



Fit for the Future Improvement Proposal

ATTACHMENT 8

Excerpt from 2015
special variation application:

**Productivity Improvements &
Cost Containment Strategies**

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7 Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 within the OLG Guidelines is:

The IP&R document or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.

In this section, you must provide details of any productivity improvements and cost containment strategies that you have implemented in the last two years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation.

These strategies, which may be capital or recurrent in nature, must be aimed at reducing costs and/or improving efficiency. Indicate if any initiatives are to increase revenue e.g. user charges. Identify if the proposed initiatives (i.e. cost savings), have been factored into the council's resourcing strategy (e.g., LTFP and AMP).

Where possible, the council is to quantify in dollar terms the past and future productivity improvements and cost savings. The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and OLG data provided to us.

7.1 Productivity Improvements and Costs Containment Strategies

7.1.1 Introduction

With a total expenditure budget of \$123 million in 2014/15, the Council delivers an extensive range of services to a population of approx. 78,000 residents and millions of tourists.

Given that for many years costs have risen faster than income, the Council has to find annual savings of \$1 million to \$1.5 million to balance its budget. This in itself has necessitated the achievement of significant costs savings and efficiencies.

The majority of services are provided "in-house" with benefits of efficiency, flexibility and economy of scale, increased control over service provision and reduced costs. In the consideration of service delivery however, the Council also considers the cost effectiveness of contracting versus in-house service. As the Council is also the major source of local employment, it delivers significant social and economic benefits to the City.

7.1.2 Best Value Service Framework

In 2013 the Council, in response to its Six Strategies for Financial Sustainability – Strategy 5 Review and Adjust Services, adopted a "best value" service framework (see **Attachment 14**) to ensure the provision of the best possible range of value for money services. The framework outlines the key principles guiding provision of services and the approach for planning and reviewing services on a regular basis to achieve "best value" services responses to community needs and affordable by the Council. Best value is defined as "quality, cost effective, value for money service provision that is responsive to the needs and requirements of service users and the general community". It is achieved through each Council service having:

- Defined quality and cost standards;
- Defined “affordable levels of service” with defined performance outcomes;
- Demonstrable commitment to continuous improvement, efficiency and effectiveness;
- Being responsive to the requirements of users;
- Being appropriate targeted and accessible to service users.

The framework provides guidelines for the review of all Council services to ensure achievement of best value service provision. A rolling program of service reviews is being implemented which guides and informs budget containment strategies each year, enabling the cash budget to be balanced.

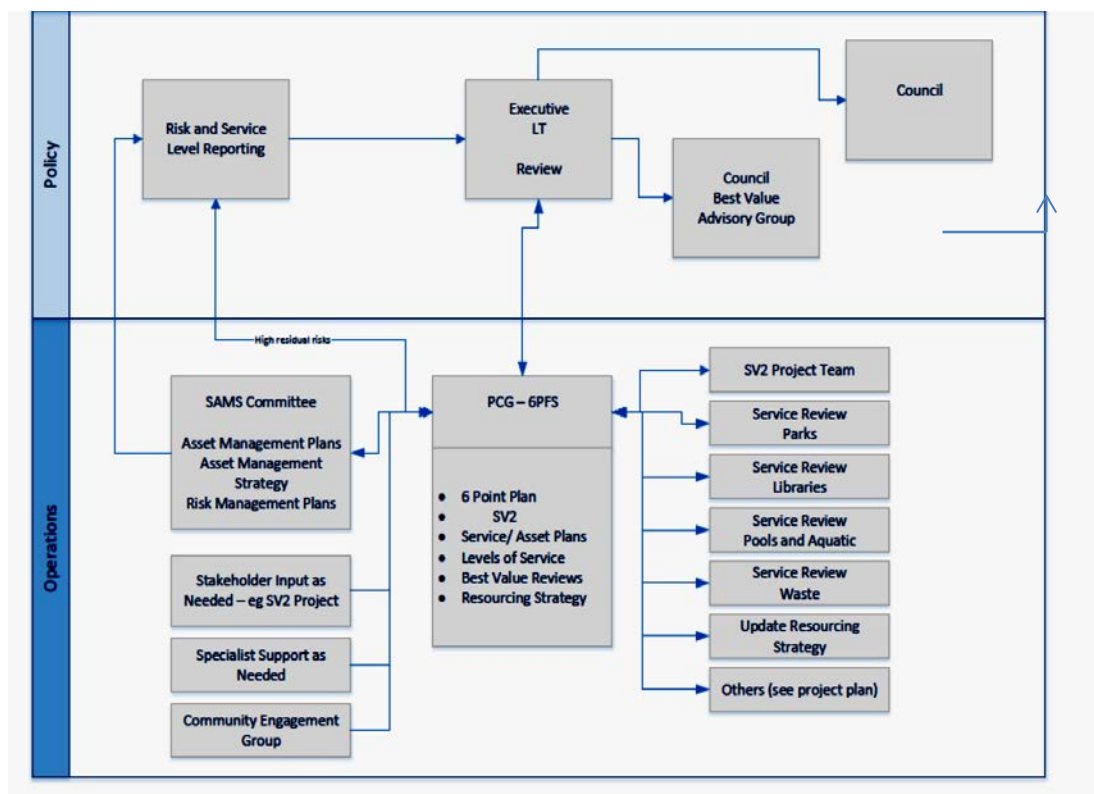
7.1.3 Best Value Governance Structure Established

To monitor outcomes of the best value service framework, a governance structure was developed as shown in Figure 7.1 below. A Best Value Councillor Advisory Group was formed to:

- Lead and guide expenditure to get best, long term value
- Identify initiatives and innovations that reduce net long term operating and maintenance costs
- Provide guidance and direction on engaging the community on how the Council will live within its means; and
- Consider business cases on the most effective service delivery model.

This group is supported by an internal staff Best Value Project Control Group which guides service and asset planning, levels of service, best value service reviews and other financial sustainability strategies, including seeking further income from a special variation application.

Figure 7.1: Best Value Governance Structure – Implementation of Financial Strategies



Best Value Resource Allocation Criteria Developed

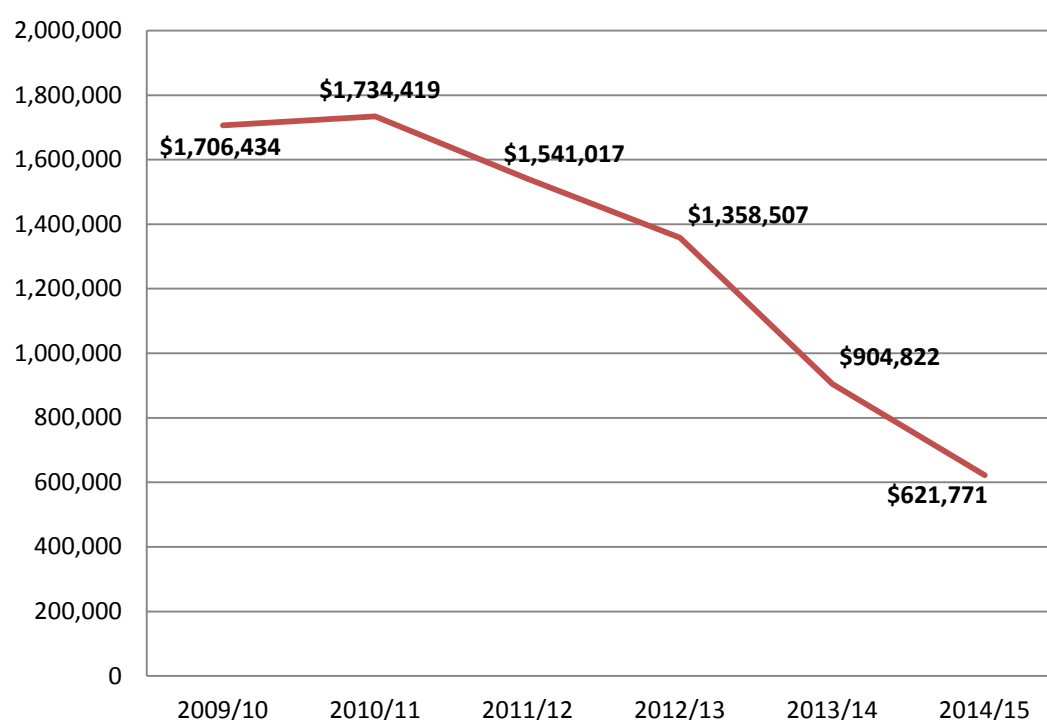
Five criteria for determining best value decision making have been developed and these criteria are currently being used to guide annual operational and capital expenditure allocation. The criteria include:

1. Meets Financial Strategy;
2. Manage Risk (avoid shocks);
3. Minimise Life Cycle & Operational Costs;
4. Meets Assessed Need; and
5. Builds internal Capacity & Capability.

