

Appendix F - Improvement Action Plan

SUSTAINABILITY							
Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ¹	Comments
Manage financial performance to achieve Financial Sustainability targets identified in the LTFP	Achieve Operating surplus before capital income items to fund capital expenditure: <ul style="list-style-type: none"> • Monitor Operating Expenditure and Revenue against budget on a monthly basis • Report on budget variations to senior management on a monthly basis and quarterly to Council 	Manager Finance Director Corporate	Monthly & Quarterly reporting Annual assessment of Operating surplus	Operating Surplus achieved	Actual meet budget and LTFP target	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Council forecasts operating surplus in all projected years of the LTFP
	Monitor and maintain Depreciation Expense to accurately account for consumption in assets useful lives as identified in the Assets Management Strategy (AMS) and Asset Management Plans (AMP)	Manager IP, Property and Assets Manager Finance	Annually	As per AMS. AMP and LTFP	Meet budget and AMS Targets	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance <u>L2.1.4</u> Council has increased its commitment to infrastructure asset management priorities	An independent review of infrastructure assets has been completed by Morrison Low. The review recommended changes to useful lives, condition indices & ratings, depreciation and backlog assessment.

¹ Council's Integrated Planning & Reporting documents can be found at http://www.kmc.nsw.gov.au/Your_Council/Organisation/Integrated_Planning_and_Reporting_framework
2015/160408

SUSTAINABILITY

Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ¹	Comments
							Resourcing Strategy (LTFP and AMS) adopted by Council 23/6/2015
Maintain a strong level of own source operating revenue	Complete Stage 2 Review of Fees & Charges on an annual basis against benchmarks and increase to benchmark levels	Directors and Managers	Annually	Achieve benchmark of neighbouring/ NSROC Councils	Fees are in line with neighbouring & NSROC Councils	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Council completed Stage 1 of Fees & Charges Benchmarking analysis in 2014/15
	Monitor Investments portfolio to maximise interest earnings	Manager Finance	Monthly	Outperform Investments benchmark (UBS Bank Bill Index)	Meet budget & investments benchmark	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Council's investments portfolio exceeded benchmark for the last three years.

INFRASTRUCTURE AND SERVICE MANAGEMENT							
Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ²	Comments
Renewal and maintenance funding strategy improves asset condition, reduces infrastructure backlog and meet infrastructure assets ratios.	Monitor and reduce Infrastructure Backlog as per AMS and LTFFP targets and as per funding strategy identified in the Resourcing Strategy	Manager IP, Property and Assets Manager Finance Directors	By 2016/17 and ongoing	< 2%	Implement renewal and maintenance funding strategy to achieve reduction in infrastructure backlog to meet infrastructure assets ratios.	Monitor and reduce Infrastructure Backlog as per AMS and LTFFP targets	Council adopted a new funding strategy reflected in the Resourcing Strategy (LTFFP) to reduce infrastructure assets backlog
	Allocate funding for asset renewal as per new funding strategy identified in the LTFFP and AMS	Manager IP, Property and Assets Manager Finance Directors	By 2016/17 and ongoing	>100%	As per Resourcing Strategy (LTFFP and AMS)	<u>L2.1.4</u> Council has increased its commitment to Infrastructure asset management priorities	Infrastructure Renewal ratio is achieved in all projected years of the LTFFP
	Prioritise allocation of renewal funding for asset classes with increased infrastructure backlog	Manager IP, Property and Assets Manager Finance Directors	By 2016/17 and ongoing	Backlog reduced to 2%	As per Resourcing Strategy (LTFFP and AMS)	<u>L2.1.4</u> Council has increased its commitment to Infrastructure asset management priorities	Council adopted a new funding strategy (LTFFP) that prioritises asset renewals
	Undertake adequate levels of maintenance to guarantee community and infrastructure assets are maintained to a satisfactory standard or to an agreed level of service	Manager Engineering Services Manager Finance Director Operations	Annually	>100%	As per Resourcing Strategy (LTFFP and AMS) and approved recurrent budget	<u>L2.1.4</u> Council has increased its commitment to Infrastructure asset management priorities	Council's adopted LTFFP committed an appropriate level of expenditure on asset maintenance

² Council's Integrated Planning & Reporting documents can be found at http://www.kmc.nsw.gov.au/Your_Council/Organisation/Integrated_Planning_and_Reporting_framework

INFRASTRUCTURE AND SERVICE MANAGEMENT

Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ²	Comments
Maintain a sustainable debt level and Debt Service Ratio	Undertake divestment of identified surplus properties to repay outstanding loan for the Administration Building at 828 Pacific Highway, Gordon	Manager IP, Property and Assets Director Strategy & Environment	By 2016/17	\$24M	As per Resourcing Strategy (LTFP and AMS) and approved annual budget	<u>L2.1.4</u> Council has increased its commitment to Infrastructure asset management priorities	Divestments of assets is reflected in Council's adopted LTFP
	Redraw loan funds for the purpose of infrastructure assets renewal	Manager IP, Property and Assets Director Strategy & Environment	By 2016/17	\$24M	As per Resourcing Strategy (LTFP and AMS) and approved annual budget	<u>L2.1.4</u> Council has increased its commitment to Infrastructure asset management priorities	Asset renewal funding strategy is reflected in Council's adopted LTFP
	Lease out 828 Pacific Highway Building to generate income to fund repayment of infrastructure debt	Manager IP, Property and Assets	2016/17	95% occupancy	As per Resourcing Strategy (LTFP and AMS) and approved annual budget	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance <u>L2.1.2</u> Council's financial services provide accurate, timely, open and honest advice to the community	Rental Revenue has been reflected in the LTFP
	Discharge Debt as per repayment schedule identified in the LTFP from known sources of repayment (lease income from 828 Pacific Hwy)	Manager Finance	By 2023/24	Debt fully discharged	As per Resourcing Strategy (LTFP and AMS) and approved recurrent budget	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance <u>L2.1.2</u> Council's financial services provide accurate, timely, open	Debt repayment has been incorporated in the LTFP

