

Session 1

Leadership for better governance and better communities

Presented by

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**Leadership for better governance and
better communities**

Rik Hart

Challenge

“If the writing is on the wall be the first to read it”

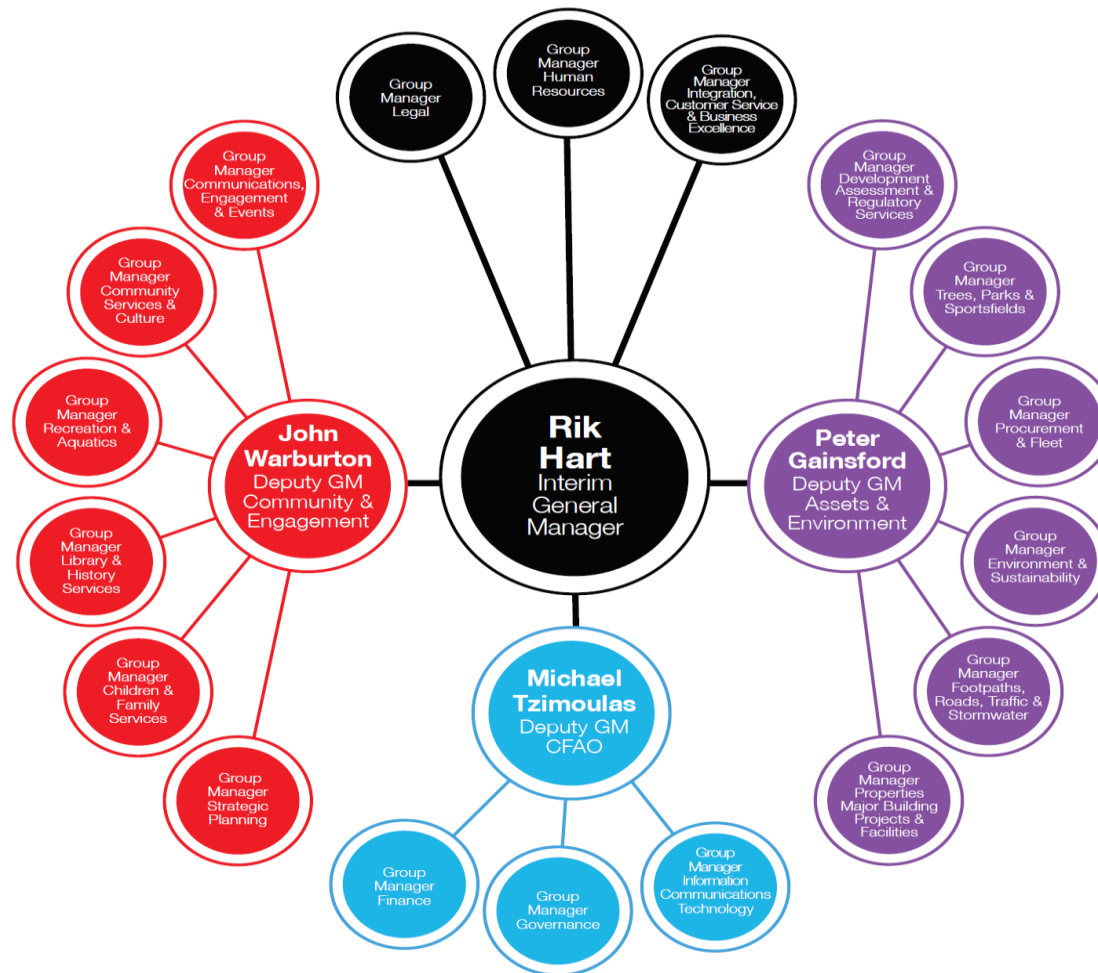
Local Government Challenges

- Managing financial sustainability with costs increasing more than rate cap;
- Maintaining subsidised levels of fees and charges whilst continually improving service levels;
- Finding the right balance between infrastructure and community services;
- Transparency of data to Council and Community.

