

## Canterbury City Council

### Improvement Plan

May 2015

achieving  
**results**  
in the public sector

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## 1 INTRODUCTION

Canterbury City Council has committed to improving its efficiency and effectiveness over a long period of time, and this is evidenced by its performance against the Fit for the Future benchmarks.

In September 2007, the former Department of Local Government noted that Council had “strong, experienced leadership that is addressing the service delivery within the city, implementing social planning to the benefit of the culturally diverse community and is focussed on implementing clear strategic directions to meet the changing demands on the workplace”<sup>1</sup>.

A further review occurred in 2010 following a complaint to the NSW Ombudsman. The Department considered customer service, access to information, complaints handling, records management and regulatory functions. It found that Council had demonstrated “an ongoing commitment to self-assessment and improvement” and “a significant and widespread response to the concerns raised by the Ombudsman”.

A key recommendation from the Promoting Better Practice Review was that Council needed to focus on its asset management planning as a priority. Council undertook a review in 2013 to improve its approach to asset management, including the treatment of renewals and maintenance, depreciation versus renewal costs and review of all Asset Management Plans.

In 2013, TCorp assessed Council’s Financial Sustainability Rating as ‘Moderate’ with a ‘Weak’ Outlook. TCorp noted that Council was unable to fund the required asset maintenance or asset renewal amounts over the review period, and a continuation of this level of spending would likely see the Infrastructure Backlog grow. It recommended a review of Council’s Long Term Financial Plan, a more conservative approach to valuing investments and matching Major Capital Expenditure to the needs and wants of the community.

Council considered options for addressing the areas of poor performance that were contributing to its assessed FSR and Outlook. It successfully applied for a Special Rate Variation, which commenced in July 2014 to increase general income by more than the rate peg amount of 2.3%, to maintain and improve roads, footpaths and community buildings. Council’s other actions to reduce perceived risks included completing its Asset Management Plans and continuing with the implementation of the Service Review Program. TCorp advised Council that work in such areas as obtaining approval for a Special Rate Variation, which is able to generate funds for asset renewal or address forecast ongoing operating deficits, would improve Council’s Outlook.

In addition to its reputation for experienced leadership and ongoing commitment to improvement, Council responded to the Fit for the Future challenge to take a further look at improvement opportunities. It will continue to be financially sustainable and build increased financial scale and capacity over the long term.

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<sup>1</sup> Department of Local Government, *Promoting Better Practice Program – Review Report – Canterbury City Council* Sept 2007 and *Promoting Better Practice Program – Review Report – Canterbury City Council* June 2011, <http://www.canterbury.nsw.gov.au/Council/Annual-Report-Policies-Access-to-Information/Promoting-Better-Practice-Review>

### 1.3 Scale and Capacity – Suggested Examples

The table below contains a summary of suggested factors that demonstrate scale and capacity. The provided examples are illustrative only and do not represent a full list of how City of Canterbury demonstrates scale and capacity.

Key Elements of Strategic Capacity	Examples of Scale and Capacity
<b>1. More robust revenue base and increased discretionary spending</b>	<ul style="list-style-type: none"> <li>Canterbury's Own Source Revenue Ratio of 81% is above the Group 3 average and 21% above the Fit for the Future benchmark of 60%. This higher level of own source revenue provides Council with improved fiscal flexibility.</li> </ul> <p><b><i>Increasing ordinary rating base</i></b></p> <ul style="list-style-type: none"> <li>The bulk of Council's revenue base comes from Rates &amp; Annual Charges (\$71.05 million Actual for 2014)</li> <li>Canterbury's population, and therefore rating base, is growing with projected annual average population growth Rate of 1.0-1.2% from 2011 to 2031; an overall increase of 25% or an additional 36,800 residents and around 14,300 new dwellings by 2031</li> <li>Growth industries in Transport &amp; Logistics, and Niche Food Manufacturing</li> </ul> <p><b><i>Opportunities for revenue raising capacity</i></b></p> <ul style="list-style-type: none"> <li>Canterbury also generates additional non-rates income, including for the 2014 Financial Year reported:             <ul style="list-style-type: none"> <li>\$2.6 million in User Charges and Fees for its Aquatic and Fitness Centre</li> <li>\$2.7 million for Child Care</li> <li>\$2.37 million in Interest and Investment Revenue against a Budget of \$1.58 million</li> <li>other Revenues totalling \$3.73 million, including rental income from Council properties, fines, other contributions to works, kiosk and floodlighting</li> </ul> </li> </ul> <p><b><i>Special Rate Variation increases financial capacity</i></b></p> <ul style="list-style-type: none"> <li>Council has recently increased its financial capacity through a successful application for a Special Rate Variation (SRV); the SRV allows for three consecutive increases from 1 July 2014 of 7.5% to fund debt servicing costs associated with capital works program</li> </ul> <p><b><i>Increasing revenue through optimising business practice</i></b></p> <ul style="list-style-type: none"> <li>Council has introduced an ongoing program of service reviews which is already delivering ongoing annual savings of \$1 million and income of \$300,000</li> <li>We have improved Council's procurement capability and compliance with contract establishment and use of approved suppliers</li> <li>Targets for plant management, including costing, utilisation and scheduled maintenance</li> </ul>

