets
	56	Increase (target doubling) Advertising Revenue
	57	Charge out graffiti services to businesses, neighbouring councils, state government
	58	Sell pocket parks (non-crown) for other uses (reduces maintenance and generates a windfall for Council).
	59	Increase Residential Rates
	60	Increase Business Rates
	61	Proactive amalgamation with Helensburgh - realise future mining revenue and state grants
	62	Hire out internal functions (eg printing services) during down-time (idle)

Incentives	63	Incentives for businesses to re-locate/operate/develop in SS
	64	Negotiate/incentivise increased rotation of sporting fields
	65	Incentivise competitive private school to locate to the Shire
	66	Offer voluntary redundancies where appropriate
	67	Build a business park in SS
	68	University campus in SS (eg specialist marine biology, forestry)
	69	Economic stimulus through hosting major events/conferences

Reduce: close, outsource, rationalise	70	Outsource/lease/sell/close Sutherland Entertainment Centre
	71	Close the SSHED - as limited benefit to community
	72	Outsource cafes (especially as some already are e.g. Leisure Centres)
	73	Close SSC Ombudsmen function
	74	Outsource child care
	75	Further outsourcing in Engineering Function (currently happens to varying degrees).
	76	Outsource waste services
	77	Outsource all grounds maintenance
	78	Outsource commercial training services
	79	Outsource Nursery
	80	Outsource Golf Driving Range
	81	Outsource - Other
	82	Rationalise/replace/consolidate underutilised assets
	83	Close Hazelhurst Gallery
	84	Reduce number of SSC Directors
	85	Close Womens Rest Centre
	86	Identify and implement further back office cost efficiencies
	87	Cost reduction for Council meetings (meals, frequency, attendees)
	88	Move to fortnightly pay cycles rather than weekly across the Council.
	89	Increased cost saving through technology (e-reporting to councillors)
	90	Downsize/outsource Strategic Planning Team
	91	Outsource gyms and indoor sports facilities
	92	Close/outsource pools (including some subsidisation if necessary to enable transfer)
	93	Close wallet minding service
	94	Reduce/redistribute Community Grants, Subsidies and Sponsorships
	95	Outsource street cleaning
	96	Increase use of volunteer workforce
	97	Close 2 least strategic libraries
	98	Execute comprehensive shared service and procurement cooperation strategy with key councils
	99	Consolidate satellite administrative functions (e.g. Child care admin team)
	100	Close/outsource indoor sports centres

	101	Reduce scale of special events run by council (eg Australia Day, Coffee Festival)
	102	Outsource insurance (currently self-insurers)
	103	Centrally control variable costs (eg 'Irri-net' remote water usage control)
	104	Find efficiencies in electricity use - current bill \$9m
	105	Close specialist 'Projects' division (increased accountability in business for project delivery)
	106	Give trucks to RFS/SES - save on maintenance and storage
	107	Scale back grounds maintenance in non-strategic locations
	108	Outsource graffiti removal
	109	Close council services with lowest utilisation/traffic (bottom 20%)
	110	Outsource internal auditor function
	111	Identify and remove duplication of activity
	112	Hire out fleet during down-time (idle)
	113	Outsource shared services eg payroll, finance
	114	Amalgamate SS with other councils
	115	Reduce number of Councillors
	116	Reduce overtime spend
	117	Reduce spans of control and number of organisational layers
	118	Consolidate initial customer contact and administration
	119	Consolidate other non-specific BU activities
	120	Reduce the infrastructure backlog with surplus cash/property funds

Appendix M BAU initiative summaries

Operational efficiency and effectiveness

A1	Optimisation of Corporate Services through consolidation	Lead: Director, Corporate Services	Support: General Manager	Timeframe: 12 months
Description: Reduce 'non-core' FTEs in frontline business units and consolidate the support activities into core support function activities under Corporate Services.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Identify 'non-core' FTEs performing core support activities outside the Corporate Services division e.g. Property Division staff performing Finance activities, Engineering staff performing HR activities, Community & Rec staff performing IT activities etc. 2. Determine which activities/tasks can be practically consolidated into appropriate Corporate Services business units. Tasks that cannot be consolidated should be minimal. 3. Consolidation of activities and redeployment/reduction of FTEs as appropriate. 4. If required, increase FTEs and/or training in Corporate Services to compensate for increased workload. Potentially offer redundant FTEs the option of contract employment until permanent staff are adequately trained. 		<ol style="list-style-type: none"> 1. Detailed report identifying business units with support FTEs that cannot be consolidated for practical reasons. Any reason for not consolidating should be supported with robust evidence. 2. Project plan for consolidation of FTEs/activities, including FTEs to be redeployed to Corporate Services and FTEs to be made redundant. 3. Regular performance monitoring and reporting to ensure smooth transition and appropriate staff levels. 		
Value Potential & Benefits		Implementation Costs		Risks & Barriers
<ul style="list-style-type: none"> Improved efficiency in delivery of core support functions Improved focus of frontline staff on high value, service delivery activities 		<ul style="list-style-type: none"> Redundancy packages Training of new and/or redeployed staff Hiring of new Corporate Services staff 		<ul style="list-style-type: none"> Initial inefficiencies as Corporate Services teams are trained on newly consolidated tasks Negative impact on staff morale due to redundancies Less responsive support

Core support functions include Finance, IT, Personnel, Legal and Marketing & Communications

A2	Consolidate initial customer contact and administration	Lead: Director, Corporate Services	Support: General Manager	Timeframe: 18 months
Description: Consolidate initial customer contact and general administration activities into the Customer Service Centre and Administration BU respectively.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Identify FTEs performing initial customer contact activities (i.e. enquiry handling, enquiry processing and appointment taking) outside the Customer Service Centre. 2. Identify FTEs performing general administration activities outside the Administration BU. 3. Determine which activities/tasks can be practically consolidated into the Customer Service Centre and Administration BU respectively. Tasks that cannot be consolidated should be minimal. 4. Consolidation of activities and redeployment/reduction of FTEs as appropriate. 5. Implement training program for call centre staff and administration staff, if necessary. 		<ol style="list-style-type: none"> 1. Detailed report identifying business units with FTEs performing initial customer contact and administration activities that cannot be consolidated for practical reasons. Any reason for not consolidating should be supported with robust evidence. 2. Project plan for consolidation of FTEs/activities, including FTEs to be redeployed and FTEs to be made redundant. 3. Detailed training and information manual for Customer Service Centre staff. 4. Regular performance monitoring and reporting to ensure smooth transition and appropriate staff levels. 		
Value Potential & Benefits		Implementation Costs		Risks & Barriers
<ul style="list-style-type: none"> Improved efficiency in delivery of administration support Improved customer focus and satisfaction from single Council contact point Improved focus of frontline staff on high value, service delivery activities 		<ul style="list-style-type: none"> Redundancy packages Training of new and/or redeployed staff Hiring of new Customer Service Centre and Administration staff 		<ul style="list-style-type: none"> Initial inefficiencies as Administration team is trained on newly consolidated tasks Negative impact on staff morale due to redundancies Inadequate training of call centre staff, leading to poor customer experience

Refer to Appendix L for list of 'non-specific' activities

A3	Reduce other 'non- BU specific' activities	Lead: Director, Corporate Services	Support: General Manager	Timeframe: 18 months
Description: Reduce FTEs performing 'non-specific' support activities and consolidate where possible.				
Key Activities <ol style="list-style-type: none"> 1. Identify FTEs performing 'non- BU specific' activities across the business. 2. Identify which activities are detracting from core service delivery and support activities. 3. Determine which activities/tasks can be practically consolidated into Corporate Services. Tasks that cannot be consolidated should be minimal. 4. Consolidation of activities and redeployment/reduction of FTEs as appropriate. 		Key Deliverables <ol style="list-style-type: none"> 1. Detailed report identifying business units with FTEs performing 'non-specific' activities that cannot be consolidated for practical reasons. Any reason for not consolidating should be supported with robust evidence. 2. Project plan for consolidation of FTEs/activities, including FTEs to be redeployed and FTEs to be made redundant. 3. Regular performance monitoring and reporting to ensure smooth transition and appropriate staff levels. 		
Value Potential & Benefits <ul style="list-style-type: none"> • Improved customer focus and satisfaction from single Council contact point • Improved focus of staff on specific, high value activities 	Implementation Costs <ul style="list-style-type: none"> • Redundancy packages 	Risks & Barriers <ul style="list-style-type: none"> • Negative impact on staff morale due to redundancies 		

Rationalise / replace / consolidate underutilised services / assets

B1	Exit Sutherland Entertainment Centre	Lead: Director, Community & Rec	Support: Director, Property	Timeframe: 6 months
Description: Exit the Sutherland Entertainment Centre, an underutilised asset, to realise annual cost savings and one-off capital benefits.				
Key Activities <ol style="list-style-type: none"> 1. Council agreement on development specifics i.e. full sale, apartments with community centre agreement etc. 2. Prepare detailed business case for sale and any subsequent development of the Centre. 3. Inform community of the sale/development. 4. Formal tender process. 		Key Deliverables <ol style="list-style-type: none"> 1. Agreed future direction of Sutherland Entertainment Centre. 2. Detailed business case for sale and subsequent use options e.g. community centre. 3. Tender document. 		
Value Potential & Benefits <ul style="list-style-type: none"> • Redevelopment by private sector would deliver a revitalised asset and improve aesthetics of the area • Agreement with developer to include a Council run community centre benefits residents 	Implementation Costs <ul style="list-style-type: none"> • Transaction costs 	Risks & Barriers <ul style="list-style-type: none"> • New development does not adequately service the community • No buyers • Community backlash 		

B2	Exit SSHED	Lead: Director, Property	Support: N/A	Timeframe: 6 months
Description: Exit the SSHED, an underutilised, narrow service offering, to realise annual costsavings and one-off capital benefits.				
Key Activities <ol style="list-style-type: none"> 1. Prepare detailed business case for sale and any subsequent development of the SSHED. 2. Formal tender process. 		Key Deliverables <ol style="list-style-type: none"> 1. Agreed future direction of the SSHED e.g. full sale or rent to UWS. 2. Detailed business case for sale and any subsequent use options . 3. Tender document. 		
Value Potential & Benefits <ul style="list-style-type: none"> • Refocus of resources away from a narrow service offering to ones with high community value • Drive more effective ways to deliver value to local business stakeholders through economic development and incentives 	Implementation Costs <ul style="list-style-type: none"> • Transaction costs 	Risks & Barriers <ul style="list-style-type: none"> • No buyers • Community backlash 		

B3	Terminate Ombudsman function	Lead: General Manager	Support: N/A	Timeframe: 3 months
Description: Removal of a dated, underutilised service and transfer of service to NSW State Ombudsman.				
Key Activities <ol style="list-style-type: none"> 1. Inform community of the proposed termination of the ombudsman function and seek feedback. 2. Educate the community on the benefits of the NSW State Ombudsman 3. Begin elimination of ombudsman function. 		Key Deliverables <ol style="list-style-type: none"> 1. Community feedback 2. Informational flyer on NSW State Ombudsman 		
Value Potential & Benefits <ul style="list-style-type: none"> • Refocus of resources away from a narrow service offering to ones with high community value 	Implementation Costs <ul style="list-style-type: none"> • Redundancy packages 	Risks & Barriers <ul style="list-style-type: none"> • NSW State Ombudsman may be less effective in implementing reforms • Resistance from within SSC 		

B4	Exit Women's Rest Centre	Lead: Director, Property	Support: N/A	Timeframe: 6 months
Description: Exit the Women's Rest Centre, an underutilised, narrow service offering, to realise annual cost savings and one-off capital benefits.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Prepare detailed business case for sale and any subsequent development of the Women's Rest Centre. 2. Formal tender process. 		<ol style="list-style-type: none"> 1. Detailed business case for sale and any subsequent use options . 2. Tender document. 		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none"> • Refocus of resources away from a narrow service offering to ones with high community value 		<ul style="list-style-type: none"> • Transaction costs 	<ul style="list-style-type: none"> • No buyers • Community backlash 	

B5	Exit two of the least strategic libraries	Lead: Director, Community & Rec	Support: Director, Property	Timeframe: 6 months
Description: Exit two libraries offering the least community value to realise annual cost savings and one-off capital benefits.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Determine the least strategic libraries to be sold and prepare detailed business case for sale and any subsequent development. 2. Formal tender process. 		<ol style="list-style-type: none"> 1. Detailed business case for sale and any subsequent use options . 2. Tender document. 		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none"> • Refocus of resources away from a narrow service offering to ones with high community value 		<ul style="list-style-type: none"> • Transaction costs 	<ul style="list-style-type: none"> • No buyers • Community backlash 	

Introduce services / revenues

C1	Increase advertising revenue	Lead: TBC	Support: TBC	Timeframe: 24 months
Description: In the first instance, we propose a doubling of current advertising revenue efforts.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Full review of current advertising revenue and its profitability. 2. Focus spending increase on most effective mediums. 3. Explore additional revenue opportunities beyond bus shelter and neon advertising e.g. billboards, digital bus shelters, lamp posts etc. 		<ol style="list-style-type: none"> 1. Report on profitability of current advertising revenue sources and recommendation on sources to direct increased effort towards. 2. Pitch documents to advertising providers. 		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none"> • Increased passive revenue source 		<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • No demand from advertising companies 	

C2	Special levies at 4%	Lead: General Manager	Support: Manager, Comms	Timeframe: 24 months
Description: Introduce special levies to raise revenue for specific purposes e.g. clearing the infrastructure backlog				
Key Activities		Key Deliverables		
<ol style="list-style-type: none"> 1. Public relations campaign to communicate imminent special levy and detailed explanation of what the revenue will be spent on and how it will deliver greater value to the community. 2. Introduce special levy post public relations campaign. 		<ol style="list-style-type: none"> 1. Public relations strategy and communication collateral. 		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none"> • The strategic planning team has communicated that there is significantly less resistance to the implementation of 'special levies' compared to standard rate increases. • Tangible benefits to the community – they know what their rates are going towards 		<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Community backlash • Politically unpopular 	

C3	<i>Sale of shared services to less efficient Councils</i>	<i>Lead:</i> Director, Corporate Services	<i>Support:</i> General Manager	<i>Timeframe:</i> 24 months
<i>Description:</i> SSC realises economies of scale and has the opportunity sell shared services to smaller surrounding Councils.				
<i>Key Activities</i>		<i>Key Deliverables</i>		
<ol style="list-style-type: none"> 1. Determine three suitable Councils to pitch shared services to. 2. Develop detailed shared services plan and pitch to target Councils. 3. Workforce planning for increased workload. 		<ol style="list-style-type: none"> 1. Detailed shared services plan 2. Shared services agreement with target Councils. 		
<i>Value Potential & Benefits</i>		<i>Implementation Costs</i>	<i>Risks & Barriers</i>	
<ul style="list-style-type: none"> • Increased revenue source • Opportunities for staff to specialise and develop expertise 		<ul style="list-style-type: none"> • Setup of shared service centre • Increased headcount 	<ul style="list-style-type: none"> • Incompatibility of systems • Reduced capacity of SSC teams 	

C4	<i>Lease out community buildings and facilities during downtime</i>	<i>Lead:</i> Director, Property	<i>Support:</i> TBC	<i>Timeframe:</i> 6 months
<i>Description:</i> Lease out community buildings and facilities during downtime				
<i>Key Activities</i>		<i>Key Deliverables</i>		
<ol style="list-style-type: none"> 1. Determine seasonal occupancy rates of Council owned community buildings and facilities. 2. Determine facilities with highest potential for leasing opportunities. 3. Market underutilised facilities during downtime. 		<ol style="list-style-type: none"> 1. Report on seasonal occupancy and leasing opportunities. 2. Marketing plan. 		
<i>Value Potential & Benefits</i>		<i>Implementation Costs</i>	<i>Risks & Barriers</i>	
<ul style="list-style-type: none"> • Increased revenue source • Improve community access to facilities 		<ul style="list-style-type: none"> • Marketing costs 	<ul style="list-style-type: none"> • Lack of demand • Increased maintenance costs 	

C5	Sell pocket parks	Lead: Director, Property	Support: TBC	Timeframe: 12 months
Description: Sell up to 10 appropriately sized, non-crown pocket parks that contribute to anti-social behaviour and contribute little to local amenity.				
Key Activities		Key Deliverables		
<ol style="list-style-type: none">Determine appropriate pocket parks to be sold and prepare detailed business case for sale and any subsequent development.Formal tender process.		<ol style="list-style-type: none">Detailed business case for sale and any subsequent use options.Tender document.		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none">Refocus of resources away from a narrow service offering to ones with high community value		<ul style="list-style-type: none">Transaction costs	<ul style="list-style-type: none">No buyersCommunity backlash	

C6	Pilot paid parking at high traffic locations in Cronulla (non-Cronulla residents only)	Lead: Director, Engineering	Support: Director, Property	Timeframe: 12 months
Description: Pilot paid parking at high traffic locations in Cronulla (non-Cronulla residents only).				
Key Activities		Key Deliverables		
<ol style="list-style-type: none">Confirm details of paid parking pilot scheme in high traffic areas in Cronulla, specifically, Cronulla Park, Dunningham Park & North Cronulla Beach.Confirm implementation of Option 2 i.e. exempt payment by Cronulla ratepayers and residents. Broader Sutherland Shire residents will not be exempt.Confirm policy of only collecting infringement revenue from pay parking areas and not surrounding areas to avoid charging local residents (lost revenue of \$350k pa).Inform community of paid parking changes and initiate introductory 'grace' period.Issue parking permits to applicable residents.		<ol style="list-style-type: none">Detailed implementation plan for paid parking pilot.Community information packsResident parking permits		
Value Potential & Benefits		Implementation Costs	Risks & Barriers	
<ul style="list-style-type: none">Increased revenueDemand management of high traffic areas – improved resident parkingUser pays for tourists at Cronulla beach		<ul style="list-style-type: none">Parking officersInfrastructure and maintenance costs	<ul style="list-style-type: none">Revenue does not meet expectationCommunity backlashCharging of local residents	

Appendix N Strategic options

In addition to the 'business-as-usual' opportunities identified in the SSC current state assessment, SSC may achieve additional performance and value delivery by refocusing the SSC operating model. The following is PwC's high level calculations and assumptions relating to each option.

Table N.1 – Strategic options

Sources: SSC Finance: 2012-2013 Adopted Budget
Fixed asset Register FY12
2012 Actual Trading Activities SSC Leisure & Menai IS

				Operating Impact			One-off costs/benefits		
				FTE Impact	FTE Impact	FTE Impact	Redund Cost	Capital Impact	
				LabCost/55k (or record)	ADJ DBL COUNT	12mth St.Costs (Col.F)	WDV (SSC Fin.)		
Scenario 1									
Costs									
BAU Opportunt Costs				20	20	(1,112,018)			0
BAU Opportunt Costs				21	21	(1,309,835)			0
BAU Opportunt Costs				9	9	(481,118)			0
BAU Opportunt Costs				16	16	(896,500)			6,109,720
BAU Opportunt Costs				4	3	(192,500)			3,844,455
BAU Opportunt Costs				5	4	(275,000)			0
BAU Opportunt Costs				2	1	(83,994)			157,675
BAU Opportunt Costs				8	7	(418,000)			1,184,595
BAU Opportunt Costs						177,295			
Total Cost Savings				83	81	(4,591,671)			11,296,445
Revenues									
BAU Opportunt Revenues				0	0	0			0
BAU Opportunt Revenues				0	0	0			0
BAU Opportunt Revenues				0	0	0			0
BAU Opportunt Revenues				0	0	0			0
BAU Opportunt Revenues				0	0	0			3,600,000
BAU Opportunt Revenues				0	0	0			0
Total Revenue Increases				0	0	0			3,600,000
Total - Scenario 1				83	81	(4,591,671)			14,896,445

Table N.1 (cont) – Strategic options

Direct Savings				Direct Costs Incurred by Growing			FTE Impact			One-off costs/benefits	
Direct Cost Savings		Labour Cost Savings	Annual Direct Cost Savings	Replace-Operating Cost	Impact	LabCost/55k (or record)	ADJ DBL COUNT	12mth St.Costs (Col. F)	Reduct Cost	Capital Impact	Assumptions
Median SC = 55k										WDV (SSC Fin.)	
Scenario 1											
Costs											
BAU Opportunt Costs	Optimisation of Corporate Service through centralisation					20	20		(1,112,018)	0	
BAU Opportunt Costs	Centralise initial customer contact and administration					21	21		(1,309,855)	0	
BAU Opportunt Costs	Reduce other non-specialist BU activities					9	9		(481,118)	0	
BAU Opportunt Costs	Close SSC					16	16		(896,500)	6,109,720	
BAU Opportunt Costs	Close SSHed					4	3		(192,500)	3,844,455	
BAU Opportunt Costs	Terminate Ombudsmen function					5	4		(275,000)	0	
BAU Opportunt Costs	Close Women's Rest Centre					2	2		(88,645)	157,675	
BAU Opportunt Costs	Close 2 least strategic libraries					8	7		(418,000)	1,184,595	
BAU Opportunt Costs	Excluded Redundancy costs					83	81		(4,591,671)	11,296,445	
Total Cost Savings											
Revenues											
BAU Opportunt Revenues	Increased Advertising Revenue					0	0		0	0	
BAU Opportunt Revenues	Conditional Levies at 4%					0	0		0	0	
BAU Opportunt Revenues	Consider Sale of Shared Services to Less Efficient Councils					0	0		0	0	
BAU Opportunt Revenues	Lease out community buildings and facilities during down-time					0	0		0	0	
BAU Opportunt Revenues	Sell pocket parks (non-crown)					0	0		0	3,600,000	
BAU Opportunt Revenues	Pilot paid parking at high traffic locations in Cronulla (non-Cronulla residents only)					0	0		0	0	
Total Revenue Increases											
Total Scenario 1											
Scenario 2											
Insufficient costing data available											
Comm cerial	Driving Range - Golf										
Comm cerial	Golf Courses - WW										
Comm cerial	Golf Courses - KA										
Comm cerial	Golf Courses - The Ridge										
Comm cerial	Wedding Photography/Officiate Bookings					25,539					
Comm cerial	Property Security					169,593	4		(208,375)		Assume 20% efficiency in outsource/employ
Comm cerial	Indoor Sports					543,414	4		(242,156)	2,917,599	Uplift from adopted budget (thir Prog)
Comm cerial	Leisure Centre					8,008,467	38		(2,377,793)	3,911,886	Staff costs taken from 12/13 Adopted Budget
Comm cerial	Nursery					86,793	0		(18,532)	178,732	
Total - Scenario 2											
Scenario 3											
Includes Scenario 1 initiatives											
Scenario 3											
Underserv ice	Beach Minding Services										
Underserv ice	Cronulla Cycling Grand Prix										
Underserv ice	Program s- Christmas										
Underserv ice	Program s- Cinema Events										
Underserv ice	Program s- Citizen Of The Year										
Underserv ice	Program s- Citizenship Ceremonies										
Underserv ice	Program s- Office Festival										
Underserv ice	Program s- Festa										
Underserv ice	Program s- International Womens Day										
Underserv ice	Program s- Naidoo Events										
Underserv ice	Pub Shuttle Bus					494					
Underserv ice	Spring Festival					85,366					
Underserv ice	Surf Education					44,284					
Underserv ice	Tennis Courts					18,351					
Underserv ice	Wireless Hotspots					35,646					
Underserv ice	Gallery					85,000	7		(688,734)	6,484,096	
Total - Scenario 3											
Includes Scenario 1 and 2 initiatives											
Total Scenario 3											

Table N.1 (cont) – Strategic options

	Direct Savings					Direct Costs Incurred by Grouping			FTE Impact	FTE Impact	ADJ DBL COUNT	One-off costs/benefits	
	Direct Cost Savings	Labour Cost Savings	Indirect Cost Savings	Annual capital upkeep	Direct Revenue Loss	Replace-ment Cost	Operating Impact	Redund Cost				Capital Impact	Assumptions
Scenario 1	Median SC = 55k											12mth St.Costs (Col.F)	WDV (SSC Fin.)
Costs													
BAU Opportunistic Costs										20			
Centre line initial customer contact and administration										21			
Reduce other non-specialist BAU activities										9			
Close SEC										16			
Term inate On busi nent function										3			
Close Women Res Centre										2			
Close 2 least strategic libraries										8			
Excluded Redundancy costs										88			
Total Cost Savings													
Revenues													
BAU Opportunistic Revenues										0			
Consider Share of Shared Services to Less Efficient Councils										0			
Self project parks (not included)										0			
Self project parks (not included)										0			
BAU Opportunistic Revenues										0			
BAU Opportunistic Revenues										0			
BAU Opportunistic Revenues										0			
BAU Opportunistic Revenues										0			
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BAU Opportunistic Revenues										0			
BAU Opportunistic Revenues													

Appendix O Global Council insights

United Kingdom

Trends

- There will be overall savings in council funding by 7.1% for the four years to 2014/15
- Impact of GFC on citizens and businesses
- Demographic and policy issues
- Pressure on partner organisations

Responses

- Significant transformation programs in place to drive efficiency, maximise revenue and manage demand for services
- Increasing centralisation and use of shared services
- Refocus/reprioritisation of council services

New Zealand

Trends

- Increased public expectation and changing demand
- Increased scrutiny over efficiency and service delivery
- Lack of customer insights

Responses

- Increasing centralisation and sharing of services eg Auckland Super City Consolidation
- Customer centricity reviews
- Council Controlled Organisations (CCOs) to improve commercialisation

Australia

Trends

- Increased scrutiny on performance and accountability
- Increasing public expectations around service delivery and responsiveness
- Population increase is also placing pressure on asset capacity and sustainable growth

Responses

- Investigation of shared service development
- Maximising revenues from asset base

United States

Trends

- Difficult economic and demographic conditions
- Budget reductions necessary
- Imperatives for 'quick wins'

Responses

- Significant Local Government transformations underway with initiatives including:
 - Workforce optimisation
 - Smart sourcing and service sharing
 - Revenue optimisation
 - Service adjustments

Appendix P Council Controlled Organisations

What is a CCO?	An organisation where local authorities owns a 50% or more controlling stake. The Objectives of CCOs are to achieve the goals of its stakeholders both commercial and non-commercial, exhibit social and environmental responsibility, accommodate the best interests of the community and to act as a good employer.
How do CCOs work?	<p>Councils can set up/acquire organisations to undertake particular activities on their behalf. These organisations may be in the form of companies, partnerships, trusts, arrangements for sharing profits, unions of interest, cooperative and joint ventures. Council must take into account the different reporting regulations depending on trading nature and level of council ownership.</p> <ul style="list-style-type: none"> • Councils must have a policy on appointment and remuneration of directors, monitor the performance of CCOs and disclose information in long term council community plan, annual plan and annual report. • Organisations must prepare a statement of intent, comply with Parts 1-6 of the Local Government Official Information and Meetings Act and prepare half-yearly and annual reports.
Examples¹²	<p><i>Auckland Council property limited</i></p> <p>A council property portfolio worth \$7.2 billion, 10,860 properties, buildings and other interests, and \$50 million per annum in income. The Auckland Council Property department is responsible for the control and management of, Parks and reserves, Art galleries, libraries, swimming pools, Leisure and recreation centres, sporting facilities, early childhood centres and public toilets, Council office accommodation, corporate buildings and service centres.</p> <p><i>Auckland Transport</i></p> <p>Provide all of the region's transport requirements (except state highways) from roads and footpaths to traffic signals, rail and buses. While this CCO will manage and control the roads, Auckland Council will own them.</p> <p><i>Regional Facilities Auckland (RFA)</i></p> <p>Provides a regional approach to running and developing Auckland's arts, culture and heritage, leisure, sport and entertainment venues. RFA manages \$968.3 million of major regional facilities in Auckland, including Coastguards, Surf Lifesaving, Watersafe, Auckland Art Gallery and TelstraClear Pacific Events Centre.</p>

¹² <http://www.imsb.maori.nz/Te+Reo/Te+Kaunihera+o+Tmaki+Makaurau/CCOs++Council+Controlled+Organisations.html>

Appendix Q Local government Ombudsman

The SSC Office of the Internal Ombudsman serves to impartially investigate complaints about poor administration, maladministration or misconduct by council staff or councillors (in an administrative capacity), provide guidance and education for staff and councillors about ethical decision-making, proper conduct, council policies and acts as an internal audit function to ensure the effectiveness of council's internal controls.

