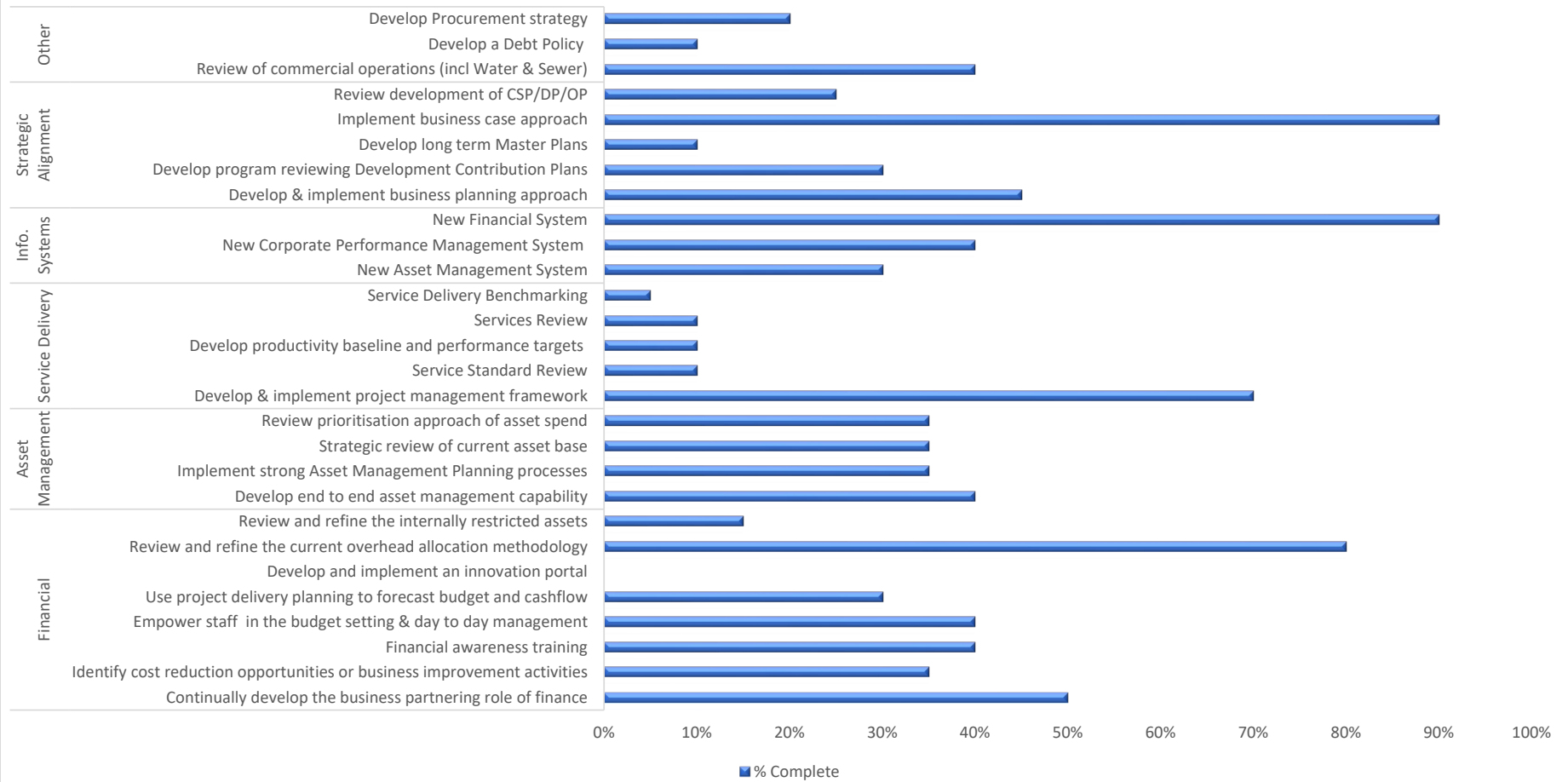


Financial Sustainability Portfolio as at 31 October 2020



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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 2	Asset Management	FS05	Strategic review of current asset base	KSC asset base is fit for purpose and aligned to community service requirements. Non core assets are divested and any funds realised are reinvested into core assets	Jul-20	TBC	Assessment	35%	The following action is included in the 20-21 OP: "GS01.1.1 - Develop a Strategic Asset Management Plan (SAMP) to provide overall guidance for how the Council will continue to manage its assets into future" Performance measure - "Draft SAMP completed for Council endorsement by June 2021"
Wave 2	Asset Management	FS06	Review prioritisation approach of asset renewals and new asset construction	New assets are costed on a life cycle basis allowing Council to fully evaluate the investment requirement over the asset life along with the impact on the maintenance & replacement of existing assets. New asset investment decisions also reference community services expectations	Jul-20	TBC	Assessment	35%	As for FS05 above
Wave 2	Strategic Alignment	FS08	Develop long term Master Plans	Key asset and service areas have clear long term master plans in place that guide short to medium term decision making, project prioritisation and delivery.	Jul-20	TBC	Assessment	10%	As for FS05 above
Wave 2	Strategic Alignment	FS09	Develop a rolling program of review and refinement of Development Contribution Plans	Developer Contribution Plans are in place, up to date and balance the future costs of asset provision between the existing and future populations	Sep-19	TBC	Implementation	30%	Internal audit identified a number of initial findings which are currently being addressed through a workgroup

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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 1	Information Management Systems	FS11	New Asset Management System	KSC asset management system enables best practice asset management, enabling the asset base to deliver long term value to the community	Jan-20	TBC	Implementation	30%	<p>In November Council went to market seeking suitably experienced and qualified Asset Management and Data Collection Consultants to provide outsourced asset management services for Council's infrastructure and land assets. Services were sought for an initial three (3) years with an option for an additional two (2) years. It was determined that with the current resourcing available across the organisation it would be beneficial to utilise an outsourced service for some time to allow Council to meet and improve its AM requirements, whilst building internal skills and capacity. Following a period Council could then take back part or all of the externally provided functions. In January, the contract was awarded to Assetic Australia Pty Ltd.</p> <p>Since the engagement of Assetic Australia work has progressed steadily migrating Council's data into the Asset Management Information System (Assetic). To date sixteen (16) thousand Transport and Stormwater Drainage assets, including associated attributes, have been loaded into the new system. In addition to physical attributes, full financial details have also been configured for each asset. This has enabled Council, with the assistance of the vendor, to undertake a comprehensive system-based revaluation of both the Transport and Stormwater networks.</p> <p>Work has also commenced on integrating Assetic with council's existing GIS. This will allow the graphical representation of asset data and will aid in ongoing monitoring and analysis of asset performance as well as identifying candidate projects for future works programs.</p>