Key Elements of Strategic Capacity	Examples of Scale and Capacity
	<p><b><i>Using public funds to generate public surplus for investment</i></b></p> <ul style="list-style-type: none"> <li>Adoption of strategic Property Portfolio Policy to achieve optimum returns on Council owned land</li> </ul>
<p><b>2. Scope to undertake new functions and major projects</b></p>	<ul style="list-style-type: none"> <li>Council has undertaken: <ul style="list-style-type: none"> <li>a significant Infrastructure Renewal Program including major road projects, town centre and park improvement projects, stormwater and natural resource projects</li> <li>major property projects, including leases and licenses for sporting clubs and town centre strategic plans</li> </ul> </li> </ul> <p><b><i>Increasing scope to undertake new functions through partnering</i></b></p> <ul style="list-style-type: none"> <li>Canterbury City Council partners with local service providers and organisations to deliver a range of community-based, physical activity, mental health and healthy-eating programs. Partnering and collaborative delivery approaches increase the capacity of Council to deliver a wider scope of services</li> <li>Feeling safe is important to our residents and in response to community concern Council recently developed a Community Safety and Crime Prevention Plan. The Plan takes a community partnership approach and promotes community safety through crime prevention and safety initiatives. The Plan builds on existing strategies and programs; increasing the scope of services delivered</li> </ul>
<p><b>3. Ability to employ wide range of skilled staff</b></p>	<ul style="list-style-type: none"> <li>Council employs 525 FTEs and has a broad range of skills available in-house</li> </ul> <p><b><i>Aligning organisation to our Delivery Plan</i></b></p> <ul style="list-style-type: none"> <li>Council's strategic recruitment model requires detailed business cases aligned to our Delivery Plan</li> </ul> <p><b><i>Recruiting a highly skilled workforce</i></b></p> <ul style="list-style-type: none"> <li>Our workforce Management Strategy outlines our Council's commitment to developing a highly skilled workforce and a competitive workforce culture</li> <li>We make use of best practice techniques to assess job applicants</li> <li>Council customises recruitment initiatives to respond to labour market and skills shortage trends</li> <li>Significant proportion (55%) of staff are from within the local community</li> </ul> <p><b><i>Developing a highly skilled and effective workforce</i></b></p> <ul style="list-style-type: none"> <li>Canterbury City Council has developed a three-day induction program for employees to ensure they are quickly and easily able to access information, are aware of internal policies and support to them to perform their new role</li> <li>We encourage ongoing skill development and undertake targeted development programs, e.g. operations management, talent</li> </ul>

Key Elements of Strategic Capacity	Examples of Scale and Capacity
	<p>development, emotional intelligence</p> <ul style="list-style-type: none"> <li>Regular reviews of workplace policies and procedures</li> </ul> <p><b>Reviewing and incentivising performance</b></p> <ul style="list-style-type: none"> <li>Revised performance management system linking individual learning and development plans to Council's Operational Plan</li> <li>Annual resourcing reviews and quarterly reporting of operational performance</li> </ul>
<p><b>4. Knowledge, creativity and innovation</b></p>	<p><b>Encouraging organisational knowledge, creativity and innovation, including through:</b></p> <ul style="list-style-type: none"> <li>Learning and Development Plan tailoring learning and development to drive and reward performance</li> <li>TAFE South Western Sydney Institute Partnership Agreement to share information, networks and resources and provide young people with training and job opportunities</li> <li>Heritage Advisory Service providing advice to Council on development applications and general heritage issues and free advice to the community</li> <li>Other initiatives to increase the knowledge of staff and the community, including: Canterbury Aboriginal Advisory Group; Capacity Development Team; Compost revolution campaign; and Teachers' Network meetings</li> <li>Our ongoing Service Review Program focuses on innovation in service delivery, to improve revenue, savings, services and service levels</li> </ul> <p><b>Use of technology to improve service and business practice</b></p> <ul style="list-style-type: none"> <li>Advances in information technology for Library services</li> </ul> <p><b>Promoting community knowledge, creativity and innovation, including through:</b></p> <ul style="list-style-type: none"> <li>Supporting the culturally diverse community through family friendly festivals and events throughout the year</li> <li>Youth drop-in centres, services and activities</li> <li>Arts focussed competitions and projects</li> </ul> <p><b>Promoting business knowledge, innovation and creativity, including through:</b></p> <ul style="list-style-type: none"> <li>Support to local businesses through the Smartbiz program and the Southern Sydney Business Enterprise Centre</li> <li>Promotion of innovation within existing manufacturing firms through grants, facilitation and improvements in amenity</li> </ul>
<p><b>5. Advanced skills in strategic planning and policy</b></p>	<p><b>Comprehensive Integrated Planning and Reporting Framework:</b></p> <ul style="list-style-type: none"> <li>centred on five themes: an attractive city; stronger community; healthy environment; strategic leadership; and improving council</li> <li>In 2012, 88% of 42 Trend Indicators were stable or showing some</li> </ul>

