

**INQUIRY INTO ABILITY OF LOCAL GOVERNMENTS TO  
FUND INFRASTRUCTURE AND SERVICES**

**Name:** Name suppressed

**Date Received:** 19 April 2024

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Partially  
Confidential

## Introduction

I would like to thank the Committee for the opportunity to make a submission to the Inquiry into the ability of local governments to fund infrastructure and services.

I note that this is replacing the proposed review of local council financial models that was to be undertaken by iPart.

I also note that the Terms of Reference differ from the iPart Review which included:

- Visibility of Councillors and the community over the financial and operational performance of their councils.
- Whether the current budget and financial processes used by councils are delivering value for money for ratepayers and residents.
- Whether the current funding model will sustainably support the needs of the communities.
- Whether councils (both Councillors and staff) have the financial capacity and capability to meet current and future needs of communities.
- How can better planning and reporting systems improve long term budget performance, transparency, and accountability to the community.

I support the Terms of Reference of this Inquiry to ensure that the mechanisms to fund local government are appropriate to provide the level of infrastructure and services required.

However, it is equally important that there are robust processes to ensure that communities are getting the best possible outcome from all sources of funding.

## Format of this Submission.

The format of this submission is to provide you with the rationale for requiring Councils to have fiscal transparency and accountability. This is critical to ensure that their communities can readily evaluate if their Council is delivering services that are appropriate and financially responsible. This is because it is equally important to ensure adequate funding sources and that this funding is used appropriately and equitably.

This submission will outline a range of issues, demonstrating the risk to communities from inadequate checks and balances of financial management by their local Council.

## Infrastructure.

In October 2023, Sutherland Shire Council published a Draft Overland Flood Study for community feedback. At the same time, they wrote to 15,600 residents whose properties were affected in the Draft Study and informed them that *‘the land has been **potentially flood prone** based on the available information. Council has adopted a policy to **restrict the development** of flood prone land in accordance with NSW Government’s Flood Prone Policy. Further investigation will be required to determine the flood risk on this land’.*

Council had determined **not** to conduct the normal format of community engagement prior to conducting the Overland Flood Study due to the cost and time involved. As a result, residents receiving these letters were blindsided. Because it was an Overland (stormwater) Flood Study, it affected many residents who did not live near any waterways, on high ground and in many cases sloping blocks and had no experience or expectation of flooding.

The letter advising them that they would be restricted from developing their land, created uproar.

In response, there were 2 subsequent Mayoral Minutes delivered at the November and December 2023 Council meetings. Copies of these Mayoral Minutes were mailed to the 15,600 residents.

[Additional Agenda of Council Meeting - Monday, 6 November 2023 \(nsw.gov.au\)](#)

[Additional Agenda of Council Meeting - Monday, 11 December 2023 \(nsw.gov.au\)](#)

These Mayoral Minutes acknowledged the overwhelming community angst, adverse community feedback and concern. This correspondence blamed the NSW State Government, the Overland Flood Study consultants and later the community. (for not understanding the technical aspect of the study). It also acknowledged that there were flaws in the methodology as Councillors had not been provided with the full suite of information to inform their decisions.

This fuelled a strong community campaign which resulted in council resolving to investigate options, including an option of abandoning the current Overland Flood Study and starting again.

[Minutes of Council Meeting - Monday, 18 March 2024 \(nsw.gov.au\)](#) (page8)

However, in the context of this submission, the fracas about the Draft Overland Flood Study turned the communities focus on management of Stormwater Infrastructure.

#### **Sutherland Shire Infrastructure Management.**

There were widespread concerns, expressed by the community, that the Sutherland Shire Council Stormwater Infrastructure was poorly maintained and under resourced.

The first task was to compare the Sutherland Shire Council Capital Expenditure with a peer group to establish if there was any justification for the community concern.

Below is comparative data sourced from the Operational Plans from several Councils.

This demonstrates significant variances in revenue and expenditure, including Operational and Capital Grants, Capital Expenditure budgets and Stormwater Expenditure.

Whilst it is acknowledged that all Local Government Areas are different with varying priorities and cost drivers, there were several factors which indicated the need for further review. This included the low Capital Expenditure Budget including the allocation for Stormwater Infrastructure.

23/24 Council CAPEX Budget Comparison						
	Population	Income (million)	CAPEX Budget (million)	Stormwater/ Drainage Budget (million)	Operational Grants (million)	Capital Grants (million)
<b>Sutherland Shire Council</b>	231 K	\$ 287	\$ 76.11	\$ 1.70	\$ 14.50	\$ 14.00
Northern Beaches Council	263 K	\$ 437	\$ 102.00	\$ 4.77	\$ 27.50	\$ 32.30
Wollongong Council	216 K	\$ 357	\$ 106.00	\$ 6.80	\$ 29.50	\$ 38.70
Penrith City Council	219 K	\$ 384	\$ 153.00	\$ 7.07	\$ 9.00	\$ 43.00
Lake Macquarie Council	213 K	\$ 351	\$ 118.00	\$ 4.30	\$ 27.30	\$ 41.00
Inner West Council	188 K	\$ 307	\$ 111.16	\$ 2.60	\$ 9.10	\$ 37.80

Council Income from Rates Comparison		
	Population	Rates revenue (million)
<b>Sutherland Shire Council</b>	231 K	\$ 190
Northern Beaches Council	263 K	\$ 246
Wollongong Council	216 K	\$ 232
Penrith City Council	219 K	\$ 148
Lake Macquarie Council	213 K	\$ 158
Inner West Council	188 K	\$ 132

The next step was to review Sutherland Shire Councils 2022-32 Resourcing Asset Management Strategy.

The Asset Management Plan for Stormwater and Waterways Infrastructure commences on page 51.

[04-resourcing-strategy-asset-management-2022-32-adopted.pdf \(nsw.gov.au\)](https://www.nsw.gov.au/04-resourcing-strategy-asset-management-2022-32-adopted.pdf)

Below is a screenshot of the Stormwater Lifecycle costs, listed as approximately \$5 million per annum.

**Forecast Lifecycle Costs and Long Term Financial plan**

Our forecast lifecycle activity costs as at 2021/22 are shown below:

Year (ending June 30)	Acquisition (\$)	Operation (\$)	Maintenance (\$)	Renewal (\$)	Total (\$)
2023	700,000	519,700	3,680,335	300,000	5,200,035
2024	700,000	519,700	3,680,335	300,000	5,200,035
2025	700,000	319,700	3,680,335	300,000	5,000,035
2026	700,000	319,700	3,680,335	300,000	5,000,035
2027	700,000	319,700	3,680,335	300,000	5,000,035
2028	700,000	319,700	3,680,335	300,000	5,000,035
2029	700,000	319,700	3,680,335	300,000	5,000,035
2030	700,000	319,700	3,680,335	300,000	5,000,035
2031	700,000	319,700	3,680,335	300,000	5,000,035
2032	700,000	319,700	3,680,335	300,000	5,000,035
<b>Total</b>	<b>7,000,000</b>	<b>3,597,000</b>	<b>36,803,350</b>	<b>3,000,000</b>	<b>50,400,350</b>

The outlays forecast for operations, maintenance, renewals and upgrades in this plan are network-wide estimates and are accommodated in the Long Term Financial Plan over the ten year period. Specific projects and programs are selected on a priority basis. The level of accuracy in estimating future works diminishes as the forward planning period is further away. These estimates will be updated in future plan revisions as more data becomes available.

Outlays for new assets will be accommodated on the basis of service priority, confirmation of grant funding or developer contribution.

It is noted that the Capital Expenditure Budgets listed in the 2023-33 Long-Term Financial Plan for Stormwater Assets is significantly **less** than outlined in the Assets Management Resourcing Strategy.

The Lifecycle cost for the Stormwater Assets is \$5 million dollars per annum which is comparable to the expenditure of similar sized Councils.

The Sutherland Shire Council 23-33 Long-Term Financial Strategy allocation for Stormwater Drainage averages \$2.4 million dollars per annum.

Their Draft 24-25 Long-Term Financial Strategy has increased the Stormwater Drainage budget allocation to an average of \$3 million dollars per annum, still significantly less than the Lifecycle cost and less than peer Councils.

Capital Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Infrastructure Capital Expenditure</b>										
Roads	15,245	16,756	14,137	16,597	13,893	14,165	14,444	14,730	15,023	15,324
Footpaths	11,551	7,420	3,530	3,709	3,289	3,371	3,456	3,542	3,631	3,721
Stormwater Drainage	2,338	1,953	2,455	2,440	2,477	2,514	2,552	2,591	2,631	2,672
Open Space/Recreational Assets	27,122	27,209	25,229	17,988	14,967	15,341	15,724	16,117	18,520	20,933
Buildings	13,512	24,648	19,519	17,816	22,438	25,889	26,248	27,617	27,995	27,382
<b>Total Infrastructure</b>	<b>69,768</b>	<b>77,386</b>	<b>64,870</b>	<b>58,550</b>	<b>57,063</b>	<b>61,280</b>	<b>62,425</b>	<b>64,598</b>	<b>67,800</b>	<b>70,033</b>
<b>Non-Infrastructure Capital Expenditure</b>										
Plant and Equipment	1,503	2,356	1,765	2,514	2,432	2,493	2,556	2,619	2,685	2,752
Office Equipment (includes CCTV and WiFi)	3,345	369	-	-	-	3,300	-	-	-	-
Library Books	1,500	1,500	1,500	1,500	1,600	1,700	1,800	1,900	2,000	2,100
<b>Total Other</b>	<b>6,348</b>	<b>4,225</b>	<b>3,265</b>	<b>4,014</b>	<b>4,032</b>	<b>7,493</b>	<b>4,356</b>	<b>4,519</b>	<b>4,685</b>	<b>4,852</b>
<b>Total Capital Expenditure</b>	<b>76,116</b>	<b>81,611</b>	<b>68,135</b>	<b>62,564</b>	<b>61,095</b>	<b>68,773</b>	<b>66,780</b>	<b>69,117</b>	<b>72,485</b>	<b>74,885</b>
<b>Source of Funds</b>										
General Fund	30,774	41,874	39,290	35,775	38,425	46,195	43,888	45,902	48,940	51,001
Grants and Contributions	7,343	8,357	1,630	1,630	1,930	1,978	2,028	2,078	2,130	2,184
Unexpended Grants & Contributions	1,643	6,100	-	-	-	-	-	-	-	-
Plant Replacement Reserve (Proceeds from Sale)	377	702	450	900	778	797	817	838	858	880
Developer Contributions	15,695	5,916	14,150	13,500	12,316	12,549	12,788	13,033	13,283	13,540
Stormwater Management Reserve	1,923	1,231	1,255	1,240	1,247	1,253	1,260	1,267	1,273	1,280
Cleanaway VPA Funds	3,744	2,104	3,606	3,398	3,000	3,000	3,000	3,000	3,000	3,000
Cronulla Town Centre Refurbishment Project Reserve	7,869	3,210	-	-	-	-	-	-	-	-
Cronulla CBD Special Rates	1,514	-	-	-	-	-	-	-	-	-
Sutherland Shire Climate Strategy Reserve	680	1,094	800	400	400	-	-	-	-	-
Leisure Centre Strategy Reserve	911	1,214	-	-	-	-	-	-	-	-
Child Care Centres - Asset Renewal Fund	1,091	877	820	721	-	-	-	-	-	-
Library Reserve	757	66	-	-	-	-	-	-	-	-
Strategic Priorities Reserve	1,796	8,867	6,135	5,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>Total Source of Funds</b>	<b>76,116</b>	<b>81,611</b>	<b>68,135</b>	<b>62,564</b>	<b>61,095</b>	<b>68,773</b>	<b>66,780</b>	<b>69,117</b>	<b>72,485</b>	<b>74,885</b>
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-

