

PRODUCTIVITY IMPROVEMENTS & COST CONTAINMENT STRATEGIES

SPECIAL RATE VARIATION APPLICATION APPENDIX

Business Area	Past/Future	Project/Activity	Savings\$	Efficiency\$	Increased Revenue \$	Additional Information
Fleet	Past	Multiple activities - please see additional information	\$ 55,000	\$ 2,918,000	\$ -	<p>2013 Revision of Light Vehicle leaseback Fees (Reduction in net FBT Liability) - Private leaseback fees increased by 10% and vehicle purchase values ceiling limits introduced to offset net FBT liability. Projected spend for 2015 was \$343K, after changes actual result was \$240k</p> <p>2014 Toyota Master Agreement, Subaru discounting agreement - Agreement to provide additional volume discounting on Toyota vehicles and Subaru from manufacturer</p> <p>Light vehicle registration concession - Removed sales tax component from LV registrations</p> <p>2016 Reduction in light fleet vehicles (126 Vehicles) - Sale of Council owned assets (capital) One off Savings due to sale</p> <p>2015 - 2018 Reduction in Fleet LV fuel costs - Light vehicle reduction fuel savings</p> <p>2016 - 2018 Reduction in Fleet LV registration and insurance - Rego and Insurance relating to LV fleet numbers</p> <p>2016 Fleet Administrative Position made redundant - Due to reduction in light vehicle fleet</p> <p>Reduction in Fleet Operating Lease Fee Payments - Revision of fleet acquisition method (moving to ownership model in lieu of operating lease arrangements)</p> <p>* reduction in fleet leasing fees due to transition to ownership model</p> <p>* request for revised lease fee schedule on request for extension"</p> <p>2014 Implementation of improved fleet procurement practices - Vendor panel broadened competitive tendering process, Bulk replacement strategy. (estimated savings)"</p> <p>2013 Fleet Maintenance practices review - Introduced work efficiencies and greater use of mix of contractors to support specialised skills demands and peak periods of work volume</p> <p>Light Vehicle Annual Capital Renewal Costs - Financial renewal demand for light vehicles reduced due to the reduction in vehicle numbers</p> <p>2013 Commercial tool of trade vehicle useful life term extended from 3 - 5 years. Annual saving based on 30 owned assets - Annual Capital savings achieved by extending useful life of owned tool of trade assets</p> <p>Stores - Reduction in stock holding numbers and moving to a direct supply model - Provision of direct delivery service to</p>
Waste Services	Past	Multiple activities - please see additional information	\$ 140,000	\$ -	\$ -	<p>Domestic Waste Management Charge (DWMC not General revenue) - The DWMC has remained at \$456.30 since 2014/15 despite service levels and the number of serviced properties increasing by 2% over this time. Whilst this is not general revenue, the charge forms part of the overall rates the resident has to pay so by freezing the charge, it helps the resident overall. The estimated savings is based on the assumption that costs would ordinarily increase by 2% per annum. Savings based on 15/16, 16/17, 17/18 & 18/19 forecast.</p> <p>Tender for public place amenities cleaning - Savings based on if SSC were to employ its own staff to deliver this service which would require additional supervision cost plus penalty rates as the service is provided early morning, during the day and then at evenings. Savings based on 17/18 and 18/19 forecast.</p> <p>Non domestic waste wages - Savings are a one off due to current vacancies and \$140K returned to general revenue in Dec 2018.</p> <p>Commercial Business Waste increase in customers and revenue - Savings are actually increased income above the normal 2% budget allocation in 2018/19. This is due to additional business waste customers being sourced plus a realignment in fees with current market prices.</p> <p>Recovery and Recycling of Street sweeping waste disposal- Annual savings due to a change in process for the disposal of street</p>
Civil Operations	Past	Alternative road pavement rejuvenation treatments (other than mill & fill)	\$ -	\$ 1,025,000	\$ -	<p>Alternative road pavement rejuvenation treatments (other than mill & fill) - Estimate alternative treatments reducing tipping by approx 50% (10,000t @ \$60/t = \$600,000)pa.</p> <p>Reuse and recycling of Road asphalt millings from road pavement treatments back into civil projects - -Estimate 50% of 10,000t reuse rate back into civil projects pa. Savings of \$60/t (tipping) + \$25/t (saving on supply of quarried material otherwise purchased from market) = \$85/t. 50% of 10,000t = 5,000t @ \$85/t = \$425,000pa.</p>