Key Elements of Strategic Capacity	Examples of Scale and Capacity
development	<p>improvement</p> <p><b>Supported by suite of strategies, policies and plans:</b></p> <ul style="list-style-type: none"> <li>• Adoption of Town Centres Development Control Plan and town centres improvement program to respond to deteriorating Trend Indicator for jobs in retail and food industries</li> <li>• Detailed plans for specific topics, e.g. community facilities, recreation, illegal dumping, economic development, ageing, biodiversity, water and energy savings</li> <li>• Regular preparation and revision of broad range of policies, including: property portfolio; sustainability; community engagement; asset management; voluntary planning agreements; complaints management and library services</li> </ul>
6. Effective regional collaboration	<p><b>Collaboration within Southern Sydney Regional Organisation of Councils (SSROC) to reduce cost and improve services:</b></p> <ul style="list-style-type: none"> <li>• Canterbury is one of 16 member councils of Southern Sydney Regional Organisation of Councils (SSROC) undertaking cross boundary projects that contribute to sustainability of all member councils and communities</li> <li>• Current work plan includes: <ul style="list-style-type: none"> <li>○ integrated planning</li> <li>○ procurement for motor vehicles and telecommunications</li> <li>○ shared library services</li> <li>○ records reduction</li> <li>○ street lighting improvements</li> <li>○ waste management</li> <li>○ training and development</li> </ul> </li> <li>• Canterbury City Council has partnered with seven other SSROC councils and the Institute of Sustainable Futures to developed a Renewable Energy Master Plan to assess technology options and delivery methods</li> </ul> <p><b>Collaboration with other Councils to reduce cost, improve services and outcomes:</b></p> <ul style="list-style-type: none"> <li>• Formed the Cooks River Alliance with seven other councils to address complex environmental problems for the Cooks River Catchment</li> <li>• Formed the Inner West Sydney Regional Illegal Dumping squad with four other councils to address illegally dumped rubbish and investigate cases of illegal dumping</li> </ul> <p><b>Participation regionally and as local government professionals:</b></p> <ul style="list-style-type: none"> <li>• Participate in the Local Government Women's Association, Club GRANTS Local Committee, Greenway Steering Committee, International Council for Local Environmental Initiatives, Joint Regional Planning Panel, NSW Metropolitan Public Libraries Association, Punchbowl Community Centre Committee, and the</li> </ul>



Key Elements of Strategic Capacity	Examples of Scale and Capacity
	Road and Maritime Services Consultative Forum
<b>7. Credibility for more effective advocacy</b>	<p><b><i>Regional advocacy:</i></b></p> <ul style="list-style-type: none"> <li>Contributor to regional submissions on topics including: energy efficiency; road and air transport; social housing; carbon pricing; urban renewal and recycling</li> <li>Continue to collaborate with State Government through the Department of Premier and Cabinet Regional Coordination Meetings and provide input to the Department of Planning &amp; Environment State Planning Reforms</li> <li>Contributor to broad range of advocacy publications, such as: Meals on Wheels; environmental information for builders; sustainability; road and rail noise, an annual Clean Up Report; cataloguing and shelf ready specifications</li> </ul>
<b>8. Capable partner for the State and Federal agencies</b>	<p><b><i>Working in partnership with State and Federal Government to delivery projects and improve services and outcomes:</i></b></p> <ul style="list-style-type: none"> <li>Work with the Australian Government and State Government to undertake environmental initiatives in sustainability, waste and litter reduction, energy efficiency, bio-retention and weed management</li> <li>Works closely with the NSW and Australian Government on Australia's largest transport infrastructure project, the 33km WestConnex motorway, providing regular updates to the community affected by investigative works, involving geotechnical drilling</li> <li>Collaborated with the State Government on local government reform, floodplain management, sustainable schools, energy saving, pool safety and waste reduction</li> </ul> <p><b><i>Collaboration with other agencies to improve services and outcomes:</i></b></p> <ul style="list-style-type: none"> <li>Work with a range of with State and Federal Government agencies, businesses, community organisations and individuals to attract funding and resources, and create new programs, services and projects for residents on a wide range of issues such as: ageing; mental health; disability; safety; domestic violence; poverty; like long learning; women's issues; and youth</li> <li>Works with the Department of Family &amp; Community Services, the National Council of Social Service (NSW) and licensed clubs to identify priorities for community development and support services</li> <li>Meets monthly with representatives from Roads and Maritime Service, Police and local State Members of Parliament at a Traffic Committee that investigates and reports on traffic related matters</li> </ul>
<b>9. Resources to cope with complex and unexpected</b>	<p><b><i>Organisational culture – being ready for and responsive to change:</i></b></p> <ul style="list-style-type: none"> <li>Ongoing program of service reviews reflects organisational culture of remaining responsive to change and ensuring services remain relevant, efficient and effective</li> </ul>