[Resourcing-Strategy-LTFP-2023-33-ADOPTED.pdf \(nsw.gov.au\)](https://www.nsw.gov.au/resourcing-strategy-ltfp-2023-33-adopted.pdf)

Capital Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Infrastructure Capital Expenditure</b>										
Roads	25,237	26,125	29,601	24,882	26,858	26,918	26,980	27,043	27,109	28,377
Stormwater Drainage	2,910	2,376	2,684	3,102	3,100	3,100	3,100	3,100	3,100	3,100
Open Space/Recreational Assets	20,956	25,697	11,103	29,288	24,000	22,900	21,700	22,000	22,100	23,390
Buildings	23,915	19,653	18,923	16,260	17,222	17,382	21,656	23,961	24,475	23,489
<b>Total Infrastructure</b>	<b>73,017</b>	<b>73,851</b>	<b>62,312</b>	<b>73,532</b>	<b>71,180</b>	<b>70,300</b>	<b>73,435</b>	<b>76,105</b>	<b>76,784</b>	<b>78,356</b>
<b>Non-Infrastructure Capital Expenditure</b>										
Plant and Equipment	2,825	2,215	2,766	2,050	2,676	2,743	2,811	2,882	2,954	3,027
Office Equipment	369	-	-	-	-	3,300	-	-	-	-
Library Books	1,670	1,650	1,650	1,650	1,700	1,700	1,800	1,900	2,000	2,100
<b>Total Other</b>	<b>4,864</b>	<b>3,865</b>	<b>4,416</b>	<b>3,700</b>	<b>4,376</b>	<b>7,743</b>	<b>4,611</b>	<b>4,782</b>	<b>4,954</b>	<b>5,127</b>
<b>Total Capital Expenditure</b>	<b>77,881</b>	<b>77,716</b>	<b>66,728</b>	<b>77,231</b>	<b>75,556</b>	<b>78,043</b>	<b>78,047</b>	<b>80,886</b>	<b>81,738</b>	<b>83,483</b>
<b>Source of Funds</b>										
General Revenue	35,877	39,253	32,338	39,768	38,120	40,213	41,920	43,460	45,709	48,159
Grants and Contributions	2,933	5,889	3,240	3,268	4,058	4,118	4,180	4,243	4,309	4,377
Plant Replacement Reserve (Proceeds from Sale)	702	769	990	274	856	877	899	921	944	968
<b>External Reserves</b>										
Developer Contributions	16,174	16,217	11,911	11,267	22,000	22,500	22,500	22,500	22,500	25,000
Stormwater Levy	2,377	2,376	2,684	3,102	2,600	2,600	2,600	2,600	2,600	2,600
Unexpended Grants & Contributions	7,996	-	-	-	-	-	-	-	-	-
Lucas Heights Resource Recovery Park VPA	3,812	5,566	4,832	8,085	5,500	5,000	4,500	5,500	4,000	890
South Village VPA Funds	289	-	-	-	-	-	-	-	-	-
Woolooware Bay Town Centre VPA	-	400	129	-	-	-	-	-	-	-
Breen VPA Funds	83	-	-	-	2,000	2,300	1,000	1,200	1,200	1,000
<b>Internal Allocations</b>										
Children Services Reserve	1,000	1,085	1,183	863	422	435	448	461	475	489
Cronulla Town Centre Refurbishment Project	4,840	-	-	-	-	-	-	-	-	-
Sutherland Shire Climate Strategy Reserve	222	440	658	440	-	-	-	-	-	-
Leisure Centres Reserve	275	423	-	-	-	-	-	-	-	-
Library Strategy Reserve	839	73	-	-	-	-	-	-	-	-
Strategic Priorities Reserve	463	5,225	9,483	10,164	-	-	-	-	-	-
<b>Total Source of Funds</b>	<b>77,881</b>	<b>77,716</b>	<b>66,728</b>	<b>77,231</b>	<b>75,556</b>	<b>78,043</b>	<b>78,047</b>	<b>80,886</b>	<b>81,738</b>	<b>83,483</b>
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-

The 2022-32 Resourcing Assets Management Strategy also provided further information regarding the level of resources allocated to the Stormwater Assets Infrastructure.

The screenshot below states that there were insufficient resources to address all known deficiencies. The document provided details of known locations where there were performance deficiencies.

## Asset Management Plan – Stormwater and Waterways

**Asset capacity and performance**

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Known locations where deficiencies in service performance exist are shown below. Source: Flood studies, site inspections and customer complaints.

The above figure shows location which are serviced on a periodic basis i.e. pit in some locations are cleaned once every 12 weeks and others once a year.

Council's stormwater and waterway assets are generally provided to meet industry design standards at that time where these are available. It is considered that Council's stormwater and waterway assets are meeting appropriate performance requirements.

Council is reviewing the information regarding capacity, utilisation and performance of stormwater assets through flood studies and drainage investigations to inform future asset management planning and decision-making.



Figure 2: Known "hotspots" requiring more frequent cleaning

It is important to acknowledge that resourcing Infrastructure is challenging for all Councils however the purpose of this submission is to review how Sutherland Shire Council has addressed this issue.

Below is a screenshot of the Monitoring and Improvement Plan (2021) for the Stormwater and Waterways Infrastructure. This demonstrates that, at that time, there was **no** Catchment and Waterways (Stormwater) Management Plan, **no** programme of works for low lying stormwater assets and **no** sustainable waterway (watercourse) management program.

The document stated that the Plan would be monitored and reviewed by Asset Services annually.

GIPA requests for copies of these annual reviews have been unsuccessful to date.

## Asset Management Plan – Stormwater and Waterways

## Monitoring and Improvement Program

Council has an Asset Management Improvement Plan (2021) which details specific actions to improve our asset management practices and our asset management plans.




The next steps resulting from this AM Plan to improve asset management practices are:

- Verification of asset inventory data
- Development of Sutherland Shire catchment and waterway management plan
- Development and implement program of works for managing low lying stormwater assets
- Develop sustainable waterway (watercourse) management program
- Review of remaining useful life of assets and develop asset degradation curves

The plan will be monitored and reviewed by Asset Services annually.



It is also noteworthy that Sutherland Shire Council still has **no** Catchment and Waterways (Stormwater) Management Strategy.

Below is a screenshot from the Draft 24/25 Operational Plan listing delivery of this long-awaited Stormwater and Waterways (Stormwater Management) and Implementation Plan. Note that the Draft will not be presented to Council for adoption until 30<sup>th</sup> June 2025. The timeframe for implementation is unclear, listed as possibly 25/26.

CSP	STRATEGY						
	2.4	Protect our beaches, rivers and oceans					
DELIVERY PROGRAM	PRINCIPAL ACTIVITY						
	Code	Description	Responsibility	Level of Influence	Quadruple Bottom Line		
	2G	Manage and protect the health and biodiversity of our waterways, catchments, floodplains and coastline	Assets Strategy and Delivery	Control Influence			
L PLAN	ACTIONS						
	Code	Description	Responsibility	Measurement	Timeframe		Supporting Documents
					24/25	25/26	
2G.25.01	Develop and implement the Catchment and Waterways Strategy and Implementation Plan	Strategic Assets Manager	<ul style="list-style-type: none"> <li>• Draft Catchment and Waterways Strategy presented to Council for adoption 30 June 2025</li> <li>• Public Exhibition of the Catchment and Waterways Strategy</li> </ul>				

It is also relevant that this Catchment and Waterways (Stormwater Management) Strategy was reported in the January-June 2019 Progress Report (screenshot below) as having been completed. Yet, 5 years later, it will not be delivered for a further 12 months.



	centres					
2C	Develop and implement a Catchment and Waterway Management Strategy and Plans				Asset Management Services	
2C.01	Develop draft strategy that frames how catchment and waterways will be designed and managed	Draft strategy developed in consultation with relevant stakeholders Aligned to Environment & Sustainability Strategy	Q1 - Q4		Asset Management Services	<ul style="list-style-type: none"> <li>• Complete.</li> <li>• Draft Strategy developed.</li> </ul>
2C.02	Review policies relevant to the development of the Catchment and Waterway Management Strategy	All relevant policies reviewed External and internal stakeholders engaged where necessary to validate or provide input into reviews	Q1 - Q4		Asset Management Services	<ul style="list-style-type: none"> <li>• Complete.</li> <li>• All relevant policies reviewed.</li> </ul>

 Complete  On-Track  Monitor  Off-Track

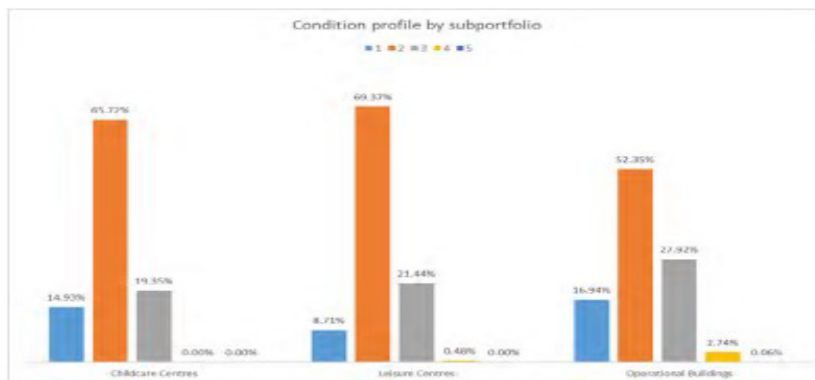
[sutherlandshire.nsw.gov.au](https://sutherlandshire.nsw.gov.au) | Operation Plan 2018/19 - January to June 2019 - Progress Report 21

Below is another screenshot from the 2022-32 Resourcing Asset Management Strategy outlining the maintenance budgets for Building Assets.

Note, that benchmarking with **comparable** Councils suggested that the required maintenance should be 2.05% of the Capital Replacement Cost (CRC) of the building portfolio.

The Sutherland Shire Council maintenance budget is approximately 1.2% of the CRC.

As a result, it is evident that Sutherland Shire Council 's allocation of resources for Infrastructure is significantly less than peer Councils across many Asset Classes.



### Lifecycle Management Plan

#### Operations and Maintenance

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, and utilities costs (water, electricity and gas).

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities planned inspections, cyclical maintenance and reactive maintenance.

Maintenance budget levels are considered to be adequate to meet current service levels. However benchmarking of comparable councils suggests that the required maintenance should be 2.05% of the CRC of the portfolio. The current maintenance budget is approximately 1.2% of the CRC.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Reactive maintenance is carried out in accordance with response levels of service in the relevant Service Level Agreement.

#### Renewal Plan

Assets requiring renewal/replacement are identified from either the asset register or an alternative method. These methods are part of the Lifecycle Model.

- Asset Register data is used to forecast the renewal costs using the previous survey date and the remaining useful life (acquisition dates are applied to whole facilities only not components),
- Additional estimates of renewal costs are prepared for specific buildings or components as part of the capital program preparation process

Below is a screenshot from the Sutherland Shire Council Draft 2022-23 Annual Report which provides more insight into their Infrastructure management.

It is also noteworthy that this Service Review findings, nor subsequent Action plan nor costings to address these issues nor any progress reports have been tabled at any Council meeting.

In summary, so far there is evidence to support community concerns about the efficacy of Sutherland Shire Council's management of Infrastructure, including the Stormwater Assets.

This includes.

- The variance in Stormwater Infrastructure budget allocation with similar Councils.

- The significant variance between Sutherland Shire Council's Lifecycle Costs and their allocated budget.
- The deficit in funding maintenance and renewals.
- Failure to deliver a Catchment and Waterways (Stormwater Management) Strategy and Implementation plan.
- Concern that the disproportionate expenditure on Sports fields (and playgrounds) vs Infrastructure is not affordable, and will result in a future massive financial imposition on the community, to bring the Infrastructure up to standard.
- Failure to provide evidence of compliance with a Quality Monitoring and Improvement Plan.