Building Operations	Past	Multiple activities - please see additional information	\$ -	\$ 300,315	\$ -	<p>Improved processes to increase planned works against Reactive Maintenance reduced costs for small purchase of materials - Review of materials usage and requirements (2010/11) led to no CPI increase (1.8%) on material costs, initial saving of \$42K indexed recurrent.</p> <p>Heating Ventilation Air-Conditioning (HVAC) - Maintenance Agreement (PSA) - Re-current savings generated via the design of the maintenance specification. This has led to the budget being reduced from \$580K (2016/17) to \$480K (2018/19).</p> <p>Sign-shop (Fabrication) - Wide Format Printer - Savings generated via the decision to pay out the lease residual (\$2,375) & replace the heads (\$4,000) to extend the life (5yrs.) of the Roland wide format printer. Minus the \$6,375 investment, to date, this has produced a saving of \$15,962 (Over 1.5yrs) and is forecast to produce a further saving of \$52,118 (Over the next 3.5</p>
Parks Operations	Past	Maintenance mowing runs over the last 7 years consolodate with mix of Contrcators at Kurnell-Caringbah, Bonnet Bay, Illawong, Sutherland, Jannali-Kareela, Grays Point	\$ -	\$ 760,867	\$ -	Maintenance services outsourced to contractor after staff exit or internal restructure savings used to service new assets
Arts and Culture	Past	Creation of the Arts & Culture Unit (Hazelhurst Regional Gallery + Entertainment Centre + Engadine Community Centre (from Halls mgmt)) - Reduction of 1 Manager	\$ -	\$ -	\$ -	Improved overall satisfaction with service offerings

Property Services	Past	Creation of Property Services (Property Services and Hall Management)	\$ -	\$ -	\$ -	Synergies and greater efficiencies in management of council’s overall property portfolio by bringing commercial property principles into halls management
Property Services	Past	Relocation of 5 departments from 2 levels of Kirkby House to administration building.	\$ -	\$ -	\$ -	Business, Community and Sport, Children’s Services, People & Culture, Property and Building Assets
Public Safety and Lifeguards	Past	Multiple activities - please see additional information	\$ -	\$ -	\$ -	Creation of Public Safety and Lifeguards (Health and Regulation and Beaches Operations) - Reduction of 1 manager (Beaches and Regulation - 2 x managers’ roles combined under a single manager) Beach lifeguards changeover of training provider Emergency Response Beacon deployed at Greenhill's in partnership with SLSNSW – increased level of service utilising technology Consolidation of ATV and SLA agreements with Bate Bay Surf Clubs, reducing agreements from 12 to 1 – process efficiency (for PSL & Legal) Aggregating all back of house penalty notice and prosecution management into PSL unit (from Legal Services and Governance), taking up the full suite service offered by SDRO (State Debt Recovery Service)
Business, Sport and Community Services	Past	Multiple activities - please see additional information	\$ 340,000	\$ 50,000	\$ -	Creation of the Business, Sport and Community Services (Economic Development (SSHED + Cronulla CBD) + Events (from Coms & Events) + Filming (from Infrastructure) + Sport Services + Community Services) - Merge Economic Development, Community Development and Sport Services Units – salary savings 2016 17.4 FTE, 2018 11.6FTE Annual events run by SSC transitioned to 3rd party (SF, Easter Show and Engadine St Festival) Removed cash component support for events (Nutrigrain, Surf Titles)
Governance, Risk and Compliance	Past	Creation of the Governance, Risk and Compliance unit - abolishment of two senior management positions	\$ -	\$ 472,610	\$ -	1. Data Management Project: efficiency improvements resulting in a saving of \$38,593 per year recurring (see the attached spreadsheet for details). 2. Restructure of Legal Services Unit: merging into GRC Unit resulting in abolishment of Legal Counsel position leading to a saving of \$225,424.67 per annum recurring. Restructure facilitated and underpinned by process efficiency improvements. 3. Restructure of Governance & Customer Services Unit: merging Governance team into GRC Unit resulting in abolishment of Manager Governance & Customer Service position leading to a saving of \$194,292.34 per annum recurring. Restructure facilitated and underpinned by process efficiency improvements. 4. Excess of Loss Workers Compensation Insurance minimum limit change (\$650k to \$750k) resulting in a saving of \$14,300 per annum recurring.