7.1.4 A Range of Service Delivery Modes

This work is supplemented by a range of service delivery approaches which directly achieve best value service provision through savings, efficiencies and revenue initiatives, including:

- **Participation in joint ventures and public/private partnerships** such as public private partnership used between State Government/Council/Coles Group for the development of the Blue Mountains Cultural Centre/Coles supermarket in Katoomba
- **Shared service provision** such as the Council's implementation of a shared service delivery with the Roads and Maritime Service to provide a cost effective, income generating and improved front counter "one stop shop";
- **Outsourcing where appropriate** such as the Blackheath Vacation Care program was outsourced to Blackheath Area Neighbourhood Centre);
- **Strategic partnerships** such as working to establish a formal "Strategic Alliance" between Blue Mountains, Penrith and Hawkesbury councils and in joint procurement of insurance through Westpool;
- **Peer review by other councils** of development applications;
- **Establishment of incorporated entities** such as the 2013 establishment of the Blue Mountains Economic Entity to drive economic outcomes in most productive and cost effective manner;
- **Commercial activities that generate income including** Tourism Parks, a commercial property portfolio, an effluent collection service and a Roads and Maritime Service through the Council's front counter; and
- **Limited use of consultants and contractors** on a case by case basis, for specialised projects requiring skills and expertise not available within the organisation, for building internal capacity and for risk mitigation. As shown in chart below, annual expenditure on consultants has decreased by over \$1 million since 2009/10.

Figure 7.2: Reduction in BMCC Expenditure on Consultants (2009/10 - 2014/15)

7.1.5 Community Perception of Value for Money

Through the annual survey of resident satisfaction with Council performance and service delivery, the Council measures the community's view as to whether they are receiving value for the rates they pay. As shown in the table below, community satisfaction in this area has increased each year. This is in the context of major community engagement on significant reform to the rating structure as well as community engagement in 2010/11, 2012/13 and 2014/15 on possible special rate variations and affordable service levels.

Table 7.1: Annual BMCC Community Survey - Value for Money Rating (2011 – 2014)

Key Performance Area	Mean Performance Ratings (Out of 5)				Change 13-14
	2011	2012	2013	2014	
Value for money	3.03	3.26	3.27	3.47	↑

7.1.6 Rolling Program of Ongoing Service Reviews

As mentioned above, the Council has committed to continuously reviewing its service delivery to ensure best value. A rolling program of service reviews is being implemented to actively support achievement of cost savings, efficiencies and increase revenue where appropriate and ensure that expenditures on operations, maintenance and capital are tested by requiring at least three budget allocation options be developed as follows:

1. The continuation of current practices – the do nothing option;
2. Implementing the project/activity as per the budget business case;

3. Looking at benefit/cost/risk of alternatives (including in house provision against provision by contract).

Recently completed service reviews include:

- An outcome of the Council's Waste Avoidance & Resource Recovery Strategy in consultation with community – resulted in a range of initiatives including an improved residential recycling service including changing from a weekly to fortnightly collection and providing larger capacity bins (resulting in estimated savings to each rate payer in the Domestic Waste charge of approximately \$30 per annum);
- Service delivery and management model for the Blaxland Resource Recovery and Waste Management Facility – a business case demonstrated that operational savings could be achieved through the Council taking over direct management of the facility at the conclusion of the current outsourced contract. Savings will come from a consolidation of recycling and materials processing contracts, avoidance of contract profit component and variation payments, and resource sharing with the Katoomba facility together with the ability to be flexible in a changing industry and market;
- Bulky waste collection review which has resulted in a more responsive “booked” service provision and reduced ongoing costs (\$63,500 per annum savings) – each resident is now entitled to two free booked bulky waste pick up services;
- Sealing of unsealed roads program which has resulted in improved service delivery and reduced ongoing costs (\$250,000 per annum savings) as well as freeing up a maintenance crew to work on other required maintenance areas;
- Tourist Parks at Katoomba and Blackheath – resulting in improved management model, customer satisfaction and revenue outcomes including a net income of \$1.7 million over five years; and
- Fleet management - which has reduced fleet numbers as well as ongoing costs and improved lifecycle costs (over \$100,000 per annum savings).

Best value reviews of the provision of pools, parks and libraries have commenced with a view to consider rationalisation and improved service quality.

7.1.7 Workforce Productivity

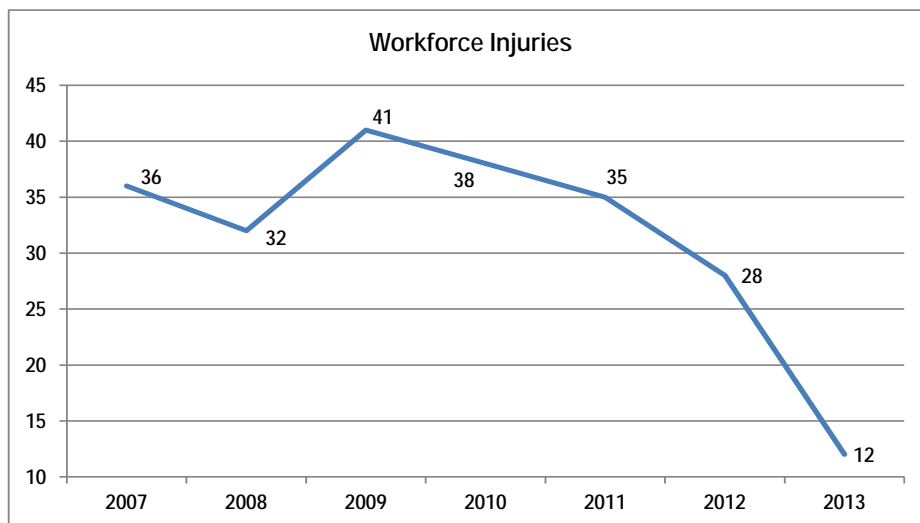
The Council's Workforce Management Strategy (WMS), a component of the Resourcing Strategy 2014-2014 (see **Attachment 13, Part 5**) is designed to deliver a highly safe, skilled and engaged workforce that provides “value for money” services to the community.

Internal measures

A key component of the WMS is the development of the workforce productivity measures to demonstrate “value for money” service delivery - Workforce Injuries and Workers Compensation Premium Costs.

a) Workforce injuries

The number of lost time injuries is a productivity measure of both the safety of the workforce and an indicator of workforce engagement and commitment. As the graph below demonstrates, there has been considerable improvement, with a significant reduction in the number of injuries since 2007.

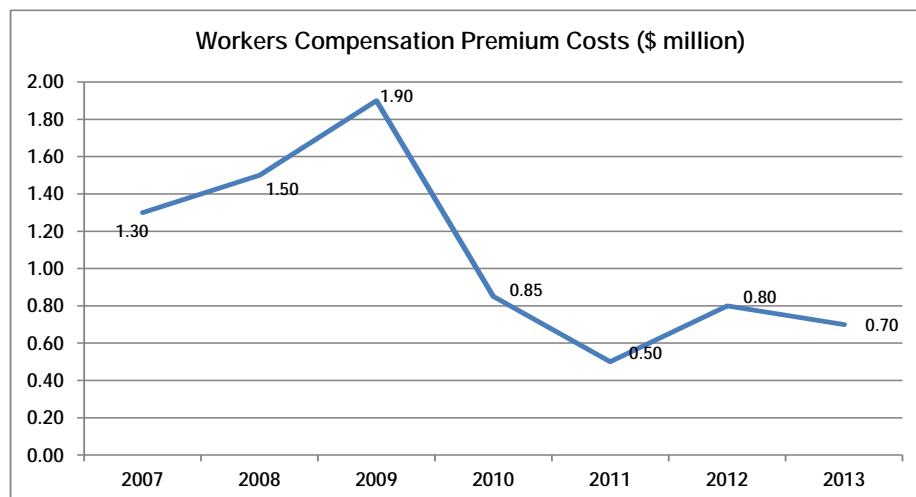
Figure 7.3: Workforce injuries

b) Workers Compensation Premium Costs

Over the past five years, Workers Compensation Premium Costs have reduced significantly since 2007 due to two key drivers:

- Admission of the organisation to the Retro Paid Loss Scheme
- An organisational and workforce approach to proactively managing injuries.

This has saved the organisation an estimated \$3.4 million since 2011.

Figure 7.4: Workers Compensation Premium Costs

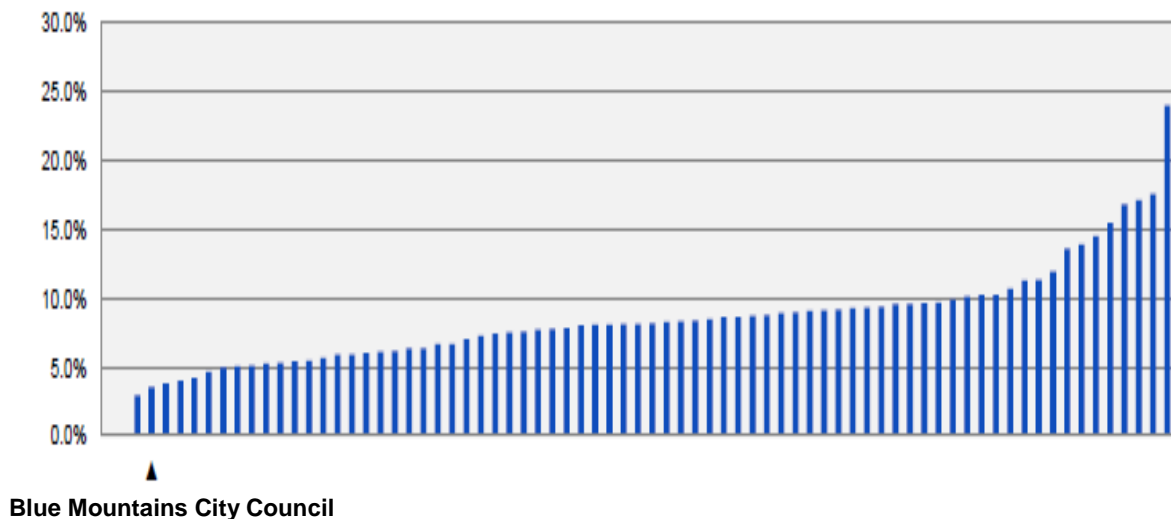
7.1.8 Benchmarking against NSW Councils

As shown below, the Council has performed well against other NSW councils in key staff performance areas measured by the most recent LGNSW Benchmarking Survey.

a) Employee turnover

As shown below, the Council is the second best performer in LGNSW survey for employee turnover, that it has the second lowest turnover of all NSW councils.