Council Meeting

6 November 2023



During 2022/23 a Service Review was conducted for the operational areas within the Infrastructure and Operations Directorate which included: Open Space, Cleansing, Buildings and Civil. The Service Review was established to assist with the implementation of a new Enterprise Asset Management (EAM) system. The Service Review commenced in January 2023 with overall key findings including:

- Service standards don't match community expectations and is inconsistent
- Quality of maintenance is below the typical standard for a metropolitan Council
- Productivity can be improved with changes to work methods and equipment
- Supervision and management can be improved
- Predominantly reactive in many activities and not triages based on priorities
- Asset information is poor, making it difficult to benchmark performance and to program works
- Key major building assets do not have Asset Management Plans
- Internal communication is not adequate and results in budget impacts
- Planned compliance and maintenance programs are under funded for buildings

- High-profile public domain and tourist areas require additional presence for cleansing services during weekends and evenings

#### Opportunities for Improvement

An implementation framework has been developed based on the key findings from the review. This will include two streams working collaboratively through the next 12 months to create and commence implementation plans for the identified improvements.

The implementation framework includes:

- Development of service standards that match community expectations as endorsed in strategies
- Update maintenance schedules to meet the service standards
- Develop information (Asset Data) management requirements to support the delivery and regular monitoring of performance
- Transition to a proactive planned approach rather than reactive
- Develop key facility asset plans
- Undertake analysis for gaps in buildings maintenance and develop a business plan for long term funding
- Review and align functions and key tasks across the Directorate
- Review and improve contractor management and supervision
- Review services in 2025 with the aim of achieving improved performance

## Capital Works Programme

The next step was to compare the Capital Works programmes with similar Councils. Prior to 2024, Sutherland Shire Council provided very limited information on their actual annual Capital Works Programme.

### CAPITAL WORKS AND ASSET REPLACEMENT PROGRAM 2022/23

Buildings		\$
<b>Childcare Centres</b>		
Bradman Road EEC Playground Upgrade	130,000	
Program - Early Learning Centre Building Renewal	315,000	
Program - Playground Upgrades in Long Day Care Centres	130,000	
	<b>779,000</b>	
<b>Leisure Centres</b>		
Engadine Leisure Centre Water Main Upgrade	110,000	
Sutherland Leisure Centre Heating Efficiency Improvements	55,000	
Sutherland Leisure Centre Solar Energy Upgrade	440,000	
Program - Leisure Centre Building Renewal	424,600	
	<b>1,029,600</b>	
<b>Operational Buildings</b>		
Albert DeLandae Reserve - Public Toilets Upgrade	218,000	
Castelnau Reserve Public Amenities	375,000	
Cooper Street Reserve - Adult Accessible Toilets and Change	450,000	
Cooper Street Reserve - Community Building Improvements	297,000	
CWWRS - Plant Equipment Renewal	123,245	
Dunningham Park Public Amenities Renewal	240,000	
Kirrawee Town Centre - Toilets Upgrade	315,000	
LED Lighting Upgrades - Public Domain	398,000	
North Cronulla SLC Lifeguards and First Aid Facilities	605,547	
North Cronulla SLC BCA Renewal Works	445,000	
Sheffy Park Pavilion - Toilets and Change Upgrade	220,000	
Sutherland Entertainment Centre Upgrade	9,570,237	
Wooloware Shared Pathway New Public Amenities	365,000	
Program - Fire Risk Management and Compliance	204,716	
Program - Operational Buildings New	90,529	
Program - Operational Buildings Renewal	6,715,959	
Program - Operational Buildings Upgrade	345,000	
	<b>20,178,233</b>	
<b>Buildings Total</b>	<b>21,986,833</b>	
<b>Open Space</b>		
<b>Foreshore Facilities</b>		
Cronulla to North Cronulla Esplanade Upgrade	200,000	
North Cronulla Beach Seawall	200,000	
Sandy Point Boat Ramp Facility Upgrade	310,000	
Program - Foreshore Facilities Renewal	944,545	
	<b>1,654,545</b>	

Parks		
Gunnamatta Park Improvements alongside Nicholson Parade	220,000	
Oak Road Kirrawee - New Park	75,000	
Grays Point Reserve Boardwalk Upgrade	406,593	
Engadine Active Sports Youth Precinct	60,000	
Miranda Community Centre Park Landscaping	174,500	
Heathcote Oval Dog Off Leash Park	150,000	
Program - Parks Renewal	1,401,844	
	<b>2,487,937</b>	
<b>Playgrounds</b>		
Cooper Street Reserve - Active Youth Precinct	2,390,000	
Cooper Street Reserve - All Abilities Playground	2,300,000	
Cronulla Town Centre - Stage 2B Playground	1,200,000	
Don Lucas Reserve Fitness Precinct	310,000	
Dunningham Park - Picnic and Playground Extension	581,818	
Oyster Bay Oval Basketball Precinct	80,000	
Program - Playground Shade Structures	110,000	
Program - Playgrounds New	20,000	
Program - Playgrounds Renewal	2,036,000	
Program - Playgrounds Upgrade	27,975	
	<b>9,058,793</b>	
<b>Sports Fields</b>		
Anzac Oval Irrigation Upgrade	320,000	
Box Road Sylvania - Playing Fields and Spectator Facilities	2,050,000	
Grays Point Oval 1 and 2 Drainage Upgrade	133,000	
Gyimes Bay Oval 1 and 2 Lighting Improvements	600,000	
Heathcote Oval Lighting Improvements	1,148,000	
Jenilla Park Playing Fields Improved Utility	40,000	
North Caringbah Oval Lighting Improvements	427,000	
Prince Edward Park - Oval Raising, Paths & Lighting	1,265,000	
Program - Cricket pitch and net upgrades	330,000	
Program - Upgrade existing courts to multipurpose facilities	330,000	
Seymour Shaw Park Upgrade - Stage 1	5,581,742	
Seymour Shaw Stage 2 - Playing Field Upgrades	383,721	
Waratah Park Sports Complex Upgrade - Stage 1	1,450,000	
Wooloware Oval 1 and 2 Lighting Improvements	572,000	
Program - Sports Field Capacity Improvements	38,364	
Program - Sports Field Renewal	2,930,000	
	<b>17,956,827</b>	
<b>Open Space Total</b>	<b>30,796,102</b>	

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Water Infrastructure		\$
<b>Drainage</b>		
Program - Drainage New	627,000	
Program - Drainage Renewal	1,040,000	
Program - Drainage Upgrade	165,000	
	<b>1,832,000</b>	
<b>Water Quality</b>		
Program - Water Quality Improvement - New	555,000	
	<b>555,000</b>	
<b>Water Infrastructure Total</b>	<b>2,387,000</b>	
<b>Transport Infrastructure</b>		
<b>Carparks</b>		
Seymour Shaw Park - Wandella Road Carpark Upgrade	104,651	
Program - Carparks New	583,000	
Program - Carparks Renewal	282,350	
Program - Carparks Upgrade	275,330	
	<b>1,250,131</b>	
<b>Footways and Cycleways</b>		
Beach Park Avenue Cronulla - Footway Widening & Improvements	658,350	
Cronulla Town Centre - Stage 2B	593,000	
Eton Street Sutherland - Footway, Safety & Parking Upgrade	814,778	
Miranda Town Centre - Kingsway Upgrade	275,000	
Nicholson Parade Cronulla Shared Pathway, Safety & Parking	1,300,000	
Program - Footways New	1,000,000	
Wooloware Bay Town Centre to Cronulla Active Transport Link	1,400,000	
Program - Cycleways New	75,000	
Program - Footways Renewal	173,300	
Program - Pedestrian Accessibility and Improved Mobility	107,800	
Program - Stairs and Link Paths Renewal	233,640	
Program - Street Furniture Renewal	216,959	
	<b>6,847,627</b>	

Road Structures		
Program - Road Structures Renewal	565,000	
	<b>565,000</b>	
<b>Roads</b>		
Bus Stop Infrastructure DDA Compliance	163,689	
Program - Kerb and Gutter Renewal	56,430	
Program - Road Pavement Renewal	5,762,220	
Program - Road, Kerb and Gutter Upgrade	2,426,500	
Program - Street Furniture Upgrade	126,455	
Program - Street Lighting at Pedestrian Crossings	215,500	
Program - Sutherland Shire Way Finding Signage	194,940	
Program - Traffic Facilities Renewal	205,930	
Program - Traffic Facilities Upgrade	872,300	
	<b>10,023,256</b>	
<b>Transport Infrastructure Total</b>	<b>18,686,013</b>	
<b>Non-Infrastructure</b>		
<b>Fleet &amp; Workshop</b>		
Program - Vehicle Sales and Purchases	1,858,552	
	<b>1,858,552</b>	
<b>Library Resources</b>		
Program - Library Resources Improvement	1,450,000	
	<b>1,450,000</b>	
<b>Non-Infrastructure Total</b>	<b>3,308,552</b>	
<b>Capital Budget Total</b>	<b>77,163,500</b>	

As demonstrated above, the 22/23 Capital Works and Asset Replacement Program provides minimal information.

Below is a screenshot of Sutherland Shire Council's 2023/24 Water (Stormwater) Infrastructure Capital Works Programme which also provides minimal detail.

Delivery Program 2022 - 2026 Operational Plan 2023 - 2024 | sutherlandshire.nsw.gov.au | 109

Water Infrastructure		\$
<b>Drainage</b>		
Program - Drainage New		195,000
Program - Drainage Upgrade		285,000
Program - Stormwater Drainage Renewal		1,149,500
		<b>1,629,500</b>
<b>Water Quality</b>		
Program - New Water Quality Improvement		110,000
		110,000
<b>Water Infrastructure Total</b>		<b>1,739,500</b>

Transport Infrastructure		\$
<b>Footways and Cycleways</b>		
Program - Active Transport New		1,000,000
Program - Active Transport Upgrade		230,000
Program - Footway Renewal		400,000
Program - Pedestrian Access and Mobility		150,000
Program - Stairs and Link Paths Renewal		50,000
Program - Traffic Facilities Upgrade		126,500
		<b>1,956,500</b>
<b>Road Structures</b>		
Program - Road Structures Renewal		597,000

In comparison, below is a copy of the Northern Beaches Council Capital 23/24 Expenditure spreadsheet. It is noted that Sutherland Shire Council's budget is less than 50% of Northern Beaches Council.

154 Consolidated renewal works

CSP	Project	2023/24 Funding Source					Forecast		
		Budget 2023/24 \$'000	General \$'000	Reserves \$'000	Dev Contri \$'000	Grants \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
	<b>Environment and sustainability</b>								
	<b>Stormwater program</b>								
G2	Planned stormwater renewal works	4,775	4,775	-	-	-	4,760	5,972	6,272
G2	Reactive stormwater renewal works	948	948	-	-	-	1,006	1,029	1,053
G2	Gross pollutant trap renewal works	96	96	-	-	-	102	104	106
	<b>Water and energy saving initiatives</b>								
G4 G5	Energy Savings Initiatives Program	298	298	-	-	-	113	321	329
G4 G5	Water saving and re-use initiatives	71	71	-	-	-	25	77	79
	<b>Total renewal works - Environment and sustainability</b>	<b>6,188</b>	<b>6,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,005</b>	<b>7,503</b>	<b>7,839</b>

The 2024/25 Draft Operational Plan format has changed and now includes a separate, stand-alone Capital Expenditure Report.

[Attachments of Corporate Governance Committee - Monday, 8 April 2024 \(nsw.gov.au\)](#) (page 168)

Unfortunately, this new format does not provide details, scope, or location, of any of the individual projects funded under the Stormwater Drainage Renewal or Drainage Upgrade Capital Programmes, just the budgeted expenditure.

This is problematic as there is no transparency which results in no accountability. The community have no information of what work is planned so no understanding if it has been delivered.