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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 1	Asset Management	FS13	Develop end to end asset management capability	Better asset management practices have led to improved financial performance, better asset decision making, a decrease in risk, an improvement in service outcomes, and therefore maximising the assets contribution to the community.	Nov-18	TBC	Implementation	40%	<p>An Asset Management Steering Committee has been established to oversee and guide the asset management business improvement project. The committee chaired by the Director of Operations and Planning has a membership comprising all key Managers and Stakeholders responsible for the management of Council's Assets. The Committee has adopted a Charter that sets out roles, membership, and meeting practice.</p> <p>To coordinate and facilitate ongoing change, a new Asset Management Team has been created within the Strategic and Asset Planning Group. As part of the restructure a new Coordinator Asset Management was appointed to Council in April. The new team has the responsibility to develop, implement, and maintain appropriate business processes and systems to support the ongoing delivery of best practice asset management across the organisation.</p> <p>In October 2020 the Asset Management Steering Committee commenced reviewing roles and accountabilities relating to asset management.</p>
Wave 1	Asset Management	FS14	Implement strong Asset Management Planning processes	Asset management planning has reduced costly reactive maintenance, improved works program development, prioritisation and delivery, resulting in improved value for money	Nov-18	Not Started	Implementation	35%	Assetic & the planned SAMP (Strategic Asset Management Plan) will assist this (FS05 and FS13)
Wave 1	Commercial Focus	FS07	Review of commercial operations (incl Water & Sewer)	KSC commercial entities operate on a commercial footing, providing financial returns to Council's General Fund to ease the rating burden on the community	Feb-19	Jun-25	Assessment	40%	Saleyards - Review of Saleyards preferred business model commenced in February 2019 and will be completed by December 2020. Economic Development - VIS review commenced in February 2020 and completed Sept 2020. MVCHP capital upgrade (with a focus on increasing revenue) commenced in June 2019 and will be undertaken over the next 5 years. Waste Services financial review commences Aug 2020 and will be completed by 30 June 2021. Water and Sewer being assessed through IWCM (Integrated Water Cycle Management) project.
Wave 2 & 3	Service Delivery	FS01	Services Review	A suite of services that are well defined, deliverable and aligned to community expectations	Sep-20	TBC	Business case	10%	A library of services which council currently delivers is being developed. This will be used to define a calendar of in-depth service reviews including the methodology for undertaking service reviews.