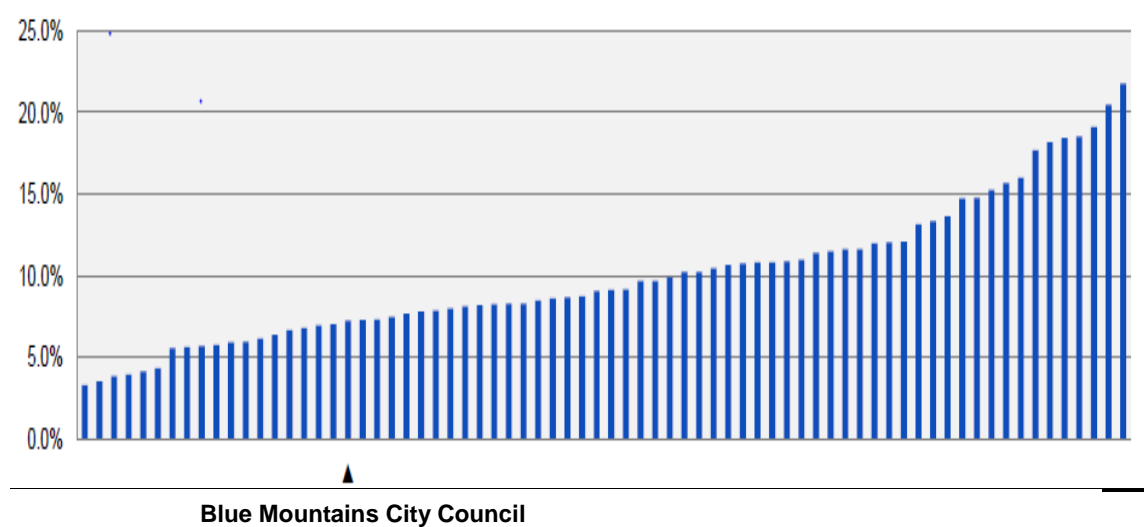
Figure 7.5: BMCC Benchmarked against Other NSW Councils – Employee Turnover



b) Management to Staff Ratio

Similarly, the organisation is performing well on the Management to Staff Ratio with a current result of 7.2% against the industry average of 10%. This result places the Council in the top quartile for NSW councils surveyed, according to the most recent LGNSW Benchmarking Survey.

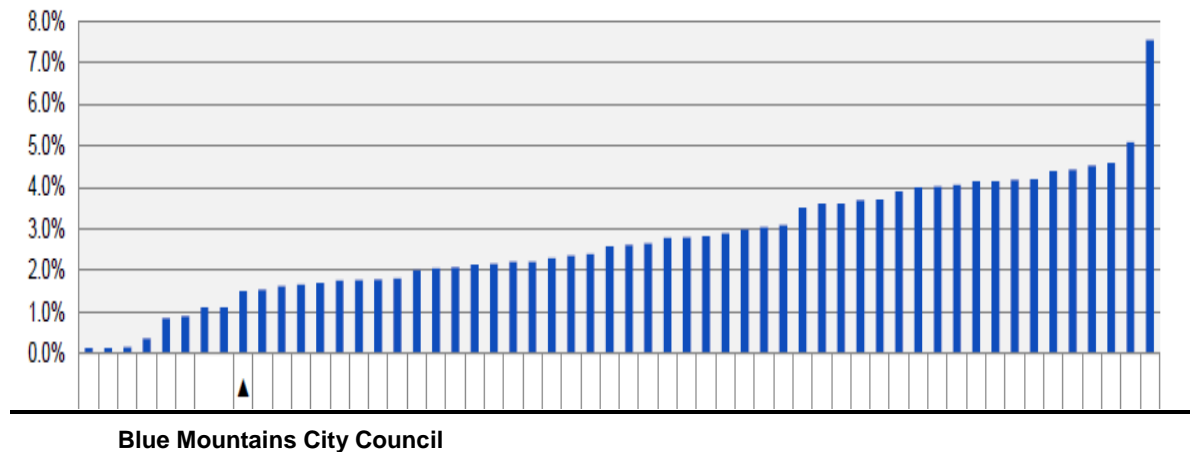
Figure 7.6 BMCC Benchmarked against Other NSW Councils – Management to Staff Ratio



c) Workers Compensation Cost Rate

The Council's Workers Compensation Cost Rate is currently at 1.5% which places the organisation as a best performer in local government in NSW as confirmed in the 2014 LGNSW Benchmarking Survey.

Figure 7.7 BMCC Benchmarked against Other NSW Councils – Workers Compensation Cost Rate



7.1.9 BMCC Enterprise Risk Management

Blue Mountains City Council has a long experience of risk management. In keeping with its goal of continuous improvement in this space, council underwent an independent assessment of the maturity of its risk management arrangements in 2012. This assessment confirmed the existence of a sound foundation of risk management practise and provided a 'roadmap' for further development and maturation.

Council is committed to the development of an enterprise wide, fully integrated risk management framework and established a dedicated branch in 2014 – the Governance & Risk Branch - to plan and execute this initiative in close collaboration with all areas of the council. The potential benefits of sound risk management; such as enhanced productivity, improved decision making and better community outcomes are clearly understood and desired by the council.

The path to a more mature risk framework involves:

- Removing complexity and duplication from risk related processes;
- Elevating the profile of risk management in the enterprise;
- Developing enterprise wide perspectives on compelling problems.

In practise, the maturation of a risk management framework is a complex and resource intensive endeavour. The council has embarked upon a very practical approach to the maturation process to ensure success and consolidate its resources. In the first instance, Governance & Risk Branch will shepherd the development of a common set of tools and processes that have proven to be powerful drivers of effective enterprise wide risk management in organisations like the council. These tools and processes are being progressively and deliberately integrated into organisational practise to facilitate:

- A common approach to the assessment of, and response to, the effects of change in the enterprise;
- A systematic approach to the investigation and analysis of incidents;

- Risk based audit planning and methodology;
- Establishing arrangements that give better visibility of risk to key decision makers.

A mature risk management framework supports effective decision making at all levels in an enterprise. Council understands that effective decision making is the key to improving the quality, timeliness and cost effectiveness of its outcomes. The achievement of these goals is realistic and achievable when supported by a practical risk management plan that is well aligned to areas of greatest need.

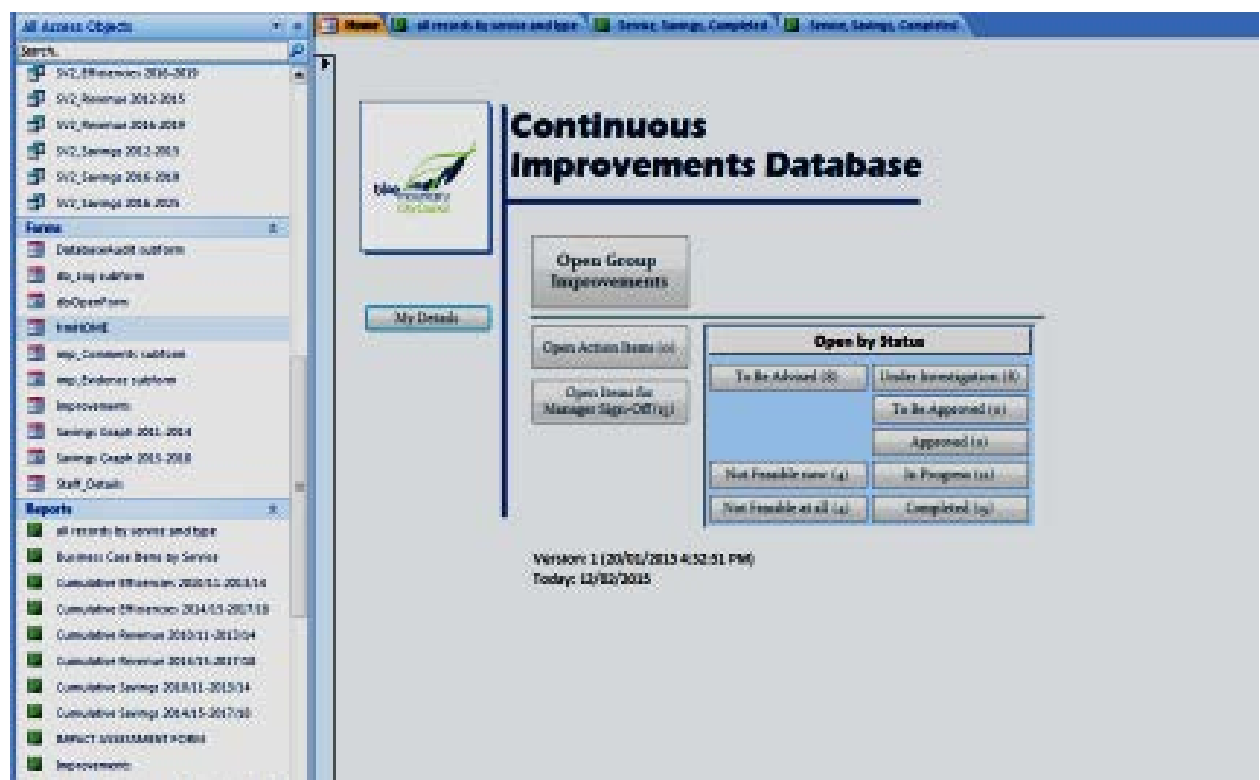
A fully matured risk management framework will make council more productive by:

- Reducing the costs generated by poorly designed policy and process;
- By removing duplication and unnecessary redundancy in organisational process and practise;
- By reducing the costs associated with a failure to anticipate the future;
- By focusing limited investment on initiatives that have the best potential to reduce material risks; and
- By focusing attention upon the interests of the enterprise as opposed to the interests of sub-groups and functions.