This is in comparison to the detail provided for Playgrounds (page 18) and Sportsgrounds (page 20).

Corporate Governance Committee 8 April 2024

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**Program - Drainage and Water Quality New and Upgrade**

**Supporting Documents**

- Floodplain Risk Management Studies and Plans
- Floodplain Management Program

**Background Information**

Council undertakes detailed Floodplain Risk Management Studies and Plans (FRMS&P) for individual sub-catchments in the Shire through the "Floodplain Management Program." The FRMS&P recommends works to mitigate flood impacts including the construction of new drainage systems. The program also includes minor drainage investigations/studies in response to customer requests and the construction of additional drainage infrastructure to alleviate nuisance flooding to improve service levels.

Funding for this program is derived from the Stormwater Levy. An annual levy is applied equally to each household to fund drainage infrastructure renewal and upgrades, as well as water quality treatment systems.



Project Name	Suburb	24/25 Activity	25/26 Activity	26/27 Activity	27/28 Activity
Drainage and Water Quality New / Upgrade	Various	Design/ Construct	Design/ Construct	Design/ Construct	Design/ Construct
<b>Program – Drainage and Water Quality Upgrade and New Total</b>		<b>\$1.10 M</b>	<b>\$0.86 M</b>	<b>\$1.22 M</b>	<b>\$1.60 M</b>

2024/25 – 2027/28 Capital Works Program | 34

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GOV013-24 Appendix B

Corporate Governance Committee 8 April 2024

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**Program - Stormwater Drainage Renewal**

**Supporting Documents**

- Stormwater and Waterways Asset Management Plan

**Background Information**

The Drainage Renewal program was established to rehabilitate stormwater drainage infrastructure found to be of poor quality or in poor condition. Works include pipe replacement, pipe relining and pit replacement to the modern equivalent standard.



Project Name	Suburb	24/25 Activity	25/26 Activity	26/27 Activity	27/28 Activity
Stormwater Drainage Renewal	Various	Construct	Construct	Construct	Construct
<b>Program – Stormwater Drainage Renewal Total</b>		<b>\$1.14 M</b>	<b>\$1.52 M</b>	<b>\$1.46 M</b>	<b>\$1.51 M</b>

GOV013-24 Appendix B

This is in sharp contrast with other Councils who provide their communities with comprehensive information.

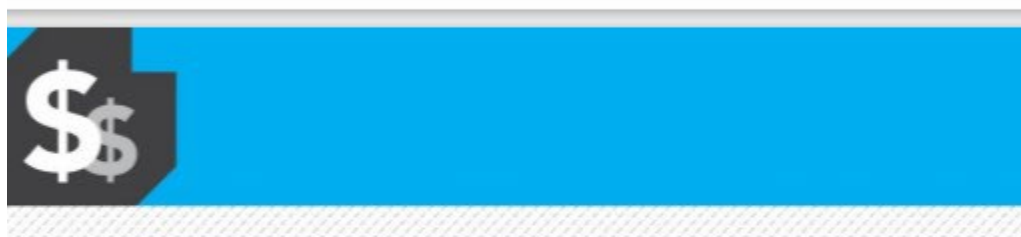
Below are screenshots of Wollongong and Liverpool Council data.

Project Name	Suburb	Description	2023-24 Activity	2024-25 Activity	2025-26 Activity	2026-27 Activity
<b>Stormwater Services</b>			<b>\$10,560,000</b>	<b>\$7,780,000</b>	<b>\$4,945,000</b>	<b>\$4,090,000</b>
Floodplain Management			\$3,670,000	\$3,735,000	\$2,680,000	\$3,000,000
<b>Floodplain Structures - New</b>			<b>\$3,670,000</b>	<b>\$3,735,000</b>	<b>\$2,680,000</b>	<b>\$3,000,000</b>
Channel recon Railway to Holy Spirit College	Bellambi	Upgrade	Construction	Construction		
Gordon Hutton Park, Debris Control Structure	Bulli	Construct New	Construction			
Ursula Rd Flood Mitigation Scheme Stage 1	Bulli	Upgrade	Design	Construction	Construction	
Ursula Rd Flood Mitigation Scheme Stage 3	Bulli	Upgrade		Design	Construction	
Memorial Dr, Bellambi Gully, Debris Control Structure	Corimal	Construct New	Construction			
Brooks Creek, Byamee St, Debris Control Structure	Dapto	Construct New	Design	Construction	Construction	
Kanahooka Rd Flap Gate	Dapto	Construct New	Construction			
Dawson St Culvert Flood Mitigation	Fairy Meadow	Upgrade			Design	Design
McMahons St Detention Basin	Fairy Meadow	Construct New	Design	Design	Construction	Construction
35 Uralba St - Channel Works	Figtree	Construct New	Design	Construction		
Byarong Creek (Arrow Avenue), bank support	Figtree	Construct New	Design	Design		
The Avenue, Debris Control Structure	Figtree	Construct New	Design	Construction	Construction	
Golf Course, Debris Control Structure	Russell Vale	Construct New		Construction		
Tallegalla St Flood Mitigation	Unanderra	Construct New		Design	Design	
Implement High Priority Options Allans Creek FRMSP	Various	Construct New	Design	Design		
Implement High Priority Options Hewitts Creek FRMSP	Various	Construct New	Design	Design	Construction	
implement High Priority Options Towardgi Creek FRMSP	Various	Construct New	Design	Design	Construction	
<b>Stormwater Management</b>			<b>\$6,890,000</b>	<b>\$4,045,000</b>	<b>\$2,265,000</b>	<b>\$1,090,000</b>
<b>Stormwater Drainage - New</b>			<b>\$945,000</b>	<b>\$470,000</b>	<b>\$260,000</b>	<b>\$245,000</b>
39 Franklin Ave Drainage Improvements	Bulli	Upgrade			Design	Construction
Byamee St Drainage Upgrade	Dapto	Upgrade			Design	
Cabbage Tree Ln/Dawson St Channel Stabilisation	Fairy Meadow	Upgrade	Construction			
River Oak Rd Drainage Upgrade	Farmborough Heights	Construct New		Design	Construction	
O'Briens Ln pit upgrade	Figtree	Upgrade	Construction			
High St pit modification and kerb & gutter	Helensburgh	Upgrade	Design	Construction		
Old Station Rd drainage	Helensburgh	Upgrade	Design	Design	Construction	
Eirene Ave/Meares Ave overland flow	Mangerton	Upgrade		Design	Construction	
Wollongong High School Detention Basin Drainage	North Wollongong	Upgrade	Construction			
27A Murrawal Rd drainage upgrade	Stanwell Park	Upgrade		Design	Construction	
Beach Rd Drainage Upgrade	Stanwell Park	Upgrade			Design	Construction
1-3 Spray St	Thirroul	Upgrade	Construction			
73 George St, Debris Control Structure	Thirroul	Upgrade			Design	
Beveles Avenue Bank Stabilisation	Unanderra	Construct New	Design	Construction		
Blackman Pde drainage swale	Unanderra	Upgrade			Design	Construction
19 Auburn St drainage upgrade	Wollongong	Upgrade			Design	Construction
29 Gipps Street Drainage Upgrade	Wollongong	Upgrade	Design	Construction		
61 Market St drainage upgrade	Wollongong	Upgrade	Design	Construction		



<b>Drainage and Floodplain</b>	<b>84,959,000</b>	<b>5,255,000</b>	<b>72,927,428</b>	<b>6,776,572</b>
Amalfi Park Basin - Remediation Works	450,000	0	0	450,000
Austral / Leppington North - Basin 8 - Design	250,000	0	250,000	0
Austral/Leppington - Basin 5,11,12 and 14	18,919,000	0	18,919,000	0
Brickmakers Creek - Design	2,500,000	2,500,000	0	0
Drainage Improvements - Casula Parklands	1,045,000	0	1,045,000	0
East Leppington - Stormwater Infrastructure - Land Acquisition	26,392,000	0	26,392,000	0
Edmondson Park - Raingarden D13 and D14 - Construction	1,744,000	0	1,744,000	0
Edmondson Park - Raingardens - Land Acquisition	6,481,000	0	6,481,000	0
Ernie Smith Reserve (GPT)	715,000	0	715,000	0

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<b>Projects</b>	<b>Total Expenditure</b>	<b>Grants</b>	<b>S7.11 Developer Contributions</b>	<b>Consolidated Funds</b>
Erosion Protection - Harris Creek & Helles Park	1,050,000	250,000	800,000	0
Flood Detention Basin 11 - Construction	1,000,000	0	1,000,000	0
Flood Detention Basin 14 Edmondson Park - Construction	3,200,000	960,000	2,240,000	0
Flood Detention Basin 29 - Austral - Construction (staged)	5,740,000	0	5,740,000	0
Flood Detention Basin 5 - Construction	3,500,000	0	3,500,000	0
Flood Mitigation - 11 Elvira Pl	150,000	0	0	150,000
Flood Mitigation - 12 Henrietta Cl	80,000	0	0	80,000
Flood Mitigation - Burton Ave	80,000	0	0	80,000
Flood Mitigation - Riverview Rd	80,000	0	0	80,000
Gross Pollutant Trap	503,000	0	0	503,000
Gross Pollutant Traps (GPT)	75,000	0	0	75,000
Jardine Drive – Flood Mitigation	70,000	70,000	0	0
Moorebank Voluntary Acquisition Scheme	1,500,000	1,000,000	0	500,000
Programmed Drainage Renewal	100,000	0	0	100,000
Sinozich Park - Design and Construction	4,000,000	0	1,116,428	2,883,572
Stormwater Drainage Improvement Works - Western Depot	1,500,000	475,000	0	1,025,000
Stormwater Pipe Inspection, Assessment & Ancillary Works	150,000	0	0	150,000
Stormwater Pipe Relining	300,000	0	0	300,000
Stormwater Pipe Structural Patches	300,000	0	0	300,000
Telemetry System Maintenance	50,000	0	0	50,000
Various Regional Road and Culvert Upgrades - Design	2,985,000	0	2,985,000	0
Wetlands - Riverside Park	50,000	0	0	50,000
<b>Information Technology</b>	<b>3,182,775</b>	<b>0</b>	<b>900,000</b>	<b>2,282,775</b>

### Allocation of Infrastructure Resources

Given the limitations of the available funding, it is relevant to consider how Sutherland Shire Council allocates its Capital Expenditure budget.

Note that Sutherland Shire Council has significantly less Capital Budget than similar sized Councils yet the allocation of funding to Infrastructure, specifically Stormwater Drainage seems to be grossly disproportionate to Sport Fields. This also appears to be disproportionate to other Councils. It is noted that the data below is inconsistent as some major Sports field projects are now listed separately as Major Project. As a result, there are additional costings not represented in the table below which only contains projects listed under Sports Fields.