SSC is one of seven of NSW's 152 councils to have an internal ombudsman. The role of the Internal Ombudsman is a service provided by Sutherland Shire Council and remains an optional service.¹³

As an optional service, smaller councils unable to provide local ombudsman services must rely on the NSW ombudsman. Furthermore, Minister of Local councils Don Page claims "Small councils are able to achieve similar outcome to internal ombudsman with an effective complaints management system".¹⁴

SSC may seek to sell internal ombudsman services to smaller surrounding councils.

¹³ http://www.sutherlandshire.nsw.gov.au/Council_The_Shire/Open_Government/Internal_Ombudsman)

¹⁴ Harvey Grennan, "Push for more internal ombudsmen to deal with complaints," The Sydney Morning Herald, 27/11/12, <http://www.smh.com.au>.

Appendix R Complications in the concept of public value

Complication	Description	Value at SSC
Difficulties in measurement ¹⁵	<ul style="list-style-type: none"> Unlike those organisations that service purely competitive markets, government does not always have purely objective market signals to quantify the level of value that is being delivered. 	<ul style="list-style-type: none"> SSC has invested heavily in a highly capable Strategic Planning team. This team currently administers a small number of simple community stakeholder surveys that were developed many years ago. The team should be given greater responsibility to provide SSC decision makers with a more sophisticated view on community value, perhaps through a broader range of community consultation techniques designed with modern concepts of public value.
Consultation vs. education	<ul style="list-style-type: none"> Public sector organisations should do more than simply ask customers what they value. In most cases these customers do not have access to the same information or the same broad view of collective value that government does. In consulting with the community on what is valued, councils should help community stakeholders to provide a meaningful response. 	<ul style="list-style-type: none"> SSC has incrementally increased the Council service offer over recent decades in an attempt to meet community needs. With the provision of arts, health and small business support, there is evidence that SSC both responds to, and guides, community concepts of value. Analysis suggests this can be done better. In particular, Council should help the community to understand critical strategic trade-offs (e.g. golf courses or road repair).
Demonstration	<ul style="list-style-type: none"> Demonstrating the delivery of value is difficult for councils, primarily given the challenges in measurement. Councils should help community stakeholders to understand the level of value being delivered. Furthermore, perception is often reality and Council should counter any unfounded negative perceptions of Council value delivery. 	<ul style="list-style-type: none"> SSC currently has a number of channels through which they demonstrate the delivery of value to community stakeholders (e.g. The Leader, website). Despite this, interviews suggest that the community is not fully aware of the value that Council is delivering. Enhanced design and delivery of key messages around value creation will lead to a higher perceived value delivery from community stakeholders.

¹⁵ Moore, M., & Khagram, S. (2004). On creating public value. Retrieved from <http://www.maine.gov/dhhs/btc/PDF/On-Creating-Public-Value.pdf>

Appendix S Scope of works

The following scope of works was outlined in the original tender document T 448/12:

1.1 Introduction

Sutherland Shire Council ('The Shire') is the second largest local government in NSW and is one of the biggest in Australia, as measured by the population it serves. Created in 1906, the first council was responsible for an area with only 1,600 people and the unimproved capital value of the land was \$400,000. More than century later, today's council serves a population of some 215,000, and unimproved capital land value for the area has risen to nearly \$33 billion, with a land area of 369km². From those early days, council's traditional role has evolved in response to the demands of society's growth and its ever-changing nature and technical achievements.

Lifestyles in the Shire have benefitted from a community which seeks high standards and is willing to assist the Council in achieving and maintaining facilities and providing services. Like other parts of Sydney the population is ageing and changing demographics will put pressure on the services Council provides and the choices available to residents.

A series of key planning documents developed by the Council provides a robust framework for ensuring the ongoing focus on achieving the vision for the Shire of "a community working together to attain safe, healthy and active lifestyles, through accountable decision making, that achieves sustainable development and economic opportunities, that respect people and nature". These include:

- The Long term Strategic Plan "Our Shire, Our Future: Our Guide to Shaping the Shire to 2030"
- 4 Year Delivery Program
- Operational Plan
- Annual Budget
- Long Term Financial Plan
- Satisfaction Surveys
- The State of the Shire Report
- The Management Plan and Annual Budget
- The Annual Report
- Unit Business Plans and Performance Reports
- Quarterly Financial Performance Reports

These documents are underpinned by a focus on the Council's four principal activities of People, Place, Nature and Governance.

Whilst the framework will help provide direction for the Council, two recent developments have provided the impetus to assess the current business model.

Firstly, the recent report on Local Government in NSW, '**New South Wales Auditor-General's Report Performance Audit - Monitoring Local Government**' concluded that although the Division of Local Government (DLG) meets its legislative obligations, **it does not have adequate information to monitor important aspects of council performance, including service delivery**. As a result, included in the recommendations was a desire by September 2013 for the DLG to **propose amendments to the Local Government Act 1993**.

This report will have important implications for the Sutherland Shire Council, especially in areas relating to financial metric reporting, standardisation of non-financial information, risk identification and management, compliance with relevant legislation.

Secondly, with a new Council and Mayor being recently elected, there is a desire to look at how the Council can become more customer centric and develop a stronger culture of efficiency, innovation and desire for growth.

It is now an ideal opportunity for Sutherland Shire Council to undertake a strategic review with the outcomes of improving organisational performance, driving continuous improvement and achieving a culture of excellence within their own local government. The decision to undertake the review followed Council's consideration of the attached Mayoral Minute (Attachment 1).

The purpose of the Review is to ensure that the Sutherland Shire Council is best positioned to

1. Deliver on its approved 1, 4 and 25 year program.
This includes:
 - Meeting Councillors and community objectives below or at yearly budget allocations
 - Completing projects within the required time frames.
2. Reduce overall costs for services, operations and projects to ensure outstanding value for money.
3. Deliver consistent high performance in program delivery, quality, safety, community and environment.
4. Achieve greater flexibility in programming and effective responses to changing priorities and funding approvals.
5. Bring innovation to processes in improving efficiencies and cost savings in delivery, design, and future operations & maintenance.
6. Build on lessons learnt from previous work and industry best practices and share knowledge within the Council.
7. Align council officers' directions with the community and Councillors vision.

1.2 Council's Operations

Council's 2012/13 budget provides for an expenditure of \$233m, an operations budget of \$196m and a \$37m capital program.

Council undertakes the provision of services and capital works through a mix of day labour and contract works and employs 1,219 people, plus 219 casuals (EFT1088).

Attachment 2 outlines the organisation structure, service responsibilities, and the resources within each unit.

1.3 Council's Direction

The 2008-12 Council adopted a Community Strategic Plan, 4 Year Delivery Program under Section 402 and Section 404 of the Local Government Act. These plans are available on Council's website.

In the lead up to and following the 2012 Election the majority of Councillors put forward a plan for a "*stronger Shire*" which focuses on 5 points:

- strict financial management
- cutting red tape
- focusing on Council's core responsibilities
- championing local businesses
- protecting the Shire's unique environment

1.4 Pre Tender Briefing

An open information session will be held on Wednesday, 24 October 2012 at 4.00pm at Council's Administration Building, 4-20 Eton Street, Sutherland. Interested parties are invited to attend to assist in obtaining an understanding of the project.

1.5 Scope of Work

The project will include the following tasks:

- To complete an assessment of the financial performance of the Council, with a view to developing an accurate baseline of indirect and direct costs and profitability and then comparing performance against relevant benchmarks to identify areas for business improvement.
- To determine how the Council can implement improvements to customer/ community service.
- To identify enhancements to current Council operations (e.g. structure, governance, systems, processes, delivery models etc).
- To develop an implementation plan to ensure that all benefits will be realised and that any change management that is required is effectively managed and that stakeholder relationships are maintained.

The specific scope for each area is as follows:

a) Financial Performance

- Undertake a baseline assessment of the Council's direct and indirect costs
- Identify which direct and indirect cost categories represent the greatest initial and later areas of opportunity so that full reform occurs by 2016
- Assess direct and indirect costs against available benchmarks to identify opportunities

b) Customer Centricity

- Gather insights from across the Sutherland Shire Council customer base regarding:
 - a. Resident and customer awareness of the services offered
 - b. Analysis into what is done well and considering whether this could be leveraged across the organisation
 - c. Identifying any gaps in SSC customer focus or impediments to delivering effective customer services
 - d. Establishing the ideal state for customer service

c) Council Operations

- Confirm the vision and direction for the SSC with key stakeholders
- Collect data across the organisation to confirm the current state of the SSC
- Collaboratively develop the required operating model to achieve the vision including organisation structure, systems architecture, processes, people, services levels etc. including areas where efficiencies could be obtained through economies of scale, working with other councils etc.

d) Implementation Plan

- Develop a high level plan from the previous three (3) streams of work to detail next steps that will provide an accurate road map as to timing, milestones, key deliverables, interdependencies, accountabilities, resourcing and change management required to ensure all benefits will be realised.

1.6 Deliverables

The key deliverable of the consultancy is a comprehensive current state assessment of the Sutherland Shire Council that will provide a roadmap of the key recommendations required to enhance the operating model in the areas of:

- a) Financial performance
- b) Customer centricity
- c) Council operations
- d) Implementation Plan

The specific deliverable for each area is as follows:

a) Financial Performance

1. Draft final deliverable storyboard
2. A final report including:
 - A validated Cost Baseline
 - A prioritised list of recommendations for further investigation by support function including:
 - ✓ estimated benefits / savings ranges;
 - ✓ indicative time frames; and
 - ✓ indicative ease of implementation
 - A high level roadmap for implementation
 - A recommended validation plan and next steps

b) Customer Centricity

1. A shared understanding of the current state of customer and employee attitudes.
2. Guiding principles for building a whole of organisation framework to achieve the customer service vision.
3. A high level view of prioritised activities to achieve the customer service vision.
4. An agreed high level timeline and measures of success and proposed accountability for roles in leading and supporting change.

c) Council Operations

1. Baseline operating model
2. Target operating model and business case (case for change)
3. High level implementation roadmap

d) Implementation Plan

Consolidated roadmap for all streams of work

1.7 Criteria

The criteria by which all consultants will be judged will be based on the following:

Criteria	Weighting
1. Experience in Local Government and knowledge of relevant legislation	20%
2. Demonstrated experience in financial reviews and benchmarking	10%
3. Demonstrated experience in examining and collating information on customer attributes for users of services delivered by public sector organisations	10%
4. Demonstrated experience in identifying areas for efficiency and growth through reviews of the operating model of an organisation	10%
5. Experience in completing strategic reviews of private and public sector entities and implementing successful change management programs	10%
6. Value for money	15%
7. Track record of undertaking complex projects on time and on budget	10%
8. Ability to source relevant comparative reports/ industry information from other Australian/ international affiliates/ networks	5%
9. Proponent/project team qualifications and availability	10%

1.8 Reporting

The consultant will report throughout the project to a team comprising the Mayor, Deputy Mayor and General Manager. Reporting will be at agreed intervals. The final report will be presented to Council's Strategy and Direction Committee, a standing committee of Council which comprises all Councillors.

1.9 Time Frame

The time frame for completion will be based on the submission by the successful tenderer but it is anticipated that the report to Council will be submitted no later than 31st March 2013.

1.10 Response to this Brief

Consultants should respond to this brief by outlining:

- Proposed work and reporting schedule, methodology and key information requirements
- Comment on terms of reference or suggested wording to achieve the same outcome
- Experience and demonstrated knowledge of current business practices
- Demonstration of similar previous reviews undertaken in large and complex organisations
- Benefits obtained by previous clients following similar reviews.
- General terms and conditions
- Price – The price can be submitted as one lump sum or a price for each section:
 - (a) Financial Performance
 - (b) Customer Centricity
 - (c) Council Operations
 - (d) Implementation Plan

The number of consultant days is to be included.

Disclaimer

This Report has been prepared by PricewaterhouseCoopers (PwC) in our capacity as advisors to Sutherland Shire Council in accordance with our engagement letter dated 21 December 2012.

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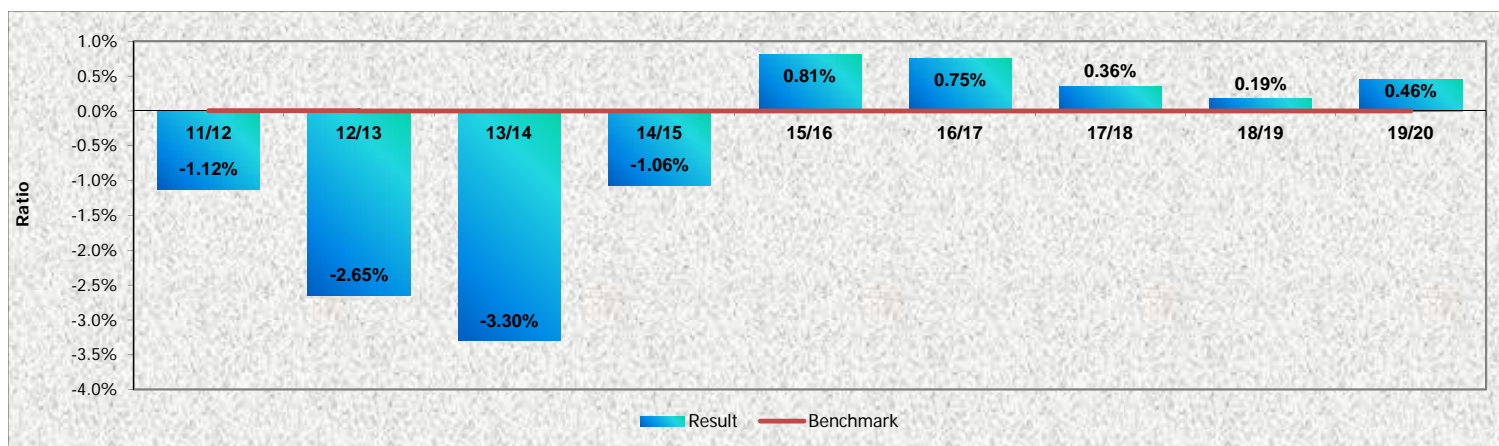
1. Operating Performance Ratio

PURPOSE: This ratio measures Council's achievement of containing operating expenditure within operating revenue

BENCHMARK: Greater or equal to break-even average over a 3 year period

CALCULATION:
$$\frac{\text{Total Continuing Operating Revenue (excluding Capital Grants \& Contributions) less Operating Expenses}}{\text{Total Continuing Operating Revenue (excluding Capital Grants \& Contributions)}}$$

RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	-1.12%	-2.65%	-3.30%	-2.36%	X	-1.06%	0.81%	0.75%	0.36%	0.19%	0.46%
	Rolling 3 year average					-2.34%	-1.18%	0.17%	0.64%	0.43%	0.34%
	Fit For the Future Benchmark Achievement					X	X	✓	✓	✓	✓

**COMMENTARY:**

As the benchmark for this ratio is greater than or equal to breakeven, the operating result is required to be a surplus. The actual result for the period ended was -2.36% due to a period of deficit results. This has been influenced by a number of factors, including the timing of the receipt of the Financial Assistance Grant in 2013/14 and the operating deficits recorded in the domestic waste operations. The most significant impact on this ratio overall is Council's depreciation expense.

Following the implementation of a number of strategies and an organisational restructure, the projected result from 2015/16 onwards is positive and the benchmark based on a 3 year rolling average is expected to be achieved from 2016/17.

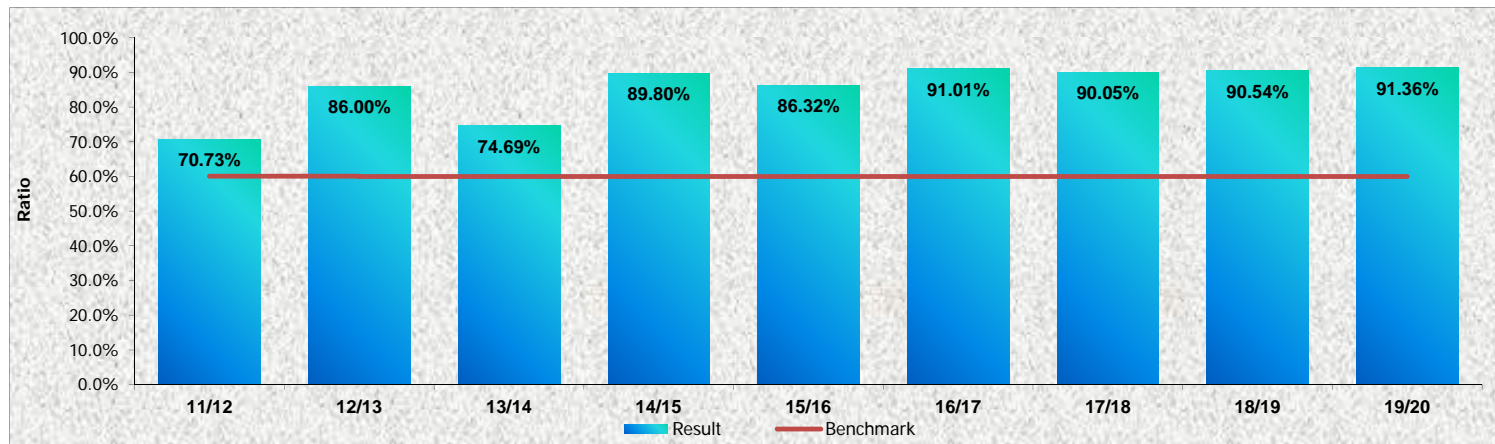
2. Own Source Revenue Ratio

PURPOSE: This ratio measures Council's financial flexibility - the degree of reliance on external funding sources such as grants

BENCHMARK: Greater than 60% average over a 3 years period

CALCULATION:
$$\frac{\text{Total Continuing Operating Revenue (excluding All Grants \& Contributions)}}{\text{Total Continuing Operating Revenue (including All Grants \& Contributions)}}$$

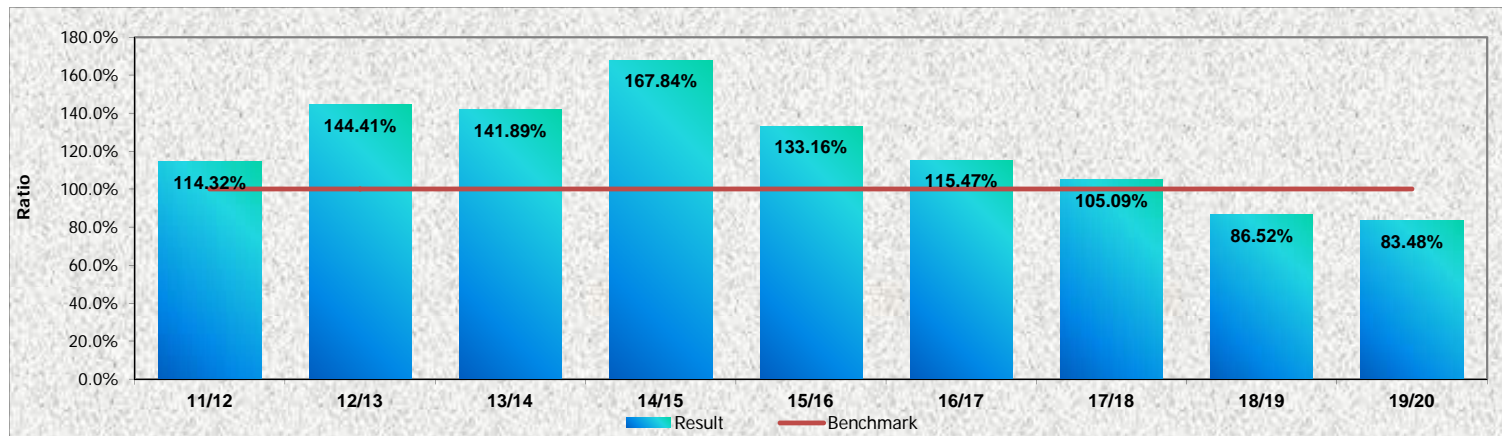
RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	70.73%	86.00%	74.69%	77.14%	✓	89.80%	86.32%	91.01%	90.05%	90.54%	91.36%
	Rolling 3 year average					83.50%	83.60%	89.04%	89.13%	90.53%	90.65%
	Fit For the Future Benchmark Achievement					✓	✓	✓	✓	✓	✓

**COMMENTARY:**

Sutherland Shire Council has a significant proportion of own source revenue due to the limited level of general purpose grant funds (particularly Financial Assistance Grants) in comparison to some other councils. Even though there has been a significant recognition of land dedications negatively impacting on 2011/12 and 2013/14, therefore reducing the 3 year average as at 30 June 2014, Council remains well in excess of the benchmark.