7.2 Past Cost Savings, Efficiencies and Revenue Raising Initiatives

Cost saving, efficiency and revenue initiatives have been tracked in Continuous Improvement Data Base (Figure 7.9 below) since 2010-11. The database also includes proposed future initiatives.

Figure 7.8 Continuous Improvement Database Snapshot



Extract from Information Sheet 3 – Cost Savings & Efficiencies – page 69 (Attachment 5b)

Attachment 5b

69

An efficient Council: case studies

Case study 1: *Sealing of unsealed roads*

It was identified that savings could be obtained through the sealing of sections of unsealed roads that were absorbing high levels of resources as a result of costly regrading requirements. The aim of this cost saving initiative was to reduce maintenance costs on unsealed roads by completing a permanent seal. The outcome from implementing the sealing of targeted unsealed roads has been estimated savings of \$400,000 with recurrent annual savings of \$200,000. The reduction of unsealed roads has allowed resources (staff and materials) previously used on constant grading of unsealed roads, to be reallocated to other priority maintenance activities. In addition, this initiative has improved service delivery to the community through sealing of unsealed roads, many of which had been eroded by weather.



Case study 2: *Blue Mountains Tourist Parks*

The Council owns and operates two caravan parks: Katoomba Falls Caravan Park and Blackheath Caravan Park, which represent substantial assets and occupy significant and valuable parcels of reserved Crown land and Council land.

The two parks provide 140 accommodation sites with 105 of these being used as drive-on tourist sites and/or cabins and park vans and 35 sites for camping.



A comprehensive service review of these facilities was implemented. This resulted in the development of a Business Plan/ business case for further investing in the parks to achieve much-needed improvements and increased returns from investment. This has proved very successful with the \$2.3 million investment in rebranding and renovating the parks resulting in bookings at new record levels and a cumulative net return over the past five years of \$1.7 million.

Case study 3: *Energy savings at Springwood Aquatic Centre*

A range of energy saving initiatives have been implemented at Springwood Aquatic Centre including a Bauer air conditioning system, improved sealing of the facility and an entry airlock was created. This has resulted in a 40% energy cost saving over five months. There has also been reduced electricity consumption and CO2 emissions. Projected annual savings from these initiatives is \$20,000.



7.2.1 Cost Savings - Past

The Council has saved over \$15 million in the past four years (2011/12 to 2014/15 up to February 2015) as a result of the initiatives implemented in the table below.

Table 7.2: Estimated Cost Savings 2011/12 - 2014/15

Cost Savings 2011/12 – 2014/15 Area/Initiative	Amount	Total Over 4 Years
Development Assessment and Regulatory Services		\$150,000
Implementation of a formal review of every major development application and auditing of technical assessments. This increased the quality and improved the turnaround times of development applications. This led to a reduction in Land and Environment Court challenges and subsequent costs.	\$110,000	
Implementation of a strategy to issue a Penalty Infringement Notice rather than prosecution through the local court as a means of containing legal costs.	\$40,000	
Business / Process Improvements		\$ 1,236,534
Efficiencies in the Westpool Insurance Model (collective of councils) – distribution of the equity of Westpool members, due to growth	\$325,454	
Katoomba Sports and Aquatic Centre - reduction of child-minding service to one session each weekday. This allowed a reduction of 1 Customer Service Officer and reduction of 1 x 24hr a week fitness supervisor.	\$267,600	
Change from external to in-house delivery of Aquatic Monitoring Programs	\$214,680	
The project to control of the aquatic weed Cabomba in Glenbrook Lagoon was completed under budget due to treatment efficacy exceeding expectations. Total savings \$155,000. Of the \$200,000 from the Environment Levy allocated to Cabomba control over the two years 2012/13 to 2013/14, only \$45,000 was spent (plus grant funds of \$280,000) to achieve likely eradication of Cabomba and Salvinia.	\$155,000	
Locker contract expiry, investigations and compromise to service levels resulted in a \$30,000 per annum recurrent saving.	\$120,000	
Changes to customer service desk rosters at Springwood Aquatic and Fitness Centre resulting in \$10,000 per annum saving.	\$40,000	
Re-programming of group fitness sessions at Katoomba Sports and Aquatic Centre to save \$12,000 per annum recurrent saving	\$36,000	
Reduction in child-minding to match reduced customer demand \$8000 recurrent saving.	\$32,000	
GST savings achieved by thorough checking of records	\$20,400	
Development of Standard Contracts to avoid repeat legal costs	\$20,000	
Replacement of Echo Point ticket parking machines resulting in a reduced maintenance burden for the Rangers Team.	\$5,400	
Consultancy Costs		\$420,000
Reduced reliance on Recruitment Consultants. To date the in-house recruitment of 10 Manager/Senior Manager positions has led to a 15% saving	\$220,000	
Reduced consultancy costs from using internal resources for Local Environment Plan development.	\$200,000	

Cost Savings 2011/12 – 2014/15 Area/Initiative	Amount	Total Over 4 Years
Contract Management		\$846,000
Secretariat Agreement by the Council with Blue Mountains Lithgow and Oberon Tourism was not extended beyond 30 June 2012. The new funding agreement saw a handing over of tourism promotion responsibility to the private sector as part of a partnership arrangement and related Council expenses were reduced by 50% p.a.	\$726,000	
Monthly payment to Thiess Pty Ltd for amortised capital works at Blaxland Waste Management Facility paid out as a lump sum funded by a loan at a lower interest rate than the specified contract payments.	\$120,000	
Energy		\$857,100
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and identified Network Use of Service (NUoS) Contract where 1184 streetlights on the Great Western Highway were identified as non-Council assets and returned to RMS management	\$473,600	
Reduced energy costs: Solar pool heating; Pool blankets; Water saving devices at all Council aquatic facilities	\$304,000	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and renewed small site contract through Local Government Procurement with 7% saving on contract rates	\$20,400	
Variable speed pool filter pumps with speed controlled by a turbidity meter were fitted at some pools. These pump drives adjust speed to maintain water quality at a constant level, slowing down when water quality is high, thereby reducing the energy consumption of pumps by about 25%.	\$20,000	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and achieved Large Site Tariff Optimisation	\$16,500	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and revised Mghw hours cut off down on Large Contracts allowing 10 small sites to move to cheaper large site rate.	\$14,200	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and identified improvements in Consolidated Invoice Management	\$5,000	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and consolidated outlying small sites into existing Contract Rates	\$3,400	
Fleet Purchase and Management		\$2,059,424
Reduced costs of fleet capital servicing by changing from six to four cylinder in light fleet vehicles. Market assessment indicated that six cylinder vehicles were showing higher purchase price and more rapid depreciation than four cylinder vehicles. A policy decision to exit the six cylinder vehicle market led to a reduction in light vehicle lifecycle costs.	\$960,000	
Ongoing annual review of Light Vehicle Fleet Policy and lease charges as well as fleet composition to reduce procurement and running costs. This reduced the light vehicle turnover timeframe, increased residual value through improved reserve setting, reduced repair costs and insurance excesses and reduced fuel consumption.	\$344,069	
Purchase of five new garbage trucks through a procurement	\$205,355	