Sutherland Shire Council Capital Works Program and Budget. Source: Operational Plans								
Capital Works	20/21	21/22	22/23	23/24	24/25	25/26	26/27	28/29
Total Capital Works Budget	\$52.7 m	\$76.3 m	\$77.2 m	\$76.1 m	\$77.8 m	\$77.7 m	\$66.7 m	\$77.3 m
Stormwater Drainage Budget	\$750k	\$530 K	\$1.83 m	\$1.63 m	\$2.24 m	\$2.38 m	\$2.68 m	\$3.11 m
Sports Field Budget	\$4.07 m	\$10.6 m	\$17.5 m	\$10.8 m	\$4.09 m	\$14.07m	\$5.38 m	\$16.79 m
	7.70%	13.80%	22.60%	14.20%	5.40%	18%	8%	21.00%
Drainage new		175	627	195				
Drainage renewal	300	185	1.4	1149.5	1.14	1.52	1.46	1.51
Drainage upgrade	450	170	165	285	1.1	0.86	1.22	1.6
<b>Total</b>	<b>\$750k</b>	<b>\$530 K</b>	<b>\$1.83 m</b>	<b>\$1.63 m</b>	<b>\$2.24 m</b>	<b>\$2.38 m</b>	<b>\$2.68 m</b>	<b>\$3.11 m</b>
Sports field renewal	2,219	3,380	2,930					
Sportsfield capacity improvement		160	36					
Anzac Oval irrigation			320	302.4				
Box Road Sylvania Playing Field and Spectator Facilities		2,237	2,050					
Grays Point Ovals Drainage			133					
GyMEA Bay Oval lighting			600					
Heathcote Oval lighting			1,148					
Jenola Park Playing Fields upgrade	240	31	40					
North Caringbah Oval lighting			427					
North Caringbah Oval reconstruction	800							
Prince Edward Park Oval raising, lights			1,265					
Program- upgrade cricket pitches and nets	100		330					
Program-upgrade courts to multipurpose			330					
Seymour Shaw upgrade Stage1		2,745	5,581					
Seymour Shaw playing field upgrade Stage2			384					
Waratah Park complex upgrade Stage 1		1,500	1,450					
Woolooware Oval irrigation	180							
Woolooware Oval lighting			572					
Woronora Heights Oval Drainage		120						
Sutherland Oval irrigation		200						
Sports field Advanced Design Program		50						

## NSW Legislative Council: Inquiry into the ability of local governments to fund infrastructure and services. April 2024

Greenhill Merang Parkland Stage 2		150						
Program- Sports field lighting upgrade				4925				
Sports field Accessibility upgrade				50				
Glenn McGrath Oval Wicket upgrade				253				
Kareela Sports Precinct Electrical Substation	350							
Kareela Masterplan parking				60				
Program- Sports Facility upgrade	20			2317				
Program- Sports Facility renewal				2154.5				
Program- Sports Field Drainage and Irrigation upgrade	160			790				
<b>Total</b>	<b>\$4.07 m</b>	<b>\$10.6 m</b>	<b>\$17.5 m</b>	<b>\$10.8 m</b>	<b>\$4.09 m</b>	<b>\$14.07m</b>	<b>\$5.38 m</b>	<b>\$16.79 m</b>

It is also relevant to note the limited information that is provided by Sutherland Shire Council in comparison to other Councils.

As noted above, other Councils provide clear information, structured so that it is easily read by the public, to facilitate transparency and accountability.

This is easily demonstrated by comparing the standard of Annual Reports, Progress Reports and Operational Plans.

Below are links to examples of reports from peer Councils who use qualitative and quantitative data.

It is important to note that all other Councils use Performance Outcome Measures

[Revised-Delivery-Program-2022-2026-Operational-Plan-2023-24-ADOPTED.pdf](#) (nsw.gov.au) Sutherland Shire Council

[delivery-program-2023-2027 \(4\).PDF](#) Northern Beaches Council

[GRC-DELIVERY-AND-OPS-PLAN-2023-FINAL-V2.pdf](#) (nsw.gov.au) Georges River Council

[lowresforCnclExhibition-27Mar2024-DraftDPOP2024-27.pdf](#) (amazonaws.com) Hornsby Council

Below are links to the Wollongong Infrastructure Plan for comparison to the 24/25 format of Sutherland Shire Council's Capital Works Program. The difference in the standard of data is stark.

[Delivery-Program-2022-26-and-Operational-Plan-2023-24.pdf](#) (nsw.gov.au) Wollongong Council

[Attachment-2-Infrastructure-Delivery-Program-2023-2024-to-2026-2027.pdf](#) (nsw.gov.au) Wollongong Council Infrastructure Plan

[5266e87a4a0d13b2bb158901023baa1a\\_DPOP\\_24-25\\_Version3.pdf](#) (amazonaws.com) Sutherland Shire Council 24/25 Draft

[Microsoft Word - FINAL Draft Capital Works Program Public Facing Program 24-25 \(A9206824\)](#) (amazonaws.com) Sutherland Shire Council 24/25 Draft Capital Works Program.

There are more anomalies with the standard of information provided to the public. Below is the pie chart provided on page 17 of the 23/24 Operational Plan.

This informs the community of the allocation of Capital Expenditure per Asset Class. Or so it appears. However, below is a spreadsheet derived from information provided in the same Operational Report but from the Capital Works Program on page 108.

Note that both the Pie Chart and the Capital Works plan both add up to \$76, 116 million dollars but completely different allocation. Note that the Water Infrastructure (Stormwater Assets) took a hit with a reduced budget. Also recall that their Asset Management Strategy lists the Annual Lifecycle Costs for Stormwater Assets is \$5 million per year.

**CAPEX AT A GLANCE**

2023/2024  
Capital budget by class of asset



CapEx Budget by Class of Asset	2023/ 24 \$,000	%
Buildings	13,512	18%
Open Space	27,122	36%
Water Infrastructure	2,338	3%
Transport Infrastructure	26,796	35%
Non-Infrastructure Assets	6,348	8%
	<b>76,116</b>	<b>100%</b>

**OPEX AT A GLANCE**

2023/2024  
Operational budget by outcome



Category Summary	2023/24 \$,000	%
Strong civic leadership trusted by an informed and engaged community	53,536	19%
A beautiful, protected and healthy natural environment	94,412	33%
A creative, caring and healthy community that celebrates culture and diversity	14,240	5%
A prosperous, well-educated community with a diverse range of economic opportunities	32,885	17%
An active community that enjoys safe, accessible and diverse open places and spaces	49,903	17%
A high quality urban environment, supporting a growing and liveable community	42,952	15%
	<b>287,927</b>	<b>100%</b>

**INCOME AT A GLANCE**

2023/2024  
Budget by source of funds



Source of Funds	2023/24 \$,000	%
Rates & Annual Charges	190,527	66%
User Charges & Fees	42,715	15%
Investment & Interest Revenue Received	8,504	3%
Other Revenue	12,485	4%
Other Income	5,301	2%
Grants & Contributions - Operating	14,447	5%
Grants & Contributions - Capital	13,948	5%
	<b>287,927</b>	<b>100%</b>



<b>Sutherland Shire Council 23/24 Capital Expenditure Allocation</b>			
	<b>Pie Chart</b>	<b>Capital Works Plan</b>	
Asset Class			
Buildings	\$13,512	\$11,027,047	
Open Space	\$27,122	\$16,972,325	
Water Infrastructure	\$2,338	\$1,739,500	
Transport Infrastructure	\$26,796	\$14,836,925	
Non-Infrastructure Assets	\$6,348	\$6,003,400	
Key Projects		\$25,537,047	
<b>Total</b>	<b>\$76,116</b>	<b>\$76,116,244</b>	

### **2023/24 September Quarterly Budget Review**

It is relevant to consider the outcome of the September 2023/24 budget review.

The complete budget review report can be found on page 43 of the link below.

[Agenda of Council Meeting - Monday, 6 November 2023 \(nsw.gov.au\)](#).

Note that this review was conducted 3 months into the new financial year.

Below is a screenshot of the Executive Summary of this report.

Note that the Capital Expenditure Budget had been 'revised down' by approximately \$11 million dollars in the first 3 months of the financial year.

The variance from the stated \$76,116 million dollar budget listed in the 23/24 Operational Plan is noted. However, this is likely due to funding that has been rolled over from the previous year for continuance.

The September Quarterly Budget Report notes that the Capital Works Program included in the Draft 2023/24 Operational Plan and Budget will be amended to incorporate the rephased capital projects in all Quarterly Budget Reviews throughout the year, including the September Review. This may result in existing projects in the Capital Works Program to be deferred to future financial years.

As a result, the Capital Works Plan and Budget presented in the 23/24 Operational Plan, 3 months before, has been completed disrupted.

The community have no reference point of what is funded or what will be delivered. In the end, they will have no idea of what was delivered.

**COR044-23      QUARTERLY BUDGET REVIEW - SEPTEMBER 2023**

COR044-23

**Attachments:** Appendix A, [Appendix B](#) and Appendix C**EXECUTIVE SUMMARY**

- The Quarterly Budget Review for the period ended 30 September 2023, has been prepared in accordance with section 203 of the *Local Government (General) Regulations 2021*.
- After incorporating the proposed variations included in the Quarterly Budget Review, the projected 2023/24 net operating result has deteriorated from a deficit of \$13.460 million to a deficit of \$20.304 million. Council's projected Operating Result before Capital Revenue deteriorated from a deficit of \$27.408 million, to a deficit of \$35.241 million.
- The 2023/24 Capital Budget has been revised downwards from \$89.816M to \$78.650 million during the September Capital Review.
- The proposed variations to the 2023/24 Budget as outlined in this report, including operating, capital and reserves, delivers an improved funding result of \$1.247 million.

**REPORT RECOMMENDATION****THAT:**

1. The report 'Quarterly Budget Review – September 2023' be received and noted.
2. The proposed variations to the 2023/24 Budget, detailed in Appendix A and B to this report, be adopted and the Operational Plan and Budget 2023/24 be amended accordingly.
3. The information provided by the Local Government Grants Commission in relation to the future of the Financial Assistance Grants be noted.

It is timely to consider the recommendations from the Chair of the Audit, Risk, and Improvement Committee end of year, 2023 report. This was tabled at the November 2023 Council meeting, screenshot below. I note that the recommendation included that:

ARIC are **concerned** about the programming of Capital Works and its expenditure against the budget.

ARIC has recommended the establishment of a 3-year capital works program to break down the amounts for each project to be spent each year.

It is also noteworthy that the response from Council to this important recommendation, is that *management is progressing this concept recommended by ARIC.*

The reason that this is notable is that there is no target date. This is because Sutherland Shire Council does **not** have a Performance Measurement Framework so does not use or report against Performance Indicators, Outcome Measures, Target Dates.

Charter during 2023:

CHARTER AREA	HIGHLIGHTS
<b>Financial Management and External Reporting</b>	
Financial Sustainability and Financial Strategy	<p>The ARIC considered the December 2022 Quarterly Budget Review, March 2023 Quarterly Budget Review and the September 2023 Quarterly Budget Review across the 2023 calendar year. These reviews contained Council's performance against the financial strategy parameters set out in the Long Term Financial Plan.</p> <p>The ARIC discussed with Management the adoption of the 2022/23 Budget and also the process of the development and delivery of the 2023/24 Capital Works program. ARIC has been concerned about the programming of Capital Works and its expenditure against the budget.</p> <p>ARIC has recommended the establishment of a 3 year capital works program to break down the amounts for each project to be spent each year. Management is progressing this concept recommended by ARIC.</p>
Financial Management and External Reporting	<p>The ARIC reviewed and endorsed the Draft 2022/23 Financial Reports and the signing of the Statement of Opinion. The ARIC continued its support of Council's position that it does not control Rural Fire Service Red Fleet even though the qualification had been removed by the Audit Office.</p> <p>The ARIC considered financial related work including the review of the Credit Card Determination and Management, Cash Handling Internal Assurance Review, Investment Policy Review.</p>
<b>Implementation of Strategic Plan, Delivery Program and Strategies</b>	
Delivery Program 2022-2026 and Annual Operational Plan	The ARIC considered the 2022/23 Operational Plan six monthly Progress Reports.
<b>Risk Management and Fraud Control</b>	

Page 3

Below is a screenshot from the June 2023 Council where the Draft 23/34 Operational Plan was adopted by Council following public consultation.

It is noted there was feedback from the public regarding the absence of performance reporting.

Councils' response was that they had recognised that this needed to be reviewed. It had been listed in the previous 22/23 Operational Plan (but had not been delivered). Council had decided **not** to include the delivery of the Performance Measurement Framework in the 23/24 Operational

Plan as they had already commenced work on it, and it would become part of their Service Review Program.


Unfortunately, by omitting it from the 23/24 Operational Plan meant that the progress, or lack of, would not be tracked in the 6 monthly Progress Report.