Parks Operations	Past	Increase in marketing and additional Plant Sales (Revenue)	\$ -	\$ -	\$ 40,947	Increase in Nursery plant sales
Property Services	Past	Multiple activities - please see additional information	\$ -	\$ -	\$ 754,700	Adshel bus shelter advertising. Contract guarantees a minimum payment to Council, if advertising revenue exceeds the threshold Council receives greater revenue. The Ridge Golf Course green fees due to increased patronage Re-tendering The Ridge Golf Course operation and seeking profit share from revenue streams (Golf cart hire, Hospitality, membership fees and retail sales) Lease of Cronulla CBD office and relocation of staff to administration building Licence of footpath at Perryman Square Cronulla Licence for weekly farmers market at Sutherland Clothing bin licence fees Lease fee from Woollooware golf club which was not previously charged New mobile phone tower lease at Helena Street Kirrawee. Lease to Sydney Credit Union of LG 4-20 Eton St, previously payment made to welfare club rather than rent to Council. Hire of Loftus Community Hall which was previously managed by volunteer management committee Hire of GyMEA Bay Resource Centre Leasing of Fenton Avenue tennis courts. Council receives \$13,000pa and tenant has all responsibility for maintenance & utilities. Council no longer paying booking officer. Cost neutral position for Council. Lease of 2D Cronulla Street, Cronulla (rear area of stage)
Public Safety and Lifeguards	Past	Multiple activities - please see additional information	\$ -	\$ -	\$ 160,000	Incorporation of administrative duties into Admin Building Security/Concierge role freeing up public safety officers – increased productivity and improved revenue

Property Services	2018-19	Multiple activities - please see additional information	\$ -	\$ -	\$ 1,309,480	Termination of lease over Menai Children Services Centre at Menai public school. School hire directly to before & after school care operator Commercial approach to granting easements Rationalisation of assets - Sale of 5 Evelyn Street (Returned to Council's Property Fund and reduction in asset liability for Council)
Business, Sport and Community Services	2018-19	Multiple activities - please see additional information	\$ -	\$ 9,000	\$ -	Youth Initiatives – Tonkin Underpass project with TAFE - annual graffiti removal Youth Initiatives – Walk the Walls event annual graffiti removal (0 incidents of graffiti since) <ul style="list-style-type: none"> Economic Impact <ul style="list-style-type: none"> Total visitor spend \$60,000 Increase in output \$51,600 Indirect industrial impact generated from intermediate goods and services industry \$17,278 Combination of all direct industrial and consumptions effects – rise in Outputs \$93,347 Over 1m impressions on Instagram (views of pictures from the event) 76,119 views on Facebook 14,200 people following live feeds of the art work being produced Council's positive engagement on social media increased by 322% over the weekend
Governance, Risk and Compliance	2018-19	Multiple activities - please see additional information	\$ -	\$ 1,852,353	\$ -	Efficient and effective organisation wide procurement - core elements to this initiative is the use of the Vendor Panel for organisation procurement. Cost of risk analysis on our insurance program. In 2016, we undertook a major cost of risk analysis of our main insurance program (public, property and motor vehicle insurances – as at the 2018/19 renewal, the premium for these three insurances was \$1.7 million). <ul style="list-style-type: none"> Reduction of the deductible on our public liability insurance policy Classification of public and property liability incidents and claims by cause, nature and asset.