Cost Savings 2011/12 – 2014/15 Area/Initiative	Amount	Total Over 4 Years
aggregator resulted in a \$40k+ saving per truck		
Sale of vehicles: Reduction in light fleet by 12 vehicles. One off capital return of \$240k	\$240,000	
Change of vehicles in the trades section from trucks to utilities where practical. Ongoing fleet savings \$30k a year.	\$120,000	
Agreement with the State Emergency Service to pay the fleet and mobile phone costs, previously paid by the Council.	\$100,000	
Change of vehicles in the Noxious Weeds section from trucks to utilities (one off savings on the purchase price \$50k)	\$50,000	
Implementation of six month registration for fleet vehicles being replaced within this period.	\$40,000	
Insurance		\$3,060,000
Change workers compensation model to Work Cover Retro-Paid Loss Model (2011/12- 2014/15)	\$3,060,000	
Materials Management Practices		\$ 779,088
Unsealed roads sealing program was undertaken, based on a business case that demonstrated that by sealing around a quarter of the remaining gravel roads, the Council could reduce annual maintenance expenses and close one heavy plant team. This reduced the asset lifecycle costs and also provided the community with an improved asset. This will provide Council with long term efficiencies to be gained in maintenance, and \$200k to \$250k recurrent savings (used to repay business case loan funding).	\$500,000	
Savings from purchase of pool filter socks. Alternate suppliers were approached and BMCC had the socks made to specification at 2/3 the price of the standard ones resulting in an annual maintenance saving of \$26,490.	\$105,960	
Innovative reuse of fill onsite during the Hat Hill Road Stage 1 construction resulting in contract cost savings	\$91,528	
Review of operation of sanitary bins at public facilities.	\$24,000	
A review of the number and location of ticket parking machines was carried out as part of the procurement process to replace the Echo Point ticket parking machines. This identified a surplus of 3 machines that were associated with the coach/bus parking spaces. (Bus/coach operators pay an annual fee and do not need a ticket.) Three less machines were purchased resulting in savings of \$23,600.	\$23,600	
Altered our library policy to 'meet' rather than 'exceed' public library benchmark standards. This enables us to extend the age of the library collection to with a subsequent reduction in capital.	\$19,300	
Energy savings at Blackheath pool. The pool filtration plant is turned off for some periods during the off-season.	\$11,700	
Savings from an operating review of the toy library following a cost / benefit analysis.	\$3,000	
Plant Purchase and Management		\$261,000
Cost savings and improved productivity for pothole maintenance. Changed the road patching machinery from a JetPatcher to a Paveline Autopatch reducing the crew from three to two people. There were also savings in operating costs with no loss in productivity.	\$240,000	
Saved money on the purchase of two mechanical hoists for the	\$21,000	

Cost Savings 2011/12 – 2014/15 Area/Initiative	Amount	Total Over 4 Years
vehicle garages by using a Procurement Aggregator.		
Technology Solutions		\$83,150
Business papers for Councillors and Senior Managers are now distributed electronically. This resulted in savings in printing costs and distribution.	\$35,000	
Renegotiation of Council mobile telephone contract. 2012-2015. This led to a reduction in call costs under new contract and consolidation of mobile and fixed line services with one supplier (Telstra).	\$18,750	
Moved from paper to hand held devices for the issue of warnings and penalty infringement notices using PINFORCE. This led to a reduction in processing costs and fees paid to the State Debt Recovery Office. The saving is \$3 for each penalty infringement notice.	\$12,000	
iPad implementation for Councillors. Replacement of desktop PCs with iPads for councillors and cessation of telephone rental and ADSL service provision for two new councillors in 2012.	\$9,700	
Reduction in operating costs with the promotion and use of electronic communications in Family Day Care	\$6,900	
Savings in software licencing costs by using MSSQL Express edition on the time and attendance server. Previously the more expensive Enterprise edition was used.	\$800	
Waste Initiatives		\$1,911,800
Change from crates to mobile bins for kerbside recycling.	\$1,600,000	
Change in provision of chipping and bulky waste services from a scheduled/whole city program to an on-demand/booked service	\$127,000	
Use of reclaimed material for road construction at Katoomba Waste Management Facility. Savings were achieved by not buying new material.	\$60,000	
Kerbside Chipping – reduction in overtime as third kerbside chipping team should manage current workload requiring no further overtime to meet demand.	\$60,000	
Additional savings made from the change in the chipping and bulky waste collection service from a scheduled, whole of city program to an on-demand/booked service. (Different to savings above)	\$50,000	
Removal of bottle bank in the library carpark	\$14,800	
Work Redesign and Productivity		\$3,622,600
Rationalised the parks team by using day labour in the growing season, rather than full-time employees. This provided savings in employment and plant costs.	\$680,000	
Rationalised the road maintenance team to account for increased productivity. This resulted in employment and plant cost savings with no loss in the level of service.	\$680,000	
Consolidated the Customer Services and Information Technology branches leading to savings in employment and vehicle costs.	\$452,000	
Consolidated the. Environmental & Regulatory Compliance and Land Use Management branches leading to savings in employment and vehicle costs.	\$240,000	
Cemeteries team rationalised through increased productivity. One full time position transferred from cemeteries to pavement team to reduce labour hire costs.	\$240,000	

Cost Savings 2011/12 – 2014/15 Area/Initiative	Amount	Total Over 4 Years
Sign truck staffing reduced from 2 person to 1 person with production maintained and unit rates reduced.	\$240,000	
Savings from 1 EFT staff in the bush regeneration team	\$240,000	
Reduction of mechanical maintenance staff to meet changed service intervals of modern equipment. Implemented over the previous 5 years.	\$195,000	
Savings from 1 EFT staff in the noxious weeds team	\$180,000	
Use of multi-skilled staff to provide front reception service	\$168,000	
Increased productivity in roads maintenance meant the civil construction team did not have to fill a recent vacancy. Extra day labour will be hired if a project demands it.	\$120,000	
Reduction in employment costs with pre cataloguing negotiated as part of a strategic procurement package	\$80,000	
Visitor Information Centres. Revised rosters to better suit peaks and troughs in visitation have led to employment savings.	\$40,000	
Reduction of casual budget for Bushcare, where some volunteer groups are now self sufficient and can operate without supervision during periods of staff leave.	\$36,000	
Training costs of accredited certifiers – using training options other than (more expensive) external courses to achieve Continual Professional Development (CPD) points for accreditation. Examples include shared in-house training with Penrith Council and online training.	\$16,600	
Changed from external energy reporting provider to in-house reporting	\$10,000	
Reduction in consultancy costs with reciprocal arrangements for peer review of development applications with other local government service providers.	\$5,000	
Total Savings 2011/12-2014/15		\$15,286,696

7.2.2 Efficiencies - Past

The Council estimates it has made over \$900,000 worth of efficiencies as a result of the initiatives implemented in the table below.

Table 7.3: Efficiencies 2011/12 - 2014/15

Efficiencies 2011/12 – 2014/15 Area/Initiative	Estimated Amount	Total Over 4 Years
An administrative position was redirected to a para-technical position to provide simple planning advice over the counter or phone. This improved the quality of applications and freed up more experienced development planners to focus on more complex assessment issues. This improved the turn-around times for development applications.	\$236,000	
Improved transparency and accessibility of the development process by publishing development determinations and notifications online. This improved service levels using existing resources.	\$81,720	

Efficiencies 2011/12 – 2014/15 Area/Initiative	Estimated Amount	Total Over 4 Years
Achieved quicker and cheaper delivery of rate notices by using e-mail.	\$80,000	
Implemented in house electronic reporting that identifies data issues and contributes to improved business processes for managing customer requests, registers, applications and inspections. This has reduced consultancy costs. The reports are subject to continuous improvement.	\$66,880	
Reduced the need for additional staff resources by installing self-serve checkouts at Katoomba Library. This followed a large increase of loan rates.	\$58,000	
Through internal efficiencies, the Council absorbed the additional workload from an increasing number of applications received under Government Information (Public Access) Act. The requests related to development consents and approvals.	\$52,500	
Increased assessment demands as a result of a revised Planning for Bushfire Protection in 2006.	\$34,000	
Implemented electronic signatures across organisation leading to savings in paper usage and eliminating the need to re-scan documents.	\$26,400	
Improved processing of development applications within a water catchment area by introducing a preliminary checklist and online assessment tool (NorBE) to determine neutral or beneficial effect. This requirement followed the implementation of the Drinking Water Catchment Regional Environmental Plan No. 1 on 1 January 2007	\$23,144	
Implemented the electronic stamping of plans with savings in rescanning of plans.	\$22,400	
Enhanced staff flexibility by cross training customer service staff to move between the call centre, the front counter and the RMS counter based on demand.	\$20,000	
Introduction and use of social media e.g., Flickr; Facebook; Twitter; Pinterest; Blogs to provide greater awareness of library services and information within existing resources	\$18,600	
Enhanced our children's programs and internet training at Council libraries with help from volunteers from Volunteers Australia.	\$17,280	
Costs involved in the implementation of the requirements of the Education and Care Services National Regulation 2012 were reduced by client training sessions and the electronic distribution of information.	\$17,000	
By using automatic development application workflow to generate documents, we have streamlined procedures and ensured a greater level of consistency in documentation.	\$16,640	
Improved management of Companion Animals to contain costs associated with increased demand and legislative requirements (such as dangerous and restricted breeds provisions under the Companion Animals Management Act).	\$16,400	
Efficiency in the generation of invoices for inspection programs (e.g. food, footpath dining, fire safety).are now linked to debtors. Previously paper copies of invoice were processed by Finance.	\$16,000	
Outsourced legal services tender to Local Government Procurement creating savings of \$14,000	\$14,000	
Introduction of digital scanners in libraries to retain currency and access to official records with the conversion over time of microfiche records (100,000) to digital records.	\$10,000	
Absorbed the additional assessment requirements of SEPP (Building Sustainability Index: BASIX) 2004 introduced 1 July 2005 and extended in October 2006 without needing additional resources.	\$3,000	