Key Elements of Strategic Capacity	Examples of Scale and Capacity
<p><b>change</b></p>	<ul style="list-style-type: none"> <li>Savings and opportunities to generate addition revenue identified through service reviews identifies financial resources that can be utilised to address change</li> <li>Current operating surplus provides resources to cope with complex and unexpected change and demonstrates financial sustainability</li> </ul> <p><b><i>Working with the community to be ready for change and respond to change:</i></b></p> <ul style="list-style-type: none"> <li>Sound record of involving our community in service reviews; working with the community to determine appropriate levels of service and infrastructure condition; whether some services should no longer be provided, and if not when they should be discontinued. With the assistance of our community, we have developed a strategy for financial sustainability to meet current and future challenges</li> <li>Have successfully worked with our community to identify service priorities, funding gaps and the level of a Special Rate Variation that our community would be willing to accept</li> </ul>
<p><b>10. High quality political and managerial leadership</b></p>	<p><b><i>Elected Leadership</i></b></p> <ul style="list-style-type: none"> <li>Short-medium term political stability, with the Mayor elected in 2011 with a majority Australian Labor Party membership</li> <li>Current Mayor is only the 5<sup>th</sup> in the 35 year period since 1980</li> <li>Directly elected Mayor elected at large has the mandate of the whole community of Canterbury</li> <li>Higher representation of councillors with Non-English Speaking Backgrounds or under the age of 30 years, than the State average, reflecting the resident community</li> <li>Junior Vice Presidency of SSROC Executive, Chair of the Sustainability Program Committee, and five other delegates or alternates on the SSROC Board</li> <li>Dual Secretary and Treasurer role within SSROC</li> </ul> <p><b><i>Enabling quality political leadership</i></b></p> <ul style="list-style-type: none"> <li>Identification of imperative, desirable and developmental councillor training, including induction, meeting procedures, Code of Conduct, Conflict of Interest and relationships with staff</li> <li>Training offerings to councillors in financial, planning, strategic management, community leadership and ecologically sustainable development</li> </ul> <p><b><i>Good practice and good process</i></b></p> <ul style="list-style-type: none"> <li>Reviewing Code of Conduct that mirrors Model Code</li> <li>Zero complaints and cost of dealing with complaints in 2012-13 compared with Group 3 average of 2 and \$8,420 respectively</li> <li>Code of Meeting Practice and Statement of Business Ethics to guide meetings and dealings with Council</li> <li>Recent Mayoral review of monitoring and approval system for</li> </ul>

Key Elements of Strategic Capacity	Examples of Scale and Capacity
	<p>hospitality and conference expenditure</p> <p><b>Strong focus on community</b></p> <p>Strong ongoing consultative process with community during Rates and Services Review, adopting preferred option of the deliberative Community Working Group</p> <p><b>Management Team</b></p> <ul style="list-style-type: none"> <li>Long-term administrative stability, with the General Manager serving 32 years</li> </ul>

## 2 CURRENT PERFORMANCE AGAINST FIT FOR THE FUTURE BENCHMARKS

### 2.1 Performance against Fit for the Future Benchmarks

The table below shows how City of Canterbury performs against the Fit for the Future Benchmarks for the 2013/2014 financial year (calculated based on a 3-year average) and forecast performance for the 2019/2020 financial year (calculated based on a 3-year average) based on the current LTFP.

Measure / Benchmark	2013/2014 Performance	Achieves Fit for the Future Benchmark?	Forecast 2019/2020 performance	Achieves Fit for the Future Benchmark?
Operating Performance Ratio	-0.80%	No	3.0%	Yes
Own Source Revenue	80.8%	Yes	84.6%	Yes
Building and Infrastructure Asset Renewal	53.8%	No	116.6%	No
Infrastructure Backlog Ratio	3%	No	3%	No
Asset Maintenance Ratio	38%	No	37%	No
Debt Service Ratio	5.6%	Yes	0.2%	Yes
Real Operating Expenditure	Decrease	Yes	Decrease	Yes

### **3 IMPROVEMENT PLAN**

#### **3.1 Improvement Plan Methodology**

Council undertook a process of identifying, investigating and testing a range of improvement opportunities. Senior managers from across the council organisation were engaged in the preparation of the Improvement Plan to ensure the plan took into account a range of perspectives and technical expertise.

The process was as follows:

1. Managers from across council were asked to complete Improvement Opportunities templates, as a 'mini business case' to investigate opportunities. They considered ease of implementation, net financial benefit (or cost), impacts, legacy issues, risk, stakeholder consultation and implementation steps.
2. Senior managers worked through the identified Improvement Opportunities in a workshop. The proponent of each idea presented it to a series of groups for discussion and evaluation. As a result, each idea was informed by a range of perspectives: financial; governance; engineering; assets; operational; community; and environmental.
3. The ideas that managers considered had merit were collated into a list of proposals for consideration by elected Councillors, for inclusion as part of Council's Improvement Proposal.
4. The identified financial benefits were modelled into the existing Long Term Financial Plan so the impact on the Fit for Future ratios could be modelled as Council's improved position.