Amalgamation Challenges

- Service level harmonisation;
- Setting up new organisations and integrating multiple “cultures”;
- Building leadership accountability;
- Old ways to new

Creating a new organisation



Dashboard

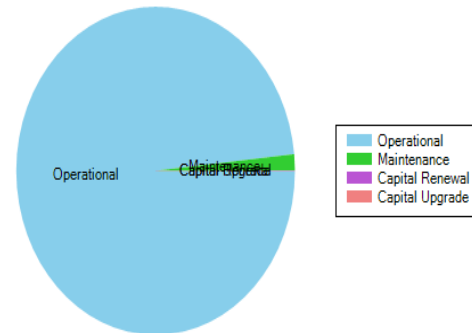
Organisation - Operating Performance \$'000

View by Project

Open BI-Analysis

Management Reporting	Original Budget	Actual YTD Pd5	Commit	Current Budget	Var %	Var \$	% Spent
1. Income (8)							
100 - Rates & General Revenue	(116,026)	(112,512)	0	(116,026)	3%	(3,513)	97
105 - User Charges & Fees	(59,461)	(16,007)	(203)	(59,461)	73%	(43,454)	27
110 - Domestic Waste Charge	(41,433)	(39,733)	1,603	(41,433)	4%	(1,699)	96
115 - Other Income	(9,114)	(2,662)	(19)	(9,114)	71%	(6,452)	29
120 - Operating Grants & Contrib...	(13,384)	(416)	(95)	(13,384)	97%	(12,967)	3
125 - Capital Grants & Contributio...	(8,367)	(4,016)	0	(8,367)	52%	(4,350)	48
130 - Plant Hire Recovery	(7,728)	(1,935)	0	(7,728)	75%	(5,793)	25
135 - Overhead Recovery	(56,296)	(11,508)	0	(56,296)	80%	(44,788)	20
	(311,808)	(188,791)	1,286	(311,808)		(123,016)	346
2. Expenses (7)							
200 - Employee costs	129,509	40,399	6,668	129,509	69%	89,110	31
205 - Materials & Contracts	39,667	8,053	11,492	39,667	80%	31,615	20
210 - Loan Interest	870	26	0	870	97%	843	3
215 - Depreciation & Amortisation	26,130	6,537	0	26,130	75%	19,592	25
220 - Other Expenses	46,772	9,805	15,383	46,772	79%	36,967	21
230 - Plant Hire Charges	7,742	1,947	2	7,742	75%	5,795	25
235 - Overhead Charges	56,232	11,502	0	56,232	80%	44,730	20
	306,921	78,270	33,545	306,921		228,652	146
3. Capital (2)							
300 - Purchase of Assets	0	232	90	0	100%	(232)	0
305 - Loan Principal	0	227	0	0	100%	(227)	0
	0	459	90	0		(459)	0
4. Financing Activities (1)							
400 - Sale of Assets	0	(774)	0	0	100%	774	0
	0	(774)	0	0		774	0
5. Reserve Movements (3)							
310 - Transfers to Statutory Reser...	67,826	11	0	67,826	100%	67,816	0
315 - Transfers to Developer Cont...	14,330	0	0	14,330	100%	14,330	0
410 - Transfers from Statutory Re...	(76,229)	0	0	(76,229)	100%	(76,229)	0
	5,927	11	0	5,927		5,917	0
	1,041	(110,826)	34,921	1,041	4461%	111,867	492

Expenditure by Type

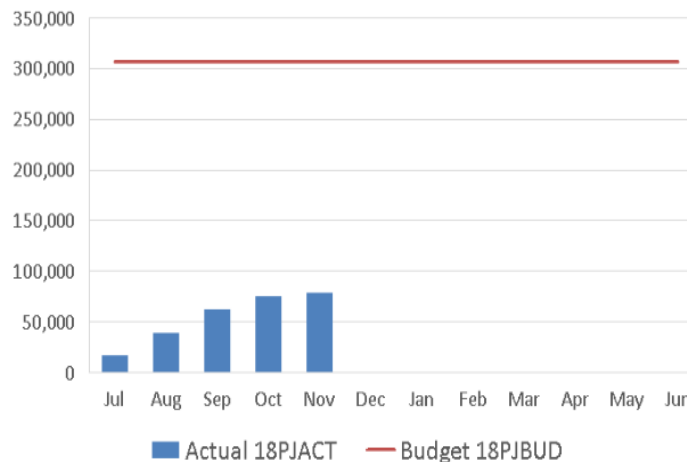


Drilldown - Divisions

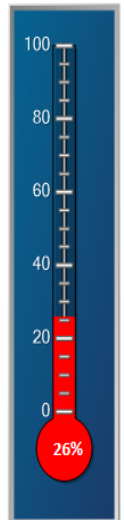
5000	DGM - Assets and Environment	
3000	DGM - Community and Engagem...	
2000	DGM - CFO and Administration	
1000	General Manager	

