

# Financial Sustainability

**Lauren Buckingham**

**Project Manager Financial Sustainability**



## THE FINANCIAL SUSTAINABILITY PROJECT

# Monitors and reports the delivery of AEC recommendations and financial sustainability Council resolutions

### Background

- November 2023 - AEC Financial Sustainability report – 27 recommendations
- January 2024 – no Special Rate Variation
- February 2024 – Financial Sustainability project initiated

### Project Delivery

- Workshopping Financial Sustainability topics with Councillors
- Undertaking agreed service reviews and implementing agreed efficiencies
- Addressing process and system improvements
- Whole of Council approach to financial sustainability through increased cost controls and identifying savings

### Reporting Outcomes

- Monthly project status reports
- Quarterly productivity and efficiency reports
- Quarterly reports to Audit Risk and Improvement Committee

# Financial Sustainability 2024 results so far

## GENERAL FUND



\$1.3M INCREASE IN  
REVENUE THROUGH  
FEES AND CHARGES



\$500K REDUCTION IN  
EVENTS SUPPORT AND  
MARKETING BUDGET



\$691K REDUCTION IN  
OTHER OPERATING  
BUDGETS



\$320K REDUCED  
OPENING HOURS  
SAVING



\$330K INCOME FROM  
SALE OF EXCESS PLANT  
AND FLEET



\$50K INCREASE IN  
REVENUE – DA FEE  
RECOVERY

## SAVINGS

**\$3.2M**

**TO DATE**

## SHOALHAVEN

## WATER



\$9.8M INCREASE IN  
WATER REVENUE  
THROUGH FEES AND  
CHARGES



\$2.46M INCREASE IN  
SEWER REVENUE  
THROUGH FEES AND  
CHARGES



\$975K REDUCTION IN  
WATER OPERATING  
BUDGETS



\$170K INCOME FROM  
SALE OF WATER PLANT  
AND FLEET



\$28K INCREASE IN  
REVENUE – NEW  
BUSINESS

## SAVINGS

**\$13.4M**

**TO DATE**

# Enhancing Asset and Project *Management*



## Enterprise Portfolio Management Office (EPMO)

- ✓ ePMO established
- ✓ Capital project budget request
- ✓ Budget change request process
- ✓ Monthly capital project status updates



## Asset Management Plans

- ✓ Centralised asset team
- ✓ Road condition data survey
- ✓ Prioritised asset management plan updates



## Under-performing and excess asset disposal

- ✓ Land sales programme
- ✓ New lease calculator
- ✓ Community Infrastructure Strategic Plan



## Review capital projects and place on hold

- ✓ No new stuff
- ✓ Prioritise asset renewal and rehabilitation
- ✓ \$90M unfunded/ loan funded projects deferred

# Better management of *finances*



## Budget Parameters

- ✓ 24/25 Budget parameters set with financial sustainability strategies



## Fees and charges review

- ✓ 7.5% increase 24/25 fees & charges
- ✓ 24/25 water pricing set to break even



## Review high value procurement categories

- ✓ Consultant and contractors
- ✓ PPE and uniform
- ✓ Internal training
- ✓ Legal services



## Budget framework improvements

- ✓ Bottom-up 24/25 budget process
- ✓ In house LTFP developed



## Grant application framework

- ✓ Policy adopted
- ✓ Staff trained on grants process
- ✓ Approval process being developed to tighten controls

# The right services at the right *price*



## Operational savings

- ✓ 3% challenge
- ✓ Recruitment freeze
- ✓ Only emergency overtime
- ✓ No non-discretionary spending
- ✓ Focus on reducing leave balances



## Service reviews

- ✓ Review complete:
  - ✓ Fleet and Mechanical
  - ✓ Visitor Services
  - ✓ Family Day Care
- ✓ Review in progress:
  - ✓ Bereavement Services
  - ✓ SEC
  - ✓ Holiday Haven
  - ✓ Comms and media
  - ✓ Customer Experience



## Service planning framework

- ✓ Service catalogue developed
- ✓ Service levels under review through service review process
- ✓ Business improvement review framework in place and agreed reviews progressing