In addition to the opportunities that were modelled into the Long Term Financial Plan, staff identified several other potential opportunities that require further work around implementation and estimated financial benefits.

The following sections outline the key strategies identified to improve performance against the Fit for the Future Sustainability (section 3.2), Infrastructure and Service Management (section 3.3) and Efficiency (section 3.4) benchmarks.

#### **3.2 Identified Strategies for Improving Sustainability**

Council will implement the following strategies to improve sustainability, in particular contributing to:

- a higher Operating Performance Ratio, generating greater operating surpluses to meet growing and diverse community needs over time
- a higher Own Source Revenue Ratio, increasing Council's control over its operating performance and financial sustainability

### **3.2.1 Diversify Council's Revenue Base through Increasing Revenue**

Council has identified a range of opportunities for increasing revenue, particularly focusing on leveraging services and assets that have potential to generate an income, or generate greater income. Council estimates a revenue opportunity of approximately \$315,000 per annum through:

- improved marketing, programming and operations at the Aquatic and Fitness Centres to increase patronage
- replacement of peppercorn rent for community buildings
- weekend lease of the Riverwood Community Centre hall

Council has also identified a further saving of \$750,000 over three financial years through a review of its s.94 Development Contributions Plans to recognise affordable housing.

Council has identified other opportunities for increased revenue, which require robust business cases prior to costing and inclusion in Council's Implementation Plan, including:

- a user pays system for sideline mowing
- pod-surveillance metered parking in town centres
- a program to receive, store and recycle mulch for sale
- review of paid car parking options, including increased use of technology
- review of improvements and developer contributions for road and drainage augmentation or construction

### **3.2.2 Implement Shared Services and Resource Sharing Initiatives**

Council has identified an opportunity to combine individual tendered work into larger bundled packages through the Southern Sydney Regional Organisation of Councils (SSROC). This opportunity requires the development of a robust business case prior to costing and inclusion in Council's Implementation Plan. This opportunity will also improve Council's scale and capacity to achieve increased economies of scale and scope.

### **3.2.3 Reduce or Cease Services**

Council has identified a range of opportunities for reducing costs through reduced levels of service, including decreasing the frequency of:

- park mowing
- sideline mowing
- annual events, such as village festivals, to bi-annual events

Council estimates a cost saving opportunity of \$430,000 per annum.

### **3.3 Identified Strategies for Improving Infrastructure and Service Management**

Council will implement the following strategies to improve performance in infrastructure and service management:

#### **3.3.1 Asset Optimisation and Rationalisation**

With a particular focus on rationalising underused assets, duplicated assets and those at the end of their useful lives, Council will identify areas where assets can be rationalised to realise the capital value of underused and underperforming assets.

Council's Strategic Property Portfolio will establish the parameters for Council owned property investment to achieve optimum total returns. It is estimated that this will generate savings of around \$3,200,000 within four financial years. Council has identified a range of opportunities for increasing revenue through optimising the use of property or the disposal of underutilised or underperforming assets. For example, the sale of 86-92 Kingsgrove Road, Kingsgrove as this site is considered too small to provide usable open space and Council has received complaints about anti-social behaviour at the site. Similarly, Council has identified the relocation of Women's Rest Centres to co-locate with other organisations will reduce costs by an estimated \$80,000 per annum.

#### **3.3.2 Asset Improvements**

Council has identified a number of areas where existing assets could be improved and enhanced to provide for better use and diversity of services. For example, one opportunity identified was to undertake capital improvements to Council's Aquatic and Fitness Centres to increase patronage and increase revenue by \$480,000 within four financial years.

#### **3.3.3 Review Plant and Fleet**

Council has reviewed the use of its fleet to identify an opportunity to use existing items more efficiently and rationalise fleet where surplus to need. Council estimates a cost saving of \$28,000 per annum through reduced lease fees and moving costs for underused pool vehicles.

### **3.4 Identified Strategies for Improving Efficiency**

Council has identified and will implement the following strategies to improve efficiency performance.

#### **3.4.1 Undertake Service Reviews**

Council intends to continue its service review program and in the 2016/17 Financial Year, will commence a review of the following service areas:

- Parks and Properties – Depot Operations
- Enforcement – Regulatory Services
- Street Cleaning – Waste and Cleaning Services

- Dumped Rubbish – Waste and Cleaning Services

Council estimates a cost saving opportunity of \$4,020,000 over a four year period.

Council has also identified an internal program to strengthen engagement and leadership capability. This opportunity will improve Council's scale and capacity to govern effectively and provide a strong voice for its community.

### **3.4.2 Introduce Customer Self-Service Technology**

Council has identified a number of opportunities to implement self-service and online technology and cost savings in City Planning, including:

- online ordering and payment of applications for s.149 Certificates
- online lodgement of Development Applications.

