



KEMPSEY
Shire Council

GENERAL MANAGER'S REPORT

12 September 2006

GM4 EFFICIENCIES AND SAVINGS FILE: 584 AVB (NRN)

SUMMARY:

To outline the efficiencies introduced during the 2005/06 year.



DESCRIPTION:

To outline the efficiencies introduced during the 2005/06 year.

Council in July resolved: -

“That a report be submitted on an annual basis providing a summary of efficiencies and savings achieved throughout all operational areas of Council for the year in question”.

Efficiencies and savings can result in financial gains that can improve the overall financial position of Council. They can be financial gains that are then reallocated or they can be improvements to processes or systems that generate better value for money.

I don't think Councillors fully appreciate the efficiencies that have been able to be introduced as a result of the establishment of the Customer First Centre. The operations of the Centre are based on a Knowledge Management System (KMS) that was developed in-house by staff who were committed and dedicated to the project, working long hours over and above without additional payment. If the system had been developed using outside expertise the KMS would have cost \$30,000 more. The KMS is recognised as being first class and details of the system are being requested by other Councils as it is being recommended by the Department of Local Government and other Councils. The latest Council wanting details is Wollongong City Council after being referred to us by Caboolture Council in Queensland. By the way the Department of Local Government, through their Better Practice Program are also promoting our computer software, Civicview as a good integrated Local Government product.

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The Customer First Centre, because it is handling and resolving enquiries first had, has freed up the time of support and technical staff in the departments. This has been critical to areas such as Macleay Water, Sustainable Development and Shire Services who have been, and still are, experiencing staff vacancies.

In Sustainable Development Services it is estimated that the introduction of the CFC resulted in a reduction of up to 70% in the number of telephone calls received directly by Sustainable Development Services and a reduction of up to 80% in direct contact with customers.

The significant increase in available resources meant that staff could focus on service delivery.

- Application processing times continued to reduce with 74.2% of DA's and 82% of CC's being approved in 30 days. DA's approved within 21 days has improved from 57% in 2004/05 to 78% in 2005/06.
- The increased utilisation of Complying Development meant that the proportion of DA's approved within 7 days jumped from 25% to 29%
- The backlog of correspondence being addressed with 66% of correspondence responded to within 14 days with an average response time of only 29 days.
- The average number of inspections since the vacant On Site Sewerage Management Systems Officer position was filled in October 2005 being increased up to 69 per month.
- Excellent performance in issuing Planning Certificates with:-
 - Certificates being issued in an average of 1.6 days
 - 92% of Certificates issued in 5 days
- Annual Fire Safety Certificate renewals being sent out well ahead of renewal dates and audits of all public buildings in the Shire were undertaken.
- Ranger services being provided at a high level with 79.7% of complaints responded to within 5 days

In Shire Services Engineering Strategy there has been a 70% reduction in phone calls and a 50% reduction in customer contact allowing the section to focus on design and strategy with reduced interruptions. Similarly the reduction in customer contact with professional staff at Macleay Water is allowing staff to concentrate on their core functions and allowing time for investigation into innovation, strategic issues and management and creation of new data bases.

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The establishment of Customer First has resulted in a 10% reduction in the number of visitors to the Community Services and Lifestyle office. The majority of queries were of an aged housing type nature. Increased productivity has resulted. This equates to approximately \$4,000 per annum.

Council participates with the other Mid North Coast Councils in Resource Sharing. These initiatives have been in operation now for about two years and General Manager, Human Resource, Occupational Health and Safety, Planning, Information Technology and Works groups have been formed. Progress was initially slow as the Councils on the Mid North Coast were traditionally parochial and suspicious of each other. The Councils and the staff of the Councils are now meeting and talking and are agreeing to work together and resource share. Resource sharing initiatives to date are: -

- Joint employment of Section 94 Officer with Nambucca and Bellingen – This will result in the employment of a Project Officer to review Council's Section 94 plans to maximise revenue required to provide infrastructure and services to service new development. This would not have been viable for Council to undertake on its own with the cost to Council being reduced by approximately \$100,000 per annum with an expected increase in revenue from contributions.
- Secondment of PMH Heritage Officer – This provided a cost effective means of establishing systems and processes required to administer Council's various heritage programs and to coordinate joint Heritage Week activities. A further secondment is being arranged to:
 - Co-ordinate Heritage Festival activities for 2007
 - Review Heritage Advisor appointment
 - Overseeing works for successful applications under the Heritage assistance Fund in liaison with Heritage Advisor
 - Assisting Macleay Valley Historical Society to finalise the Heritage Inventory to the satisfaction of the Heritage Office
 - Finalise web based heritage information
 - Identify opportunities for grant funding for CMP's of Council owned buildings

It is estimated that the secondments will result in savings to Council of approximately \$10,000 to \$15,000.

