

Efficiency Savings - Fact Sheet

The formation of Northern Beaches Council will deliver efficiency savings estimated at \$161.6 million (net present value) by 2025/26.

In 2018/19, an analysis was completed on benefits generated by the Northern Beaches Council since it was created in May 2016. Over a 10-year time frame to 2025/26 efficiency savings are estimated to be \$161.6 million (net present value). This exceeds the NSW Government's estimate of \$76.3 million over 10 years for Northern Beaches Council.

In 2019/20 the annual recurrent benefit is estimated at \$29.5 million. The savings are being reinvested back into the community through improved service levels, priority infrastructure and in 2019/20 lower Domestic Waste Management Charge for ratepayers. The savings and reinvestment is summarised below:

Where has the \$29.5 million in efficiency savings come from in 2019/20?

- Employee savings - \$6.03 million
- Consolidation of functions allowing staff resources to be reallocated to other functions - \$10.13 million
- Insurance premium reductions - \$1.08 million
- Workers compensation premium reductions - \$0.99 million
- Actual reduction in expenses for materials and contracts \$5.82 million:
 - SHOROC membership \$0.28 million
 - Councillors fees and associated expenses \$0.57 million
 - Consolidation of Independent Assessment Panels \$0.11 million
 - Removal of duplicate IT Infrastructure \$0.15 million
 - Subscription to LGA profiling data \$0.02 million
 - Advertising costs \$0.49 million
 - Subscription to Local Government NSW \$0.06 million
 - Legal Service \$0.5 million
 - Domestic Waste contract \$2.7 million
 - Beach and reserve parking machines contract \$0.46 million
 - Fringe Benefits Tax \$0.16 million
 - Removal of IT licencing \$0.22 million
 - Removal of loop car program Manly \$0.02 million
 - Shorelink library membership \$0.08 million
- Estimated reduction in expenses for materials and contracts, due to consolidation of functions \$5.45 million

How has the \$29.5 million in efficiency savings been re-invested in 2019/20?

- Service uplift for the community - \$17.67 million. Examples of service uplifts include:
 - Additional public amenities cleaning \$1.24 million
 - Additional spend on new footpaths \$1.5 million
 - Injecting funds into ongoing maintenance of Council's assets \$4.41 million
 - Providing a single beach parking sticker for the Northern Beaches \$1.03 million
 - Enhancing Council's service delivery with a stronger staff structure \$1.49 million
 - Increasing cyber-security to protect Council's networks \$0.18 million
 - Reduction in domestic waste charge \$2.94 million
 - Enhancing proactive tree management service \$0.65 million
 - Offsetting the higher costs associated with waste disposal \$2.77 million

- Reallocation of staff resources providing a service uplift for the community - \$9.99 million.
This includes enhancing:
 - Public place waste and cleansing services \$2.4 million
 - Regional transport planning function \$0.31 million
 - Economic development and tourism \$0.15 million
 - Local traffic planning \$0.21 million
 - Place making \$0.26 million
 - Village and town centre management \$0.41 million
 - Customer call centre operations and expanded hours \$0.33 million
 - Asset and open space planning \$0.31 million
- New Northern Beaches Salary System \$1.84 million

Hill Rogers Auditors were engaged to independently review Council's modelling and provide an assurance report on the savings. They concluded that Council's approach and modelling were reasonable and based on sound measurement principles.

Northern Beaches Council's Merger Savings Fund

At the meeting on the 27 June 2017, Council allocated \$9.89 million to programs which support community wellbeing and environmental sustainability. The one-off programs funded were:

Capital Programs

- Connecting the Northern Beaches and Connecting All Through Play \$4 million
- Establishing creative art space at Mona Vale and Avalon \$1 million
- Coast Walk public art trail \$2 million
- Youth Friendly Spaces \$0.8 million
- Development of a Community Nursery at Curl Curl Community Hub \$0.2 million

Operational Programs

- Youth events at the PCYC \$0.8 million
- Supporting the Avalon Youth Wellbeing Hub \$0.18 million
- Community Nursery - Curl Curl Community Hub \$0.03 million
- Tick Research \$0.08 million
- Single Use Plastics Reduction Program \$0.2 million
- Northern Beaches community event/grants program \$0.35 million
- Community grants program \$0.25 million

The programs were funded from savings achieved in the first two years of Northern Beaches Council (May 2016 to June 2018).

Efficiency Savings Draft Budget 2020/21

A \$2.75 million reduction in operating costs is included in the 2020/21 Budget.

This includes reductions in: borrowing costs as we pay down loans, material and contracts and streetlighting costs due to replacement of lights with energy efficient LED fitting

This reflects the target reduction set out in the Long Term Financial Plan for 2020/21.