The Performance Measurement Program from the 22/23 Operational Plan has still **not** been delivered. As a result, the 24/25 Draft Operational Plan does not contain Performance Indicators, Outcome Measures or Targets.

Council Meeting
26 June 2023

Other changes to the draft documents include:

- Minor updates to the Mayor and CEO Messages
- Updates to the Highlights for 2023/24 page
- Updates to demographic information
- A new section highlighting five key projects from the Capital Program
- Updates to the information explaining the Integrated Planning and Reporting Framework including new details on our Supporting Documents and the role they play in planning for our future
- Other minor updates to action details and formatting amendments

 A number of submissions and feedback received related to the way Council identifies and documents performance measures, and how we monitor and report on performance across our Delivery Program and Operational Plan as well other strategic documents. It is not proposed to amend the draft 2022-2026 Delivery Program and 2023/24 Operational Plan, however it is recognised that this is an area that needs to be reviewed and the current 2022/23 Operational Plan contains an action to develop and implement a Performance Measurement Program. Work on this action has commenced and will continue in the draft 2023/24 Operational Plan with an action that will look to develop and implement a Service Review Program focused on continuous improvement.

A revised 2022-2026 Delivery Program and Operational Plan 2023/24 is included at Appendix A

A summary of submissions can be found later in this report under Community Consultation and a full summary of submissions including officer comment and copies of written submissions is included in Appendix D and Appendix E.

COR018-23

Below is a link to the Council Meeting Business Papers with the complete report.

[Additional Agenda of Council Meeting - Monday, 26 June 2023 \(nsw.gov.au\)](https://www.nsw.gov.au/legislation/other-legislation/inquiries/legislative-council-inquiry-into-the-ability-of-local-governments-to-fund-infrastructure-and-services)

It should be the **minimum** standard that local Councils, using public funding to provide services for the community are required to report on delivery of those services and their financial management to ensure transparency and accountability.



There should also be a standard for a minimum level of a data set of information provided to the community so that they can assess the efficacy of the level of service that is being provided by their local Council.

### **Commercial Waste Service**

The episode of the management of Sutherland Shire Council's Commercial Waste Service is another example of the need for oversight of local Council financial management.

In October 2023, the NSW Auditor advised Sutherland Shire Council that their Commercial Waste Management Service had run at a **deficit** of \$247K for Financial Year 2022/23.

- A Report was tabled at the November 2023 Infrastructure and Operations meeting with a recommendation from the Council Officer, that Council **withdraw** commercial waste collection from private businesses.
- The Commercial Waste Service was being provided to a small cohort of 18% Shire businesses who include 67 Real Estate Agents.
- The fee being charged by Council is significantly less than the commercial rate and does not cover all the direct and indirect costs of running the service.
- The Report stated that the Commercial Waste Service had an income of \$1.713 million, with operating expenses of \$1.96 million.
- It noted that to match commercial waste collection fees, it would need increase its fees by 45.6% in the 24/25 Financial Year.
- This report noted that the service was **not** in compliance with legislation.
- The breach of legislation was stated to be that the Commercial Waste Service was being **subsidised** by the Domestic Waste Service Levy Section 496 of the Local Govt Act 1993. Use of these funds being applied to any other purpose (i.e.: subsidise a Commercial Waste Business) is a breach of the Section 504(3) of the Act.
- The failure to comply with the National Competition Policy which requires competitive neutrality principles. This means that Council should not have a competitive advantage over private businesses.
- Whilst the National Competition Policy does not preclude Council from subsidising business activities where it is in the **public interest**, it requires any subsidies to be considered and deliberate.
- Council was aware that they were exercising competitive advantage over private businesses as it was noted in their Report that they received **regular** complaints from private operators that Council was undercutting them by charging less than the market rate.
- Sutherland Shire Council's business model for their Commercial Waste Service **did not** comply with the model outlined in their **2018/19 Operational Plan**. (Screenshots below).
- An internal review of Waste Services was conducted during **2022/23 Financial Year**, as stated in the Draft Annual Report (P 32). This internal review did **not** identify that the Service breached the Local Govt Act 1993, the National Competition Policy or that it was running at a deficit.
- At the November Infrastructure & Operations Committee and subsequent December Council meeting, Councillors voted to **continue the Service**, receive further quarterly reports until full cost recovery is achieved and monitor within the annual Special Purpose Funds Statement.
- There were **no** targets or milestones set to implement any specific changes to the business model.
- It was not proposed to raise the fees until the 2024/25 Financial Year.

- It has since been confirmed in the December 2023 Quarterly budget review (tabled at the February 2023 Council meeting) listed the Commercial Waste Service in **deficit at \$101k for 2023/24 Financial Year.**
  - **As a result, the total deficit for 22/23 (\$247 k) and 23/24 (\$101 K) = \$348 K**
  - There are several critical issues with this decision:
    - Obviously, continuing to operate the Commercial Waste service at a loss, subsidised by ratepayers.
    - That the deficit was identified by the NSW Audit Office following an audit of the 22/23 Special Purpose Funds Statement, so it is highly likely that the ‘service’ has been running at a loss since its inception which appears to have been in 2018/19.
    - It is unclear if any Councillors have conflicts of interest with endorsing the ratepayer subsidy of this service. This is relevant due to the cohort of Commercial Waste Service customers include **67 Real Estate Agents**. This would appear to be a significant percentage of the Shire’s Real Estate Agents. The customer list also includes local food outlets.
    - The fact that these businesses are being subsidised is not explicit. This arrangement does not appear to be in the public interest. There has been no community engagement to assess if the ratepayers agree to their funds being used to subsidise a small group of businesses.
    - The numbers of customers are capped so the opportunity to have Commercial Waste collection at a fee that is substantially less than market rate is not available to all Shire businesses.
    - Sutherland Shire Council is under financial stress. The September 2023 Quarterly Budget reported a deficit deterioration, and \$11 million dollars has been cut from the Capital Budget.
    - It does not appear to be financially responsible decision to oppose the recommendation to cease this Commercial Waste Service and commit to further losses of ratepayer funds.
    - There have **not** been any subsequent reports tabled to address the resolutions from the December Council meeting. This includes seeking advice from the NSW Office of Local Govt regarding the legality of the subsidy, or the quarterly performance reports.
    -
- 

## **Sutherland Shire Council Commercial Waste Service.**

The full **Commercial Waste Services Review** is listed in the November 2023, Infrastructure and Operations Committee Business Paper, link below.

[Agenda of Infrastructure and Operations Committee - Monday, 27 November 2023 \(nsw.gov.au\)](#) Page 33.

There are major concerns regarding this situation.

- Councils Commercial Waste service is only used by a 1, 096 customers, **18%** of Shire Businesses.
- The remaining 83% pay full fee, using private contractors.
- The cost being charged by Sutherland Shire Council was significantly less than the market rate. Some Councils who run a Commercial Waste Service charge **\$32.60** per 240 litre bin per bin. The average Private Contractor charges **\$18** per bin. Sutherland Shire Council is charging **\$12.92** per bin.
- Council was also offering a bespoke serviced for this low charge, allowing these businesses to nominate what days they wanted their rubbish to be collected.
- It is noted in the report, Page 36, that the resources used to service these 1,096 commercial customers each week was more than 20 different waste vehicles and 18 staff, across the week.
- It was also noted that (page 36) that Council was **not** charging by bin weight, but a flat quarterly fee. This was despite the variation in bin weights of between 20kg and 36.5 kg.
- Council had undertaken a Service Review of the Waste Dept as part of its 'continuous improvement' program in 22/23 as outlined in their Draft Annual Report. Yet had **failed** to identify that the Commercial Service was running at a loss.
- The Report tabled at the November 2023 Infrastructure and Operations Committee meeting was in response to the NSW Auditors correspondence in October 2023.
- It is noted on Page 36 of the Commercial Waste Services Report that Council had received **regular** complaints from private sector businesses stating that Council was offering a waste collection service and disposal **below** fair market prices.
- Whilst the Commercial Waste service is only used by 18% of Shire businesses, there is an extraordinary percentage of Shire Real Estate Agents (**67 Agents**, Page 35) using Councils low-cost service.
- It is also noted that there are retail and food providers.
- This Report confirmed that 18% of Shire businesses were having their Commercial Waste collection subsidised by Ratepayers as a cost of \$247k per annum.
- It is unclear how businesses access this subsidised Commercial Waste Collection Service provided by Council. There appears to be no reference to it on Councils' website.
- There is a significant opportunity cost to Ratepayers as the \$247K lost to this Service could have been used to benefit the broader community.
- At the December 2023 Council meeting, Councillors elected to proceed with Option B in the Report. This was **NOT** recommended by Council officers. Option A, to withdraw from Waste Service Provision was the preferred option.
- [Minutes of Council Meeting - Monday, 11 December 2023 \(nsw.gov.au\)](#) Page 13
- There was no conflict of interest declared by any Councillor in relation to any of the businesses receiving a subsidy.
- It is noted that there is **no** plan for any community engagement with Ratepayers who are subsidising this Service.
- The only community engagement proposed, was with customers if Council had elected to cease the service.
- This report does not state that there will be any changes to the fees and charges for the remainder of this Financial Year.
- Instead, it appears that increased fees and charges will be listed in the 24/25 Fees and Charges Schedule. This is the normal process for reviewing all of Councils fees and charges which goes out for public exhibition in around May, each year.
- It is noted that the decision to continue the Commercial Waste Service, running at a loss, was made in December 2023.

- This was despite, the previous month at the November 2023 Council meeting, the September Quarterly Budget Review was tabled. Councillors were advised of a **budget deterioration** resulting in the Capital Expenditure being reduced by \$11 million dollars.

## **Governance Issues**

The Motion tabled by the Labor Councillors, at the December 2023 Council meeting, seeking support to continue the Commercial Waste Service was **misleading**.

It stated that the Commercial Waste Service provided an income to Council of \$1.713 million dollars (2022/23)

- It **failed** to acknowledge that the service had operating costs of \$1.96 million and was in deficit.
- It required that Council consult with the NSW Office of Local Government and relevant Council officers to **clarify the considered subsidy of \$247 k.** with a view of providing ongoing clear costs and recovery.
- This matter continues to be monitored within Council's Special Purpose Financial Statement, reported on annually.
- Further reports to be provided **quarterly** until full cost recovery is achieved at a minimum and identifying the performance of this operation.
- It is noted that 4/12 **after** this resolution, there has been **no** report to Council of the outcome of the consultation with OLG.
- There has been **no** subsequent quarterly report to Council regarding full cost recovery or the performance of the operation up to an including the April 2024 Council meeting.
- The fees for the Commercial Waste Service have been increased in the Draft 24/25 Fees and Charges Schedule. The increased fee schedule will commence on the 1<sup>st</sup> July 2024. [2024 2025 FEES AND CHARGES - DRAFT \(amazonaws.com\)](https://www.amazonaws.com)
- It is noted that it is a flat fee with no bin weight and there is no GST. It is unclear how this compares with the private sector charges.
- It appears that despite the commitment, in the 2018/19 Operational Report, to manage the Commercial Waste Service in compliance with the National Competition Policy and as a full cost recovery model, the Financial Reports from 2019/20 indicate that this was never done.

### **Rationale for this decision.**

Failure of the Commercial Waste Service to be managed in compliance with the National Competition Strategy and Local Govt Act since 2018, is the responsibility of the CEO.

However there has been no explanation for the Councillors decision to disregard the staff recommendation, and to continue this 'service' at the significant expense to the ratepayer.

The outcome of committing ratepayer funds to subsidise the waste collection of the small cohort of 18% of Shire businesses, where there is no public benefit, is unacceptable. This is especially true regarding the 67 Real Estate Agents.

This appears to be a gross misuse of public funding.

Below are relevant screenshots.