- Benchmarking Project with Bellingen and Nambucca – This will enable each Council to access relevant comparative data relating to development assessment leading to process improvements.
- Common Standard DA conditions – This will provide Council with legally robust conditions that meet statutory obligations with the cost shared by the MIDGOC Councils. Savings in the order of \$5,000 are expected.

- Joint Training – This will provide cost effective training for staff utilising expertise held by staff within the MIDGOC region.
- Water Meters – A group purchase agreement was entered into with the Hunter group of Councils to purchase 20mm and 25mm water meters. This group purchasing commenced in February 2006. The savings are approximately \$8.00 per meter. Macleay Water would use these meters for new connections as well as the asset replacement programme. It is estimated that a saving of approximately \$6,000 will occur in 2006/07.
- Concrete Pipes – Joint tender from Humes accepted. Savings in 2005/06 amounting to \$3,805 as Council had stocks of pipes on hand. In a full year the savings are estimated as \$20,000.
- PC's – Group purchasing has secured a \$500 reduction in the previous price obtained by Council. The purchase of forty (40) PC's, a normal year's supply, would result in savings of \$20,000 per year.

I have in operation a continuous program of workplace improvement. Process Improvement Teams are formed to investigate specific operations and each department is required to report to me on a monthly basis the initiatives that have or are being undertaken to drive performance. Those identified are:

- A rebate in Workers Compensation premium of \$102,000 as a result of a continued focus on safety in the workplace.
- Utilisation of job network for job recruitment. Job network for positions vacant from supervisor down, advertise the positions, cull the applications, undertake literacy, numeracy and mechanical reasoning tests and provide incentive training subsidies. Savings are estimated at \$66,893 based on average cost per manager and the time taken to cull applications and undertake recruitment activity.
- Secured another labour hire company with a lower cost charge out rate with estimated savings of \$43,000.
- Assessment of after hour call centre's service and value for money revealed improvements were needed. Sourced new supplier which has resulted in a better level of service and a projected saving of \$2,000 pa.
- Reduction in the need for a number of previously advertised phone numbers to appear in the white pages resulted in a saving of \$2,498 which was a 24.55% reduction on last year's charges.
- Community Services staff no longer organise or deal with the public in relation to the ordering of grave plaques. This activity is

now handled directly by the undertakers. 10% of one staff members workload has been reduced as a result of this exercise allowing that officer to concentrate on core activities. Dollar savings equate to approximately \$4,000 per annum.

- Maintenance of outlying cemeteries has been incorporated into the routine village maintenance programs and is being undertaken by Open Space and Recreation staff rather than the cemetery crew. This has resulted in travelling time savings of approximately \$1,900 per year. The general appearance and presentation of the cemeteries has also improved.
- Purchase of one new ride on mower with contained catcher has enabled operators to cut larger areas more efficiently. These areas were previously mown with hand mowers. Anticipated savings of \$12,168 pa.
- In house spraying of sports fields and parks with boom spray attachment (cost of boom spray \$200.00) anticipated savings per year of \$2,000.
- The use of contractors to control noxious weeds and regular follow up spraying has resulted in a dramatic decrease in the size and number of infestations throughout the shire. The use of contractors has also resulted in budget allocated by Council being used directly on infestations rather than equipment purchases.
- By obtaining quotations from several chemical suppliers and by buying in bulk substantial savings have been realised. 1 x 20L drum Bioactive Roundup costs approx. \$150.00. By buying in bulk (lots of 10) product can be purchased for \$110.00 per drum. It is estimated that \$5,000 in savings has been achieved this year by utilizing this practise.
- Community Services introduced the use of reusable internal mail envelopes this financial year. This enables documents to be sent in the same envelop 19 times rather than once as was previously the case. It is estimated that savings of \$2000 have been achieved throughout the organisation as a result of this initiative.
- Ground penetrating radar survey at East Kempsey cemetery identified approximately 89 new grave sites. We were unable to use this area previously due to uncertainty regarding the location of old graves. The cost of the survey was \$5,500. Plots and perpetual maintenance cost approximately \$1586.65 x 89 = \$141,211 less \$5,500 = savings of \$135,711. The additional sites have resulted in an additional year of burial space.
- Stuarts Point. The replacement of a water main was estimated at \$120,000. Savings of approximately \$60,000 were made due to the scale of the valve recovery from the old main being replaced.