INFRASTRUCTURE AND SERVICE MANAGEMENT

Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ²	Comments
						and honest advice to the community	
	Investigate loan refinancing to leverage most competitive interest rates	Manager Finance	Annually	Negotiate most competitive interest rate	Interest on debt reduce	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Council actively monitors the current loan portfolio to obtain the best interest rate
Maintain sustainable Liquidity position: Cash Reserves and Working Capital	Monitor and achieve a minimum balance of discretionary Cash Reserves for unforeseen expenditure or reduction in revenue	Manager Finance	Quarterly	10% of Operating revenue	As per 2015/16 Budget and LTFP	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Liquidity ratio forecasts are met in all projected years of the LTFP
	Achieve an appropriate level of Working Capital to pay short term financial obligations as they fall due	Manager Finance	Quarterly	5.5% of Operating expense	As per 2015/16 Budget	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Working Capital target met in all years of the LTFP
	Maintain Unrestricted Current Ratio as per LTFP targets	Manager Finance	Annually	>2	As per 2015/16 Budget	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	Liquidity ratio forecasts are met in all projected years of the LTFP

EFFICIENCY							
Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ³	Comments
Reduction in real operating expenditure per capita	Redefine service levels and service standards to assess exact costs of services and justify provision of services to the community	Directors Managers	Efficiencies reported annually and improvement achieved over 5 years	2015/2016	Reduction in real operating expenditure per capita over time	<u>L3.1.5</u> Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources	
	Define service levels and service standards as per community expectation	Directors Managers	Efficiencies reported annually and improvement achieved over 5 years	2016/2017	Reduction in real operating expenditure per capita over time	<u>L3.1.5</u> Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources	
	Results of service level review integrated into budget development process	Directors Managers	Efficiencies reported annually and improvement	2017/2018	Reduction in real operating expenditure per	<u>L3.1.5</u> Council services and programs are	

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EFFICIENCY

Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ³	Comments
			achieved over 5 years		capita over time	provided on the basis of equity, community priorities, and best value for money within available resources	
Reduction in real operating expenditure per capita	Deliver services and service standards in line with community service levels	Directors Managers	Efficiencies reported annually and improvement achieved over 5 years	2018/2019	Reduction in real operating expenditure per capita over time	<u>L3.1.5</u> Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources	
	Expand on shared services and develop alternative service delivery options	Directors Managers	Efficiencies reported annually and improvement achieved over 5 years	2017	Reduction in real operating expenditure per capita over time	<u>L3.1.5</u> Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources	

EFFICIENCY							
Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ³	Comments
The delivery of major projects and capital works is completed within budget	Deliver and report on completion of major capital works as identified in the LTFP	Directors Managers	Quarterly and annually	Actual meet budget Timeframes achieved as per DP& OP	Reported to Council and in the Annual Report and other IP & R documents	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance <u>L3.1.5</u> Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources	
	Monitor capital works program against budget and report on major variations	Managers Manager Finance Directors	Quarterly and annually	Actuals meet budget	Reported to Council and in the Annual Report and other IP & R documents	<u>L2.1.1</u> Council maintains and improves its long term financial position and performance	
Reduce Council's S94 co-contribution for major community hub projects utilising Private Partner Contributions	Council proactively works with landowners, developers and agencies in the local centres through planning agreements, joint venture and developer opportunities	Directors Managers Project Managers	2015/2016 and ongoing	No increase in long term borrowings or other asset sales to fund major projects	\$35M allocated in the LTFP from Private Partner Contributions	<u>P4.1.1</u> Plans to revitalise local centres are being progressively implemented and achieve quality design outcomes in collaboration with	

EFFICIENCY							
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						key agencies, landholders and the community.	
Projects should include commercial opportunities for Council to offset ongoing operational costs of the public benefit in each precinct	Council proactively works with landowners, developers and agencies in the local centres through planning agreements, joint venture and developer opportunities	Directors Managers Project Managers	July 2015	No increase in long term borrowings or other asset sales to fund major projects	Gordon Town Centre transport interchange completed in conjunction with TfNSW meets community objectives	<u>P4.1.3</u> An improvement plan for Gordon Centre is being progressively implemented in collaboration with owners, businesses and state agencies	
Major project in Local and Town Centres i.e. Community hub projects are commercially feasible in their own right	Council proactively works with landowners, developers and agencies in the local centres through planning agreements, joint venture and developer opportunities.	Directors Managers Project Managers	2015/2016	No increase in long term borrowings or other asset sales to fund major projects	Masterplan adopted for Turrumurra Local Centre	<u>P4.1.1</u> Plans to revitalise local centres are being progressively implemented and achieve quality design outcomes in collaboration with key agencies, landholders and the community.	
		Directors	2015/2016	No increase in long term borrowings or	Masterplan adopted completed for Lindfield Local	<u>P4.1.4</u> An improvement plan for Lindfield centre is being	

EFFICIENCY

Objective	Action	Responsible Officer	Timeframe	Target	Measure	Link to CSP, DP&OP ³	Comments
		Managers Project Managers		other asset sales to fund major projects	Centre	progressively implemented in collaboration with owners, businesses and state agencies	
		Directors Managers Project Managers	2015/2016	No increase in long term borrowings or other asset sales to fund major projects	Masterplan completed for Gordon Town Centre aka Civic and Community Hub Precinct	<u>P4.1.3</u> An improvement plan for Gordon Centre is being progressively implemented in collaboration with owners, businesses and state agencies	