Efficiencies 2011/12 – 2014/15 Area/Initiative	Estimated Amount	Total Over 4 Years
Improved efficiencies and economies of scale with centralising Roads Act (1993) approvals in one location. Improving the approval process and fee capture. Increased transparency with separation of the regulatory approval from the restorations work.	\$9,600	
Centralised the organisational legal register. This reduced duplication, reduced time spent on reporting and provides more accurate and timely information.	\$8,320	
Implemented an e-lodgement and tracking system (24x7) for public and Councillor customer service requests giving greater levels of service to our customers and saving one hour a week.	\$8,000	
Contained organisational mail out costs through use of emails to replace paper for library reservations and overdue notices. Decrease in mail costs. Over 80% of notices are now electronic.	\$7,800	
Developed and implemented e-forms for bookings and applications. Reduces paper consumption and negates the need to scan paper copy.	\$6,000	
Redirected Family Day Care payments through the Customer Service Centre. Eliminating the manual credit card machine and cash handling requirements.	\$6,000	
Increased delegation from Council to negotiate / deal with matters before the courts.	\$6,000	
Staged implementation of Envisionware Internet Booking System at Council libraries. Savings in paper and ink usage by reducing unwanted printing by customers.	\$4,680	
Created efficiencies in processing and debt recovery by adding the "Septic Safe" fee to the rates notice. It used to be invoiced separately.	\$4,000	
Addressed risk by checking development applications against the Aboriginal Heritage when the application was lodged.	\$4,000	
Developed and published guides to development resulting in 17% reduction in the number of rejected applications. Significant savings by client; efficiency savings in registering and scanning	\$4,000	
Investigate video conferencing option to save staff travelling to meetings.	Not determined	
Implemented split shift facility cleansing teams to improve service quality and reduce contract security costs.	Not determined	
Purchased a second oval type mower for broad acre mowing - giving more options for maintaining sportgrounds and large grassed areas	Not determined	
Introduced flexible work practices for phased retirement to allow smooth transfer of knowledge transition to new staff.	Not determined	
Reviewed retail stock lines in Visitor Information Centres to be being responsive to sales trends	Not determined	
" Aquatic Monitoring and Action Program" – this is an efficiency measure to ensure that sound science underpins the Council's understanding of local aquatic ecosystems, prioritisation of catchments and waterways for on-ground investment and evaluation of program/project success. Aquatic monitoring results feed into the Catchment Prioritisation tool, which considers a range of values and risks for each sub catchment in the LGA, to help target catchment restoration resources appropriately and provides the evidence required to successfully seek additional external grant funding opportunities to match the Council's contribution.	Not determined	
Relationships were established with adjoining Councils to achieve economies of scale in providing services in town centres	Not determined	

Efficiencies 2011/12 – 2014/15 Area/Initiative	Estimated Amount	Total Over 4 Years
Footpath construction works and paving works are contracted out at a cheaper rate as it was identified that contractors could provide specialist construction equipment and economies of scale	Not determined	
Implemented changes under Local Government and Planning Legislation Amendment (Political Donations) Act in October 2008. New forms, website advice and changes to standard documentation made to reflect requirements using existing resources.	Not determined	
Added WiFi to all library branches	Not determined	
Improved computer connectivity (speed) under State Library of NSW consortia contract.	Not determined	
We continue to off-set natural asset maintenance cost through use of community conservation	Not determined	
The introduction of Bpay for debtors has improved cash flow and given better customer service	Not determined	
Road shoulder slashing practices reviewed and work methods/equipment changed to drive efficiencies. Parks maintenance teams are now rostered onto road works (generally vegetation control) during winter when mowing in the upper mountains slows down.	Not determined	
Installed rainwater tank Springwood Aquatic and Fitness Centre, completed in December 2012	Not determined	
Asphalt paving attachment added to Flocon truck to speed up asphalt road repairs	Not determined	
Up-skilled the project management team (capital works) by having all project managers complete a Diploma in Project Management.	Not determined	
Implemented vehicle sensing technology to manage high demand parking spaces in Leura Town Centre. The technology sensors when vehicles enter each parking space and identifies overstayed vehicles. This means only an enforcement patrol is required rather than both a mark-up and a separate enforcement patrol.	\$4,000	
Implemented electronic lodgement of Complying Development Certificates under the e-housing code. Project implemented with Department of Planning.	\$500	
Introduced "Syncplicity" file sharing software for providing documentation from Government Information (Public Access) Act requests. Retrieval of information is by electronic URL link, removing the need to send multiple emails or save to CD and post when information required is large. Information is received by the requestor immediately.	\$375	
BMCC Water and Catchments Working Group – Council formed an internal working group to link water resource stakeholders from different branches and directorates across the organisation. This group enhances communication and collaboration on water management issues and seeks continuous improvement and efficiencies in the delivery of the Water Resource Service. This includes seeking external grant funding opportunities such as the three recent Sydney Catchment Authority expressions of interest for approximately \$550k of funding for the Jamison Creek catchment.	Not determined	
Total Efficiencies 2011/12-2014/15		\$903,239

7.2.3 Revenue Raised - Past

The Council has raised almost \$6 million of additional revenue as a result of the initiatives implemented in the table below.

Table 7.4: Revenue 2011/12 - 2014/15

Revenue 2011/12-2014/15 Area/Item	Amount	Total Over 4 Years
Uncategorised Items		\$1,527,325
Upgraded parking meters at Echo Point to take credit card payments (increase of 30%).	\$500,000	
Implemented an annual administrative fee and a tiered inspection program for food businesses under the NSW Food Partnership program	\$360,000	
Increased patronage at Glenbrook Swim Centre by enclosing the learners' pool and holding learn to swim classes year round.	\$120,000	
Revenue from implementing the on-site septic safe program. Incorporated fee on rates notice to streamline recovery (staged implementation from 07/2008 to 06/2013, with issue of 5 year approval to operate).	\$100,000	
Increased revenue from the targeted improvement in recovery of court awarded costs / fines. This included advocacy with the Local Court Registrar with unpaid costs / fines now forwarded to State Debt Recovery Office. This are now better recording systems in Council for managing court income; increased awareness amongst officers to seek recovery of costs; changes to legislation that allows recovery of costs in the Land and Environment Court.	\$91,400	
Revenue from fees on temporary fencing following the development and adoption of the on Temporary Fencing (Hoarding) Policy in March 2009.	\$80,000	
Roads and Maritime Services Agency established at Council headquarters in January 2007. Estimated annual profit is \$72,000	\$72,000	
Increased revenue and reduce risk through updates and improvements to the names and address register.	\$70,000	
Implemented revenue coordinator to manage the update of customer information for rating purposes. Audit rates area e.g.. find all properties not currently rated to find missing revenue	\$40,000	
Introduced fee for registration of annual fire safety statements	\$32,000	
Electronic valuation tool developed to determine / confirm value of works associated with development applications (Note: Statutory fees based on the value of works).	\$30,000	
Additional fuel tax credit - net savings	\$29,395	
Revenue raised from additional booked waste services for chipping and bulky waste above the two services provided by the Council per property per financial year at no charge	\$2,530	
Business / Process Improvements		\$4,304,637
Gross income from land and property sales and interest on funds in the Property Investment Fund PIF) under the Property Disposal & Investment Program (PDIP) which was established in 2005. 50% of the investment return for this fund is reinvested into the fund with the balance being used to provide asset renewal and maintenance. As at 30.6.14 the total sales and interest generated under this program is	\$1,840,467	

Revenue 2011/12-2014/15 Area/Item	Amount	Total Over 4 Years
calculated at \$5,521,401, an average of the 9 year period of \$613,489.		
Increase in revenue from the Council's two tourist (caravan) parks. This is due to a change in the business model which saw a new management contract, significant renovations including the installation of new cabins and camp kitchens, a rebranding strategy with a new website, new logos and marketing plan. While it is anticipated that this increased net revenue will continue, it should be noted that income from the tourist parks is sensitive to changes in the tourism market.	\$1,360,000	
Retail rental income -average over 5 years. Income \$1,859,244, expenditure \$690,721, net income \$1,168,523.	\$701,112	
Other rental income - income \$256,184, expenditure \$106,288.	\$149,896	
Income from mobile phone towers. Income \$126,581, expenditure \$0.	\$253,162	
Total Revenue 2011/12-2014/15		\$5,831,962

7.3 Future Cost Savings, Efficiencies and Revenue Raising Initiatives

Many of the savings made in the past will continue into the future and when combined with new initiatives, savings of \$20.9 million are expected in the period 2015/16-18/19.

7.3.1 Cost Savings - Future

The Council will save nearly \$21 million in the next four years as a result of the initiatives implemented in the table below.