As this funding was from s.64 water funds this enables greater funding for future projects.

- The development of a meter locking device for use in the restriction process when water usage accounts are unpaid has furthered Council's efforts to employ locally and be innovative. Whilst not delivering savings as yet, the development of the prototype and testing of this prototype is likely to result in efficiency savings. Further field trials are currently occurring.
- During 2005/2006, significant improvements were made in providing project documentation including designs ahead of the proposed starting date for the project. The additional lead time resulted in better pre-planning and more efficient construction operation. In 2005/06 the measure for providing project documentation including designs was increased from a delivery time of 30 days to 60 days ahead of the scheduled project start date. A target of 75% of projects meeting this measure was set. The section was able to achieve a 10% increase on that target equating to an average of 85% of projects for the year.
- Process Improvement Team finalised the Design Process Document which seeks to improve efficiency and quality in the design process. Significant improvements have been achieved that have provided increased efficiencies, quality of project documentation, as well as, the ability to provide documents in a more timely manner, to allow significant lead time for the Works Section to program the projects. This continued process improvement will be an ongoing objective of the design section.
- Ceased using the DX Mail service providing a saving of \$4,000 per annum.
- The Government Gazette is now being accessed online enabling cancellation of the subscription cost of \$1,100 per annum.
- Payment of creditors by EFT was promoted increasing usage of the systems, saving time in voucher Certification, postage and presentation of cheques resulting in a saving of \$10,500 whilst improving service to Council's external customers.
- Debt recovery procedures were reviewed which has reduced the amount outstanding from 8.65% to 7.76% allowing a further \$198,000 to be invested resulting in additional investment income of \$10,000.
- Sponsorship Signage for the Saleyards has attracted three sponsors with an income of \$3,300.
- Negotiated free cleaning of saleyards truck wash area and settlement ponds with landscaping company saving contractors payments of \$2,500 per annum.

- As Saleyard pens are upgraded there is a reducing maintenance commitment resulting in savings of \$20,000 per annum
- Council's meeting agenda has been converted to PDF format for placing on the website earlier allowing the public to access the agenda by 3pm on the Thursday prior to the meeting.
- The employment of trainees in records has provided improved internal services with an additional staff member without the additional cost of a permanent staff member and has provided the opportunity for a local young person to gain experience and be trained in local government.
- Creation of a system in CivicView for the detailed tracking of DA's, CC's and rezoning workflows. This enables CFC staff to be able to advise customers of exactly where the processing of their application is up to without the need to find the file which previously resulted in considerable complaint. A truncated version has now been adapted to allow for the web based tracking of applications that is being trialled with local consultants.
- The letters forwarded to applicants advising that their application is being considered at the next Council meeting is now generated automatically and is a feature of the works flow system developed by SDS and IT staff.
- Any vehicles that have been impounded by the rangers are now entered in a new section that has been created in CivicView so that Customer First are able to check instantly if they have any enquiries from customers.
- Procedure for invoicing has been revised with inspections for buildings, food premises and certificates to be automatically generated via CivicView and forwarded to Costing, currently this is a paper trail.
- Process of scanning old Drainage Diagrams has begun, which will be linked to the LA in Civic View. This will improve Customer Service as the Centre will be able to access diagrams directly without coming over to Sustainable Development Services to access the paper files.
- Purchase of four cylinder cars has reduced fuel costs estimated at \$6,000 per annum.
- Surplus telephone lines and landlines have been disconnected and a saving of \$16,500 in telephone charges have been achieved.

Our organisation, Kempsey Shire Council, is continually striving to improve. You may read about or be told about efficiencies in other Council's but this Council leads the pack in initiative and system

development particularly when compared to other Rural based Council's and this should be recognised.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

Nil

- *Economic (Financial)*

Significant savings each year are produced by staff introducing new systems or updating existing systems. The savings are used in the main to extend service levels and drive the dollar further.

- *Policy or Statutory*

Nil

RECOMMENDATION:

That the information be noted.

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A V Burgess
GENERAL MANAGER