3. Building and Infrastructure Asset Renewal Ratio

PURPOSE:	This ratio assesses the rate at which assets are being renewed relative to the rate at which they are depreciating										
BENCHMARK:	Greater than 100% average over a 3 years period										
CALCULATION:	<u>Asset Renewals (Buildings and Infrastructure)</u> Depreciation, Amortisation and Impairment										
RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	114.32%	144.41%	141.89%	133.54%	✓	167.84%	133.16%	115.47%	105.09%	86.52%	83.48%
	Rolling 3 year average					151.38%	147.63%	138.82%	117.91%	102.36%	91.70%
	Fit For the Future Benchmark Achievement					✓	✓	✓	✓	✓	X

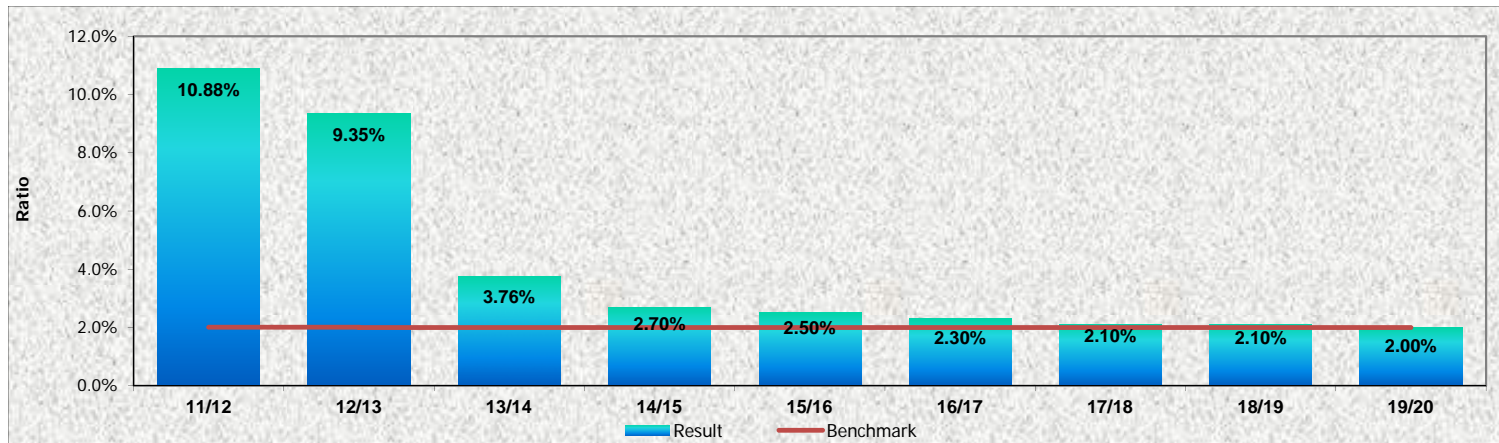
**COMMENTARY:**

This ratio is again heavily influenced by the level of depreciation expense. In recent years the allocation of capital funding to asset renewal as opposed to asset creation has seen the ratio increase to a level well above benchmark. The ratio reflects a decline from 2014/15 onwards and is below the 100% benchmark level from 2018/19. It is expected that these years will have further funding allocations to renewals as the years approach and more certainty exists as to available funding from grants etc. Council is expecting to receive \$100 million in contributions from SITA over the next 15 years, \$27.6 million of which will be received within the period ending 2019/20 whilst only \$16.3 million has been allocated to infrastructure works in the same period. Further funds are expected to be allocated to renewal works once a program has been finalised. It is considered, with the planned service delivery reviews, that by 2019/20 the projected ratios would be closer to 100%.

4. Infrastructure Backlog Ratio

PURPOSE:	This ratio shows what proportion the identified asset backlog represents in comparison to Council's total infrastructure value
BENCHMARK:	Less than 2%
CALCULATION:	$\frac{\text{Estimated Cost to Bring Assets to a Satisfactory Condition}}{\text{Total Value of Infrastructure and Building Assets}}$

RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	10.88%	9.35%	3.76%	7.99%	X	2.70%	2.50%	2.30%	2.10%	2.10%	2.00%
	Fit For the Future Benchmark Achievement					X	X	X	X	X	X

**COMMENTARY:**

This ratio is heavily influenced by reliability of data and interpretation of satisfaction levels. For assumptions and qualifications in relation to this ratio, please refer to Attachment 9

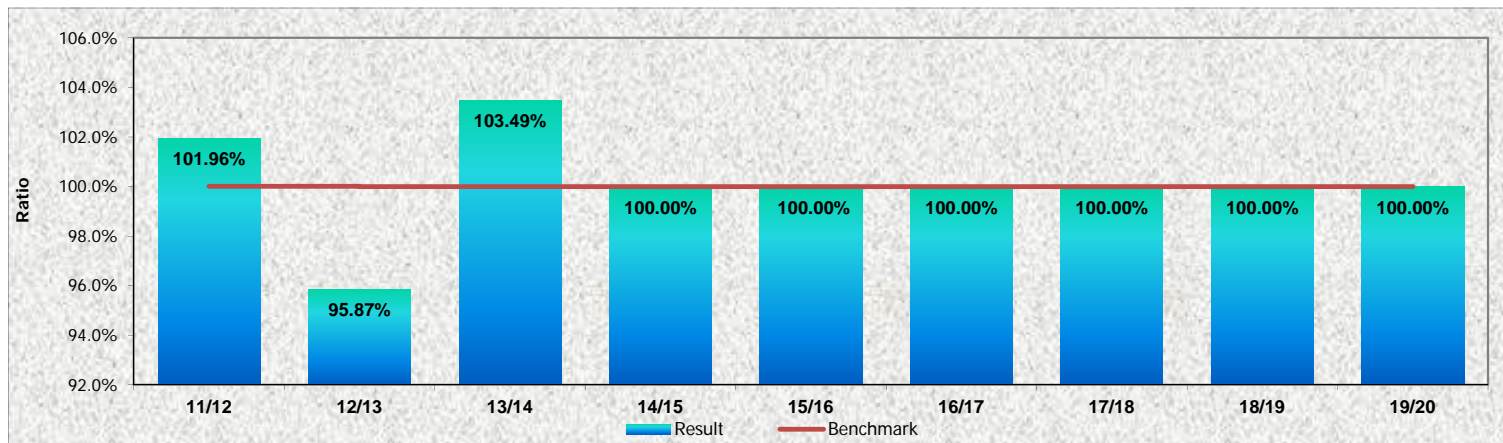
5. Asset Maintenance Ratio

PURPOSE: This ratio reflects actual to required annual maintenance

BENCHMARK: Greater than 100% average over a 3 years period

CALCULATION:
$$\frac{\text{Actual Asset Maintenance}}{\text{Required Asset Maintenance}}$$

RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	101.96%	95.87%	103.49%	100.44%	✓	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Rolling 3 year average					99.79%	101.16%	100.00%	100.00%	100.00%	100.00%
	Fit For the Future Benchmark Achievement					X	✓	✓	✓	✓	✓

**COMMENTARY:**

A ratio above 100% indicates Council is investing sufficient funds to stop the infrastructure backlog from growing. The level of required maintenance is maintained with Council databases. To continue to present assets at the current standard sufficient funds will be allocated to satisfy this requirement.

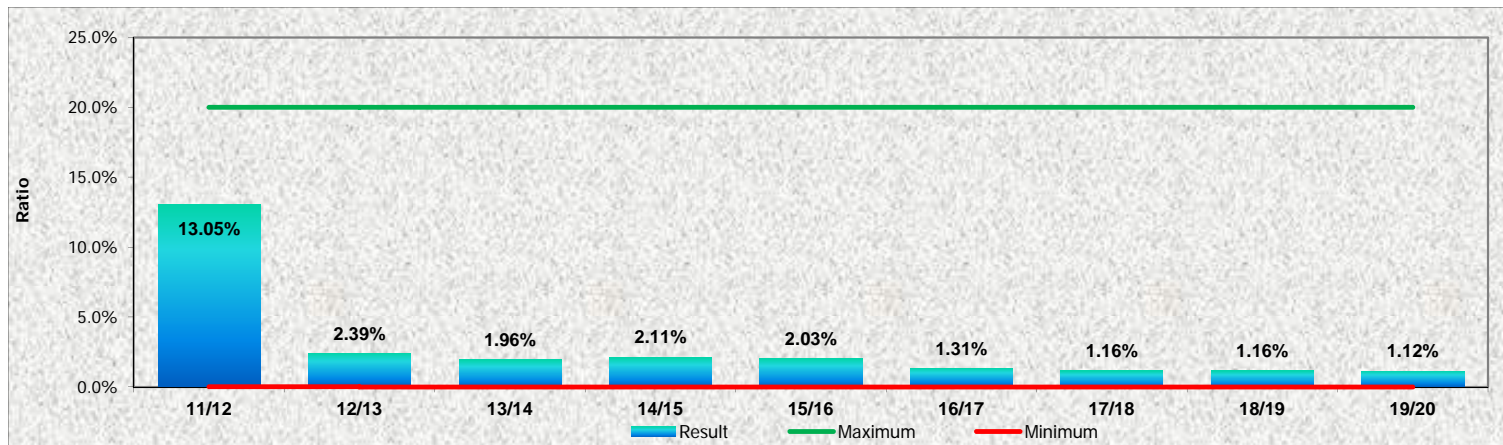
6. Debt Service Ratio

PURPOSE: This ratio assesses the impact of loan principal and interest payments on discretionary revenue of Council

BENCHMARK: Greater than zero and less than or equal to 20% average over a 3 years period

CALCULATION:
$$\frac{\text{Cost of Debt Service (interest expense and principal repayments)}}{\text{Total Continuing Operating Revenue (excluding Capital Grants \& Contributions)}}$$

RESULTS:	Actual					Projected					
	Financial Year			3 Year Average	FFF Benchmark Outcome	Financial Year					
	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	13.05%	2.39%	1.96%	5.80%	✓	2.11%	2.03%	1.31%	1.16%	1.16%	1.12%
	Rolling 3 year average					2.15%	2.03%	1.82%	1.50%	1.21%	1.15%
	Fit For the Future Benchmark Achievement					✓	✓	✓	✓	✓	✓

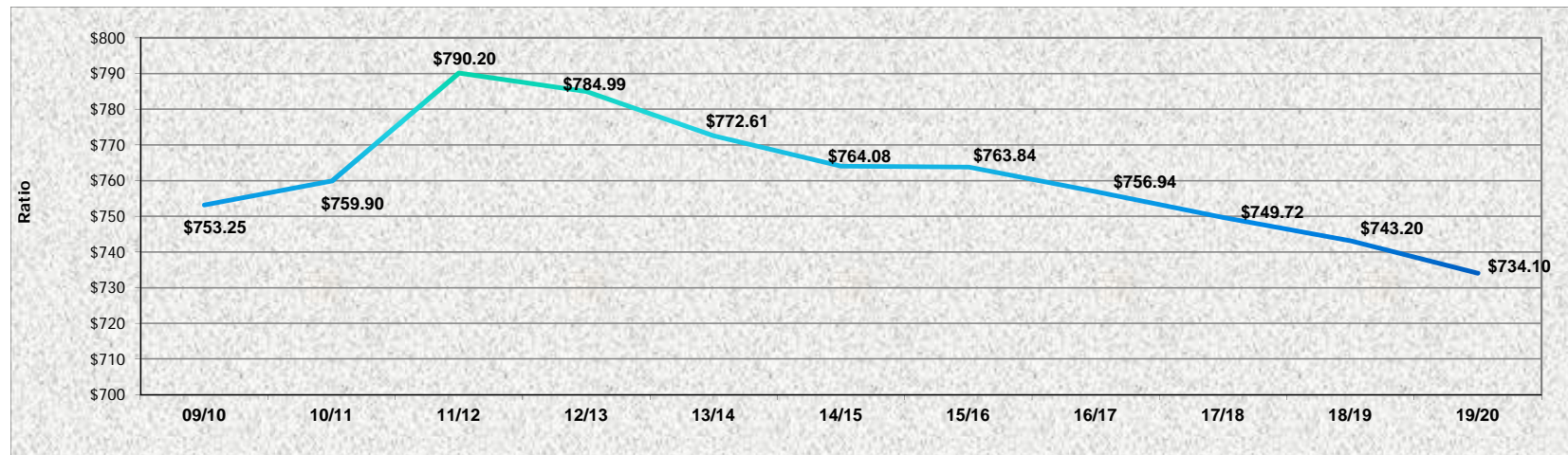
**COMMENTARY:**

The Office of Local Government in the Fit For the Future Self Assessment notes have identified prudent and active debt management as a key part of funding and managing infrastructure and services over the long term, with the use of debt assisting in intergenerational equity in relation to long life assets. The inadequate use of debt may require rate increases to fund the assets or indicate inadequate funding of asset maintenance and renewals.

Sutherland Shire Council is in a debt reduction phase which indicates that loan debt servicing will reduce to zero by 2022/23 should no further borrowings occur, however the utilisation of finance lease funding for asset classes such as IT and gym equipment will continue a ratio above zero if the strategy is maintained.

7. Real Operating Expenditure Per Capita

PURPOSE:	This indicator purports to measure productivity changes and efficiency in changing population											
BENCHMARK:	A decrease in real operating expenditure per capita over time											
CALCULATION:	$\frac{(\text{Total Expenses from Continuing Operations less Loss on Sale of Assets})}{\text{Population}}$ Indexed for Real Expenditure											
RESULTS:	Actual						Projected					
	Financial Year					FFF Benchmark Outcome	Financial Year					
	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	\$753.25	\$759.90	\$790.20	\$784.99	\$772.61	X	\$764.08	\$763.84	\$756.94	\$749.72	\$743.20	\$734.10
	Fit For the Future Benchmark Achievement						✓	✓	✓	✓	✓	✓



COMMENTARY:

This ratio reflects how effectively Council realises natural efficiencies as the population increases.

Council's per capita expenditure peaked in 2011/12 following an increase in tree related expenditure, expansion of the Ridge Sporting Complex (primarily the golf course), children services related activities and the domestic waste activity. Since that period, expenditure per capita has declined to satisfy the ratio. This can be attributed to the implementation of a number of strategies and an organisational restructure which have seen operating expenditure increasing at a lesser rate than the deflator index.

Overview

The Sutherland Shire Council's Information Management and Technology Strategy 2015-2020 is guided by the 'customer centric' approach of the Our Shire, Our Future - Our Guide for Shaping the Shire to 2030 ¹ and more specifically by the delivery of a 'Fit for the Future'² organisation outcome.

This strategy takes an approach that will positively affect the overall direction of information management and technology in Sutherland Shire Council (SSC) and will establish the Council's future information architecture environment, so to better support digital business (social, mobile, analytics, cloud, e-channels and consumer driven IT).

This Strategy will support strict financial management, cutting red tape, be focused upon core responsibilities, champion local business and protect the shire's unique environment by:

Enhancing the Customer Experience –

- Develop, implement and maintain data, information, information systems, information technology strategies and services to ensure the means for efficient information delivery are maintained direct to the residences and businesses of Sutherland Shire;
- Manage information that emerges from information exchanges within Council and between it and the residents and businesses of Sutherland Shire;

Increasing the Value-Add to our Customers –

- Analyse and deliver the most appropriate and cost effective Information, information system and Information Technology requirements for Council;
- Co-ordinate the information resources that support Council knowledge;
- Retrieve, create, analyse, disseminate and present value-added information to various directorates and groups, including the Mayor, Councillors, General Manager, Directors and residents of Sutherland Shire, through an integrated information management solution;

Maximising Accessibility and Minimising Risk –

- Acquire, store, and make information accessible to maintain Council's knowledge in appropriate information resources; and
- Adhere to the information governance arrangements, by maximising the benefits and minimising the risks from information held by Council.

Strategy

The five year strategic objectives of the Council's Information Management and Technology Strategy will be delivered through the three strategic tenets as outlined below. These strategies have been informed by the 'To Be' Blueprint (Please see Appendix I) and translated into a more detailed Five Year 'Programme Schedule of Work' which will be reviewed six monthly (Please see Appendix II).

Strategy One – Customer Service (*Standard and Professional Services*)

The Council will upgrade appropriate data, information, information systems and information technology to deliver effective and efficient services to its customers so that their interactions with the Council meet Community and Council expectations while improving efficiency through reduced administrative overheads.

Motivation:

The approach of Our Shire, Our Future - Our Guide for Shaping the Shire to 2030 ¹ is to continue to meet the needs and behaviours of the residents of Sutherland Shire. The Information Management and Technology Service will continue to support front line business areas, as resident needs change, ensuring Council services continue to deliver an enhanced customer experience.

This approach will benefit our residents through the delivery of services that will directly assist them to meet their needs and achieve their desired outcomes. To achieve this means anticipating and understanding the needs of our customers through better information provisioning and needs analysis.

Major Actions:

- Projects: Asset Management; Events and Facilities Solution; WHS Solution; Mobile Solution; Convert Internal Audit to CRMs; Recruitment and Selection Solution;
- Activities: Pinforce Hardware Upgrade; Civica Software Solution Review and Finalise LEP 2015 and DCP 2015 Implementation; and
- Activity: During 2015-16, the Information Management and Technology Group will continue to work with its external suppliers to identify appropriate solutions for enhanced the customer experience.

Strategy Two – Information Service

The Council's introduction of data management, business intelligence and enterprise content management will ensure that the right information is available to the right people at the right time, with the right context to make it meaningful and useful, and that it is delivered using the most appropriate medium.

Motivation:

The Council is embarking on a comprehensive information service programme of work to address growing demands on data coming from external and internal sources. The goals of this programme of work includes higher data quality, more transparency and control, faster access to information, and better insight into internal operations and community expectations. This approach will benefit Council by:

- Ensuring the business data needs of key data stakeholders are met;
- Defining and aligning Council's business data within the Council Data Governance Model;
- Improving integrity, quality and increase data stakeholder confidence in 'value added' business information;
- Adopting a Council wide approach to consistent data quality;
- Providing detailed processes for collection, aggregation, consolidation, distribution, data matching and quality-assurance of Council wide data; and
- Providing advice and training to staff to apply standard data management processes in all activities.

Action:

- Project: During 2015-16, the Data Management Project's objective is to strengthen the Council's Data Management initiative.

Strategy Three – Cloud Service (SaaS and IaaS) (Application and Technical Management)

The Council will leverage industry best practice for software (*transactional systems, and database management*), hardware (*server, storage and network*) and integration (*enterprise service bus (ESB) and service oriented architecture (SOA)*).

Motivation:

The Council is critically dependent upon the availability and integrity of its software and hardware, more so than any other individual component of its broader business infrastructure. If the software and hardware were to fail, be illegally infiltrated, or not deliver effective support, the Council's business activities and reputation could be severely or irreparably damaged.

Action:

- Activity: Throughout 2015-16 the Information Management and Technology Service will perform a comparison Analysis between Traditional On-Premises (On Prem) and Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) and Software as a Service (SaaS)

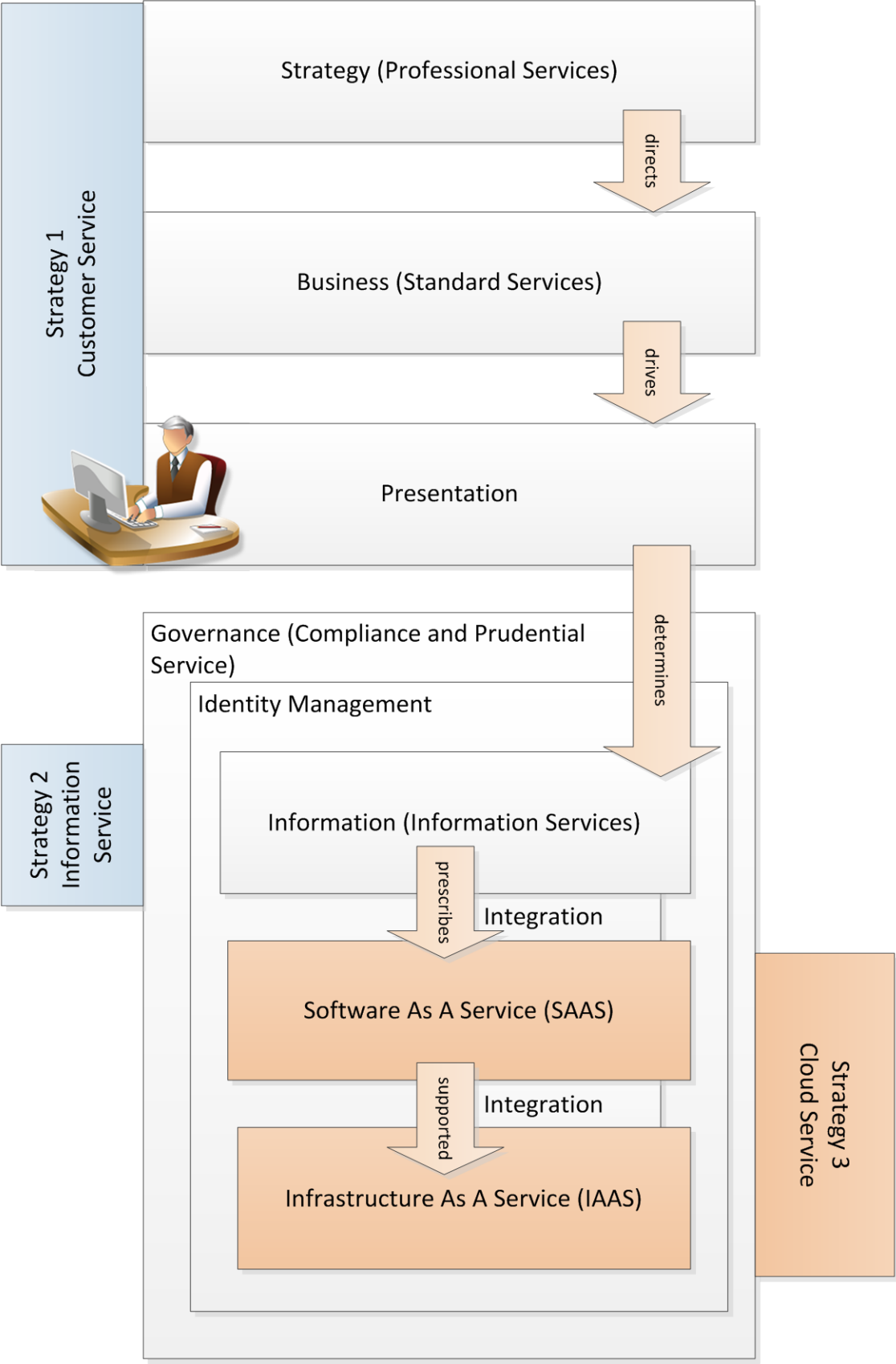
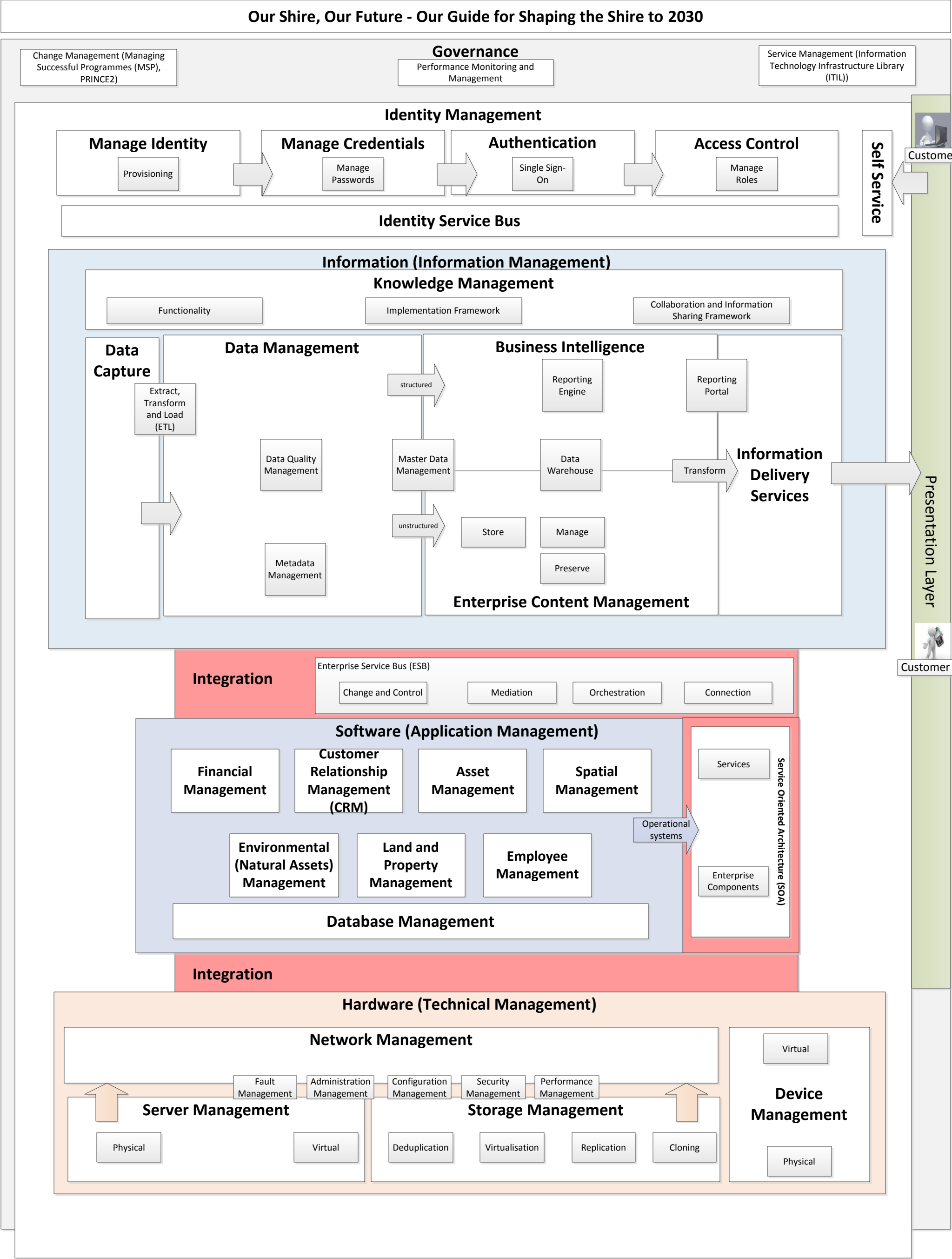


Figure 1: Information Management and Technology Strategy, 'To Be' Blueprint and IM&T Service Catalogue