These opportunities require robust business cases prior to costing and inclusion in Council's Implementation Plan. These opportunities will also improve Council's scale and capacity to generate cost efficient and effective services.

### **3.4.3 Review Delivery Model for Certain Council Functions and Services**

Council has identified the following opportunities to deliver existing functions and services more efficiently:

- investigation of different delivery models for the underused Lakemba 'Out Of School Hours' service
- introduction of a management agreement for the Riverwood Community Centre

Council estimates cost savings of \$290,000 within four financial years.

Council has identified other opportunities for increased efficiency, which require the completion of robust business cases prior to costing and inclusion in Council's Implementation Plan. These include:

- the introduction of a new inner west dog pound to replace the transfer of cats and dogs to an out of area facility (currently at a cost of \$180,000 per annum)
- higher use of specialist consultants and contractors to design and build engineering structures

### 3.5 Improvement Action Plan

The following table sets out the list of opportunities identified through the improvement plan process. The identified opportunities are categorised according to the Fit for the Future benchmark categories, Sustainability, Infrastructure and Service Management and Efficiency, that they address.

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
<b>Sustainability</b>						
1. Operational Initiatives (Aquatic & Fitness Centres)	<ul style="list-style-type: none"> <li>Changes to marketing, programming and operations</li> </ul>	2016-2020	\$800,000	High	<ul style="list-style-type: none"> <li>Increased revenue and number of users</li> <li>Increased number of casual 'Learn To Swim' instructors</li> <li>Requires increased Maintenance and HR support</li> </ul>	Y
2. Parks Mowing (City Works)	<ul style="list-style-type: none"> <li>Decreased frequency of park mowing</li> </ul>	2016-2020	\$800,000	Low	<ul style="list-style-type: none"> <li>Increased service efficiency</li> <li>Reduced service level</li> <li>Reduced user satisfaction (community may notice longer grass)</li> </ul>	N
3. s.94 Review (Corporate Services)	<ul style="list-style-type: none"> <li>Develop affordable housing policy and review Council owned sites</li> <li>Partner with St George Community Housing</li> </ul>	2016-2020	\$750,000	Low	<ul style="list-style-type: none"> <li>Increased service level and user satisfaction (housing choice)</li> <li>Potential impact on Council owned properties</li> <li>No change to staff numbers</li> </ul>	Y
4. Sideline Mowing (Community Services and City)	<ul style="list-style-type: none"> <li>Decreased frequency of sideline mowing, or introduction of user</li> </ul>	2017-2020	\$450,000	Medium	<ul style="list-style-type: none"> <li>Reduced service level, user satisfaction and staff numbers</li> </ul>	N



Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
Works)	pays system					
5. Community Buildings (Corporate Services)	<ul style="list-style-type: none"> <li>Replacement of 'peppercorn' rents for community buildings</li> </ul>	2016-2020	\$400,000	Medium	<ul style="list-style-type: none"> <li>Increased revenue (user fees)</li> <li>No change to service level or staff numbers</li> <li>Impact on capital development program</li> <li>Removal of ratepayer subsidy</li> <li>Increased Property and City Works support required</li> </ul>	Y
6. Events (Executive Services)	<ul style="list-style-type: none"> <li>Introduction of bi-annual festivals, increased charges or cutting Village Festival events</li> </ul>	2016-2020	\$320,000	High	<ul style="list-style-type: none"> <li>Reduced service level and staff numbers</li> <li>Increased revenue (user fees) and sponsorship</li> <li>Better targeted events</li> </ul>	Y
7. Riverwood Community Centre Hall (Corporate Services)	<ul style="list-style-type: none"> <li>Lease the Community Centre Hall on weekends</li> </ul>	2015-2020	\$61,000	Low	<ul style="list-style-type: none"> <li>Introduction of new service</li> <li>Increased revenue and use of plant and resources</li> <li>Increased user satisfaction (better access to community facility)</li> <li>Requires increased Security, Property and Cleaning support</li> <li>Increased activation of community space</li> </ul>	N

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
8. Car Park Surveillance (City Planning)	<ul style="list-style-type: none"> <li>Introduce pod-surveillance metered parking in town centres (with first 30 mins free)</li> </ul>	2017-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased revenue</li> <li>Increased service efficiency (reduced reliance on enforcement service)</li> <li>Increased user satisfaction (less traffic congestion)</li> <li>Improved town centre functionality (increased passing trade and turnover of car park spaces)</li> </ul>	Y
9. Mulch Recycling (City Works)	<ul style="list-style-type: none"> <li>Introduce receipt, storage and recycling of mulch for sale</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Introduction of new service</li> <li>Increased revenue and service efficiency (reduced dumped rubbish incidents)</li> </ul>	Y
10. Paid Car Parking (City Planning / Traffic)	<ul style="list-style-type: none"> <li>Review paid car parking options, including increased use of technology</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased revenue (car parking fees)</li> <li>Increased service efficiency (reduced reliance on enforcement service)</li> <li>Increased satisfaction for users (less traffic congestion)</li> <li>Improved car parking functionality (turnover of car park spaces)</li> </ul>	Y
11. s.94 Review (City Planning)	<ul style="list-style-type: none"> <li>Review improvements and developer contributions for road and drainage augmentation or</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased revenue</li> <li>Improved assets and asset treatment</li> <li>Increased service efficiency (timely</li> </ul>	Y