1. Commercial Waste Service Customer Profile.
2. Sept 2023 Quarterly Budget Report for Domestic/Commercial Waste Service **before** NSW Auditor advice
3. Dec 2023 Quarterly Budget Report with Domestic and Commercial Waste Services separated **after** NSW Auditor advice. Note the deficit of \$101k.
4. Income Statement for Commercial Waste Services from 2023 Financial Report. Note the \$247 K deficit reported as a subsidy. Also note the variance from the 2022 Financial Report.
5. Income Statement for Commercial Waste Services from 2022 Financial Report.
6. Income Statement for Commercial Waste Services from 2020 Financial Report.
7. Statement of Accounting Compliance for NSW Local Govt Act and National Competition Policy 2023.
8. As above.
9. September 2023 Quarterly Budget Review noting budget deterioration and \$11 million cut to Capital Expenditure.
10. Recommendations from the Commercial Waste Service Report tabled at the December 2023 Council meeting.
11. Motion to continue the Commercial Waste Service tabled and endorsed at the December 2023 Council meeting.
12. Excerpt from the Draft 22/23 Annual Report noted that there had been a Service Review of the Waste Services.
13. Statement from 2018/19 Operational Plan citing compliance with the National Competition Policy
14. Above Statement stating that the Business Waste pricing was designed to cover all costs, including direct and indirect overheads, and would be set at a level commensurate with market competitors.
15. Excerpt from the 2023 -33 Long Term Financial Plan citing that the Commercial Waste Service and Early Education Childcare Services were planned over time to be full cost recovery and contribute \$1.2 million to revenue. Note that the Long Day Care Service is listed as being subsidised by Council @ \$3,192,000 in the 2023 Financial Report.

**Customer Profile**

The review identified that Councils commercial customers include a mix of retail, medical, food and commercial type businesses. In addition, Council also provides waste collection services to internal Business Unit customers such as Libraries and Children Services.

INF016-23



The vast majority (82%) of Sutherland Shire businesses already utilise private waste contractors to supply them with their commercial waste collection requirements.



Sep-23  
Quarterly Budget Review Statement  
**2023-24 Income Statement by Fund**  
Revised Budget

COR044-23 Appendix A

\$000's	Domestic Waste	General Fund	Consolidated Result
<b>Income</b>			
Rates and annual charges	(40,951)	(149,910)	(190,861)
User charges and fees	0	(42,580)	(42,580)
Interest & investment income	(1,953)	(9,168)	(11,122)
Other income	0	(5,374)	(5,374)
Grants and contributions provided for operating purposes	0	(13,284)	(13,284)
Grants and contributions provided for capital purposes	0	(14,938)	(14,938)
Other Revenue	(168)	(12,661)	(12,829)
<b>Total Income</b>	<b>(43,072)</b>	<b>(247,914)</b>	<b>(290,987)</b>
<b>Expenditure</b>			
Employee benefits and on-costs	7,413	114,718	122,132
Borrowing costs	26	507	533
Materials & Services	28,206	91,323	119,530
Depreciation Amortisation & Impairment	1,977	51,479	53,457
Other expenses	0	9,975	9,975
Net loss from the disposal of assets	0	5,665	5,665
Internal Charges	5,959	(5,959)	0
<b>Total Expenditure</b>	<b>43,582</b>	<b>267,709</b>	<b>311,291</b>
<b>Operating Result - Deficit/(Surplus)</b>	<b>509</b>	<b>19,795</b>	<b>20,304</b>
<b>Operating Result before Capital Revenues - Deficit/(Surplus)</b>	<b>509</b>	<b>34,732</b>	<b>35,241</b>
<b>Operating Performance Result</b>			
Waste Management	Forecast	Target	Result
General Fund	-1.18%	0.00%	●
Consolidated Result	-12.57%	0.00%	●
	-10.79%	0.00%	●

Council Meeting

19 February 2024

SUTHERLANDSHIRE

Draft Budget 2024/25  
Income Statement by Fund

Revised Budget

\$000's	Domestic Waste	Commercial Waste	Children Services	General Fund	Consolidated Result
<b>Income</b>					
Rates and annual charges	(40,950,892)	0	0	(149,824,114)	(190,775,006)
User charges and fees	0	(1,586)	(15,793)	(26,759,931)	(44,138,140)
Interest & investment income	(2,437,069)	0	0	(12,184,873)	(14,621,942)
Other income	0	0	0	(5,453,648)	(5,453,648)
Grants and contributions provided for operating purposes	0	0	(931)	(12,422,889)	(13,354,235)
Grants and contributions provided for capital purposes	0	0	0	(19,818,954)	(19,818,954)
Other Revenue	(212,259)	0	(5)	(12,900,518)	(13,117,277)
<b>Total Income</b>	<b>(43,600)</b>	<b>(1,586)</b>	<b>(16,729)</b>	<b>(239,365)</b>	<b>(301,279)</b>
<b>Expenditure</b>					
Employee benefits and on-costs	7,413,422	724	10,570	100,180,630	118,887,897
Borrowing costs	25,664	0	0	541,202	566,866
Materials & Services	28,119,517	864	5,520	84,235,671	118,739,143
Depreciation Amortisation & Impairment	802,973	110	364	51,110,912	52,887,947
Other expenses	0	0	0	9,713,651	9,713,651
Net loss from the disposal of assets	0	0	0	5,664,519	5,664,519
Internal Charges	5,958,619	(11)	679	(6,626,466)	0
<b>Total Expenditure</b>	<b>42,320</b>	<b>1,687</b>	<b>17,133</b>	<b>244,820</b>	<b>305,960</b>
<b>Operating Result - Deficit/(Surplus)</b>	<b>(1,280)</b>	<b>101</b>	<b>405</b>	<b>5,455</b>	<b>4,681</b>
<b>Operating Result before Capital Revenues - Deficit/(Surplus)</b>	<b>(1,280)</b>	<b>101</b>	<b>405</b>	<b>25,274</b>	<b>24,500</b>
<b>Operating Performance Result</b>	<b>Forecast</b>	<b>Target</b>	<b>Result</b>		
Waste Management					
Commercial Waste	-6.37%	0.00%			
Children Services	-2.42%	0.00%			
General Fund	-9.17%	0.00%			
Consolidated Result	-6.88%	0.00%			

COR007-24 Appendix A

Council Meeting

6 November 2023

Sutherland Shire Council | Income Statement of Commercial Waste | for the year ended 30 June 2023

## Sutherland Shire Council

Income Statement of Commercial Waste  
for the year ended 30 June 2023

	2023 Category 2 \$ '000	2022 Category 2 \$ '000
<b>Income from continuing operations</b>		
User charges	1,709	1,522
Other income	4	77
<b>Total income from continuing operations</b>	<b>1,713</b>	<b>1,599</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	856	51
Materials and services	795	694
Depreciation, amortisation and impairment	128	-
Internal rent	1	1
Other notional internal expenses	180	128
<b>Total expenses from continuing operations</b>	<b>1,960</b>	<b>874</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(247)</b>	<b>725</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(247)</b>	<b>725</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(247)</b>	<b>725</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	-	(181)
<b>Surplus (deficit) after tax</b>	<b>(247)</b>	<b>544</b>
<b>Plus accumulated surplus</b>	<b>9,375</b>	<b>8,521</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Corporate taxation equivalent	-	181
- Internal Rent	1	1
- Other notional internal expenses	180	128
<b>Closing accumulated surplus</b>	<b>9,309</b>	<b>9,375</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>247</b>	<b>-</b>

COR042-23 Appendix C

Sutherland Shire Council | Income Statement of Commercial Waste | for the year ended 30 June 2022

## Sutherland Shire Council

### Income Statement of Commercial Waste for the year ended 30 June 2022

\$ '000	2022 Category 2	2021 Category 2
<b>Income from continuing operations</b>		
User charges	1,522	1,511
Other income	77	75
<b>Total income from continuing operations</b>	<b>1,599</b>	<b>1,586</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	51	62
Materials and services	694	504
Internal rent	1	1
Other notional internal expenses	128	124
Other expenses	-	1
<b>Total expenses from continuing operations</b>	<b>874</b>	<b>692</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>725</b>	<b>894</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>725</b>	<b>894</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>725</b>	<b>894</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(181)	(232)
<b>Surplus (deficit) after tax</b>	<b>544</b>	<b>662</b>
<b>Plus accumulated surplus</b>	<b>8,521</b>	<b>7,502</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Corporate taxation equivalent	181	232
- Internal Rent	1	1
- Other notional internal expenses	128	124
<b>Closing accumulated surplus</b>	<b>9,375</b>	<b>8,521</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>-</b>

## Sutherland Shire Council

Special Purpose Financial Statements 2020

### Income Statement – Commercial Waste for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
<b>Income from continuing operations</b>		
User charges	1,481	1,404
Other income	77	20
<b>Total income from continuing operations</b>	<b>1,558</b>	<b>1,424</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	64	49
Materials and contracts	374	171
Internal rent	1	1
Other notional internal expenses	120	116
Other expenses	27	204
<b>Total expenses from continuing operations</b>	<b>586</b>	<b>541</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>972</b>	<b>883</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>972</b>	<b>883</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>972</b>	<b>883</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(267)	(243)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>705</b>	<b>640</b>
<b>Plus accumulated surplus</b>	<b>6,409</b>	<b>5,409</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Corporate taxation equivalent	267	243
- Internal Rent	1	1
- Other notional internal expenses	120	116
<b>Closing accumulated surplus</b>	<b>7,502</b>	<b>6,409</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>-</b>



Sutherland Shire Council  
Special Purpose Financial Statements  
for the year ended 30 June 2023

Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
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**Background**

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities. Council formally declared, by resolution COR042-21, that its business activities are its Long Day Care Centres and its Commercial Waste operation.

COR042-23 Appendix C

**COR044-23 QUARTERLY BUDGET REVIEW - SEPTEMBER 2023**

**Attachments:** Appendix A, [Appendix B](#) and [Appendix C](#).

**EXECUTIVE SUMMARY**

- The Quarterly Budget Review for the period ended 30 September 2023, has been prepared in accordance with section 203 of the *Local Government (General) Regulations 2021*.
- After incorporating the proposed variations included in the Quarterly Budget Review, the projected 2023/24 net operating result has deteriorated from a deficit of \$13.460 million to a deficit of \$20.304 million. Council's projected Operating Result before Capital Revenue deteriorated from a deficit of \$27.408 million, to a deficit of \$35.241 million.
- The 2023/24 Capital Budget has been revised downwards from \$89.816M to \$78.650 million during the September Capital Review.
- The proposed variations to the 2023/24 Budget as outlined in this report, including operating, capital and reserves, delivers an improved funding result of \$1.247 million.

**REPORT RECOMMENDATION**

**THAT:**

1. The report 'Quarterly Budget Review – September 2023' be received and noted.
2. The proposed variations to the 2023/24 Budget, detailed in Appendix A and B to this report, be adopted and the Operational Plan and Budget 2023/24 be amended accordingly.
3. The information provided by the Local Government Grants Commission in relation to the future of the Financial Assistance Grants be noted.

COR044-23

**INF016-23 Commercial Waste Service Review**  
**File Number: 2023/0987**

**Minute No: 259**

RESOLVED UNANIMOUSLY: (Councillor McLean/Councillor Steinwall)

THAT:

1. The report 'Commercial Waste Collection Service Review' be received and noted.
2. Council proceed with option B, page 38 of the Report:
  - a. Without a separate business unit, as its category two National Competition Policy (NCP).
  - b. Noting Council supports the application of NCP, and the 'Pricing and Costing of Council Businesses: a Guide to Competitive Neutrality' issued by Office of Local Government – Council also defines this service being category two, (see Council Business Paper, 6 November 2023, [COR041-23](#), Special Purpose Financial Statement).
  - c. Council further notes, as above financial statements, that this business provides an income to Council of \$1.713 million (2022/2023).
3. Council consult with the Office of Local Government and relevant Council Officers to clarify the considered subsidy, of \$247,000 with a view to providing ongoing clear costs and recovery.
4. This matter continue to be monitored within Councils 'Special Purpose Financial Statements' reported on annually.
5. Further reports be provided quarterly until full cost recovery is achieved at a minimum and identifying the performance of this operation.