Appendix I



Information Management & Technology Strategy – To Be

Enterprise Architecture		Objectives	Gartner Trends (2015 and beyond)	Calendar	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Accountable	
Strategy	Professional Services	For details please see the Service Catalogue and Programme Schedule of Work (Level 1)			Strategic and Professional Services						
	Our Shire, Our Future 2030	Fit for the Future	By 2018, the total cost of ownership for business operations will be reduced by 30 percent through smart machines and industrialized services.		Create IM&T strategy 2015-2020 and appendix (2b, 5a and 5b)	Payment Method Strategy Project	-	-	-	Ken Sheldon/Bob Honeyman	
		Hybrid Cloud and IT as Service Broker	At year-end 2016, more than 50 percent of Global 1000 companies will have stored customer-sensitive data in the public cloud.		-	-	-	-	-		
		For details please see the Service Catalogue and Programme Schedule of Work (Level 1)			Standard Services						
Business (Services)	Standard Services				Whole of organisation engagement schedule (2a)	WHS solution (Update) Project	-	-	-	Manjeet Grewal	
	Engineering Operations					-	Project Management Solution - Pre Project	Project Management Solution - Project	-	Stephen Bourke	
	Project Delivery					Asset Management Project (4b)			-	Phillip Mansfield	
	Asset Management					Shire Points of Interest and Recreation Project	-	-	Juliette Hall		
	Internal Audit					Internal Audit (RATS) to CRMs Project	-	-	Greg Crawford		
	Sutherland Leisure Centre					-	Direct Billing/Centaman Integration	-	Renae Giles		
	Children Services					-	-	Digital Sign In and Out Solution	-	Belinda Hanrahan	
	Hazelhurst Retreat					-	NFC technology investigations	-	Audio/Visual digital system replacement	Scott O'Hara	
	Sutherland Entertainment Centre					-	-	-	CRM Project	Rebecca Wood	
	Economic Development	Championing Local Business	By 2020, retail businesses that utilize targeted messaging in combination with internal positioning systems (IPS) will see a five percent increase in sales.			-	-	-	-	Lani Richardson	
	Property Services					-	State of the Environment in 2016-2017 (July – February)	-	-	Ian Drinnan	
	Environmental Science					-	-	-	-	Michael Ryan	
	Environmental & Building Compliance					Update the hardware for Pinforce Activity	-	-	-	Brett Richardson	
	Environmental Health & Regulation		By 2020, developed world life expectancy will increase by 0.5 years due to widespread adoption of wireless health monitoring technology.			Review Civica Software as a solution for LEP and DCP Activity	-	-	-	Simone Plummer	
	Certification and Development	Protecting the Shire's Unique Environment				-	ATDIS Project	-	-		
			Mobile Solution Project			Private Certifier Applications (eCDC) Projects	-	-			
	Projects and Development					-	-	-	Mark Adamson		
	Environmental Planning					Finalise LEP 2015 and DCP 2015 Implementation Activity	-	-	Online Aboriginal Heritage & Associated Information	Mark Carlon	
	Administration and Governance	Cutting Red Tape				-	-	-	-	TBC	
	Community and Strategy	Focus on Core Responsibilities	By 2017, 50 percent of consumer product investments will be redirected to customer experience innovations.			-	-	-	-	David Ackroyd	
	Customer Service	Imrpove Customer Service	By 2017, 70 percent of successful digital business models will rely on deliberately unstable processes designed to shift as customer needs shift.			Events and Facilities Project	-	-	-	Susan Franklin	
	Personnel		By 2018, digital business will require 50 percent less business process workers and 500 percent more key digital business jobs, compared with traditional models.			Aurion - Recruitment and Selection Module Project	Online Timesheets Project	-	-	Peter Evans	
	Legal Services					-	-	-	-	TBC	
	Financial Services	Strict Financial Management				-	Enterprise Cash Receipting Project	-	-	Greg Hayes	
	Library and Information Service	The Internet of Everything/Era of Personal Cloud	By 2020, consumer data collected from wearable devices will drive 5 percent of sales from the Global 1000			Main Library Refurbishment Project (consultancy)	-	-	-	Lyn Barakat	
Presentation	Portal Development (inc standards)		By year-end 2016, more than \$2 billion in online shopping will be performed exclusively by mobile digital assistants.			-	Customer Portal				
						-	Report It App redesign Project				
						-	Automate Registration of Users Project				
						-	-				
						CRMS Tracking Online - Investigation Activity	-				
						Online Forms Project	-				
						Payments (Online) Project					
						New Websites (subsites) Activity	-				
						-	-				
						-	-				
						-	Online Community of Practise Forums Activity				
						-	Compass Formal Review Project				

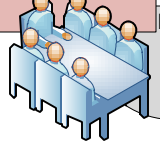
Enterprise Architecture		Objectives	Gartner Trends (2015 and beyond)		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Accountable
Governance	Compliance and Prudential	For details please see the Service Catalogue and Programme Schedule of Work (Level 1)				Compliance and Prudential Services (including monitoring tools)				
	Managing Successful Programmes, PRINCE2 and ITIL				New Service Management Solution (ITIL) Project		-	Review Service Management Solution Activity	-	
Identity Management	Identity Management	Security	By 2016, 40 percent of enterprises will make proof of independent security testing a precondition for using any type of cloud service.		Active Directory Project	Unified Threat Management Review	Unified Threat Management Project	-	-	
						Penetration Test (June)	Penetration Test (June)	Penetration Test (June)	Penetration Test (June)	
Information (Data)	Information Services	For details please see the Service Catalogue and Programme Schedule of Work (Level 1)				Information Services (including monitoring tools)				
	Employee	Strategic Big Data	Through 2015, more than 85 percent of Fortune 500 organizations will fail to effectively exploit big data for competitive advantage.		Objective Project	Data Management Project (3a)	Business Intelligence and Data Warehouse Project (4c)			
	Financial				-					
	Property				-					
	Customer				-					
	Spatial				Open Office Project	-				
	Environment (Natural Assets)				Geocortex Phase 2 Implementation Activity	-				
Assets	2015 Aerial Photography Activity	-	-							
Integration (Development)	Enterprise Service Bus (ESB) and Workflow Engines	Software Defined Anything	Software-defined anything (SDx) is a collective term that encapsulates improved standards for infrastructure programmability and data center interoperability driven by automation inherent to cloud computing, DevOps and fast infrastructure provisioning.		-	Enterprise Service Bus (ESB) Project			-	
	Integration & Workflow Standards				-	Report It - Confirm Integration	-	-		
Application (Business)	Software Services	For details please see the Service Catalogue and Programme Schedule of Work (Level 1)				Software Services (including monitoring tools)				
	Application Management		By 2017, a significant disruptive digital business will be launched that was conceived by a computer algorithm.		ComparisonAnalysis (Traditional On-Premises (On Prem) and Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) and Software as a Service (SaaS) (3d)		Application Portfolio Review Activity	-	-	
					Upgrade from Windows XP to Windows 7 and Office 2010 Project	-	-	-	-	
					Migrate Lotus Notes to Microsoft Exchange Project	-	-	-	-	
					-	-	-	-	-	
	Database Management (Database Servers)	Mobile Applications	By 2015, mobile application development projects targeting smartphones and tablets will outnumber native PC projects by a ratio of 4-to-1.	-	-	-	-	-		
	Customer Relationship Management (CRM) (OpenOffice)			Open Office Project	-	-	-	-		
	Property Management (Property and Rates)			-	P&R Upgrade Project	-	-	-		
	Spatial Management (ArcGIS)			-	-	-	-	-		
					-	-	-	-	-	
					-	-	-	-	-	
					-	-	-	-	-	
	Asset Management (Confirm)				-	-	-	-		
	Employee Management (Aurion)					Asset Management Project (4b)			-	
	Financial Management (Finance 1)				-	Aurion - Recruitment and Selection Module Project	-	-	-	
	Environment (Natural Assets) Management (?)				-	-	-	-	-	
	Infrastructure	Hardware Services	For details please see the Service Catalogue and Programme Schedule of Work (Level 1)				Enabling and Hardware Services (including monitoring tools)			
Network Management					Comparison Analysis (Traditional On-Premises (On Prem) and Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) and Software as a Service (SaaS) (3d)		Finalise Communications Upgrade and Review Activity	-	-	
Server and Storage Management		3D Printing	By 2017, nearly 20 percent of durable goods e-tailers will use 3D printing (3DP) to create personalized product offerings.				-	-	-	
Device Management		Mobile Device Diversity and Management	By 2017, U.S. customers' mobile engagement behavior will drive mobile commerce revenue in the U.S. to 50 percent of U.S. digital commerce revenue.		-	-	-	-	-	

Strategic Objectives		Description	Interdependencies	Time	Measure(s)	KPI	Changes Required	Costs (2015-2016)	Projects/Activities	Dependencies	Owner
		Description of the Business benefit (or dis-benefit) at the end of the programme	Interdependencies with other business benefits that need to have happened	When (time: initial and rolling) the benefit is expected to occur and over what period of time realisation will take place	Measure(s) for the realisation of the benefit and how it will be carried out(<i>Balanced Scorecard</i>)	Key Performance Indicators (KPI) measures of the benefit in the business operations that will be affected by the benefit, immediately after realisation and for the future.	Details of the change required to the current business processes and operations in order for the benefit to be realised	Costs associated with realisation and plus measurement (project costs/partial costs of programme) as a Percentage of the IM Budget	Project/Activitie(s) within the programme directly related to the realisation of the benefit (just name of the project/activitie(s)	Any dependencies on risks or other programmes or projects	Owner is the individual responsible for realisation of the benefit and who will 'own' the Benefit Profile during the programme.
Enhancing the Customer Experience											
Develop, implement and maintain information, information systems, information technology strategies and services to ensure the means for efficient information delivery are maintained direct to the residences and businesses of Sutherland Shire	Strategy 1 - Customer Service	The Council will upgrade appropriate information, information systems and information technology that deliver services to its customers so that their interactions with the Council meet Community and Council expectations while improving efficiency through reduced administrative overheads.	Appropriate Budgets allocated	2016	To achieve our vision, how should we appear to customers?	A high level of internal customer satisfaction with IT Support Services (58 responses 1/1/15 -13/2/15) · Helpdesk system < 6% dissatisfaction	Directorates and Service Areas are committed to the identified benefits and their realisation through the use of the programme schedule of work (Road Map)	29.5%	Projects 2015-16: Asset Management; Events and Facilities Solution; WHS Solution; Mobile Solution; Convert Internal Audit to CRMs; Recruitment and Selection Solution	Financial risk - Vendor viability/reliability	CIO
Manage information that emerges from information exchanges within Council and between it and the residents and businesses of Sutherland Shire			Appropriate Budgets allocated	2016		Benchmark against Industry - Key Gartner IT Metrics 2013 Report (Incl I%STU and O&BD) · IT Expenditure about 3.5% of revenue · IT FTE as a % of total employees State/Local government 3.6% · IT Expenditure FTE State/Local Govt \$7,070	The information management service proactively manages the process of benefit realisation back into the day-to-day business of the Council through effective communication and marketing		Activities 2015-16: Pinforce Hardware Upgrade; Civica Software Solution Review and Finalise LEP 2015 and DCP 2015 Implementation	People risk - Failure to recruit & maintain skilled staff	
			Corporate Services	2016			Baseline created and then measured every month and aggregated quarterly		Activity: During 2015-16, the Information Management and Technology Group will continue to work with its external suppliers to identify appropriate solutions for enhanced the customer experience		
			Corporate Services	2016			Baseline created and then measured every month and aggregated quarterly		ITIL Consolidation Activity	Physical risk - Major disruption to services and systems due to fire, smoke,moisture/water, malicious attacks etc.	
				2016							
Increasing the Value-Add to our Customers											
Analyse and deliver the most appropriate and cost effective Information, information system and Information Technology requirements for Council	Strategy 2 - Information Service	The Council's introduction of data management, business intelligence and enterprise content management will ensure that the right information is available to the right people at the right time, with the right context to make it meaningful and useful, and that it is delivered using the most appropriate medium.	Information Management and Technology Group -Business Intelligence Project	2017	To satisfy customers, what business processes must we excel at?	Enter DP/SP & subdivisions into GIS/LIS withing 3 days of receiving them 95% of the time		6.7%	Business Intelligence Project		Manager - Technology and Customer Solutions
Co-ordinate the information resources that support Council knowledge			BI Stewardship Group	2017		Maintain a high level of GIS usage on Geocortex, above 550 users	Baseline number of databases (Property and land, Employee, Finance, Environment, Customer, Spatial and Asset,)		Enterprise Content Management Activity	Data risk - Significant loss of all electronic data	
Retrieve, create, analyse, disseminate and present value-added information to various directorates and groups, including the Mayor, General Manager, Directors and residents of Sutherland Shire, through an integrated information solution			ECM Stewardship Group	2017			Baseline number of business processes entering data into applications (Property, Employee, Finance, Environment, Customer, Spatial and Asset)		Data Management Project		
			Information Management and Technology Group -Data Management Project	2016			Baseline number of applications (Property, Employee, Finance, Environment, Customer, Spatial and Asset)				
			Data Stewardship Group	2020					Steering Committees		
Maximising Accessibility and Minimising Risk											
Acquire, store, and make information accessible to maintain Council's knowledge in appropriate information resources	Strategy 3 - Software and Hardware Service	The Council will leverage industry best practice for both software (architecture and modelling, operational systems and service oriented architecture (SOA)), hardware (server, storage, network, messaging and communication and desktop) and integration (Enterprise Service Bus (ESB) and Database Management).	Appropriate CAPEX/OPEX Budgets allocated	2018	To succeed financially, how should we appear to council?	Support Corporate Objectives through reliable and sustainable technology · Network availability during core hours 8.30am - 4.30pm (Admin, Kirkby, Depot) 99.5%	Multiple Work Instruction creation	63.8%	Unified Threat Management (UTM) Activity	Security risk - unauthorised access	Manager - Information and Customer Service Management
Adhere to the information governance arrangements, by maximising the benefits and minimising the risks from information held by Council			Corporate Services	2019			Consolidate server and database on 2008 R2		Enterprise Service Bus (ESB) Activity	Software risk - Critical Business System Failure i.e. Property and Rates	
			Corporate Services	2017					Cloud Services Assessment	Hardware risk - Major Equipment or Device Failure i.e. server/storage/network/connectivity	

Unique ID	Risk	Classification (Commercial/Legal; Personnel; Political; Technical; Managerial and Business)	Consequence(s)	Existing Treatment(s)	Probability	Impact	Current Rating of Risk	Control	Future Treatment	Residual Risk Rating	Group / Risk Owner	Risk Start	Review Timeframe
IMT01	Financial risk - Vendor viability/reliability	Commercial/Legal	Service delivery - inability to support SSC business requirements. Inability to provide enhancements to service or product.	Governance: Implementation of IMT policies (i.e. Cloud Servies) and guidelines. Governance: Provide appropriate financial soundness checks in partnership with Procurement and Legal Services Application and Infrastructure: Relationship management (ITIL)	Low	High		Monitor & Review	Strategy: Follow best practice approach to vendor management (ITIL) Business: Work closely with Legal and Procurement Services to create appropriate contracts and KPI's with and for vendors		Legal/Procurement/ Information Management and Technology	01-03-15	01-09-15
IMT02	People risk - Failure to recruit & maintain skilled staff	Personnel	Inability to support SSC business requirements. Failure to realise full benefit of corporate data. Inability to provide enhancements to service or product. Financial implications. Delay in projects.	Strategy: Review of IMT strategy 2015-2020; Business: Engagement with the budget process; Business: Engement witht the Enterprise Bargaining agreement process; Governance: Documented procedures and work instructions; Application and Infrastructure:Vendor support; Application and Infrastructure:Ongoing skills review; and Application and Infrastructure:Appropriate ongoing training.	Medium	Medium		Reduce	Business: Rewards and recognition (Personnel), pay structure in line with market (market weighting) Governance: Programme Management (Measure workloads and capacities) and Performance Management (Scorecard and RASCI)		Personnel / Information Management and Technology	01-03-15	01-09-15
IMT03	Security risk - unauthorised access	Technical	Unauthorised data/system access. Misuse of data/information. Corruption of data. Connectivity conflicts resulting in loss of service.	Strategy: IMT 2015-2020 Business: End User ongoing education and awareness; Governance: Implementation of IMT policies and guidelines; and Governance: Code of Conduct (Personnel).	Medium	High		Reduce	Strategy: Identity Management architecture approach (UTM, Virtual WAN, ADC and MDM); Business: Ongoing education and awareness for end-users re: security; and Application: Implementation of appropriate monitoring applications and tools.		Information Management and Technology	01-03-15	01-09-15
IMT04	Data risk - Significant loss of all electronic data	Business	Service delivery - significant impact on operations. Reduction in levels of customer service.	Strategy: IMT 2015-2020 Governance: Business Continuity Plan (BCP) Information: Setup a Data Stewardship Group Infrastructure: Backup and recovery mitigation strategies in place.	Medium	High		Reduce	Governance: Strengthen BCP with more rigorous testing cycle throughout the year Information: Raise the profile of the Data Stewardship Group Infrastructure: Set up a multiple-site approach to BCP and DR		Corporate Services / Information Management and Technology	01-03-15	01-09-15
IMT06	Software risk - Critical Business System Failure i.e. Property and Rates	Technical	Service delivery - significant impact on operations. Reduction in levels of customer service.	Strategy: IMT 2015-2020 Governance: Business Continuity Plan (BCP) Infrastructure: Backup and recovery mitigation strategies in place.	Medium	High		Reduce	Governance: Implementation of IMT policies, guidelines and work instructions; Governance: Strengthen BCP with more rigorous testing cycle throughout the year; Application: Implementation of Problem Management (ITIL) approach - identification and categorization, dignosis and resolution, problem and error control, closure and evaluation		Information Management and Technology	01-03-15	01-09-15
IMT09	Hardware risk - Major Equipment or Device Failure i.e. server/storage/network/connectivity	Technical	Service delivery - significant impact on operations. Reduction in levels of customer service.	Strategy: IMT 2015-2020 Governance: Business Continuity Plan (BCP) Infrastructure: Backup and recovery mitigation strategies in place.	Medium	Medium		Reduce	Governance: Implementation of IMT policies, guidelines and work instructions; Governance: Strengthen BCP with more rigorous testing cycle throughout the year; Infrastructure: Implementation of Problem Management (ITIL) approach - identification and categorization, dignosis and resolution, problem and error control, closure and evaluation		Information Management and Technology	01-03-15	01-09-15
IMT05	Physical risk - Major disruption to services and systems due to fire, smoke,moisture/water, malicious attacks etc.	Commercial/Legal	Potential loss (e.g. communications room, internet service, desktop environment, corporate servers & services, IMT systems & services). Service delivery. No or reduced connectivity, client disruption. Misuse or loss or destruction of equipment, data.	Strategy - IMT 2015-2020 Governance - Business Continuity Plan. Security program. Policies (e.g. software installation). High visibility smoke detectors in some rooms.	Low	Low		Monitor & Review	Strategy: Identity Management architecture approach (UTM, Virtual WAN, ADC and MDM); Governance: Ongoing Review of IMT framework (including policies, guidelines and process) Application and Infrastructure: Stay updated on new technologies (training forums, industry journals)		Corporate Services / Information Management and Technology	01-03-15	01-09-15