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
	construction				asset provision)	
12. Southern Sydney Regional Organisation of Councils	<ul style="list-style-type: none"> <li>Combine individual tendered work into larger bundled packages</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>No change to service level, user or staff numbers</li> <li>Reduced cost (transaction costs, purchasing costs)</li> </ul>	Y
<b>Infrastructure and Service Management</b>						
13. Strategic Property Portfolio (Corporate Projects)	<ul style="list-style-type: none"> <li>Establish parameters for Council owned property investment to achieve optimum Total Returns</li> </ul>	2017-2020	\$3,200,000	High	<ul style="list-style-type: none"> <li>Increased revenue</li> <li>Increased service level and user satisfaction (fit for purpose accommodation)</li> </ul>	Y
14. Capital Improvements (Aquatic & Fitness Centres)	<ul style="list-style-type: none"> <li>New water play parks at both centres</li> <li>Reconfiguration of gym and fitness area at Canterbury</li> <li>New fitness area at Roselands</li> </ul>	2016-2020	\$480,000	High	<ul style="list-style-type: none"> <li>Initial capital investment of \$500,000</li> <li>Increased revenue, service level and user numbers</li> <li>Increased staff numbers at Roselands Centre</li> <li>Increased Maintenance and HR support required</li> </ul>	Y
15. Women's Rest Centres (Community Services and	<ul style="list-style-type: none"> <li>Relocate facilities with other organisations</li> </ul>	2016-2020	\$320,000	Medium	<ul style="list-style-type: none"> <li>Reduced service level and staff numbers (could be transfer on interim basis)</li> </ul>	N

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
Waste Services)					<ul style="list-style-type: none"> <li>No change to user satisfaction (service continues through outsourcing)</li> </ul>	
16. Motor Vehicle Fleet (City Works)	<ul style="list-style-type: none"> <li>Reduce lease fees and moving costs for four underused pool vehicles</li> </ul>	2017-2020	\$112,000	Low	<ul style="list-style-type: none"> <li>Cost saving</li> <li>No change in service level</li> </ul>	N
<b>Efficiency</b>						
17. Parks and Properties (Depot Operations, City Works)	<ul style="list-style-type: none"> <li>Use the Bogan Report 2009 to review performance against best practice benchmarks</li> <li>Develop and implement Apps to record, report and manage data / outcomes</li> <li>Real time reporting and processing of data to trigger action and required response</li> </ul>	2016-2020	\$2,000,000	Medium	<ul style="list-style-type: none"> <li>Increased service level and efficiency (use of plant &amp; resources, improved communication and data capture)</li> <li>Increased user satisfaction (convenience and efficiency)</li> <li>Reduced staff numbers</li> </ul>	Y
18. Enforcement Service (Regulatory Services)	<ul style="list-style-type: none"> <li>Review rosters, duties and operational delivery of enforcement services</li> </ul>	2016-2020	\$1,150,000	Medium	<ul style="list-style-type: none"> <li>Increased service level and efficiency</li> <li></li> </ul>	N
19. Street Cleaning (Waste & Cleaning, City Works)	<ul style="list-style-type: none"> <li>Review and refine the program on a needs and priority basis</li> <li>Reduce the fleet by one large mechanical broom, operator and running costs</li> </ul>	2016-2020	\$840,000	Medium	<ul style="list-style-type: none"> <li>Increased service level and efficiency (higher priority streets and needs targeted, reduced plant &amp; resources required)</li> <li>Increased user satisfaction (better</li> </ul>	N

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
	<ul style="list-style-type: none"> <li>Link pit management with street cleaning program</li> <li>Fit next new mechanical broom with an educator to double capacity</li> </ul>				amenity and perception)	
20. Lakemba 'Out Of School Hours' (Corporate Services)	<ul style="list-style-type: none"> <li>Review underused service through different delivery models</li> </ul>	2017-2020	\$210,000	Medium	<ul style="list-style-type: none"> <li>No change in service level</li> <li>No improvement for high need users</li> <li>Reduced staff numbers by 1 FTE and two casuals</li> </ul>	N
21. Riverwood Community Centre (Corporate Services)	<ul style="list-style-type: none"> <li>Place the Community Centre under a management agreement</li> </ul>	2016-2020	\$80,000	Low	<ul style="list-style-type: none"> <li>Increased service level and efficiency</li> <li>Increased user satisfaction (higher quality service)</li> <li>Increased Property support required</li> </ul>	N
22. Dumped Rubbish (Waste and Cleaning, City Works)	<ul style="list-style-type: none"> <li>Refine system and use App to identify, record, process data, collect and manage dumped rubbish incidents</li> </ul>	2016-2017	\$30,000	Medium	<ul style="list-style-type: none"> <li>Increased service level (response time, targeted service)</li> <li>Increased user satisfaction (simplified process)</li> <li>Increased staff numbers by 2 FTE</li> <li>Increased use of utility and compactor truck</li> </ul>	N
23. Engagement and Leadership (Corporate)	<ul style="list-style-type: none"> <li>Conduct an internal program to strengthen engagement and</li> </ul>	2016-2020	\$0	Low	<ul style="list-style-type: none"> <li>Increased service level and staff capability</li> </ul>	Y