YTD Expenses vs Budget \$'000

Expenses



YTD % Expenditure



Children's Services

Operational Budget 2015-2019

	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000	2018/2019 \$000
Income from Continuing Operations				
Rates & Annual Charges	2,099	2,163	2,233	2,309
User Charges & Fees	7,441	7,642	7,841	8,037
Interest & Investment Revenues	-	-	-	-
Other Revenues	10	10	10	10
Grants & Contributions – Operating Purposes	472	484	497	509
Grants & Contributions – Capital purposes	-	-	-	-
Gains on Disposal of Assets	-	-	-	-
Total Income from continuing Operations	10,022	10,299	10,580	10,866
Expenses from Continuing Operations				
Employee Benefits & On-Costs	(6,647)	(6,833)	(7,024)	(7,221)
Borrowing Costs	-	-	-	-
Materials & Contracts	(1,604)	(1,647)	(1,690)	(1,732)
Depreciation & Amortisation	-	-	-	-
Other Expenses	(112)	(115)	(118)	(121)
Loss of Disposal of Assets	-	-	-	-
Share of Interest in Joint Ventures	-	-	-	-
Internal Charges	(144)	(148)	(152)	(156)
Overhead Allocation	(1,515)	(1,555)	(1,596)	(1,636)
Total Expenses from Continuing Operations	(10,022)	(10,299)	(10,580)	(10,866)
Surplus / (Deficit) from Continuing Operations	-	-	-	-

Children's Services

Programs, Operational Plan and Indicator

Program – Quality Care				
Capital Works	2015-2016	2016-2017	2017-2018	2018-2019
Children's Centres Works Program	\$45,000	\$50,000	\$50,000	\$50,000
Total Capital Expenditure	\$45,000	\$50,000	\$50,000	\$50,000
Key Initiatives	2015-2016	2016-2017	2017-2018	2018-2019
Childrens Services – adhere to the National Quality Framework Standards	▲	▲	▲	▲
Children's Services – cater for children from diverse and socio-disadvantaged backgrounds	▲	▲	▲	▲

Children's Services

Service Area Financials Results (3rd Quarter)

Service Area Income and Expenditure Budget, Actual Expenditure and Forecast

Description	Year to Date Actuals \$	Year to Date Budget \$	YTD Variance \$	Annual Original Budget \$	Annual Revised Budget \$	Annual Current Forecast
INCOME FROM CONTINUING OPERATION						
Rates and Annual Charges	1,759,103	1,759,103	0	2,099,296	2,099,296	2,099,296
User Charges & Fees	5,487,984	5,612,941	(124,957)	7,441,038	7,704,050	7,647,050
Other Revenues	17,315	6,375	10,940	9,500	8,375	8,375
Grants and Contributions Operating Purposes	269,418	276,977	(7,559)	471,731	434,366	427,366
Total Income from Continuing Operations	7,533,821	7,655,397	(121,576)	10,021,565	10,246,087	10,182,087
EXPENSES FROM CONTINUING OPERATIONS						
Employee Benefits & Oncosts	(4,983,259)	(5,100,041)	116,782	(6,646,849)	(6,825,179)	(6,771,286)
Materials & Contracts	(1,140,240)	(1,198,572)	58,332	(1,603,942)	(1,611,036)	(1,591,487)
Other Expenses	(62,589)	(80,630)	18,041	(111,748)	(111,942)	(111,942)
Internal Charges	(108,912)	(106,480)	(2,432)	(144,463)	(138,367)	(137,810)
Overhead Allocation	(1,135,923)	(1,135,923)	0	(1,514,564)	(1,514,564)	(1,514,564)
Total Expenses from Continuing Operations	(7,430,923)	(7,621,647)	190,724	(10,021,565)	(10,201,087)	(10,127,088)
Total Surplus (Deficit) from Continuing Operations	102,898	33,750	69,148	(0)	45,000	55,000