Appendix V

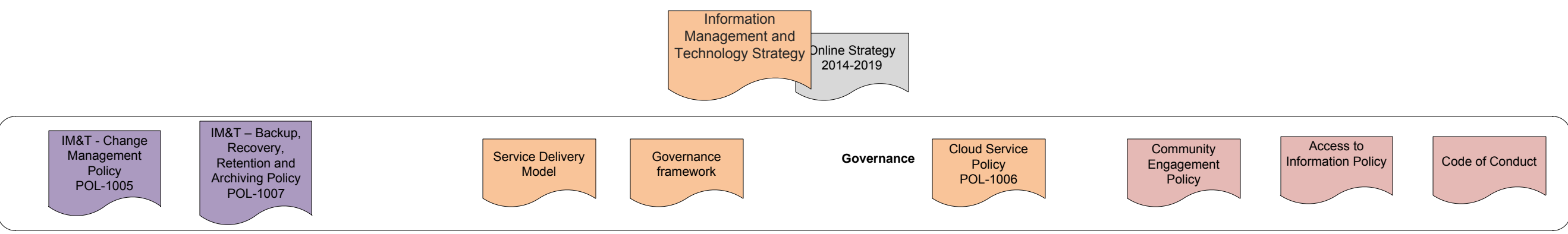
Attachment 3



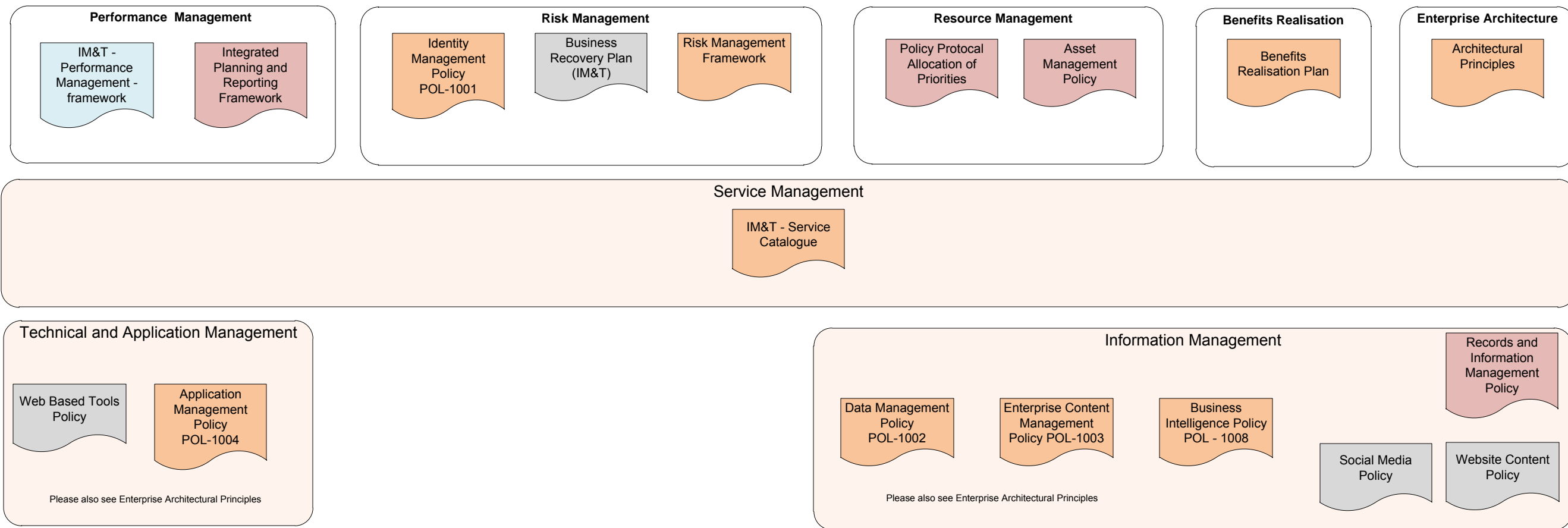
M&T Steering Committee Charter

Information Management and Technology Strategy - Governance Framework

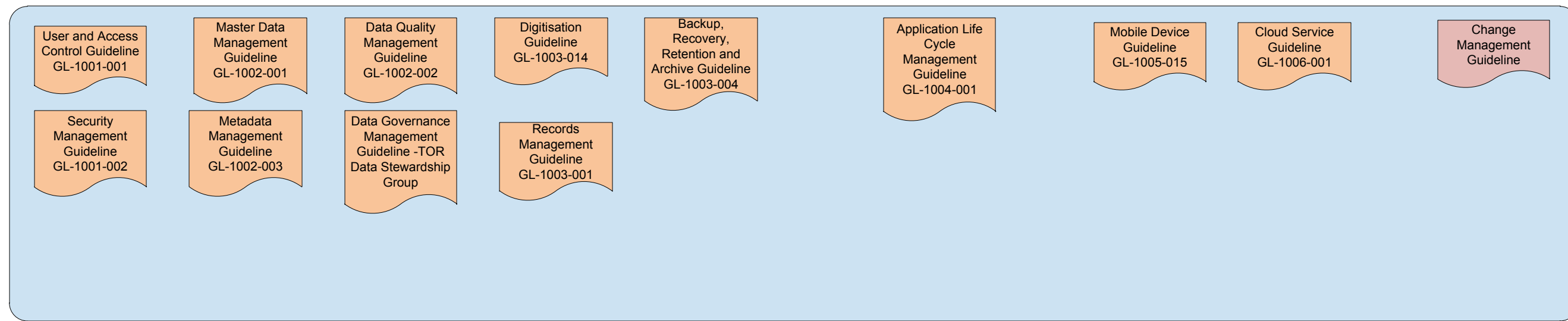
Strategy



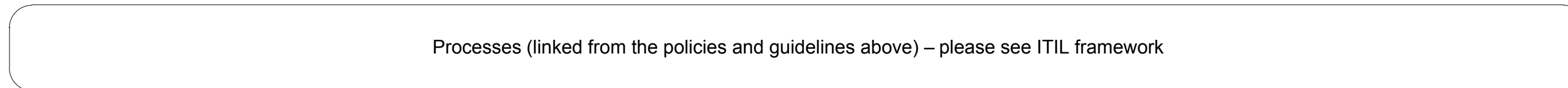
Policy



Guidelines

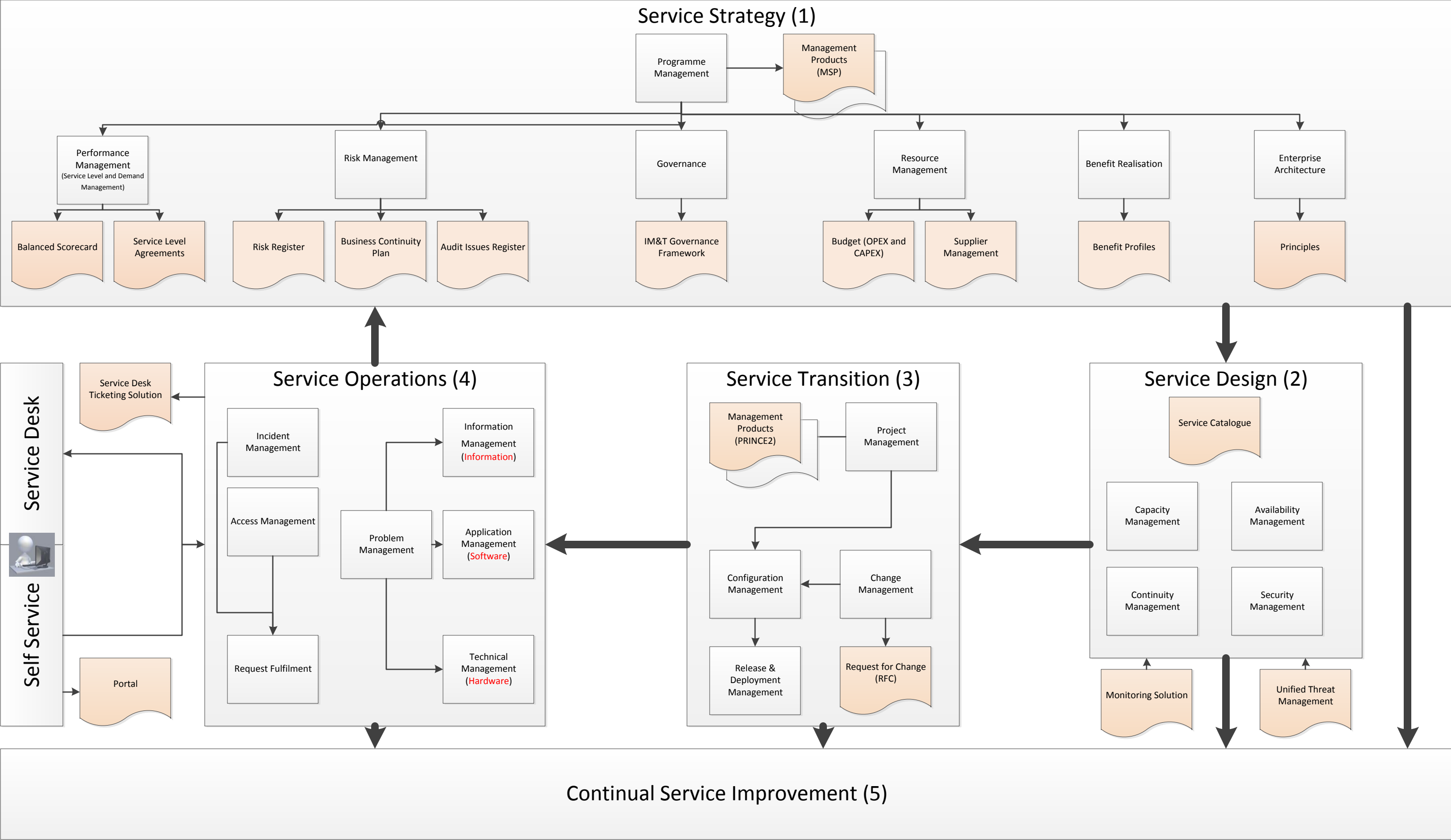


Processes

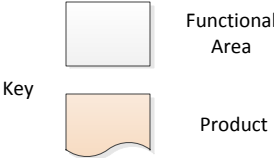


Key:

Existing (not IM&T)	Future Internal
Current External	Future External



Information Management and Technology Strategy – Service Delivery Model (ITIL v3)



Standard Services

The standard services enable all staff to conduct their daily business. The services include (but are exclusive to) individual computing environments, networked printing and file storage facilities, tools to facilitate electronic communication and collaboration and support services.

Software Services

The function responsible for managing applications throughout their lifecycle.

The software service provides application support for business functions and processes in SSC. Also provided are integration services from authoritative SCC systems to internal or externally hosted systems.

The business applications are managed in partnership with business areas who are the data owners and govern access, policies and processes relating to these applications.

Hardware Services

The function responsible for providing technical skills in support of IT services and management of the IT infrastructure.

Hardware service provides SSC with fundamental technical infrastructure components such as:

- Telecommunications backbone and SSC regional-wide network;
- Platforms (server, database) to support applications and other services;
- Hosting services provide managed facilities and environments for the hosting of servers, databases and applications; and
- Redundancy, monitoring and security.

Information Services

The function responsible for managing information throughout its lifecycle.

Information Services comprises of all the disciplines related to managing data and information as a valuable resource within SSC.

Included are data maintenance, integrity, analysis, acquisition and delivery.

Professional Services

Professional services in the form of skills, resources and knowledge are provided to support complex needs that require elements of, needs analysis, advice and solution design.

Included are technical project management, services, general consultancy services in the areas of training, standard operating environments, application and client services space design,

Strategic Services

Provides services that enable and support the governance of operational IM&T services. The services include performance management, risk management, resource management, benefit realization and enterprise architecture

Enabling Services

The IM&T service also have a range of non-customer facing services that provide core infrastructure and act as enabling services to SSC.

Note: Not included in this document

Compliance and Prudential

Provides services that enable and support the governance of operational services

Cloud Services (Future)

Information Management and Technology Strategy – Service Catalogue

Global Principles

1. Primacy of Principles
2. Business Driven Architecture
3. Be Compliant with Legislation

Identity Management Principles

- 1 Contextualize relevant standards
- 2 Single unique identity
- 3 Need to know
- 4 Role based ownership
- 5 Accountability
- 6 Trusted identity providers
- 7 Maintain privacy
- 8 Transparent identity management

Information Architecture Principles

1. One Data Dictionary
2. Information is an Asset
3. Information is Shared
4. Single System of Record
5. Risk Based Information Security and Audit

Application Architecture Principles

1. Reuse, Then Buy, Then Build (COTS/FOSS)
2. Configure Don't Customize
3. Capability Based
4. Open Service Oriented Applications
5. Currency of COTS Applications (N-1)

6. Clearly Defined Quality Attributes
7. Operating System Independence
8. Patterns Based
9. Channel Independence
10. Consistent Look and Feel
11. Isolation of Business Rules

Infrastructure Architecture Principles

1. Efficient Use of Resources (Including Green IT)
2. High Availability of Infrastructure
3. Separation of Production from Non-Production Environments
4. Common Authentication Methods
5. Role Based Definition for Applications and Data

Cloud Service Principles

1. Achieve Business Value through Measured Continual Improvement
2. Perception of Infinite Capacity
3. Perception of Continuous Service Availability
4. Take a Service Provider's Approach
5. Optimisation of Resource
6. Take a Holistic Approach to Availability Design
7. Minimize Human Involvement
8. Drive Predictability
9. Create a Seamless User Experience



FIT FOR THE FUTURE

Right Service | Right Level | Right Price



ASSET INFORMATION PACK COMMUNITY FOCUS GROUP

- Service Levels – Community Expectation (CX) Framework Model
- Open Space – Passive Parks
- Open Space – Playgrounds
- Transport – Road Pavement
- Transport – Footpaths and Shared Pathways
- Buildings – Public Toilets

FOCUS GROUP CONSULTATION

ASSET CONDITION AND LEVELS OF SATISFACTION

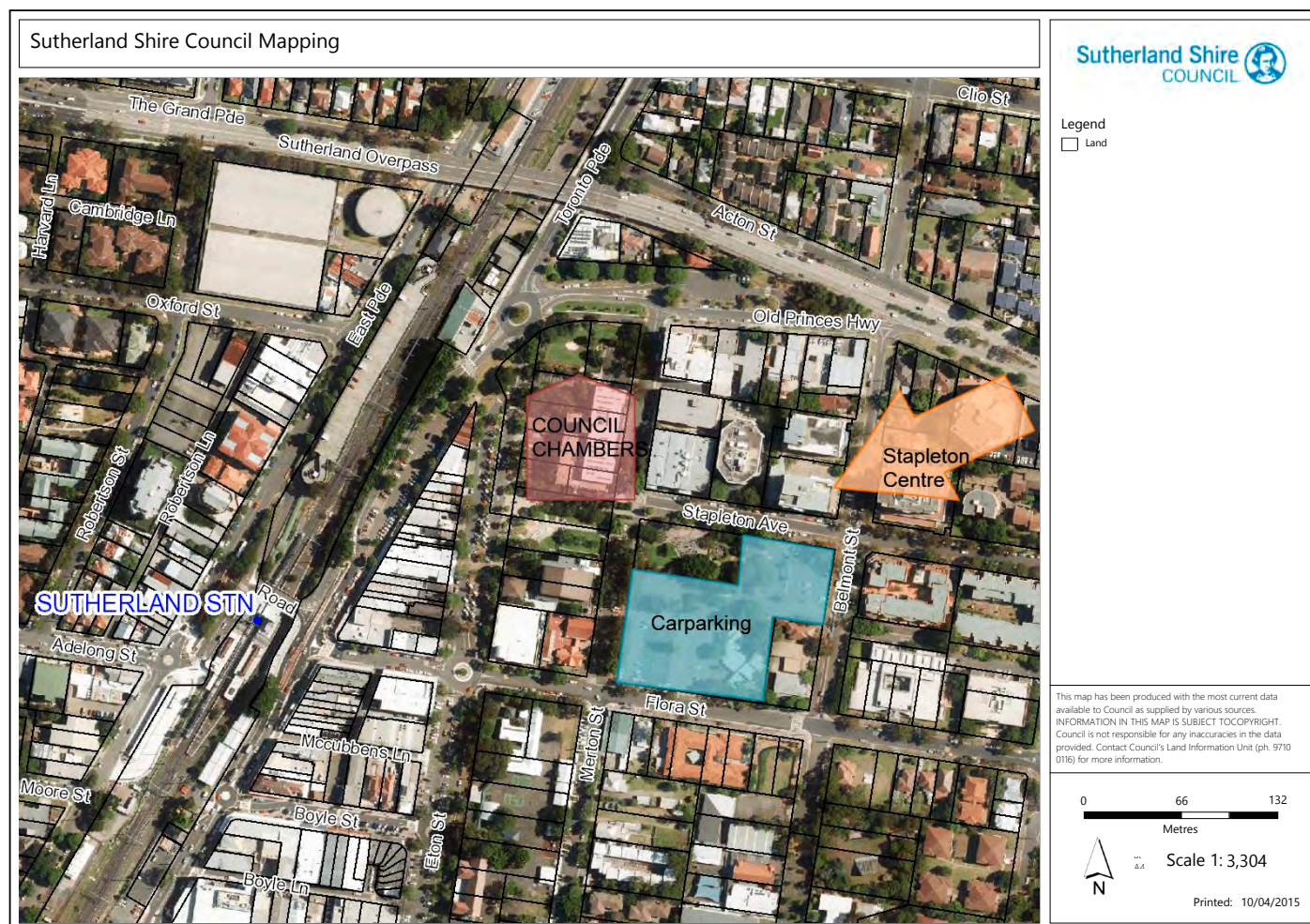
Thank you for your interest in participating in the Fit for the Future focus group, being held on Saturday 18th April.

Commencement: 11:45 for a 12noon start. Sandwiches and refreshments will be provided.

Completion: 4pm

Location: Stapleton Centre, Sutherland (Corner of Stapleton and Belmont Streets, Sutherland)

Access: The council car park offers all day parking, and entry can be gained via Belmont or Flora Streets. Alternately, the Stapleton Centre is a short, 5min walk from Sutherland train station.



Some walking will be involved. Please ensure you wear appropriate footwear!

THE PURPOSE OF THIS FOCUS GROUP

Council is seeking the opinions and input of community members via Focus Groups, to assist with formulating its response to the Fit for the Future criteria.

Sutherland Shire Council is framing its response to the Fit for the Future challenge as:

Right Service | Right Level | Right Price

Council is committed to providing high quality services and assets for the community, and does so with finite sources of revenue. As community demographics change, and expectations of Council change with them, it is important for Council to understand what the community needs, and conversely for the community to understand what Council can deliver with the funds available.

We are seeking your input to assist Council in considering what the community considers as acceptable levels of service for the following key asset classes:

- Roads
- Footpaths
- Parks (including playgrounds)
- Public Toilets

Information on each of these asset classes is provided within this pack via detailed fact sheets. ***This consultation is focussing on existing assets rather the provision of new assets.***

For these four classes of assets, Council is seeking community input to the following questions:

- Is the asset condition satisfactory?
- Is the asset considered functional, or meeting minimum needs?
- Is the appearance acceptable?
- If the overall standard of the asset is less than acceptable, what is a reasonable timeframe for Council to bring it up to an acceptable standard?
- How frequently do you use these assets?
- Is the Community Expectation (CX) servicing model satisfactory?

The focus group is being designed to be a session where you have the ability to provide informed feedback. This pack has been provided to assist you in developing your opinion. Visual information and discussion points within the focus group afternoon will further assist participants to develop an informed position. Participants will be encouraged to ask questions and obtain more detail during the focus group. Site visits are proposed to give participants the opportunity to witness the detail of the discussion first hand, ask site-specific questions, and further inform their position.

The ultimate goal is for you, the participants, to develop informed opinions to guide Council decision making and budgeting for the coming years, for the specific asset classes to be discussed.

INTRODUCTION

The Sutherland Shire is home to more than 223,000 people living in 42 suburbs that extend from Alford's Point to Yowie Bay (2013 Estimated Resident Population ABS data). Sutherland Shire Council delivers a diverse range of services to its local community.

The Shire Vision

Sutherland Shire, in Sydney's south, shaped by bays, rivers, beaches and national parks:

A connected and safe community that respects people and nature, enjoying active lives in a strong local economy.

In 1999 council adopted the first Our Shire, Our Future: Our Guide for Shaping the Shire to 2030 (the Guide) which was developed with the community as a long-term strategic plan for the Sutherland Shire. The Guide was reviewed in consultation with the community and updated in 2007. In 2011 it again underwent a review and was changed considerably in response to community aspirations.

The Guide is a community plan. It was prepared by council in collaboration with and on behalf of residents, other levels of government and agencies. It is used to steer planning for the Shire to achieve the long term outcomes that residents want for the Shire. Where council does not have control over outcomes, it works with other levels of government and key stakeholders to influence policy, planning, infrastructure and service delivery.

The Guide articulates six primary strategies for Council to pursue. Council will do so by either directly providing, partnering other levels of government or agencies, or lobbying them to:

1. Provide effective and integrated infrastructure
2. Deliver integrated transport options
3. Conserve natural resources
4. Protect our environment
5. Strengthen our community
6. Respect and value all culture and heritage.

Together, these strategies are at the core of achieving the community's long term goals. They cut across all areas of Shire life, contributing in some way to achieving the community outcomes identified in The Guide.

FIT FOR THE FUTURE

In 2014 the State Government announced a Local Government reform package called “Fit for the Future”. This package is based upon the Independent Local Government Review Panel’s recommendations and reflects the priorities identified by the sector during the consultation process. The Panel concluded that for councils to become strong and sustainable, both the NSW Government and the local government sector would need to play its part.

The NSW Government has developed a definition of a Fit for the Future Council, based on the research, analysis and conclusions of the work of Destination 2036, Independent Government Review Panels and the NSW Treasury Corporation. A Fit for the Future Council is one that demonstrates it is on the right trajectory in the following areas:

SUSTAINABLE

For councils to meet the service and infrastructure needs of their communities they need to be financially sustainable.

The NSW Treasury Corporation defined a financially sustainable council as one that, over the long term, is able to generate sufficient funds to provide the level and scope of services and infrastructure, agreed with its community through the Integrated Planning & Reporting process.

EFFICIENT

A Fit for the Future council is one that:

- knows the current and future infrastructure needs of the community;
- develops, maintains and renews infrastructure using the right mix of revenue and borrowing;
- works with others to deliver cost effective services;
- delivers services and infrastructure that meets the needs of communities as identified through the Integrated Planning & Reporting process; and
- delivers services and infrastructure on time and on budget.

EFFECTIVELY MANAGES INFRASTRUCTURE AND DELIVERS SERVICES FOR COMMUNITIES

People rightfully expect modern, responsive services, that are easy to access and that offer value for money. A Fit for the Future council provides this.

A Fit for the Future council:

- minimises unnecessary burden on business and the community;
- provides value for money to the community; and
- manages resources well to deliver services or infrastructure.

HAS THE SCALE AND CAPACITY TO ENGAGE EFFECTIVELY ACROSS COMMUNITY, INDUSTRY AND GOVERNMENT

Scale is a key component of strategic capacity – both in creating individual councils with the resources and skills to provide leadership on regional planning and to advocate on behalf of communities by creating a system of local government where State and Local Government can work together effectively.

A Fit for the Future council is one that:

- saves money on bureaucracy and administration, freeing up funds for front-line services and community facilities;
- can contribute to projects and tackle issues that impact on its residents and extend beyond
- the council boundary; and
- has credibility and influence across councils, across government, and with industry.

WHAT DOES THIS MEAN FOR SUTHERLAND SHIRE COUNCIL

The NSW Government considers that these features will ensure that a council has the strategic capacity to govern effectively and partner with industry and State government to delivery key priorities.

The NSW Government has established some criteria that mould the path

Sutherland Shire Council must take, however key decisions remain to be made.

Councils that already have the right scale and capacity, based on the Panel’s recommendations, still need to address the other three criteria: sustainability, efficiency and effective services and infrastructure.

Sutherland Shire Council fits in to this category because the Panel stated that the boundaries of Sutherland Shire Council would not change as “its projected population in 2031 is

262,900”. As a result, whilst other NSW councils face the prospect of mergers, ***Sutherland Shire Council has been recommended to remain as a standalone Council given its existing scale, size and the projected growth in population.***

For Sutherland Shire Council, this means developing a plan to become Fit for the Future that addresses the criteria of Sustainable, Efficient and Effectively Managing infrastructure and Services for Communities, to be submitted to the Department of Local Government by 30 June 2015.

THE COMMUNITY EXPECTATION (CX) FRAMEWORK

Council staff have developed the Community Expectation Framework, called the CX Framework to categorise Council's assets in to groups that sit in a hierarchy of community expectation, and determine the levels of services (and indirectly, the cost for the provision of the assets and services).

The fundamental premise of the CX Framework is:

- Equitable access to Council assets across the local government area
- Financial sustainability for Council to provide and maintain the number and standard of assets being provided

The CX hierarchy is explained as:

CX 1 – REGIONAL IMPORTANCE

This is the first tier, and the highest level of service is provided to the whole site or precinct. This category is defined as areas that have the highest levels of visitation and usage, and as a result are considered to require proportionally higher capital and maintenance investment. The higher visitation and usage rates are attributable to:

- the central location of the facility;
- its historical significance;
- a unique or aesthetic value attributable to the site or precinct; or
- higher densities of population which as a result require open space to add to the quality of living in the area.

GENERAL EXAMPLES	SPECIFIC LOCATION EXAMPLES INCLUDE
Shopping / CBDs that extend for several blocks	Sutherland Shopping area and CBD Precinct, Cronulla CBD, Engadine CBD, Gymea CBD, Cronulla Mall, Plaza and surrounding streets
Open Space Areas of regional significance, including beaches, formal gardens, golf courses and major playground installations	EG Waterhouse Camellia Gardens, Hazelhurst Regional Gallery grounds, Como Pleasure Grounds, Centenary Reserve, Cooper Street Reserve Engadine, Burnum Burnum Sanctuary, The Ridge Golf Course
Regional sports facilities	The Ridge sporting complex, Seymour Shaw Stadium, Glenn McGrath Oval, Tonkin Oval
Regional community halls / facilities	Cronulla CBD community hall, Engadine Community Centre
Shire Tourist Spots	Cronulla Beach Precinct

CX 2 – DISTRICT IMPORTANCE

The second tier level of service provision is provided to assets in this category, which is considered as areas of high usage by residents rather than visitors.

GENERAL EXAMPLES	SPECIFIC LOCATION EXAMPLES INCLUDE
Shopping centres with one main street	Jannali, Kirrawee and Heathcote shopping strips
Regional roads	President Ave, Kingsway, Princes Highway, Port Hacking Road
District reserves and playgrounds	Heritage Drive Illawong, Aspley Pl reserve Taren Point, Marton Park Kurnell, Akuna Avenue reserve Bangor
District sports grounds	Woolware's Solander and Captain Cook Playing Fields and Sutherland's Waratah Park Complex and all other competition sized fields
District community halls / facilities	Stapleton Centre, Sutherland

THE COMMUNITY EXPECTATION (CX) FRAMEWORK

CX 3 – SUBURBAN IMPORTANCE

This is the third tier within the hierarchy. Assets are considered of suburban significance to local residents. For many asset classes, this is the lowest level within the hierarchy and therefore some elements are serviced at the lowest frequency.

GENERAL EXAMPLES	SPECIFIC LOCATION EXAMPLES INCLUDE
Satellite shopping centres with a single row of shops or corner stores	Loftus and Oyster Bay shopping areas
Suburban roads	Collector roads within suburban areas including Menai Road, Woronora Road, Sylvania Road, Burraneer Bay Road and Port Hacking Road (Caringbah South)
Suburban reserves and playgrounds	Clio Street reserve, Leonay St reserve, Lakewood city reserve, Sandy Point reserve
Suburban sports fields	Fields for training purposes only, such as Orchid street Loftus
Suburban community halls / facilities	Bundeena Community Hall, Boomerang Hall, Sylvania

CX 4 – LOCAL IMPORTANCE

The fourth, or lowest tier is the local level. Some asset classes do not appear within CX4. These areas are truly local, and comprise a large number of natural, passive open spaces, and over 600km of local roads.

GENERAL EXAMPLES	SPECIFIC LOCATION EXAMPLES INCLUDE
Shopping Centres	Loftus and Oyster Bay shopping areas
Suburban roads	Nil
Local roads	Local neighbourhood roads, comprising the majority of the streets within the local government area
Local passive open space areas	Bushcare Sites – Lilli Pilli Point, Tenth Avenue, Pollard Park Kirrawee.
Suburban sports fields	Nil
Suburban community halls / facilities	Nil

As a result of this model being tested with the community, there will be some movement of assets between levels within the hierarchy. Council staff have identified some assets which should logically move up the hierarchy, and others which could move down. ***At this point, Council is seeking overall commentary on the concept and the levels of service and investment, so that the cost implications of shifting assets between CX levels can be quantified.***

CX SERVICE DELIVERY MODEL

The CX hierarchy must have supporting maintenance and service support provided by Council to maintain the assets at the desired condition.

It is important to note that fundamental health and safety considerations will overrule the hierarchy. An example of

this is the daily cleaning of toilet facilities when they are open and the daily cleaning of barbeque facilities where they are present. During peak summer periods, some open space and beachfront toilets are cleaned twice daily due to high demand for the facilities and public safety requirements. It is considered that the health and safety risk of less frequent cleaning is unacceptable, and therefore these assets will always be serviced on

this frequency, regardless of what level of the hierarchy they sit.

The CX Service Delivery model is summarised in table format overleaf. This table includes more assets than the focus group will consider, and provides the broader picture of how Council proposes to classify and maintain the variety of asset based services it provides.

Assessing the condition of assets is an important function of Council. Council regularly assesses the condition of its assets, and uses this information to determine both maintenance regimes and to predict when asset renewal (replacement) is required. Both of these have budgeting implications for operational and capital investment by Council annually, and in developing the Long Term Financial Plan which is a 10 year projection of the financial position of Council.

The Condition Grading model has been developed and is used by all Councils. It is a 1 – 5 grading system that determines the point of intervention in asset renewal.

CONDITION GRADING MODEL

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Excellent: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Average: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

Assets graded at as a “1” are brand new, and will, with weathering and wear-and-tear become a grade “2” condition asset. Not all assets can be maintained at a level “1” as that would require the replacement of relatively new assets with brand new equipment – a financially unsustainable option. Assets with a condition rating of “5” are assessed as at end of life, and are beyond rehabilitation. It is considered that assets should not be permitted to degrade to this level.

Council is seeking input and opinions on the acceptable level of condition for assets between 2 and 4. This pack contains images of assets with varying conditions, and within the focus groups we will be seeking opinions on which condition is satisfactory. There are cost implications associated with each condition grading, and these will be discussed within the focus group session.