Table 7.5: Cost Savings 2015/16-2018/19

Savings 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Auditing		\$520,000
Implementation of a formal review of every major development application and auditing of technical assessments. This increased the quality and improved the turnaround times of development applications. This led to a reduction in Land and Environment Court challenges and subsequent costs of \$100,000 per annum.	\$440,000	
Implementation of a strategy to issue a Penalty Infringement Notice rather than prosecution through the local court as a means of containing costs.	\$80,000	
Business / Process Improvements		\$2,740,917
The phasing out of borrowing money for asset renewal reduced debt and led to savings in interest repayments. \$356,689 in 2015-16, \$528,653 in 2016-2017, \$695,905 in 2017-2018, \$858,070 in 2018-2019	\$2,439,317	
Locker contract expiry, investigations and compromise to service levels resulted in a \$30,000 recurrent saving	\$120,000	
Re-programming of group fitness sessions at Katoomba Sports and Aquatic Centre to save \$12,000	\$48,000	

Savings 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Changes to customer service desk rosters at Springwood Aquatic and Fitness Centre resulting in \$10,000 saving.	\$40,000	
Development of Standard Contracts to avoid repeat legal costs	\$40,000	
Reduction in child-minding to match reduced customer demand \$8000 recurrent saving.	\$32,000	
Replacement of Echo Point ticket parking machines is expected to result in a reduced maintenance burden for the Rangers Team	\$21,600	
Consultancy Costs		\$660,000
Reduced consultancy costs from using internal resources for Local Environment Plan development.	\$400,000	
Reduced reliance on external recruitment consultants relative to appointment of senior staff. To date the in-house recruitment of 10 Manager/Senior Manager positions has led to a 15% saving	\$220,000	
Reduced consultancy costs from only conducting the Community Survey (measuring community perception of performance) once every two years instead of annually after 2014. (Save \$20,000 every two years)	\$40,000	
Contract Management		\$1,448,000
The existing Secretariat Agreement with Blue Mountains Lithgow and Oberon Tourism was not extended beyond 30 June 2012. The new funding agreement saw a handing over of tourism promotion responsibility to the private sector as part of a partnership arrangement and related Council expenses were reduced by 50% p.a.	\$968,000	
Monthly payment to Thiess Pty Ltd for amortised capital works at Blaxland Waste Management Facility paid out as a lump sum funded by a loan at a lower interest rate than the specified contract payments.	\$480,000	
Energy		\$953,800
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and identified NUoS Contract where 1184 streetlights on Great Western Highway were returned to RMS management.	\$473,600	
Savings from installation solar water heaters at Springwood Aquatic and Fitness Centre.	\$200,000	
Savings from air handlers at Springwood Aquatic and Fitness Centre	\$120,000	
Reduced energy costs from solar pool heating; pool blankets and water saving devices at aquatic centres	\$76,000	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and renewed small site contract through Local Government Procurement with 7% saving on contract rates	\$40,800	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and identified improvements in Consolidated Invoice Management	\$20,000	
Variable speed drives controlled by a turbidity meter, where fitted at some pools. These drives maintain water quality while reducing the energy consumption of pumps by about 25%.	\$20,000	
Undertook Energy Aggregation Review 2013-14 on current Energy Contracts and consolidated outlying small sites into existing Contract Rates	\$3,400	
Fleet Purchase and Management		\$2,557,416
Reduced costs of fleet capital servicing by changing from six to four cylinder in light fleet vehicles.	\$1,280,000	
Fleet repairs review leading to process change in referral and procurement of minor repairs and detailing on light vehicles.	\$429,416	
Agreement with the State Emergency Service to pay the fleet and mobile phone costs, previously paid by the Council.	\$400,000	

Savings 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Reduced running costs from reduction in light fleet by twelve vehicles. \$72k annual operating savings	\$288,000	
Change of vehicles in the trades section from trucks to utilities where practical. Ongoing fleet savings \$30k a year	\$120,000	
Implementation of six month registration for fleet vehicles being replaced within this period.	\$40,000	
Insurance	\$2,560,000	
Change workers compensation model to Work Cover Retro-Paid Loss Model (2014/15-2018/19)	\$2,560,000	
Materials Management Practices		\$1,234,760
Sealing of Unsealed Roads - Council was spending a disproportionate maintenance expense on unsealed roads. It prepared a detailed business case showing that sealing selected roads was justified by savings in maintenance costs, including through the reduction of one heavy plant team. The savings on the pilot project allowed work to be expanded. Around 20km of roads were sealed across the LGA, leading to annual savings of \$250K	\$1,000,000	
Savings from purchase of pool filter socks. Alternate suppliers were approached and BMCC had the socks made to specification at 2/3 the price resulting in an annual maintenance saving of \$26,490.	\$105,960	
Altered our library policy to 'meet' rather than 'exceed' public library benchmark standards. This enables us to extend the age of the library collection to with a subsequent reduction in capital.	\$77,200	
Review of operation of sanitary bins at public facilities	\$32,000	
Savings at Blackheath pool. The pool filtration plant is turned off for some periods during the off-season.	\$15,600	
Savings from an operating review of the toy library following a cost / benefit analysis.	\$4,000	
Plant Purchase and Management		\$60,000
Cost savings and improved productivity for pothole maintenance. Changed the patching machinery from a JetPatcher to a Paveline Autopatch reducing the crew from three to two people. There were also savings in operating costs with no loss in productivity.	\$60,000	
Technology Solutions		\$158,200
Business papers for Councillors and Senior Managers are now distributed electronically. This resulted in savings in printing costs and distribution.	\$140,000	
Reduction in operating costs with the promotion and use of electronic communications in Family Day Care.	\$9,200	
Moved from paper to hand held devices for the issue of warnings and penalty infringement notices using PINFORCE. This led to a reduction in processing costs and fees paid to the State Debt Recovery Office. The saving is \$3 for each penalty infringement notice.	\$9,000	
Waste Initiatives		\$5,343,600
Improved residential recycling service model as part of the Waste Avoidance & Resource Recovery Strategy. Improvements include changing from a weekly to fortnightly collection and providing larger capacity bins.	\$3,000,000	
Change from crates to mobile bins for kerbside recycling.	\$1,600,000	

Savings 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
A business case demonstrated that operational savings could be achieved through the Council taking over direct management of the Blaxland Resource Recovery and Waste Management Facility at the conclusion of the current outsourced contract. Savings will come from a consolidation of recycling and materials processing contracts, avoidance of contract profit component and variation payments, and resource sharing with the Katoomba facility.	\$400,000	
Change in provision of chipping and bulky waste services from a scheduled/whole city program to an on-demand/booked service	\$254,000	
Use of reclaimed material for road construction at Katoomba Waste Management Facility.	\$60,000	
Removal of bottle bank in the library carpark	\$29,600	
Work Redesign and Productivity		\$2,722,400
Rationalised the parks team by using day labour in the growing season, rather than full-time employees. This provided savings in employment and plant costs.	\$680,000	
Rationalised the road maintenance team to account for increased productivity. This resulted in employment and plant cost savings with no less in the level of service.	\$680,000	
Savings from 1 EFT staff in the noxious weeds team	\$240,000	
Savings from 1 EFT staff in the bush regeneration team	\$240,000	
Consolidated the Customer Services and Information Technology branches leading to savings in employment and vehicle costs.	\$226,000	
Increased productivity in roads maintenance meant the civil construction team did not have to fill a recent vacancy. Extra day labour will be hired if a project demands it.	\$120,000	
Visitor Information Centres - introduce new rosters. Revised rosters have been introduced.	\$80,000	
Reduction in employment costs with pre cataloguing negotiated as part of a strategic procurement package	\$80,000	
Training costs of accredited certifiers – using training options other than (more expensive) external courses to achieve Continual Professional Development (CPD) points for accreditation. Examples include shared in-house training with Penrith Council and online training.	\$66,400	
Consolidated the. Environmental & Regulatory Compliance and Land Use Management branches leading to savings in employment and vehicle costs.	\$60,000	
Sign truck reduced from 2 person to 1 person with production maintained and unit rates reduced.	\$60,000	
Cemeteries team rationalised through increased productivity. One FTE transferred pavements team to reduce labour hire costs.	\$60,000	
Reduction of casual budget for Bushcare for groups that can operate without supervision during periods of staff leave	\$48,000	
Use of multi-skilled staff to provide front reception service	\$42,000	
Changed from external energy reporting provider to inhouse reporting	\$20,000	
Reduction in consultancy costs with reciprocal arrangements for peer review of development applications with other local government service providers	\$20,000	
Total Savings 2015/16-2018/19		\$20,959,093

7.3.2 Efficiencies - Future

The Council is estimated to save over \$870,000 in the next four years as a result of the efficiency initiatives implemented in the table below.