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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 2 & 3	Service Delivery	FS02	Service Standard Review	A suite of services that are well defined and delivered to an agreed service standard aligned to community expectations	Dec-20	Dec-21	Implementation	10%	Micromex have has engaged again to update the survey of the community relating to levels of importance and satisfaction across 35 services. The service levels will be reviewed by ELT as each service proceeds through an in-depth review.
Wave 3	Service Delivery	FS03	Service Delivery Benchmarking	Services are continually reviewed to ensure they deliver value to the community	Dec-20	TBC	Business case	5%	Service review approach is currently being developed (refer FS01 above). ELT will then determine a recurrent calendar of services reviews to be undertaken within the 4 year term of council.
Wave 1	Information Management Systems	FS12	New Corporate Performance Management System	KSC Corporate performance management system enables best practice performance management, whilst also enabling Council & the community to monitor CSP, LTFP performance, along with DP and OP delivery	Sep-20	Apr-21	Implementation	40%	While Magiq has been implemented, the scope of reporting is limited to the OP. The purpose and scope of reporting needs to be reviewed together with the functionality of Magiq, and a corporate dashboard needs to be defined to provide information suitable for different stakeholder groups.
Wave 1	Strategic Alignment	FS15	Develop & implement organisational wide business planning approach	Annual business planning provides a systematic review of operations, a consistent link between delivery and budget setting / prioritisation along with agreed target setting across the management team.	Jan-21	Ongoing	Business case	45%	A business plan template has been developed. Implementation of this will be considered as part of the 2021-22 planning cycle.
Wave 1	Strategic Alignment	FS17	Review development of CSP/DP/OP to ensure better linkages to LTFP & yearly budget	Clear linkages are established between operating unit business plans & budgets through to organisational planning documents including the CSP & LTFP	Jul-21	Jun-22	Assessment	25%	This will be undertaken as part of the development of the combined 2021-2022 Operating Plan and Delivery Program.
Wave 3	Service Delivery	FS18	Develop productivity baseline and performance targets to drive continuous improvement in delivery	Productivity is consistently measured and monitored ensuring services are delivered in the most efficient manner	Jul-20	Jun-21	Assessment	10%	A set of corporate KPI's were adopted by Council on 28 July. An approach to developing productivity baselines and targets is yet to be developed.
Wave 1	Financially Accountable Culture	FS21	Empower staff to have greater involvement in the budget setting & day to day management, using section business plans & AMPs to guide the budget setting process	KSC staff are leading the budget setting process from individual unit business plans which are informed by Asset Management Plans and community expectations	Jan-19	TBC	Implementation	40%	This has been happening informally, however a targeted approach and proper plan will be developed and implemented.