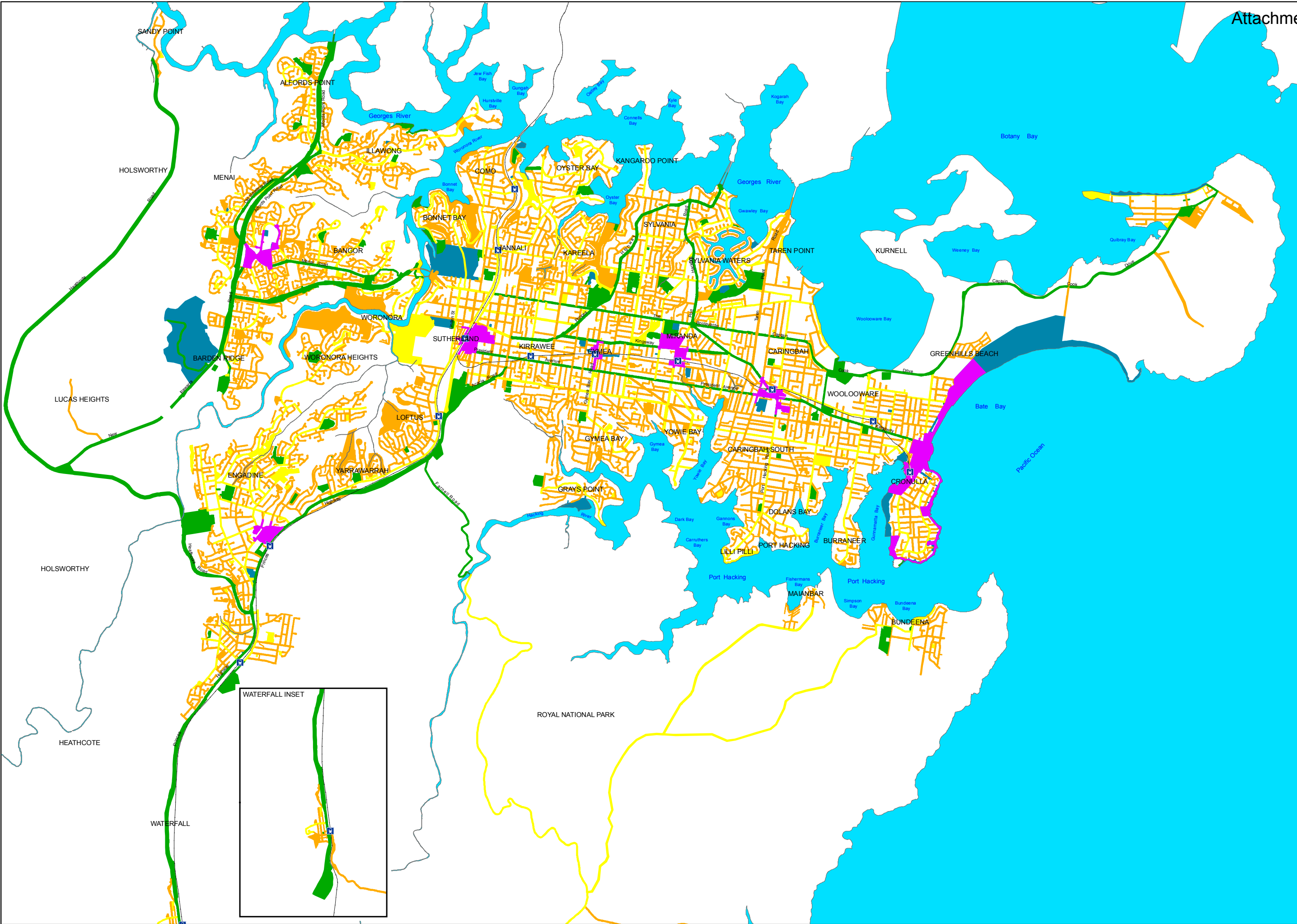
Attachment 4 COMMUNITY EXPECTATION (CX) SERVICE DELIVERY MODEL

COMMUNITY EXPECTATION	DESCRIPTION	NO. OF SITES OR ASSET TYPE
Level of Expectation		Examples of Sites / Precincts
CX 1 REGIONAL IMPORTANCE	The 1st Tier level of service provided, to the whole site or precinct, areas of highest visitation and usage Eg Type – Shopping / CBDs multiple blocks, Open Space Areas of regional significance, Formal Gardens, Golf Courses, Regional Sports Stadiums, Shire Tourist Spots.	Cronulla Beach Precinct, Sutherland Shopping area and CBD Precinct (includes buildings and open space, roads etc), Cronulla CBD, Engadine CBD, The Ridge complex, Seymour Shaw Stadium Glenn McGrath Oval, Tonkin Oval, EG Waterhouse Camellia Gardens, Hazelhurst, Como Pleasure Grounds, Centenary Reserve
Cronulla Beach Precinct	Wanda to Bass and Flinders Point	7 Beaches
Cronulla Mall Precinct	Overlaps with Cronulla CBD	1
7 Main CBD Precincts - Multipleblock CBDs	Engadine, Sutherland, Menai, Gynea, Miranda, Caringbah, Cronulla,	7
Regional Arts - Entertainment	Hazelhurst Retreat, Sutherland Ent Centre	2
Regional Sports Arenas	Includes Athletics, Turf Cricket Wickets	18
Regional Playgrounds	Como Pleasure Grounds / Shelly Park / Centenary Reserve / Dunningham Park	19
Regional Boat Ramps	Boat Ramps with a Toilet Facility	10
Feature Gardens	Forby Gardens, Munro Park, EG waterhouse Camellia Gardens, Sir Joseph Banks Native Gardens.	6
Shire Entrance Signs	Sylvania, Taren Point, Waterfall, Alfords Point, Sandy Point	5
Surf Life Saving Clubs	Incorporated into Cronulla Beaches Precinct	5
Community Centres	Large Regional Community Venues	16
Libraries	Sutherland, Caringbah, Cronulla, Engadine, Miranda, Menai, Sylvania, Bundeena	8
Skate Parks	Including proposed Green Hills site, Graffiti issue a priority	4
Leisure Centres	A Category One Business - Manages Service Levels Autonomously	5
Council Golf Courses	Managed by Committee or Other	3
Child Care Centres - Long Daycare	A Category One Business - Manages Service Levels Autonomously	11
CX 2 DISTRICT IMPORTANCE	The 2nd Tier of service provision to be provided. Areas of high usage by residents Includes Shopping Centres - 1 main street, Regional Roads, District Sports Grounds and District Playgrounds, Community Halls	Jannali, Kirrawee Heathcote, Shopping Strip, President Ave, Kingsway, Princes Highway, Port Hacking Road, Solander Playing fields, Captain Cook Fields, Waratah Park Complex
Shopping Centres - with 1 Main Street	Jannali, Heathcote, Kirrawee, Bundeena, Woolooware, Sylvania, Sylvania Hts	6
Regional Reserves		77
Regional Roads - State / Arterial	RMS maintained otherwise Service Standard (110km maintained by RMS) (29km Council Maintained)	29km
District Playgrounds		35
District Boatramps	Oyster Bay, Holt Point Place, Bonnet Bay	5
District Sporting Fields	51 sites (110 playing fields)	51
Netball Sites	15 Sites (90 Courts)	15
Tennis Courts	13 sites (33 Courts)	13
District Community Halls / Meeting Rooms	District level Community Venues	14
Indoor Sports Centres	Menai Indoor, Waratah Basketball	16
CX 3 SUBURBAN IMPORTANCE	The 3 Tier Considered a Suburban level of service, Satellite shopping areas - row of shops or corner stores Local Playgrounds, District (Collector) Roads, district open space, Local (smaller) Sports fields	Loftus, Oyster Bay Shopping Area, Menai Road, Woronora Road, Sylvania Road, Burraneer Bay Road, Clio Street reserve, Leonay St Reserve, Lakewood city Reserve
Shopping Centres - Satellite Centres a Row or Corner Shops	Shops on one side of the street, or a corner shop eg Port Hacking Road South Shops, Loftus Shops	26
District Reserves		80
Suburban Community Halls / Meeting Rooms	Local level Community Venues	22
Suburban Playgrounds	Playgrounds on 1-2 lots of land minimal facilities	84
Distributor & Collector Roads	Menai Road, Tudar road, Waratah Street, Nicholson Parade	148km
Carparks	Only those that are not with a precinct Area	24.4ha
Footpaths	Only those that are not with a precinct Area	560km
Cycleways - (Shared Pathways)	Only those that are not with a precinct Area	27.4km
Kerb and Gutter	Only those that are not with a precinct Area	1455.2km
District Medians - Vegetated	Only those that are not with a precinct Area	55
District Roundabouts - Vegetated	Only those that are not with a precinct Area	14
CX 4 LOCAL IMPORTANCE	The 4th Tier Considered the local level. Local Roads, Local passive open space areas, Maintained Bushland Sites (Bushcare)	Yala Road, Avenal Road, Soldiers Road, Bushcare Sites – Lilli Pilli Point, Tenth Ave
Local Roads		641km
Local Passive open Space		518
Local Medians - Vegetated		24
Local Roundabouts - Vegetated	Generally 1 lane Roads	26
Stormwater Drainage (pipework)		760km

Note: All other Council assets will be maintained on a reactive basis.

FREQUENCY BETWEEN SERVICE PROVIDED (DAYS) [NOTE: 1 = DAILY, 7 = WEEKLY, 14 = FORTNIGHTLY, ETC]												
Parks Maintenance			Cleansing			Waste Services			Building Maintenance (Programmed and Reactive)			
Gardening	Hand / Ride on Mowing (Growing Season)	Tractor Mowing (Growing Season)	Toilets(where present)	Town Cleaning / Litter	BBQs (where present)	Street Cleaning	Cleaning of Carpark, Pavements, Cycleways	Public Place BinCollection	Graffiti Removal Service Standard -from Notification	Sand Sifting	Pavement Cleaning	Sealing of Pavements (15 years)
14	14	14	1	1	1	2	2	1	3	N/A	180	
N/A	N/A	N/A	1	1	1	2	2	1	3	N/A	180	YES
14	14	14	1	1	1	2	2	1	3	N/A	180	YES
14	14	14	1	1	1	N/A	2	1	3	N/A	180	
14	14	7	1	1	1	N/A	2	1	3	N/A	N/A	
14	14	14	1	1	1	N/A	2	1	3	14	N/A	
N/A	N/A	N/A	1	1	N/A	N/A	N/A	1	3	N/A	N/A	
1	7	N/A	1	1	1	N/A	N/A	1	3	N/A	N/A	
14	14	14	N/A	1	N/A	N/A	N/A	1	3	N/A	N/A	
N/A	14	N/A	1	1	N/A	N/A	N/A	1	3	N/A	N/A	
14	14	N/A	1	1	1	1	N/A	1	3	N/A	N/A	
14	14	N/A	1	1	1	1	N/A	1	3	N/A	N/A	
21	21	N/A	1	N/A	N/A	N/A	N/A	3	3	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A	
Gardening	Hand / Ride on Mowing (Growing Season)	Tractor Mowing (Growing Season)	Toilets(where present)	Town Cleaning / Litter	BBQs (where present)	Street Cleaning	Cleaning of Carpark, Pavements, Cycleways	Public Place BinCollection	Graffiti Removal Service Standard -from Notification	Sand Sifting	Pavement Cleaning	Sealing of Pavements (15 years)
21	21	21	1	1	N/A	2	2	1	5	N/A	365	YES
21	21	21	1	1	1	N/A	N/A	3	5	N/A	N/A	
21	21	21	1	1	N/A	7	N/A	3	5	N/A	N/A	
21	21	21	1	1	1	N/A	N/A	3	5	28	N/A	
21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	5	N/A	N/A	
21	21	7	1	N/A	N/A	N/A	N/A	3	5	N/A	N/A	
21	21	N/A	1	N/A	1	N/A	N/A	3	5	N/A	N/A	
21	21	N/A	1	N/A	1	N/A	N/A	3	5	N/A	N/A	
21	21	N/A	1	N/A	N/A	N/A	N/A	3	5	N/A	N/A	
21	21	N/A	1	N/A	N/A	N/A	N/A	3	5	N/A	N/A	
Gardening	Hand / Ride on Mowing (Growing Season)	Tractor Mowing (Growing Season)	Toilets(where present)	Town Cleaning / Litter	BBQs (where present)	Street Cleaning	Cleaning of Carpark, Pavements, Cycleways	Public Place BinCollection	Graffiti Removal Service Standard -from Notification	Sand Sifting	Pavement Cleaning	Sealing of Pavements (15 years)
28	28	N/A	N/A	3	N/A	21	7	3	7	N/A	365	
28	21	21	1	7	N/A		N/A	7	7	N/A	N/A	
28	21	21	1	7	N/A		N/A	8	7	N/A	N/A	
28	21	21	N/A	7	N/A		N/A	7	7	60	N/A	
28	28	28	N/A	Reactive	N/A	42	N/A	N/A	7	N/A	N/A	
28	N/A	N/A	N/A	Reactive	N/A	N/A	7	N/A	7	N/A	N/A	
N/A	N/A	N/A	N/A	Reactive	N/A	N/A	7	N/A	7	N/A	N/A	
N/A	N/A	N/A	N/A	Reactive	N/A	N/A	7	N/A	7	N/A	N/A	
28	28	28	N/A	Reactive	N/A	42	N/A	N/A	7	N/A	N/A	
28	28	N/A	N/A	Reactive	N/A	42	N/A	N/A	7	N/A	N/A	
Gardening	Hand / Ride on Mowing (Growing Season)	Tractor Mowing (Growing Season)	Toilets(where present)	Town Cleaning / Litter	BBQs (where present)	Street Cleaning	Cleaning of Carpark, Pavements, Cycleways	Public Place BinCollection	Graffiti Removal Service Standard -from Notification	Sand Sifting	Pavement Cleaning	Sealing of Pavements (15 years)
42	28	N/A	N/A	Reactive	N/A	42	N/A	N/A	14	N/A	N/A	
42	28	28	N/A	Reactive	N/A	N/A	N/A	N/A	14	N/A	N/A	
42	28	N/A	N/A	Reactive	N/A	42	N/A	N/A	14	N/A	N/A	
42	28	N/A	N/A	Reactive	N/A	42	N/A	N/A	14	N/A	N/A	
N/A	N/A	N/A	N/A	Reactive	N/A	42	N/A	N/A	14	N/A	N/A	

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FOR PARTICIPANT NOTES



Legend

- Railway
- Coast
- CX1 Precincts
- CX1
- CX2
- CX3
- CX4

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Scale: 1:47,500 @ A2
0 400 800 1,200 1,600 m
Printed: 7 April 2015

Council’s passive parks offer a variety of recreational opportunities including walking, relaxing and informal games and sports. Open space makes an essential contribution to the liveability of the Shire, and is complimentary to other features such as leisure centres, sports fields and community buildings. Passive parks also often support the provision of other essential infrastructure such as drainage.

Council has developed a community expectation (CX) hierarchy that defines Local to Regional level Open Space Passive Parks.

The CX hierarchy consists of:

- CX1 – Regional Parks and Reserves
- CX2 – District Parks and Reserves
- CX3 – Suburban Parks and Reserves
- CX4 – Local Parks and Reserves

Passive parks are an important part of the Sutherland Shire landscape and play an integral role in the health and well being of the community, especially in higher density residential areas with limited private recreation space. This asset category includes the passive space surrounding the playing surfaces on sporting field sites.

The establishment of a hierarchy ensures consistency of similar open space areas in asset management and operational maintenance.



PASSIVE PARKS – ASSET INFORMATION

ASSET DATA:

Quantity: 943 Sites

Hierarchy Breakdown:

- 77 – CX1 – Regional Parks and Reserves
- 80 – CX2 – District Parks and Reserves
- 185 – CX3 – Suburban Parks and Reserves
- 333 – CX4 – Local Parks and Reserves
- 268 – N/A – Drainage Reserves (Reactive Maintenance)

Replacement Value: \$93.1 Million

Overall passive parks condition: 2.2 (Average to Good)

Passive Parks Condition Level	Description of Condition	No. of Passive Parks	(%)
Condition 1	Excellent	18	1.9
Condition 2	Good	722	76.6
Condition 3	Average	203	21.5
Condition 4	Poor	0	0.0
Condition 5	Very Poor	0	0.0
Total		943	100

Passive Park Assets are rated on a scale of one (1) to five (5), where one is new and five means the asset is at the end of its life and no longer able to provide service.

PASSIVE PARKS – ASSET INFORMATION

FINANCE DATA:

Annual Data 2013-2014

Capital Expenditure (Upgrades & Renewals) \$6.82 million

Operational Expenditure (Maintenance) \$3.86 million

10 yr Forecast Data 2015 to 2024

Capital Expenditure (Upgrades & Renewals) \$23.8 million

Operational Expenditure (Maintenance)

\$45.6 million (CPI 3%)

OPERATIONS AND MAINTENANCE

Council undertakes operational maintenance on the Shire's passive parks and reserves, this includes reactive maintenance by plumbers, electricians and carpenters. Routine maintenance includes mowing, horticulture, public place cleaning of our open spaces and waste collection.



Playgrounds and their supporting infrastructure form part of Sutherland Shire's open space network, which makes a positive contribution to the health and well being of the community in which we live.

Playgrounds offer young children, their parents, carers and the elderly with recreation spaces and leisure opportunities outside of the home. Sutherland Shire Council has almost 140 playgrounds scattered throughout the Council area. All playgrounds are regularly inspected and maintained to ensure that they are safe and operable in accordance with Australian standards.

Council has developed a Community Expectation (CX) hierarchy that defines suburban to regional level playgrounds.

The level of provision determines the amount of play value and whether complementary facilities such as car parks, toilets and picnic facilities are provided.

The establishment of a hierarchy of play spaces ensures greater play variety and the provision of a variety of play experiences across the Shire.

There are three levels of playground provision classified as:

CX1 – Regional Playgrounds

CX2 – District Playgrounds

CX3 – Local Playgrounds

Improvements and maintenance aim to ensure that playgrounds meet a diverse range of current and future community needs in a financially sustainable manner.



PLAYGROUNDS – ASSET INFORMATION

ASSET DATA:

Quantity: 138 Playgrounds or 33,100m² of Playground Facility Area

Hierarchy Breakdown:

19 – CX1 – Regional Playgrounds

35 – CX2 – District Playgrounds

84 – CX3 – Suburban Playgrounds

Replacement Value: \$18.7 million

Overall playground condition: 2.5 (Average to Good)

Playground Condition Level	Description of Condition	No. of Playground	(%)
Condition 1	Excellent	9	6.5
Condition 2	Good	68	49.3
Condition 3	Average	49	35.5
Condition 4	Poor	12	8.7
Condition 5	Very Poor	0	0.0
Total		138	100

Playground Assets are rated on a scale of one (1) to five (5), where one is new and five means the asset is at the end of its life and no longer able to provide service.

FINANCE DATA:

Annual Data 2013-2014

Capital Expenditure (Upgrades & Renewals) \$985,000

Operational Expenditure (Maintenance) \$140,000

10 yr Forecast Data 2015 to 2024

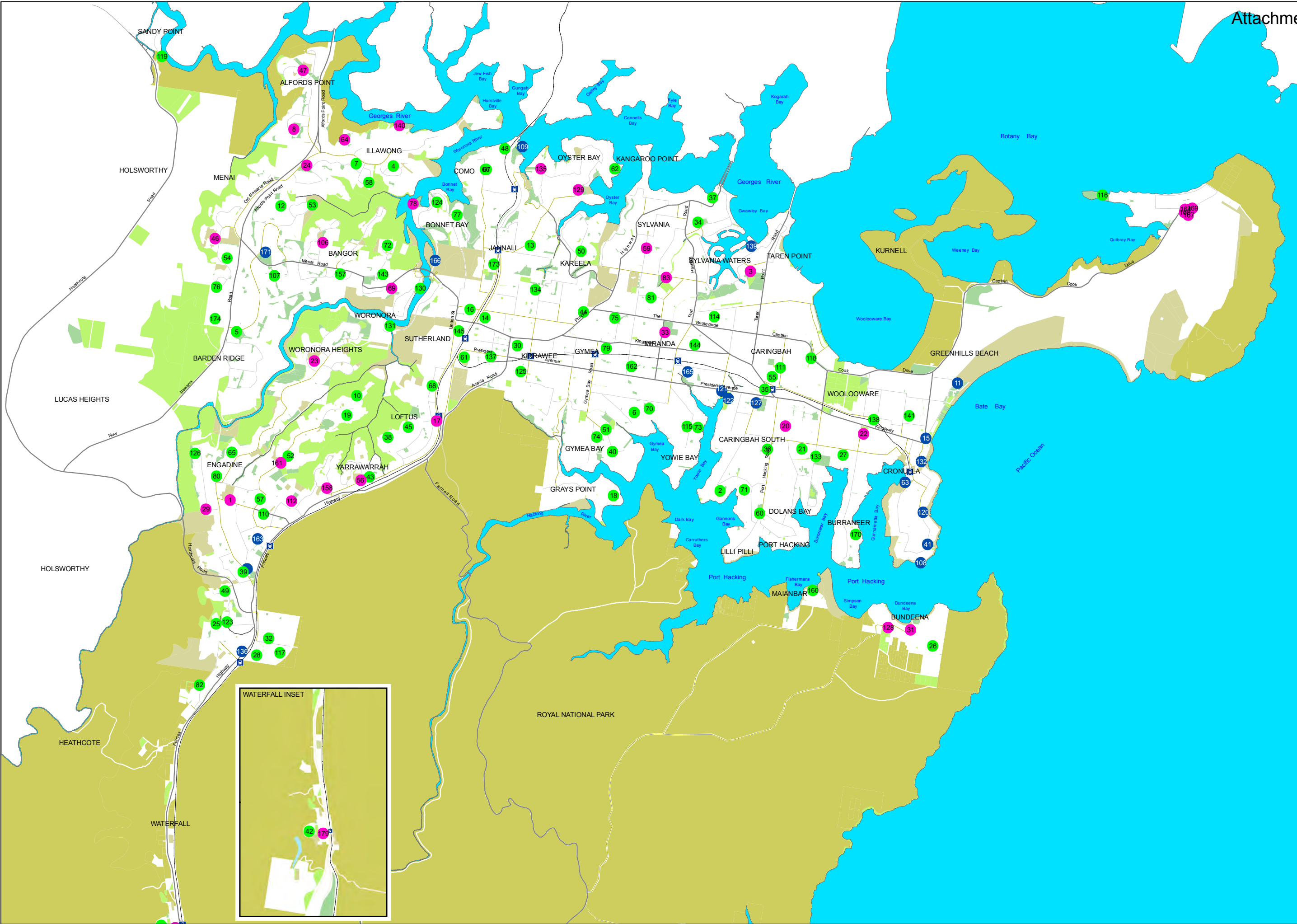
Capital Expenditure (Upgrades & Renewals) \$4.24 million

Operational Expenditure (Maintenance) \$1.56 million (CPI 3%)

OPERATIONS AND MAINTENANCE

Council undertakes operational maintenance of the Shires playground facilities which includes quarterly inspections of all playground equipment and softfall to identify safety and maintenance issues. Any works identified are programmed on a priority basis recognising safety and the playground CX hierarchy.