Business, Sport and Community Services	2018-20	Event application reviewed and collaborative approval process developed	\$ -	\$ -	\$ 100,000	Saving processing time (able to process more applications and seek additional event opportunities and hence revenue) and creating centralised point for improved customer service
Business, Sport and Community Services	2018-20	Multiple activities - please see additional information	\$ -	\$ 95,000	\$ -	Youth Initiatives – Skate Park Murals, Basketball Bins – annual graffiti removal EDYS relocation from commercially leased premises in Station St Engadine to PCYC
Property Services	2018-20	Rationalisation of assets	\$ -	\$ -	\$ 5,900,000	Sale of 9 Kingsway Cronulla
Property Services	2020-21	Rationalisation of assets	\$ -	\$ -	\$ 2,447,500	Relocation of Orana (community group) from 348R Kingsway Caringbah to Gynea to enable sale of property
Asset Management	2020-21	Street lighting LED replacement program	\$ -	\$ 114,000	\$ -	Recurrent annual saving of in street lighting charges per annum. LED replacement program
Development Assessment and Certification	2020-21	The online application lodgement project that we are currently working through with the NSW Dept Planning and Environment will yield savings in the medium term	\$ -	\$ 50,000	\$ -	peak periods in order to provide good face to face customer experience. We have set the wait time such that a minimum of 2 officers need to be available at all times. Instead, resourcing can be set relative to the amount of work with less regard to the timing of lodgement, effectively 'smoothing out the lumps' in the workflow . To illustrate, if it takes an average of say 1 hour to process receipt of an application and we receive 40 applications per week all via the online portal, we would not require the current 2 EFT plus to complete the work.
Fleet	Future	Future initiative to replace existing fleet with full electric propulsion in apticular for heavy vehicles in waste services	\$ -	\$ 125,000	\$ -	Significant financial and environmental reductions
Waste Services	Future	Street sweeping waste disposal	\$ -	\$ 25,000	\$ -	Annual savings due to a change in process for the disposal of street sweeping waste. Waste is now recycled rather than landfilled which is a cheaper alternative plus better for the environment. This is expected to continue into the future providing
Civil Operations	Future	Cronulla Rock Pool wave ramp removal	\$ -	\$ 24,000	\$ -	Previously rock pool sand removal 6-weekly @ approx \$6,000 per occasion = \$48,000pa. Expectation now is reduction of sand removal by 50% = \$24,000pa cost saving.
Building Operations	Future	Multiple activities - please see additional information	\$ -	\$ 137,118	\$ -	Sign-shop (Fabrication) - Wide Format Printer (one off saving) - Savings generated from the decision to pay out the lease (\$2,375 residual) & replace the heads (\$4,000) and extend the life (5yrs.) of the Roland wide format printer. Minus the \$6,375 investment, to date, this has produced a saving of \$15,962 (Over 1.5yrs) and is forecast to produce a further saving of \$52,118 (Over 3.5 yrs.) External Works (Sign & Banner Works and Graffiti Removal) - Income - Opportunities to increase revenue (and offset expenditure) through undertaking sign & banner works for neighbouring Council's and graffiti removal from private assets. Implementation of a Maintenance Management System (MMS) - The implementation of an integrated (and supported) 'MMS'
Property Services	15 years	Termination of lease over Mill Rooms Community Hall at Lucas Heights Community School	\$ -	\$ 205,000	\$ -	Cost neutral on operational budget (revenue equivalent to expenditure) however future savings on asset renewal