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
Communications and Business Improvement)	<ul style="list-style-type: none"> <li>leadership capability</li> <li>Clarify corporate goals, developments, corporate culture and expectations</li> </ul>				<ul style="list-style-type: none"> <li>Increased user satisfaction (higher quality services)</li> </ul>	
24. s.149 Certificates (City Planning)	<ul style="list-style-type: none"> <li>Introduce online ordering and payment of applications for s.149 Certificates</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased service level (reduced processing times) and efficiency (reduced receipting and recording)</li> <li>Increased user satisfaction (industry expectation, cost and time savings)</li> <li>Increased use of hardware and software</li> <li>Increased Customer Service, Records, Development Assessment, IM&amp;T and Finance support required</li> </ul>	Y
25. Development Applications (City Planning)	<ul style="list-style-type: none"> <li>Introduce online lodgement of development applications</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased service level (reduced processing times) and efficiency (reduced receipting and recording)</li> <li>Increased user satisfaction (industry expectation, cost and time savings)</li> <li>Reduced staff numbers by 3 EFT</li> <li>Increased use of hardware and software</li> <li>Increased Customer Service, Records,</li> </ul>	Y

Opportunity	Action	Timeframe	Total Saving Target Over Four Years	Difficulty	Impact	Increased Strategic Capacity
					Development Assessment, IM&T and Finance support required	
26. Dog Pound (City Planning)	<ul style="list-style-type: none"> <li>Establish an Inner West dog pound service</li> </ul>	2016-2020	\$0	High	<ul style="list-style-type: none"> <li>Introduction of new service</li> <li>Cost saving of \$180,000 p.a. (transfer cost of cats and dogs to Fairfield Animal Hospital)</li> </ul>	Y
27. Design / Build for Engineering Structures (City Works)	<ul style="list-style-type: none"> <li>Use more contractors or consultants with specialist knowledge and expertise for Engineering Structures projects, where appropriate to reduce risk</li> </ul>	2016-2020	\$0	Medium	<ul style="list-style-type: none"> <li>Increased service level</li> <li>No change to user or staff numbers</li> <li>Reduced cost (per project)</li> </ul>	N
<b>TOTAL:</b>			<b>\$ 12,012,000</b>			

## 4 EXPECTED IMPROVEMENT IN PERFORMANCE

The following sections show expected improvements in performance against each of the benchmarks, based on the expected savings resulting from the Improvement Plan.

### 4.3 Sustainability

#### Operating Performance Ratio – Benchmark Greater Than Breakeven

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Operating Performance Ratio	1%	3%	5%	5%
Meets Benchmark?	Yes	Yes	Yes	Yes

#### Own Source Revenue Ratio – Benchmark Greater Than 60%

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Own Source Revenue Ratio	84.2%	84.5%	84.7%	84.8%
Meets Benchmark?	Yes	Yes	Yes	Yes

#### Buildings and Infrastructure Asset Renewal Ratio – Benchmark Greater Than 100%

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Buildings and Infrastructure Asset Renewal Ratio	101%	127%	141%	133%
Meets Benchmark?	Yes	Yes	Yes	Yes



#### 4.4 Infrastructure and Service Management

##### Infrastructure Backlog Ratio – Benchmark Less Than 2%,

- The benchmark would be met by 2019/20

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Infrastructure Backlog Ratio	3.6%	3.2%	2.5%	1.8%
Meets Benchmark?	No	No	No	Yes

##### Asset Maintenance Ratio – Benchmark Greater Than 100%, Shows Improving Trend

- The benchmark would not met by 2019/20, however there is an improving trend demonstrated
- The benchmark would be met by 2021/2022

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast	2020/2021 Forecast	2021/2022 Forecast
Asset Maintenance Ratio	79%	78%	78%	85%	92%	100%
Meets Benchmark?	No	No	No	No	No	Yes

##### Debt Service – Benchmark Greater Than 0% and Less Than 20%

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Debt Service Ratio	0.4%	0.3%	0.2%	0.2%
Meets Benchmark?	Yes	Yes	Yes	Yes

## 4.5 Efficiency

### Real Operating Expenditure Per Capita, Benchmark Decreasing Over Time

	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast	2019/2020 Forecast
Real Operating Expenditure Over Time	\$685.7	\$689.3	\$685.0	\$680.6
Meets Benchmark?	Yes	No	Yes	<b>Yes</b>