Legend

Playgrounds

- CX1
- CX2
- CX3

— Railway

Coast

Crown Reserve

National Park

Public Reserve

Other Reserve

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Scale: 1:47,500 @ A2

0 400 800 1,200 1,600 m

Printed: 7 April 2015

Map No. ID	Reserve Name (playground)	Suburb	Street Address	Nearest X Street	CX Level	Class	Site Code
1	Anzac Oval	Engadine	Anzac Avenue	Dubarda Street	CX2	District	PR0130
2	Beauford Park	Caringbah South	Beauford Avenue	Crescent Road	CX3	Suburban	PR0290
3	Aspley Place Reserve	Taren Point	Aspley Place	Holt Road	CX2	District	PR0135
4	Austin St	Illawong	Austin Street	Wade Cl	CX3	Suburban	PR0205
5	Australia Rd	Barden Ridge	Australia Road	Dalrymple Place	CX3	Suburban	PR0210
6	Ballar Avenue Reserve	Gymea Bay	Ballar Avenue	Marga Road	CX3	Suburban	PR0225
7	Batavia Place	Illawong	Batavia Place	Wilbung Road	CX3	Suburban	PR0280
8	Coachwood Crescent	Alfords Point	Coachwood Cr	Brushwood Drive	CX2	District	PR0990
9	Cooper St	Engadine	Cooper Street	Old Princes Hwy	CX1	Regional	PR1050
10	Croston Road Reserve	Engadine	Croston Road	Gamut Road	CX3	Suburban	PR1165
11	Don Lucus Reserve	Cronulla	Sanderson Street	Murdock Street	CX1	Regional	PR1310
12	Beaumaris Rd Reserve	Menai	Beaumaris Road	Carmarthen Street	CX3	Suburban	PR0310
13	Charles Orwin Reserve	Jannali	First Avenue	Davey Street	CX3	Suburban	PR0935
14	Clio St	Sutherland	Clio Street	Toronto Pde	CX3	Suburban	PR0980
15	Dunningham Park	Cronulla	Elouera Road	Kingsway	CX1	Regional	PR1365
16	Leonay Street	Sutherland	Leonay Street	Kurrajong Street	CX3	Suburban	PR2455
17	Loftus Reserve	Loftus	Loftus Avenue	Tenth Avenue	CX2	District	PR2530
18	Mansion Point	Grays Point	Kingfisher Crescent	Mansion Point Road	CX3	Suburban	PR2635
19	Brigalow Place Reserve	Engadine	Marlee Road	Brigalow Place	CX3	Suburban	PR0625
20	Robin Place Reserve	Caringbah South	Robin Place	Jacaranda Road	CX2	District	PR3510
21	Woodward Avenue	Caringbah South	Woodward Avenue	Saunders Bay Road	CX3	Suburban	PR4495
22	Woolooware Oval	Woolooware	Woolooware Road	Caronia Avenue	CX2	District	PR4510
23	Woronora Heights Oval	Woronora Heights	Willaroo Avenue	Jaeger Place	CX2	District	PR4540
24	Blaxland Drive Reserve	Illawong	Blaxland Drive	Old Illawarra Road	CX2	District	PR0475
25	Blue Bell St	Heathcote	Blue Bell Street	Berrima Street	CX3	Suburban	PR0365
26	Bombora Avenue	Bundeena	Bombora Av	Malibu Street	CX3	Suburban	PR0500
27	Bonnie View Reserve	Burraneer	Bonnie View Street	Burraneer Bay Road	CX3	Suburban	PR0530
28	Boronia Grove	Heathcote East	Boronia Gr	Wilson Pde	CX3	Suburban	PR0560
29	Ferntree Oval	Engadine	Ferntree Road	Ridge Road	CX2	District	PR1490
30	Flora Street	Kirrawee	Flora Street	Acacia Road	CX3	Suburban	PR1525
31	Roger Summers Reserve	Bundeena	Bundeena Drive	Brighton Street	CX2	District	PR4770
32	Sesquicentenary Park	Heathcote	Bottle Forest Road	Wilson Parade	CX2	District	PR1970
33	Seymour Shaw Park	Miranda	Wandella Road	The Boulevarde	CX2	District	PR3655
34	Canberra Road Oval	Sylvania	Canberra Road	Melrose Avenue	CX2	District	PR0790
35	Caringbah Womens Rest Centre	Caringbah	President Lane	President Avenue	CX3	Suburban	PR3145
36	Castelnau St Reserve	Caringbah South	Castelnau Street	Port Hacking Road	CX3	Suburban	PR0870
37	Mowbray Street Reserve	Sylvania	Mowbray Street	Harrow Street	CX3	Suburban	PR4035
38	Mulberry Street Reserve	Loftus	Mulberry Place	Betula Place	CX3	Suburban	PR2875
39	Naranga Avenue Reserve	Engadine	Naranga Road	Stephen Road	CX3	Suburban	PR2895
40	Gymea Bay Road Reserve	Gymea Bay	Gymea Bay Road	Casuarina Road	CX3	Suburban	PR1905
41	Oak Park	Cronulla	Ewos Parade	Rose Street	CX1	Regional	PR3015
42	Yangagang Street	Waterfall	Yangagang Street	Warabin Street	CX3	Suburban	PR0055
43	Yarra Vista Reserve	Yarrawarra	Yarra Vista Cres	Wheatley Road	CX3	Suburban	PR4630
44	Bowie Park	Kirrawee	Hotham Road	The Boulevarde	CX3	Suburban	PR0590
45	Browallia Crescent	Loftus	Browallia Cres	Ninth Avenue	CX3	Suburban	PR0645
46	Buckle Road Oval	Menai	Grout Place	Barnes Cr	CX2	District	PR0665
47	Casuarina Oval	Alfords Point	Brushwood Drive	Satinwood Cl	CX2	District	PR0885
48	Central Avenue Reserve	Como	Central Avenue	Woronora Cres	CX3	Suburban	PR0915
49	Forum Drive	Heathcote	Forum Drive	Troy Road	CX3	Suburban	PR1085
50	Freya St	Kareela	Freya Street	Siandra Drive	CX3	Suburban	PR1640
51	Old School Reserve	Gymea Bay	Gymea Bay Road	Barraran Street	CX3	Suburban	PR3060
52	Pambula Road Reserve (bottom)	Engadine	Pambula Road	Lantana Road	CX3	Suburban	PR3135
53	Portmadoc Drive Reserve	Menai	Portmadoc Drive	Llanberis Drive	CX3	Suburban	PR3320
54	Power Place	Menai	Power Place	Elliot Road	CX3	Suburban	PR2105
55	Sunnyside Avenue Reserve	Caringbah	Sunnyside Avenue	Denman Avenue	CX3	Suburban	PR3835
56	Giles Street Oval	Yarrawarra	Giles Street	Wheatley Road	CX2	District	PR4640
57	Cambrai Avenue Reserve	Engadine	Cambrai Avenue	Wallawa Avenue	CX3	Suburban	PR0785
58	Friendship Place	Illawong	Friendship Place	Osprey Drive	CX3	Suburban	PR1645
59	Sylvania Road	Sylvania	Sylvania Road	Holt Road	CX2	District	PR3890
60	Turriell Bay Road Reserve (opp Lilli Pilli Oval)	Lilli Pilli	Turriell Bay Road	Lilli Pilli Point Road	CX3	Suburban	PR4185
61	Gray St	Sutherland	Gray Street	President Avenue	CX3	Suburban	PR1805
62	Ward Crescent Reserve	Oyster Bay	Ward Cres	Georges River Cres	CX3	Suburban	PR4340
63	Gunnamatta Park	Cronulla	Nicholson Pde	Tonkin Street	CX1	Regional	PR1845
64	Heritage Drive Oval	Illawong	Heritage Drive	Palmer Cl	CX2	District	PR2005
65	Holmlea Place Reserve	Engadine	Homelea Avenue	Thurlgona Avenue	CX3	Suburban	PR2020
66	Henry Lawson Reserve (Junior)	Como	Wolger Road	Burunda Road	CX3	Suburban	PR1995
67	Henry Lawson Reserve (Senior)	Como	Wolger Road	Burunda Road	CX3	Suburban	PR1995
68	Third Avenue	Loftus	Third Avenue	National Avenue	CX3	Suburban	PR4080
69	Akuna Avenue Reserve	Bangor	Akuna Avenue	Arragong Street	CX2	District	PR0050

70	Alkaringa Reserve	Miranda	Forest Road	Wonga Road	CX3	Suburban	PR0075
71	Allambie Avenue Reserve	Caringbah South	Allambie Street	Crescent Road	CX3	Suburban	PR0095
72	Jelba Reserve	Bangor	Jambaroo Street	Yates Road	CX3	Suburban	PR2140
73	Kalang Lane	Yowie Bay	Wonga Road	Kalang Lane	CX3	Suburban	PR2215
74	Kalkada Avenue Reserve	Gymea Bay	Kalkada Avenue	Nulgara Avenue	CX3	Suburban	PR2220
75	Karda Place Reserve	Gymea	Karda Place	Bolaro Avenue	CX3	Suburban	PR2250
76	Konrads Place Reserve	Menai	Hall Drive	Talbot Close	CX3	Suburban	PR2345
77	Koolangarra Reserve	Bonnet Bay	Washington Drive	Kennedy Crescent	CX3	Suburban	PR2360
78	Lakewood City Reserve	Bonnet Bay	Wilson Place	Coolidge Crescent	CX2	District	PR2395
79	Premier Street Playground	Gymea	Premier Street	Kingsway	CX3	Suburban	PR3335
80	Woronora Reserve	Engadine	Woronora Road	Thurlgona Avenue	CX3	Suburban	PR4550
81	Jason St	Miranda	Jason Street	Garnet Road	CX3	Suburban	PR2135
82	Slessor Place Reserve	Heathcote	Slessor Place	Patterson Road	CX3	Suburban	PR3745
83	Corea St Oval	Miranda	Corea Street	Box Road	CX2	District	PR1070
106	Billa Road Oval Reserve	Bangor	Billa Road	Bandalong Cr	CX2	District	PR0410
107	The Woods Circuit	Menai	Fern Circuit East	The Woods Circuit	CX3	Suburban	PR1480
108	Bass and Flinders Point	Cronulla	The Esplanade	Gowrie Street	CX1	Regional	PR3595
109	Como Pleasure Grounds	Como	Cremona Road	Loretta Avenue	CX1	Regional	PR1030
110	Dernancourt Reserve	Engadine	Dernancourt	Anzac Avenue	CX3	Suburban	PR1260
111	Dianella St Reserve	Caringbah	Dianella Street	Cawarra Road	CX3	Suburban	PR1270
112	Dobell Road Oval	Engadine	Dobell Road	Brooke Street	CX2	District	PR1295
114	Meldrum Avenue Reserve	Miranda	Meldrum Avenue	Parraweena Road	CX3	Suburban	PR2735
115	Wonga Road	Yowie Bay	Wonga Road	Attunga Road	CX3	Suburban	PR4485
116	Bonna Point Reserve	Kurnell	Prince Charles Pde	Balboa Street	CX1	Regional	PR0505
117	Eltham Place	Heathcote East	Eltham Place	Woodford Cr	CX3	Suburban	PR1440
118	Fenton Street	Caringbah	Fenton Avenue	Captain Cook Drive	CX3	Suburban	PR1475
119	Sandy Point Reserve	Sandy Point	St George Crescent	Heathcote Road	CX3	Suburban	PR4725
120	Shelly Park	Cronulla	Ewos Parade	Wilshire Avenue	CX1	Regional	PR3675
121	Camellia Gardens (top)	Caringbah	President Avenue	Kareena Road	CX1	Regional	PR1390
122	Camellia Gardens (bottom)	Caringbah	President Avenue	Kareena Road	CX1	Regional	PR1390
123	Cassandra Crescent	Heathcote	Cassandra Cr	Corinth Road	CX3	Suburban	PR0865
124	Nixon Place	Bonnet Bay	Nixon Place	Cleveland Place	CX3	Suburban	PR2955
125	Nyrang Place Reserve	Kirrawee	Nyrang Place	Oak Road	CX3	Suburban	PR3010
126	Sierra Road	Engadine	Sierra Road	Peak Street	CX3	Suburban	PR3705
127	Breen Park (Caringbah Oval)	Caringbah	Willarong Road	President Avenue	CX1	Regional	PR0830
128	Bundeena Oval	Bundeena	Bundeena Drive	Liverpool Street	CX2	District	PR0720
129	Oyster Bay Oval	Oyster Bay	Oyster Bay Road	Como Road	CX2	District	PR3085
130	Prices Circuit	Woronora	Prices Circuit	Nundah Place	CX2	District	PR3375
131	Prince Edward Park	Woronora	Prince Edward Park	Thorp Road	CX2	District	PR3395
132	Cronulla Park	Cronulla	Gerrale Street	Surf Road	CX1	Regional	PR1145
133	Burraneer Park	Burraneer	Gannons Road	Dominic Street	CX3	Suburban	PR0750
134	Tea Tree Place	Kirrawee	Tea Tree Place	Oak Road	CX3	Suburban	PR2310
135	Green Point Reserve	Oyster Bay	Green Point Road	Caravan Head Road	CX2	District	PR1820
136	Veno Street	Heathcote	Veno Street	Princes Hwy	CX1	Regional	PR4245
137	Glencoe St Reserve	Sutherland	Glencoe Street	President Avenue	CX3	Suburban	PR1755
138	Hagger Park (Woolooware Station)	Woolooware	Denman Avenue	Wills Road	CX3	Suburban	PR1910
139	Hawksbury Park	Sylvania Waters	Hawksebury Esp	Moruya Avenue	CX1	Regional	PR1960
140	Albert Delardes Park	Illawong	Old Ferry Road	Griffin Pde	CX2	District	PR0065
141	Judd St Reserve	Cronulla	Judd Street	Ocean Street	CX3	Suburban	PR2205
143	Kodala Way Reserve	Bangor	Goorgool Road	Menai Road	CX3	Suburban	PR2340
144	Ascot Place	Miranda	Ascot Place	Clubb Crescent	CX3	Suburban	PR0170
145	Albert Hutchinson Reserve	Sutherland	Robertson Street	Harvard Ln	CX3	Suburban	PR0070
157	Ross Reserve	Bangor	Pyree Place	Piliga Place	CX3	Suburban	PR3535
158	Old Bush Road Oval	Yarrawarra	Old Bush Road	Laurina Avenue	CX2	District	PR3030
160	Maianbar Foreshore Reserve	Maianbar	69 Pacific Crescent	Kara Karook Street	CX3	Suburban	RD05535
161	Banksia Reserve	Engadine	Kingswood Road	Lantana Road	CX2	District	PR2435
162	Ewey Creek Reserve	Miranda	Kiah Place	Sylvania Road	CX3	Suburban	PR2305
163	Engadine Town Park	Engadine	Old Princes Hwy	Geebung Lane	CX1	Regional	PR1455
164	Marton Park	Kurnell	Captain Cook Drive	Silver Beach Road	CX2	District	PR2685
165	Centenary Park	Miranda	Karimbla Road	Kirkby Place	CX1	Regional	PR3870
166	Burnum Burnum Sanctuary	Woronora	River Road	Prices Cct	CX1	Regional	PR0740
167	Marton Park - (Gym 2)	Kurnell	Captain Cook Drive	Silver Beach Road	CX2	District	PR2685
168	Marton Park - (Gym 3)	Kurnell	Captain Cook Drive	Silver Beach Road	CX2	District	PR2685
169	Marton Park - (Gym 1)	Kurnell	Captain Cook Drive	Silver Beach Road	CX2	District	PR2685
170	Binaville Avenue Reserve	Burraneer	Binaville Avenue	Woolooware Road	CX3	Suburban	PR0425
171	Parc Menai	Menai	Menai Road	Allison Crescent	CX1	Regional	PR3140
173	Alice St Reserve	Jannali	Alice Street	Jannali Avenue	CX3	Suburban	PR0085
174	Len Waters Park	Barden Ridge	32R Timbrey Circuit	Timbrey Circuit	CX3	Suburban	PR4780
179	Waterfall Tennis Courts	Waterfall	34-38 Warabin Street	Kooraban Street	CX3	Suburban	BU0555

Sutherland Shire Council maintains 818km or 6,854k km² of Road Pavement.

The Road Pavement comprises of both the road seal and base course.

The road seal is the uppermost (wearing course) layer of the road. The majority of the Shire roads are sealed with asphaltic concrete although there are a few with concrete, paver or spray seal surfaces. The seal provides a wearing course for traffic and forms a durable, waterproof covering which protects the pavement from water infiltration.

The road base course is the formation of compacted materials that provides structural strength for the road. The materials used to construct road bases are usually crushed rock, asphalt or cement stabilised gravels. Rehabilitation of the base course is up to five times more expensive per square metre than the road seal.

Whilst most of the roads in the Shire are maintained by council, there are another 110km of State Roads in the Shire that are maintained by NSW Roads and Maritime Services (RMS). This includes 36km of road pavement throughout the Royal National Park.

Some examples of these State Roads include: Princes Highway, Kingsway, Taren Point Road, Bangor Bypass, and Heathcote Road.

Roads need to be maintained to a safe and functional standard to ensure they are accessible by all vehicles.



ROAD PAVEMENT – ASSET INFORMATION

ASSET DATA:

Quantity: State Roads 110km
Council Owned Roads 818km
Council Maintained Area of Pavement 6,854km²

Road Hierarchy Breakdown:

Arterial Roads – CX2 – 29km
Collector Roads – CX3 – 148km
Local Roads – CX4 – 641km

Replacement Value: \$409.7million

Overall road network condition: 2.5 (Average to Good)

Road Pavement Condition Level	Description of Condition	Length (Km)	(%)
Condition 1	Excellent	221	27.0
Condition 2	Good	193.5	23.7
Condition 3	Average	237	29.0
Condition 4	Poor	100.5	12.3
Condition 5	Very Poor	66	8.0
Total		818	100

Road Pavement Assets are rated on a scale of one (1) to five (5), where zero is new and five means the asset is at the end of its life and no longer able to provide service.

ROAD PAVEMENT – ASSET INFORMATION

FINANCE DATA:

Annual Data 2013-2014

Capital Expenditure (Upgrades & Renewals) \$5.9 million

Operational Expenditure (Maintenance) \$1.1 million

10 yr Forecast Data 2015 to 2024

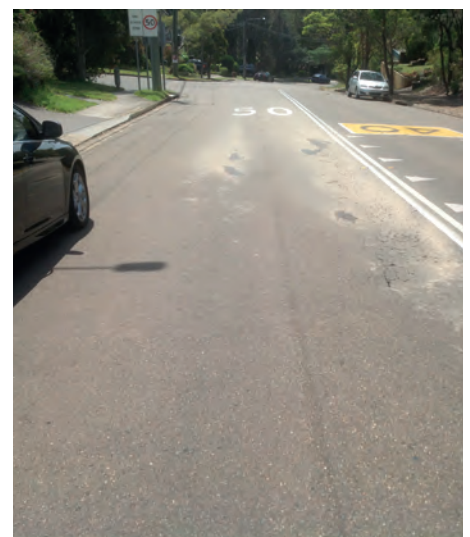
Capital Expenditure (Upgrades & Renewals) \$78.2 million

Operational Expenditure (Maintenance)

\$12.9 million (CPI 3%)

OPERATIONS AND MAINTENANCE

Council undertakes proactive Roadway pavement Inspections across the Shire to determine the maintenance required, and addresses issues by either road patching and pot hole repairs, as well as responding to customer requests.



The Shire's paved footpath & shared pathways network measures some 560km in total length. Included in this total are 52km of footpath meandering through our passive parks and gardens. Council currently maintains 27.4km of Shared Pathway (off road cycleway). Council maintains all footpaths on State Roads.

90% of the Shire's footpaths are serviced by mainly concrete pathways with the remaining 10% as asphalt surfaces.

Footpaths and shared pathways support Sutherland Shire Council's strategic direction of enhancing the quality of life of residents, both now and into the future.

Footpaths provide a safe corridor for walking within the road reserve whilst shared pathways can be utilised by the entire community for a range of social, transport and recreational opportunities.

Footpaths and shared pathways provide many benefits, including:

- Encouraging healthy lifestyles;
- Improved community health and wellbeing of residents;
- A sustainable alternative transport system;
- Improved access and sociability within communities;

The current service level seeks to provide safe and all weather movement for pedestrians, prams, wheelchairs and motorised carts.

On shared pathways we seek to provide a family friendly cycling option off road, to be shared with consideration of pedestrians and nearby residences.



FOOTPATHS & SHARED PATHWAYS – ASSET INFORMATION

ASSET DATA:

Quantity: 560 km of footpath or 788km² in area of footpath.

Footpaths within Road Reserves 508km:

State Roads – 38.4km of Concrete and 2.7km of Bitumen
Regional (Council) – 19km of Concrete and 4.9km of Bitumen
Collector & Local – 404km of Concrete and 39km of Bitumen

Replacement Value: \$72 million

Overall footpath network condition: 1.7 (Good to Excellent)



Footpath Condition Level	Description of Condition	Footpath (within Road Res) (508 km)
Condition 1	Excellent	68.6%
Condition 2	Good	6.1%
Condition 3	Average	17.3%
Condition 4	Poor	3.5%
Condition 5	Very Poor	4.5%
Total		100.0%

Footpath Assets are rated on a scale of one (1) to five (5), where zero is new and five means the asset is at the end of its life and no longer able to provide service.

Overall shared pathways and off road cycleways condition: 1.6 (Good to Excellent)

Shared Pathways Condition Level	Description of Condition	Shared Pathways (27 km)
Condition 1	Excellent	47.1%
Condition 2	Good	50.6%
Condition 3	Average	2.3%
Condition 4	Poor	0.0%
Condition 5	Very Poor	0.0%
Total		100.0%

Shared Pathways Assets are rated on a scale of one (1) to five (5), where one is new and five means the asset is at the end of its life and no longer able to provide service.

FOOTPATHS & SHARED PATHWAYS – ASSET INFORMATION

FINANCE DATA:

Annual Data 2013-2014

Capital Expenditure (Upgrades & Renewals) \$2.4 million
Operational Expenditure (Maintenance) \$992,000

10 yr Forecast Data 2015 to 2024

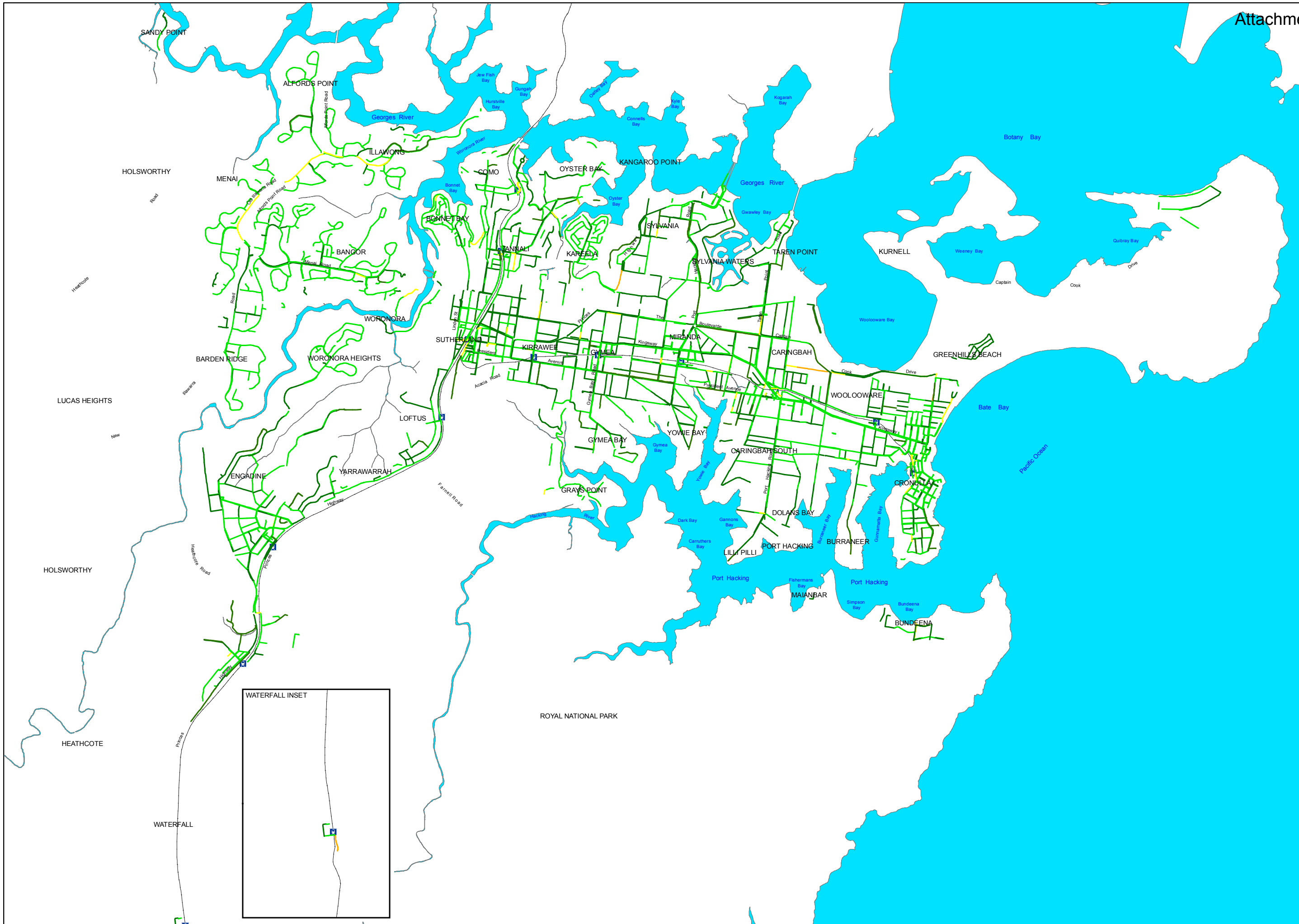
Capital Expenditure (Upgrades & Renewals) \$20.1 million
Operational Expenditure (Maintenance)
\$11.2 million (CPI 3%)

OPERATIONS AND MAINTENANCE

Council undertakes asset inspections that determines, grinding of footpath slabs for alignment, minor slab replacements, and reacting to customer requests.



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FOR PARTICIPANT NOTES



Legend

- VERY GOOD
- GOOD
- GOOD - LEVEL & CLEAR
- GOOD - WORN TRACK
- FAIR
- POOR
- POOR- ROUGH OR STEEP
- NO PEDESTRIAN ACCESS
- Railway
- Coast

This map has been produced with the most current data available to Council as supplied by various sources. INFORMATION IN THIS MAP IS SUBJECT TO COPYRIGHT. Council is not responsible for any inaccuracies in the data provided. Contact Council's Land Information Unit (ph. 9710 0116) for further information.



Scale: 1:47,500 @ A2

0 400 800 1,200 1,600 m

Printed: 7 April 2015

PUBLIC TOILETS

Council aims to provide well designed and located public toilets to cater for the needs of the community and visitors to our Shire.

The Shire has some 129 public toilet facilities servicing CBDs, open space sites and sporting field venues.

Facilities located close to public transport and activity hubs such as parks, playgrounds, sports grounds, our beaches and waterways allow locals and visitors to utilise public areas for longer periods of time.

Public toilets can also support local businesses by allowing potential customers to spend a longer period in shopping precincts.