Table 7.6: Efficiencies 2015/16-2018/19

Efficiencies 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
An administrative position was redirected to a para-technical position to provide simple planning advice over the counter or phone. This improved the quality of applications and freed up more experienced development planners to focus on more complex assessment issues. This improved the turn-around times for development applications.	\$236,000	
Reduced the need for additional staff resources by installing self-serve checkouts at Katoomba Library. This followed a large increase of loan rates.	\$116,000	
Improved transparency and accessibility of the development process by publishing development determinations and notifications online. This improved service levels using existing resources.	\$81,720	
Through internal efficiencies, the Council absorbed the additional workload from an increasing number of applications received under Government Information (Public Access) Act. The requests related to development consents and approvals.	\$70,000	
Implemented electronic signatures across organisation leading to savings in paper usage and eliminating the need to re-scan documents.	\$35,200	
Implemented in house electronic reporting that identifies data issues and contributes to improved business processes for managing customer requests, registers, applications and inspections. This has reduced consultancy costs. The reports are subject to continuous improvement.	\$33,440	
Introduction and use of social media e.g., Flickr; Facebook; Twitter; Pinterest; Blogs to provide greater awareness of library services and information within existing resources.	\$24,800	
Enhanced our children's programs and internet training at Council libraries with help from volunteers from Volunteers Australia.	\$23,040	
Implemented the electronic stamping of plans with savings in rescanning of plans.	\$22,400	
Enhanced staff flexibility by cross training customer service staff to move between the call centre, the front counter and the RMS counter based on demand.	\$20,000	
Introduction of digital scanners in Libraries to retain currency and access to official records with the conversion over time of microfiche records (100,000) to digital records.	\$20,000	
Increased assessment demands as a result of a revised Planning for Bushfire Protection in 2006.	\$17,000	
By using automatic development application workflow to generate documents, we have streamlined procedures and ensured a greater level of consistency in documentation.	\$16,640	

Efficiencies 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Centralised the organisational legal register. This reduced duplication, reduced time spent on reporting and provides more accurate and timely information.	\$16,640	
Efficiency in the generation of invoices for inspection programs (e.g. food, footpath dining, fire safety).are now linked to debtors. Previously paper copies of invoice were processed by Finance	\$16,000	
Increased delegation from Council to negotiate / deal with matters before the courts	\$12,000	
Improved processing of development applications within a water catchment area by introducing a preliminary checklist and online assessment tool (NorBE) to determine neutral or beneficial effect. This requirement followed the implementation of the Drinking Water Catchment Regional Environmental Plan No. 1 on 1 January 2007	\$11,572	
Contained organisational mail out costs through use of emails to replace paper for library reservations and overdue notices. Decrease in mail costs. Over 80% of notices are now electronic.	\$10,400	
Improved efficiencies and economies of scale with centralising Roads Act (1993) approvals in one location. Improving the approval process and fee capture. Increased transparency with separation of the regulatory approval from the restorations work	\$9,600	
Improved management of Companion Animals to contain costs associated with increased demand and legislative requirements (such as dangerous and restricted breeds provisions under the Companion Animals Management Act).	\$8,200	
Addressed risk by checking development applications against the Aboriginal Heritage when the application was lodged.	\$8,000	
Developed and implemented e-forms for bookings and applications. Reduces paper consumption and negates the need to scan paper copy.	\$8,000	
Redirected Family Day Care payments through the Customer Service Centre. Eliminating the manual credit card machine and cash handling requirements.	\$8,000	
Developed and published guides to development resulting in 17% reduction in the number of rejected applications. Significant savings by client; efficiency savings in registering and scanning	\$8,000	
Implemented an e-lodgement and tracking system (24x7) for public and Councillor customer service requests giving greater levels of service to our customers and saving one hour a week.	\$8,000	
Staged implementation of Envisionware Internet Booking System at Council libraries. Savings in paper and ink usage by reducing unwanted printing by customers.	\$6,240	
Created efficiencies in processing and debt recovery by adding the "Septic Safe" fee to the rates notice. It used to be invoiced separately.	\$4,000	
Absorbed the additional assessment requirements of SEPP (Building Sustainability Index: BASIX) 2004 introduced 1 July 2005 and extended in October 2006 without needing additional resources.	\$3,000	

Efficiencies 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Investigate video conferencing option to save staff travelling to meetings.	Not determined	
Purchased a second oval type mower for broad acre mowing - giving more options for maintaining sportgrounds and large grassed areas	Not determined	
Introduced flexible work practices for phased retirement to allow smooth transfer of knowledge transition to new staff.	Not determined	
Implemented split shift facility cleansing teams to improve service quality and reduce contract security costs	Not determined	
Footpath construction works and large paving works are contracted out as contractors are able to provide specialist equipment and economies of scale	Not determined	
Asphalt paving attachment added to Flocon truck to speed up asphalt road repairs	Not determined	
Crossed trained cemetery staff in all skills such as GIS mapping, cemetery register, ground staff work and liaising with families	Not determined	
Reviewed retail stock lines in Visitor Information Centres to be being responsive to sales trends	Not determined	
" Aquatic Monitoring and Action Program" – this is an efficiency measure to ensure that sound science underpins the Council's understanding of local aquatic ecosystems, prioritisation of catchments and waterways for on-ground investment and evaluation of program/project success. Aquatic monitoring results feed into the Catchment Prioritisation tool, which considers a range of values and risks for each sub catchment in the LGA, to help target catchment restoration resources appropriately and provides the evidence required to successfully seek additional external grant funding opportunities to match the Council's contribution.	Not determined	
Road shoulder slashing practices reviewed and work methods/equipment changed to drive efficiencies. Parks maintenance teams are now rostered onto road works (generally vegetation control) during winter when mowing in the upper mountains slows down.	Not determined	
Added WiFi to all library branches	Not determined	
Improved computer connectivity (speed) under State Library of NSW consortia contract.	Not determined	
Implemented changes under Local Government and Planning Legislation Amendment (Political Donations) Act in October 2008. New forms, website advice and changes to standard documentation made to reflect requirements using existing resources.	Not determined	
Costs involved in the implementation of the requirements of the Education and Care Services National Regulation 2012 were reduced by client training sessions and the electronic distribution of information.	Not determined	
We continue to off-set natural asset maintenance cost through use of community conservation	Not determined	
The introduction of Bpay for debtors has improved cash flow and given better customer service	Not determined	

Efficiencies 2015/16-2018/19 Area / Item	Amount	Total Over 4 Years
Achieved quicker and cheaper delivery of rate notices by using e-mail.	Not determined	
Installed rainwater tank Springwood Aquatic and Fitness Centre, completed in December 2012.	Not determined	
Relationships were established with adjoining Councils to achieve economies of scale in providing services in town centres town centres	Not determined	
Up-skilled the project management team (capital works) by having all project managers complete a Diploma in Project Management	Not determined	
Implemented vehicle sensing technology to manage high demand parking spaces in Leura Town Centre. The technology sensors when vehicles enter each parking space and identifies overstayed vehicles. This means only an enforcement patrol is required rather than both a mark- up and a separate enforcement patrol.	\$16,000	
Implemented electronic lodgement of Complying Development Certificates under the e-housing code. Project implemented with Department of Planning.	\$2,000	
Introduced "Syncplicity" file sharing software for providing documentation from Government Information (Public Access) Act requests. Retrieval of information is by electronic URL link, removing the need to send multiple emails or save to CD and post when information required is large. Information is received by the requestor immediately.	\$1,500	
BMCC Water and Catchments Working Group – Council formed an internal working group to link water resource stakeholders from different branches and directorates across the organisation. This group enhances communication and collaboration on water management issues and seeks continuous improvement and efficiencies in the delivery of the Water Resource Service. This includes seeking external grant funding opportunities such as the three recent Sydney Catchment Authority expressions of interest for approximately \$550k of funding for the Jamison Creek catchment.	Not determined	
Total Savings 2015/16-2018/19		\$873,392.00

7.3.3 Revenue - Future

The Council will raise an estimated \$3.3 million in the next four years as a result of the efficiency initiatives implemented in the table below.

Table 7.7 Revenue 2015/16-2018/19

Revenue 2015/16-2018/19 Area/Item	Amount	Total Over 4 Years
Various Initiatives		\$1,473,060
Upgraded parking meters at Echo Point to take credit card payments (increase of 30%).	\$500,000	
In accordance with the NSW Food Partnership program	\$360,000	

Revenue 2015/16-2018/19 Area/Item	Amount	Total Over 4 Years
implemented the annual administrative fee and a tiered inspection program for food businesses		
Increased patronage at Glenbrook Swim Centre by enclosing the learners' pool and holding learn to swim classes year round	\$240,000	
Revenue from implementing the on-site septic safe program. Incorporated fee on rates notice to streamline recovery (staged implementation from 07/2008 to 06/2013, with issue of 5 year approval to operate).	\$100,000	
Revenue from fees on temporary fencing following the development and adoption of the on Temporary Fencing (Hoarding) Policy in March 2009.	\$80,000	
Implemented revenue coordinator to manage the update of customer information for rating purposes. Audit rates area e.g.. find all properties not currently rated to find missing revenue	\$80,000	
Electronic valuation tool developed to determine / confirm value of works associated with development applications (Note: Statutory fees based on the value of works).	\$40,000	
Roads and Maritime Services Agency established at Council headquarters in January 2007. Estimated annual profit is \$18,000.	\$36,000	
Introduced fee for registration of annual fire safety statements	\$32,000	
Revenue raised from additional booked waste services for chipping and bulky waste above the two services provided by the Council per property per financial year at no charge	\$5,060	
Business / Process Improvements		\$1,866,324
Increase in revenue from the Council's two Tourist (caravan) Parks. This is due to a change in the business model which saw a new management contract, significant renovations including the installation of new cabins and camp kitchens, a rebranding strategy with a new website, new logos and marketing plan. While it is anticipated that this increased net revenue will continue, it should be noted that income from the tourist parks is sensitive to changes in the tourism market	\$1,360,000	
Income from mobile phone towers. Income \$126,581, expenditure \$0.	\$506,324	
Total Revenue 2015/16-2018/19		\$3,339,384

Table 7.8: Document Reference for Assessment Criteria 7

Attachment No.	Document
13	Resourcing Strategy 2014-2024 (Part 5 Workforce Management)
14	BMCC Service Framework: Guidelines for Achieving Best Value Services that Meet Community Needs