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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 1	Information Management Systems	FS10	New Financial System	KSC financial management system enables best practice financial management, accountability and reduces non value add activities	Sep-18	Dec-20	Implementation	90%	Core financials and budgeting application implementation and system training is complete. Further training and development will occur during 2020-21. More work to be done to identify and eliminate non-value add tasks.
Wave 1	Procurement Capability	FS19	Develop Procurement strategy	Procurement is a key business partner and is delivering improved supplier relationship management whilst also driving down 3rd party spend	Jul-19	TBC	Assessment	20%	The focus has been implementing system enhancements driven mainly by the Corporate Business Systems project including a web and phone based procurement system as well as a web based Contract management and Tender platform. Council is currently investigating the option of engaging a consultant to assist in progressing this initiative.
Wave 1	Financially Accountable Culture	FS23	Use project delivery planning to forecast budget and cashflow requirements in the financial planning processes to ensure alignment between delivery & cashflow/budget	Project budgets are informed by detailed project planning that articulates the phased delivery and therefore cashflow requirements, allowing project budgets to be phased appropriately, reducing carry overs between financial years.	Mar-20	TBC	Assessment	30%	Initial work conducted to prioritise approved grant funded projects first and to consider available capacity to deliver projects. Planning underway to expand the project management framework to Operational projects. Additionally, a prioritisation methodology that considers risk and reward factors in the assessment of projects prior to inclusion in the OP and budget has been implemented.
Wave 2 & 3	Debt Management	FS28	Develop a Debt Policy outlining the how debt will be used, linking intergenerational equity and the consumption of assets across the useful life.	The use of debt is understood and accepted by Council and the community as a way of funding long term assets that are consumed by current and future generations, thereby balancing asset costs across generations.	Mar-20	TBC	Assessment	10%	Use of loan funds vs. cash reserves is under review. Investigation is underway to see if Council can refinance it's current loan portfolio to get lower interest rates.
Wave 2	Service Delivery	FS04	Develop & implement project management framework	Project delivery is predictable and consistent in delivering on time, on budge and quality projects	Mar-19	Jun-21	Implementation	70%	An initial framework had been developed and paused for consideration. A revised version has been rolled out for Corporate Projects and will be extended to Operational projects in the near future.
Wave 1	Strategic Alignment	FS16	Implement business case approach	Formal business cases are in use for key investment decisions across both new services and asset construction, identifying benefits, whole of life costs and performance metrics to allow prioritisation by Council	Jul-20	Jun-21	Assessment	90%	Included in the project Management Framework. Once fully tested and refined as needed this initiative will be complete.

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PHASE	GROUP	ID	PROJECT	DESIRED OUTCOME	START DATE	END DATE	STATUS	% COMPLETE	COMMENTS
Wave 1	Financially Accountable Culture	FS25	Develop and implement an innovation portal	Innovation is seen as a key attribute across KSC, staff are empowered to identify and nominate improvement opportunities and the improvements are delivering value across the organisation	Not Started	Not Started	Not started	0%	Report will be put to ELT in November to initiate this project and approve the program, methodology, and resourcing.
Wave 1	Financially Accountable Culture	FS20	Undertake financial awareness training across the organisation	KSC staff are financially aware, have commercial acumen and are able to make decisions in the best interests of the long term financial health of KSC	Jan-19	TBC	Implementation	40%	Some initial training conducted as part of the new system roll out and on other occasions as required. More recently, a string of Finance and Budget training sessions have been conducted. A structured training plan will be developed and rolled out.
Wave 1	Financially Accountable Culture	FS22	Continually develop the business partnering role of finance	The KSC Finance team is seen as a key business partner and is supporting and guiding operational units with analytics and decision support information	Jan-19	TBC	Assessment	50%	Departmental portfolios have been assigned to the two Finance Business Analysts. This is beginning to pay dividends as these closer relationships deliver improved budgeting, forecasting and reporting outcomes. Further planning to occur to shift the focus from a "Record to Report" philosophy and focus to Decision Support.
Wave 1	Financially Accountable Culture	FS24	Implement short term measures to identify waste, cost reduction opportunities or business improvement activities to ease short term financial pressure	Quick win opportunities are identified and realised early to demonstrate early success and assist in funding future improvement programs	Sep-19	TBC	Implementation	35%	Removal of manual journal books, loan registers and a streamlined process has been implemented to remove paper invoices and make it a mostly electronic process. Further opportunities to be identified.
Wave 1	Financially Accountable Culture	FS26	Review and refine the current overhead allocation methodology to ensure overhead cost apportionment is accurate & reflective of the true cost to serve of operating units.	Overhead distribution is reflective of the consumption of support services allowing true service costs to be identified and included in community engagement activities.	Sep-19	Jan-20	Implementation	80%	Initial solution implemented. Currently only allocates overhead to Commercial Businesses and Water and Sewer (from Corporate departments). Will be further reviewed during 2020-21 financial year
Wave 1	Financially Accountable Culture	FS27	Review and refine the internally restricted assets currently held to ensure they are reflective of future requirements.	Internally restricted assets have a clear purpose and rational for restriction.	Mar-20	TBC	Assessment	15%	Initial discussions had with a view to reducing the internally restricted cash held, but a formal plan not yet developed. A Request for Quote (RFQ) is currently in the market for investment management services to manage Council's \$40M-\$50M cash reserves. Links to FS28 - Debt Management