While the type of facility ranges from older style concrete structures to contemporary builds the current service level seeks to ensure that toilets are clean and functional.

OPERATIONS AND MAINTENANCE

Currently, all public toilets are cleaned before every day’s use and our beach front facilities are cleaned twice daily during the summer period.

Programmed painting and periodic cleaning programs are supported by reactive works to repair vandalism and damage, graffiti or utility failure.



PUBLIC TOILETS – ASSET INFORMATION

ASSET DATA:

Quantity: 129 Public Toilets

Hierarchy Breakdown:

37 – CX 1 – Regional Sites

92 – CX 2 – District Sites

(78 are located at Sporting Locations)

Replacement Value: \$16.26 Million

Overall public toilets condition: 2.5 (Average to Good)

Public Toilet Condition Level	Description of Condition	No of Public Toilets	(%)
Condition 1	Excellent	5	3.9
Condition 2	Good	29	22.5
Condition 3	Average	86	66.7
Condition 4	Poor	9	7.0
Condition 5	Very Poor	0	0.0
Total		129	100

Public Toilet Assets are rated on a scale of one (1) to five (5), where zero is new and five means the asset is at the end of its life and no longer able to provide service.

FINANCE DATA:

Annual Data 2013-2014

Capital Expenditure (Upgrades & Renewals) \$506,500

Operational Expenditure (Maintenance) \$556,500

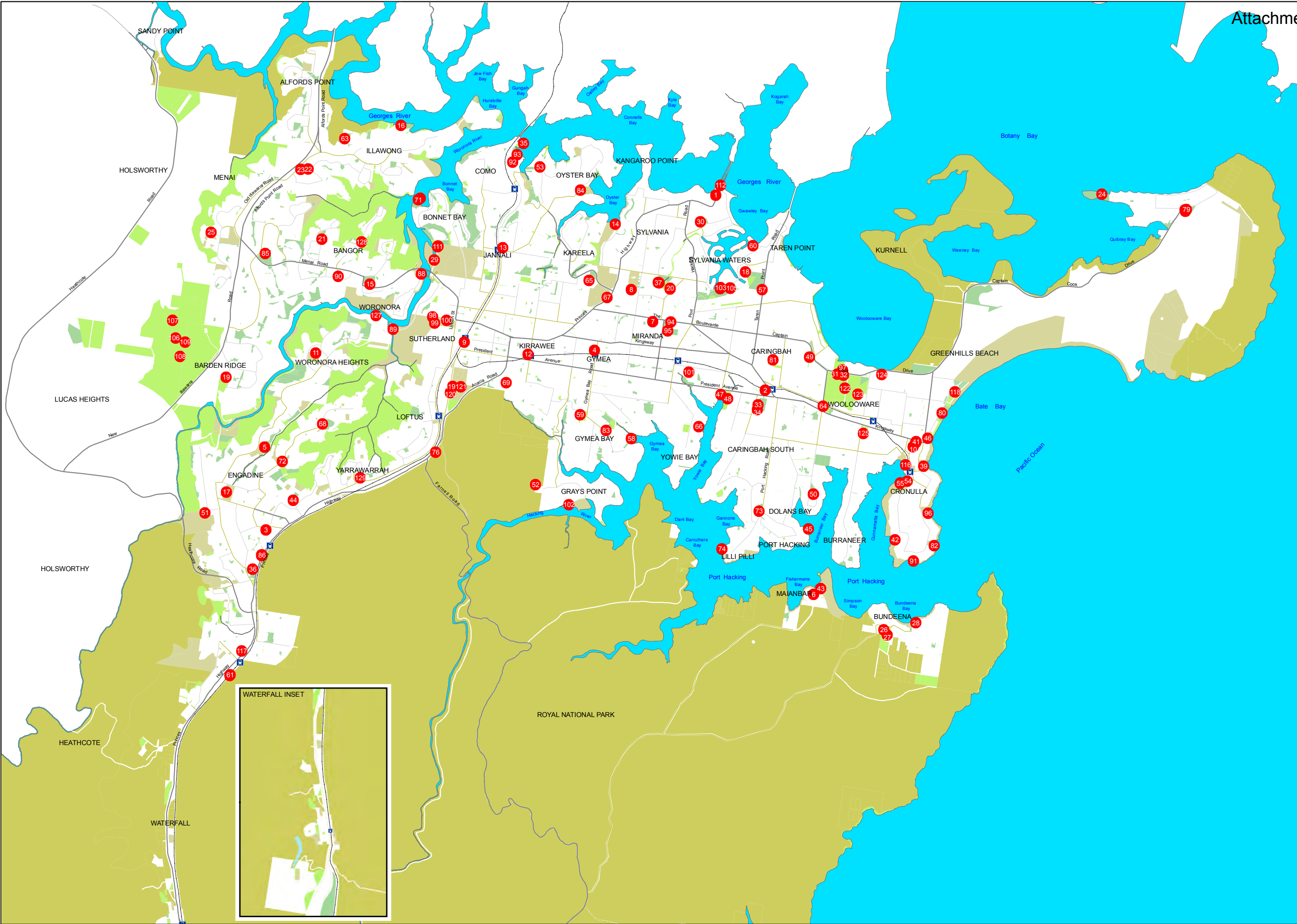
10 yr Forecast Data 2015 to 2024

Capital Expenditure (Upgrades & Renewals) \$2.0 million

Operational Expenditure (Maintenance)

\$9.64 million (CPI 3%)





Legend

- Public Toilets
- Railway
- Coast
- Crown Reserve
- National Park
- Public Reserve
- Other Reserve

This map has been produced with the most current data available to Council as supplied by various sources. INFORMATION IN THIS MAP IS SUBJECT TO COPYRIGHT. Council is not responsible for any inaccuracies in the data provided. Contact Council's Land Information Unit (ph. 9710 0116) for further information.



Scale: 1:47,500 @ A2
0 400 800 1,200 1,600 m
Printed: 7 April 2015

Map No. ID	Toilet Location	Suburb	CX Level	Usage	Asset ID Code	Central Asset ID
1	Boomerang Hall Toilet - Facility	Sylvania	CX2	CBD / Shops	PT0066	BU0045 11000
2	Caringbah Shopping Centre Toilet - Facility	Caringbah	CX1	CBD / Shops	PT0014	BU0085 11001
3	Engadine Community Centre Complex Public Toilets - Facility	Engadine	CX1	CBD / Shops	PT0099	BU0150 11008
4	Gymea Community Centre Complex Toilet Block - Facility	Gymea	CX1	CBD / Shops	PT0013	BU0220 11002
5	John Parker Memorial Tennis Complex Shelters & Toilets - Facility	Engadine	CX2	Sports	TC0049	BU0280 11002
6	Maianbar Community Centre Toilet - Facility	Maianbar	CX2	Reserves	PT0011	BU0295 11000
7	Miranda Park Toilet (In Illawarra Disability Trust Centre) - Facility	Miranda	CX2	Reserves	PT0051	BU0425 11000
8	Sylvania Hockey Park Toilet - Facility	Sylvania	CX2	Reserves	PT0129	BU0510 11005
9	Sutherland Community Facilities Centre Toilet - Facility	Sutherland	CX1	CBD / Shops	PT0074	BU0575 11004
10	Cronulla Central Public Toilets - Facility	Cronulla	CX1	CBD / Shops	PT0091	BU0585 11013
11	Woronora Heights Oval Public Toilets - Facility	Woronora Heights	CX2	Sports	PT0118	BU0620 11005
12	Kirrawee Commuter Car Park Toilet - Facility	Kirrawee	CX2	CBD / Shops	PT0004	CP0040 11000
13	Jannali Shopping Centre Car Park Unisex toilets - Facility	Jannali	CX2	CBD / Shops	PT0092	CP0075 11002
14	A R Hurst Reserve Public Toilets - Facility	Sylvania	CX2	Sports	PT0128	PR0005 11005
15	Akuna Avenue Oval Toilet - Facility	Bangor	CX2	Sports	PT0019	PR0045 11001
16	Albert Delardes Reserve Toilet - Facility	Illawong	CX2	Reserves	PT0042	PR0065 11001
17	Anzac Oval Public Toilets - Facility	Engadine	CX2	Sports	PT0071	PR0130 11005
18	Apsley Place Reserve Toilet - Facility	Taren Point	CX2	Sports	PT0056	PR0135 11000
19	Barden Ridge Oval Public Toilet - Facility	Barden Ridge	CX2	Sports	PT0117	PR0250 11005
20	Bellngara Netball Courts Public Toilet - Facility	Sylvania	CX2	Sports	PT0127	PR0350 11005
21	Billa Road Oval Toilet - Facility	Bangor	CX2	Sports	PT0063	PR0410 11001
22	Blaxland Drive Oval Tennis Courts Shelter & Toilet - Facility	Menai	CX2	Sports	TC0003	PR0475 11001
23	Blaxland Drive Oval Toilet - Facility	Menai	CX2	Sports	PT0093	PR0475 11004
24	Bonna Point Reserve Toilets - Facility	Kurnell	CX1	Reserves	PT0141	PR0505 11001
25	Buckle Reserve Public Toilet - Facility	Engadine	CX2	Sports	PT0126	PR0665 11005
26	Bundeena Oval Toilet - Facility	Bundeena	CX2	Sports	PT0020	PR0720 11002
27	Bundeena Oval Tennis Courts Shelter & Toilet - Facility	Bundeena	CX2	Sports	TC0016	PR0720 11006
28	Bundeena Memoral Reserve Toilet & Change Rooms - Facility	Bundeena	CX2	Reserves	PT0018	PR0725 11002
29	Burnum Burnum Sanctuary Unisex Public Toilet - Facility	Woronora	CX1	Reserves	PT0115	PR0740 11002
30	Canberra Road Oval Amenities - Facility	Sylvania	CX2	Sports	B00102	PR0795 11000
31	Captain Cook Oval Softball Toilets - Facility	Woolooware	CX2	Sports	PT0130	PR0800 11005
32	Captain Cook Oval Rugby League Toilets - Facility	Woolooware	CX2	Sports	PT0136	PR0800 11006
33	Glenn McGrath Cricket Oval Toilets - Facility	Caringbah	CX1	Sports	PT0132	PR0830 11007
34	Glenn McGrath Cricketers Clubhouse toilets - Facility	Caringbah	CX2	Sports	PT0133	PR0830 11008
35	Como Pleasure Grounds Public Toilets - Facility	Como	CX1	Reserves	PT0104	PR1030 11006
36	Cooper Street Reserve Toilet - Facility	Engadine	CX1	Reserves	PT0031	PR1050 11000
37	Corea Street Oval Female Toilet - Facility	Sylvania	CX2	Sports	PT0055	PR1070 11001
38	Corea Street Oval Male Toilet - Facility	Sylvania	CX2	Sports	PT0054	PR1070 11003
39	Cronulla Beach Public Toilets - Facility	Cronulla	CX1	Reserves	PT0068	PR1145 11002
40	Cronulla Womens Rest Centre Disabled Toilet - Facility	Cronulla	CX1	CBD / Shops	WR0005	PR1150 11003
41	Cronulla Bicentennial Plaza Toilets - Facility	Cronulla	CX1	CBD / Shops	PT0073	PR1150 11023
42	Darook Park Toilet - Facility	Cronulla	CX1	Reserves	PT0022	PR1215 11000
43	Deeban Reserve Toilet - Facility	Maianbar	CX2	Reserves	PT0008	PR1230 11000
44	Dobell Road Oval Amenities - Facility	Engadine	CX2	Sports	B00095	PR1295 11002
45	Dolans Bay Boat Ramp & Wally's Wharf Toilet - Facility	Dolans Bay	CX1	Reserves	PT0002	PR1300 11000
46	Dunningham Park Toilets & Change Rooms - Facility	Cronulla	CX1	Reserves	PT0086	PR1365 11002
47	E G Waterhouse National Camellia Garden Public Toilets - Facility	Caringbah South	CX1	Reserves	PT0096	PR1390 11004
48	E G Waterhouse National Camellia Gardens Public East Toilets - Facility	Caringbah South	CX1	Reserves	PT0146	PR1390 11005
49	Fenton Ave Tennis Courts Toilet - Facility	Caringbah	CX2	Sports	PT0067	PR1475 11002
50	Port Hacking Community Centre Tennis Courts Shelter & Toilet - Facility	Caringbah South	CX2	Sports	TC0029	PR1485 11000
51	Ferntree Reserve Toilets and Store - Facility	Engadine	CX2	Sports	PT0083	PR1490 11000
52	Grays Point Oval Unisex Toilet - Facility	Grays Point	CX2	Sports	PT0085	PR1810 11003
53	Green Point Reserve Toilet - Facility	Oyster Bay	CX2	Reserves	PT0052	PR1820 11001
54	Gunnamatta Park Unisex Toilet (North) - Facility	Cronulla	CX2	Reserves	PT0025	PR1845 11007
55	Gunnamatta Pavilion Unisex Toilets South - Facility	Cronulla	CX1	Reserves	PT0102	PR1845 11010
56	Gunnamatta Pavilion Toilets & Change Rooms - Facility	Cronulla	CX1	Reserves	PT0142	PR1845 11011
57	Gwawley Park Oval Toilet - Facility	Taren Point	CX2	Sports	PT0015	PR1880 11002
58	Gymea Bay Baths Toilet - Facility	Gymea Bay	CX2	Reserves	PT0037	PR1890 11002
59	Gymea Bay Oval Toilet - Facility	Gymea Bay	CX2	Sports	PT0080	PR1895 11001
60	Hawkesbury Eps Unisex Toilet & Store - Facility	Sylvania Waters	CX1	Reserves	PT0069	PR1960 11000
61	Heathcote Oval Female Toilet - Facility	Heathcote	CX2	Sports	PT0039	PR1965 11001
62	Heathcote Oval Male Toilet - Facility	Heathcote	CX2	Sports	PT0038	PR1965 11002
63	Heritage Drive Oval Toilet - Facility	Illawong	CX2	Sports	PT0041	PR2005 11000
64	Jenola Field Toilet - Facility	Woolooware	CX2	Sports	PT0057	PR2155 11001
65	Joseph Banks Native Plants Reserve Toilet - Facility	Kareela	CX1	Reserves	PT0043	PR2195 11002
66	Kalang Lane Reserve Toilet - Facility	Yowie Bay	CX1	Reserves	PT0060	PR2215 11001
67	Kareela Oval Rugby League Amenities - Facility	Kareela	CX2	Sports	B00110	PR2260 11000
68	Kingswood Road Oval Public Toilet - Facility	Engadine	CX2	Sports	PT0124	PR2315 11005
69	Kirrawee Oval Public Toilets - Facility	Kirrawee	CX2	Sports	PT0087	PR2335 11001

70	Lakewood City Tennis Shelters and Toilet - Facility	Bonnet Bay	CX2	Sports	TC0021	PR2395 11002
71	Lakewood City Reserve Public Toilet - Facility	Bonnet Bay	CX2	Sports	PT0121	PR2395 11005
72	Lantana Road Reserve Toilet - Facility	Engadine	CX2	Reserves	PT0082	PR2435 11000
73	Lilli Pilli Oval Public Toilets - Facility	Lilli Pilli	CX2	Sports	PT0072	PR2475 11002
74	Lilli Pilli Baths Female Toilet - Facility	Lilli Pilli	CX2	Reserves	PT0049	PR2480 11002
75	Lilli Pilli Baths Male Toilet - Facility	Lilli Pilli	CX2	Reserves	PT0047	PR2480 11003
76	Loftus Oval Public Toilet - Facility	Loftus	CX2	Sports	PT0116	PR2525 11005
77	Marton Park Male Toilet - Facility	Kurnell	CX2	Sports	PT0044	PR2685 11000
78	Marton Park Female Toilet - Facility	Kurnell	CX2	Sports	PT0045	PR2685 11005
79	Marton Park Unisex Toilet - Facility	Kurnell	CX2	Sports	PT0106	PR2685 11008
80	Elouera Beach Toilets & Change Rooms - Facility	Cronulla	CX1	Reserves	PT0084	PR2825 11000
81	North Caringbah Oval Public Toilet - Facility	Caringbah	CX2	Sports	PT0119	PR2970 11005
82	Oak Park Toilets & Dressing Sheds - Facility	Cronulla	CX2	Reserves	PT0081	PR3015 11000
83	Old School Park Toilet - Facility	GyMEA Bay	CX2	Reserves	PT0036	PR3060 11000
84	Oyster Bay Oval Public Toilets - Facility	Oyster Bay	CX2	Sports	PT0088	PR3085 11003
85	Parc Menai Toilet - Facility	Menai	CX1	Reserves	PT0003	PR3140 11000
86	Preston Park Oval Toilet (Male) - Facility	Engadine	CX2	Sports	PT0030	PR3355 11001
87	Preston Park Oval Toilet (Female) - Facility	Engadine	CX2	Sports	PT0029	PR3355 11002
88	Prices Reserve North Toilet - Facility	Woronora	CX2	Reserves	PT0103	PR3370 11004
89	Prince Edward Park Toilet and Change Rooms - Facility	Woronora	CX2	Reserves	PT0017	PR3395 11001
90	Ross Reserve Tennis Courts Shelters & Toilet - Facility	Bangor	CX2	Sports	TC0014	PR3535 11002
91	Salmon Haul Reserve Toilets - Facility	Cronulla	CX1	Reserves	PT0097	PR3595 11002
92	Scylla Bay Oval Tennis Courts Shelters & Toilet - Facility	Como	CX2	Sports	TC0020	PR3625 11000
93	Scylla Bay Oval Toilet - Facility	Como	CX2	Sports	PT0021	PR3625 11003
94	Seymour Shaw Park Unisex Toilet - Facility	Miranda	CX2	Sports	PT0050	PR3655 11002
95	Seymour Shaw Park Tennis Courts Toilets - Facility	Miranda	CX2	Sports	PT0134	PR3655 11008
96	Shelly Park Toilet & Dressing Shed - Facility	Cronulla	CX1	Reserves	PT0076	PR3675 11003
97	Solander Playing Fields Toilets - Facility	Woolooware	CX2	Sports	PT0111	PR3750 11002
98	The Grand Parade Tennis Courts Shelter & Toilet - Facility	Sutherland	CX2	Sports	TC0025	PR3850 11001
99	Sutherland Oval No1 Toilets - Facility	Sutherland	CX2	Sports	PT0137	PR3850 11008
100	Sutherland Ovals 2 & 3 Public Toilet - Facility	Sutherland	CX2	Sports	PT0113	PR3850 11010
101	Sutherland Shire Centenary Park Toilets - Facility	Miranda	CX1	Reserves	PT0077	PR3870 11000
102	Swallow Rock Reserve Toilet - Facility	Grays Point	CX1	Reserves	PT0035	PR3875 11000
103	Sylvania Waters Athletics Field Public Toilet - Facility	Sylvania Waters	CX2	Sports	PT0122	PR3900 11005
104	Sylvania Waters Baseball Field Amenities - Facility	Sylvania Waters	CX2	Sports	B00089	PR3905 11000
105	Sylvania Waters Baseball/Football Public Toilet - Facility	Sylvania Waters	CX2	Sports	PT0123	PR3905 11005
106	The Ridge Sports Complex Ovals 5 & 6 Amenities - Facility	Barden Ridge	CX1	Sports	B00048	PR4055 11000
107	The Ridge Sports Complex Oval 1&2 Clubhouse - Facility	Barden Ridge	CX1	Sports	B00127	PR4055 11010
108	The Ridge Sports Complex Ovals 9 & 10 Clubhouse - Facility	Barden Ridge	CX1	Sports	B00128	PR4055 11019
109	The Ridge Golf Driving Range Toilet - Facility	Barden Ridge	CX1	Sports	GD0002	PR4055 11023
110	Tom Evans Fields Disabled Toilet - Facility	Bonnet Bay	CX2	Sports	PT0135	PR4125 11002
111	Tom Evans Fields Toilet - Facility	Bonnet Bay	CX2	Sports	PT0098	PR4125 11003
112	Tom Uglys Bridge Boat Ramp Toilet - Facility	Sylvania	CX1	Reserves	PT0001	PR4130 11000
113	Tonkin Park Clubhouse Accessible Toilet - Facility	Cronulla	CX2	Sports	PT0145	PR4135 11003
114	Tonkin Park Clubhouse Mens Toilet - Facility	Cronulla	CX2	Sports	PT0143	PR4135 11004
115	Tonkin Park Clubhouse Womens Toilet - Facility	Cronulla	CX2	Sports	PT0144	PR4135 11005
116	Tonkin Street Reserve Toilet - Facility	Cronulla	CX2	Sports	PT0070	PR4140 11002
117	Veno Street Reserve Toilet - Facility	Heathcote	CX1	CBD / Shops	PT0040	PR4245 11001
118	Wanda Beach Public Toilets & Change Rooms - Facility	Cronulla	CX1	Reserves	PT0112	PR4290 11006
119	Waratah Oval Athletics Field Toilet - Facility	Sutherland	CX2	Sports	PT0053	PR4330 11002
120	Waratah Park No2 Oval Toilet & Kiosk - Facility	Sutherland	CX2	Sports	B00113	PR4330 11003
121	Waratah Park No4 Oval Toilet & Kiosk - Facility	Sutherland	CX2	Sports	B00079	PR4330 11004
122	Woolooware Golf Course Toilet near 6th Tee - Facility	Woolooware	CX2	Sports	GC0013	PR4500 11008
123	Woolooware Golf Course Kiosk Toilets - Facility	Woolooware	CX2	Sports	PT0120	PR4500 11010
124	Woolooware High School Oval Toilet & Store - Facility	Woolooware	CX2	Sports	PT0078	PR4505 11000
125	Woolooware Oval Unisex Toilet - Facility	Woolooware	CX2	Sports	PT0089	PR4510 11004
126	Woolooware Oval Unisex Toilet - Facility	Woolooware	CX2	Sports	PT0089	PR4510 11005
127	Woronora Bus Terminus Toilet - Facility	Woronora	CX1	Reserves	PT0007	PR4515 11000
128	Yala Road Tennis Courts Shelters & Toilet - Facility	Bangor	CX2	Sports	TC0012	PR4600 11001
129	Yarrowarra Reserve Public Toilet - Facility	Yarrowarra	CX2	Sports	PT0125	PR4640 11005

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Results of Community Satisfaction Survey including comparative data

Over the last decade, Council has undertaken periodic large scale surveys of residents to assess both their priorities for, and satisfaction with, a series of key services and facilities provided by Council. In 2015 as part of the delivery of the FfF program this survey was expanded to provide greater resolution of specific assets. With the exception of Neighbourhood Traffic Management and Public Toilet Cleanliness residents were satisfied with Council's performance, and Overall Satisfaction levels have remained relatively constant across the past 3 surveys. Five key areas for attention are indicated by the shaded cells.

SUMMARY & SCORES Scores (1=Low to 5=High)	2015		2011	2009
	Importance	Satisfaction	Satisfaction	
Regional Roads - Condition	4.0	3.5	na	na
District Roads - Condition	3.8	3.6	na	na
Local Roads - Condition	3.9	3.5	3.5	3.4
Neighbourhood Traffic Conditions - Manage	4.2	2.8	3.2	3.2
Regional CBDs Footpaths - Condition	3.8	3.6	3.3	3.2
District Footpaths - Condition	3.7	3.6		
Neighbourhood Footpaths - Condition	3.7	3.3		
Neighbourhood Footpaths - Provision	3.7	3.1	3.4	3.1
Parks and Reserves - Facilities	3.8	3.5	3.9	3.8
Parks and Reserves - Maintenance	3.9	3.7		
Playground Facilities	3.5	3.7	na	
Sporting Fields - Amenities and Buildings	3.4	3.5	na	
Sporting Fields - Condition	3.4	3.6	3.6 (Local)	3.6 (Local)
Public Toilets - Building Condition	3.6	3.1	3.0	3.0
Public Toilets - Cleanliness	4.2	2.9	2.9	2.9
Public Toilets - Availability	3.7	3.0	na	na
Council's drainage network - performance		3.5	na	na
Water quality in local water courses		3.2	na	na
Built Environment - Quality & Character	3.8	3.2	3.6	3.5
Shopping Centres - Streetscape	3.8	3.1	3.7	3.6
Dwellings - Diversity and Choice	3.6	3.0	3.4	3.4
Suburbs - Appearance and Care	3.9	3.5	3.7	3.6
Local Bushland - Maintenance	3.9	3.6	3.7	3.5
Shire Tree Coverage - Management	3.9	3.0	3.6 (Protection)	3.6 (Protection)
Graffiti Removal - Public Places	3.9	3.5	3.6	3.3
Council's Entertainment and Art Facilities	3.1	3.4	na	na
Council's Leisure Centres	3.5	3.6	na	na
Council's Community Halls and Buildings	3.0	3.5	na	na
Domestic Animal Control - Public Places	3.5	3.4	3.7	3.6
Household Waste - Management	4.3	3.9	4.4 / 4.5 / 4.5**	4.4 / 4.3 / 4.4**
Considering Local Community Views	4.1	3.0	3.4	3.3
Effectively Communicating its Decisions	4.2	3.2	3.4	3.4
Timeliness of the Information on Council Decisions	4.1	3.1	3.4	3.3
Providing Information about its Local Activities	4.0	3.4	3.6	3.6

** Note: Household / Green / Recycle