Capital Budget Statement (3rd Quarter) (Funding Sources)

	Original Budget (000's)	Changes Already Approved by Council (000's)	Approved Forecast (000's)	Recommended changes for Council Resolution (000's)	Current Forecast (000's)	Actual YTD (000's)
Capital Funding						
Rates & Other United Funding	0	0	0	0	0	0
Working Capital	26,976	(3,675)	23,301	(6,911)	16,390	6,317
Depreciation	17,350	3,319	20,669	(6,545)	14,124	8,456
Capital Grants & Contributions	1,838	1,606	3,444	347	3,791	2,714
External Restrictions	0	0	0	0	0	0
S94	4,566	1,259	5,825	(457)	5,369	4,408
S94A	3,014	(1,031)	1,983	0	1,983	1,259
Internal Restrictions	0	0	0	0	0	0
Loan	0	0	0	0	0	0
Other	2,822	(2,822)	0	0	0	0
Income from Sale of Assets	0	0	0	0	0	0
Plant and Equipment	0	2,332	2,332	(32)	2,300	1,705
Land and Buildings	1,870	(1,870)	0	0	0	0
Other	0	0	0	0	0	0
Total Capital Funding	58,436	(881)	57,555	(13,597)	43,958	24,859
Capital Expenditure						
Plant Equipment	7,968	5,369	13,337	(4,728)	8,609	4,266
Office Equipment	612	(78)	534	(152)	381	238
Furniture and Fittings	0	0	0	0	0	0
Operational Land	0	0	0	0	0	0
Community Land	0	0	0	0	0	0
Land Improvements	1,410	1,668	3,078	(472)	2,607	1,543
Buildings	30,229	(7,326)	22,903	(6,392)	16,511	9,699
Other Structures	4,413	(612)	3,801	3	3,805	1,706
Roads, Bridges and Footpaths	8,964	(1,757)	7,207	0	7,207	5,002
Stormwater Drainage	4,272	1,854	6,126	(1,856)	4,270	2,004
Library Books	568	0	568	0	568	401
Other Assets	0	0	0	0	0	0
Total Capital Funding	58,436	(881)	57,555	(13,597)	43,958	24,859

Cash & Investments (3rd Quarter) ('The Bank A/C')

	Original Budget (000's)	Changes Already Approved by Council (000's)	Approved Forecast (000's)	Recommended changes for Council Resolution (000's)	Current Forecast (000's)	Actual YTD (000's)
Total Cash and Investments Represented by: Externally restricted	65,913	5,978	71,891	(457)	71,435	101,815
Developer Contributions	15,536	(7,728)	7,808	(457)	7,352	21,335
Specific Purpose Unexpended Grants	19	0	19	0	19	452
Domestic Waste Management	6,668	0	6,668	0	6,668	5,815
Total Externally restricted Internally Restricted	22,223	(7,727)	14,496	(457)	14,039	27,602
Deposits, Retentions & Bonds	4,451	(1,451)	3,000	0	3,000	5,299
Employee Leave Entitlements	2,578	(223)	2,355	0	2,355	2,644
Insurance Reserve	630	789	1,419	0	1,419	926
Compulsory Open Space Acquisition	0	0	0	0	0	0
Other	266	2,634	2,900	0	2,900	266
Total Internally Restricted	7,925	1,749	9,674	0	9,674	9,135
Total Restricted Cash	30,148	(5,978)	24,170	(457)	23,713	36,737
Total Unrestricted / Available Cash	35,765	11,957	47,722	0	47,722	65,078

Critical Core Functions

- Technology: to drive data and analytics;
- Finance: “total cost of service” approach to drive transparency and decision making;
- Integrating Business Excellence and Risk Management into business as usual.

Effective Governance

- **What needs to change for Councils to become more effective?**
 - Code of Conduct
 - Code of Meeting Practice
 - Focus on Financial Sustainability and Choices
 - Internal Audit and Risk Reporting eg: Analysis of Year End Results
 - Risk

Internal Audit & Risk (Analysis)

- Areas to Focus on
 - Governance including transparency
 - Business cases
 - Performance eg: budget vs actuals
 - Asset Management
 - Cash Management

Questions