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**INF016-23 COMMERCIAL WASTE SERVICE REVIEW**

**Attachments:** Appendix A (under separate cover)

**EXECUTIVE SUMMARY**

- This report provides a review of the current commercial waste delivery model to ensure provision of a cost effective, innovative and sustainable waste and resource recovery service.
- Council provides an opt in commercial waste, recycling and organics collection to an estimated 18% of businesses across the Sutherland Shire Local Government Area.
- The Auditor General's Office "Special Purpose Financial Statement" signed and dated 18 October 2023, declared that Council's commercial waste collection was operating at a deficit of \$247,000 per annum after tax for the year ending 30 June 2023.
- To eliminate this deficit, Council would be required to increase its current general waste fee for financial year 2024-25 by a minimum of 45.6% to match competitive market prices.
- Given the complexity of the current commercial collection delivery model and the legislative requirement to operationally structure and allocate resources independently, it is recommended that Council withdraw commercial waste collection of private businesses.

**REPORT RECOMMENDATION**

THAT:

1. The report 'Commercial Waste Collection Service Review' be received and noted.
2. Council withdraw from the commercial waste collection market, effective 1 July 2024.
3. A detailed communications plan be implemented to support the effective transition of existing commercial customers.

INF016-23

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Council Meeting 6 November 2023

**CONTINUOUS IMPROVEMENT FRAMEWORK**

Council is committed to continuous improvement and providing valued and efficient services. Tell our community. We have commenced developing a Continuous Improvement Framework which encompasses two elements, a Performance Measurement Program and a Service Review Program.

**Performance measurement**

The Performance Measurement Program (PMP) will have a strong focus on continuous improvement, using measurement data to tell our performance story and to inform future decision making. The PMP will be embedded at all levels of strategic planning at Council, linking measurements to results, defining what should be measured and measuring what matters to the community. Once implemented, future reports including Delivery Program/Operational Plan reporting, Annual Reports and State of the Shire Reports will report on the progress of our strategic objectives using the new PMP.

- Increased efficiency
- systematic approach to undertaking future community needs.

A key deliverable within the 2023/24 Operational Plan is the development of a Service Review Program. At times, we will conduct other Service Reviews in addition to those identified within the Delivery Program/Operational Plan. These reviews could be in response to an identified issue or where opportunities arise such as the introduction of new technology. Two Service Reviews commenced during 2022/23: Infrastructure and Operations Directorate - Operational Units

**Service Assessed:**

Service	Sub-service
Building Infrastructure	Building Maintenance
Integrated Transport	Traffic and Transport planning
Natural Areas Management	Bushcare/Community Nursery
Parks and Open Space	Parks and Reserves
Waste Management	Public place cleansing

Note: Review of services were limited to the functions delivered by the Infrastructure and Operations - Operational Units only.

**Services reviewed**

Service Reviews are vital in ensuring council services are appropriate, effective and efficient. Benefits of Service Reviews include:

- alignment of services with community needs and expectations;
- higher quality service provision
- cost savings

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COR042-23 Appendix A

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Council Meeting 16 April 2018

## NATIONAL COMPETITION POLICY

In 1995 the Commonwealth Government, in agreement with the State Government, signed a series of agreements to institute the National Competition Policy. The broad aims of this policy are to introduce competition into areas of government and remove government restrictions which inhibit competition. The National Competition Policy has a number of aims which are targeted towards government in general; however, the two which have most relevance to local government are:

- no participant in the market should be able to engage in anti-competitive conduct against the public interest
- as far as possible, universal and uniformly applied rules of market conduct should apply to all market participants regardless of the form of business ownership.

In response to the Commonwealth Government National Competition Policy, the NSW government produced a statement in response to National Competition Policy and the application of the policy to Local Government. Implementation within Local Government relates to:

- improving the quality, effectiveness and efficiency of Council services
- improving planning and decision-making within Council
- increasing consumer and business choice
- building cooperative partnerships within the community, other councils, other government bodies and business.

In the light of these issues, Sutherland Shire Council has adopted its own policy, outlined in a document titled Competition Policy - The Next Steps in Reform.

Under the NSW Government Competition Policy Statement, significant business activities are to be subject to the same corporatisation principles as those applied to significant State Government business activities.

These are:

- Adopt a corporatisation model for the business;
- Activities include debt guarantee fees, where the business benefits from the Council borrowing position by comparison with commercial rates;
- Factor into prices an appropriate return on capital invested;
- Make any subsidies provided to customers and the funding of those subsidies explicit;
- Operate within the same regulatory framework as other businesses; and
- Include in their costs the same Federal, State and Local Government taxes and charges as private businesses do.

The principle of competitive neutrality applies only to the business activities of Council and not to Council's non-business, non-profit activities. The definition of Category One businesses is those which have a gross operating income of more than \$2 million a year, while Category Two businesses have a gross operating income of less than \$2 million per annum.

100 Delivery Program 2017 - 2021 and Operational Plan 2018 - 2019 | sutherlandshire.nsw.gov.au

COR018-18 Appendix A

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### **PRICING POLICY – OPERATIONAL PROPERTY**

Operational property is a program involved in producing a rental income stream for Council from a stock of investment properties. In the process, Council may be involved in developing and selling operational land and property.

It aims to produce returns commensurate with the general market place, both in terms of rentals received and capital gain on properties held. All costs are taken into account and no subsidies are involved.

### **PRICING POLICY – BUSINESS WASTE**

Business waste pricing is designed to cover all costs, including direct and indirect overheads, and is set at a level commensurate with market competitors.

### **PRICING POLICY – SUTHERLAND ENTERTAINMENT CENTRE**

Prices charged for the hire of the centre, together with prices for consumables such as liquor, confectionery and meals, are generally set at levels commensurate with market competitors. (Certain hirings by local voluntary community groups are subsidised directly by Council, and reference to the subsidised hiring rates is mentioned in Council's Schedule of Fees and Charges.)

However, in regard to its operation as a 'business', when all support unit costs plus Notional Costs (taxation equivalent, etc.) are taken into account, the centre operates at a deficit -- this deficit is the subsidy Council has recognised and approved as a community service obligation in providing this type of facility.

**Service Reviews**

As part of Councils commitment to continuous improvement a program of service reviews will be implemented. These reviews, in conjunction with any new or revised Council Strategy, will provide an opportunity to optimise service delivery which may result in cost savings and efficiencies. Included as part of that process review, will be a review performed on Council's commercial business activities including an Early Education Childcare Service across 11 sites and a Commercial Waste Collection Service. Council's efforts to ensure that these services are operating at full cost recovery will over time be able to contribute an additional \$1.2M annually to Council's operating result.



**Strategy Development**

Over the last three years, Council has been developing strategies and plans across most of its services. This continues as part of the 2023/24 Operational Plan, with plans such as the Leisure Centres Strategy, Catchment and Waterways Strategy and the various Precinct Plans for centres across the local government area being developed.

The challenge that Council has is to successfully implement all of these new and revised strategies and plans in a financially sustainable way and continue to work with the financial strategies of Council's LTFF.



**Alternate Model**

To eliminate future operating deficits, Council must either increase its operating revenue (excluding capital revenue) and/or decrease its operating expenditure on a recurrent basis.

An alternate financial model that has been undertaken illustrates that this revenue increase and/or expenditure decrease must equate to approximately \$16 million per annum. The table below illustrates the impact this will have on the operating performance ratio in an alternate model.

Operating Performance Ratio - Alternate Model									
FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
-5.09%	0.24%	3.20%	2.86%	2.62%	1.52%	1.09%	1.51%	1.17%	0.28%

This can be achieved by implementing any or all of the following pathway options, in varying compositions.

**Current Financial Long -Term Plan**

In the context of this, issues that have been covered so far in this submission include:

- inadequate Infrastructure resourcing,
- capital expenditure disproportionately skewed to favour investment in Sports Fields,
- mismanagement of the Commercial Waste Program including their lack of awareness of non -compliance with the NSW Local Govt Act, National Competition policy or that, following an internal Service Review, that it was in deficit,
- adjustment of the 23/24 Capital Expenditure Budget 3/12 into the Financial Year by \$11 million dollars

It is relevant to review the Draft 24/25 Long Term Financial Strategy uploaded to Council's website for Public Comment.

There is a link to the document below.

[7b51f008b0b6c21085b9ead948332a07\\_Appendix\\_D\\_-\\_Draft\\_Revised\\_Long\\_Term\\_Financial\\_Plan\\_\(A9260732\).pdf \(amazonaws.com\)](https://www.amazonaws.com/draft-revised-long-term-financial-plan-a9260732.pdf)

Below is a screenshot of the updated page for the 24/25 edition.

## Service Reviews

As part of Councils commitment to continuous improvement a program of service reviews will be implemented. These reviews, in conjunction with any new or revised Council Strategy, will provide an opportunity to optimise service delivery which may result in cost savings and efficiencies. Included as part of that process review, will be a review performed on Council's commercial business activities including an Early Education Childcare Service across 11 sites and a Commercial Waste Collection Service. Council's efforts to ensure that these services are operating at full cost recovery will over time be able to contribute an additional \$1.2M annually to Council's operating result.

## IPART Review of Financial Modelling of Councils

In January 2024, the New South Wales Premier requested the Independent Pricing and Regulatory Tribunal (IPART) to conduct an inquiry and subsequently produce a comprehensive report concerning the financial model utilised by councils in New South Wales. The investigation aims to assess the effectiveness of councils in identifying and leveraging alternative revenue sources beyond grants and rates to adequately meet the needs of communities and sustainably deliver essential services mandated by council. Council will be monitoring progress and participating in the various engagement components of the review. This inquiry presents an opportunity for councils to explore additional revenue streams and ensure sustainable support for community requirements.

## Strategy Development

Over the last three years, Council has been developing strategies and plans across most of its services. This continues as part of the 2024/25 Operational Plan, with plans such as the Roads and Freight Strategy, Catchment and Waterways Strategy and the various Place Plans for centres across the local government area being developed.

The challenge that Council has is to successfully implement all of these new and revised strategies and plans in a financially sustainable way and continue to work with the financial strategies of Council's LTFF.

## Alternate Model

To eliminate future operating deficits, Council must either increase its operating revenue (excluding capital revenue) and/or decrease its operating expenditure on a recurrent basis.

An alternate financial model that has been undertaken illustrates that this revenue increase and/or expenditure decrease must equate to approximately \$14 million per annum. The table below illustrates the impact this will have on the operating performance ratio in an alternate model.

### Operating Performance Ratio – Alternate Model

FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
●	●	●	●	●	●	●	●	●	●
-2.32%	2.18%	2.65%	2.39%	3.72%	3.25%	3.82%	3.68%	2.03%	1.75%

This can be achieved by implementing any or all of the following pathway options, in varying compositions.

Resourcing Strategy - Long Term Financial Plan 2024 - 2034 | 27

## Sutherland Shire Council

### Income Statement of Long Day Care for the year ended 30 June 2023

	2023 Category 1 \$ '000	2022 Category 1 \$ '000
<b>Income from continuing operations</b>		
User charges	14,613	13,898
Grants and contributions provided for operating purposes	1,016	294
Other income	13	10
<b>Total income from continuing operations</b>	<b>15,642</b>	<b>14,202</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	11,842	9,493
Materials and services	3,895	4,771
Depreciation, amortisation and impairment	308	4
Calculated taxation equivalents	953	589
Internal rent	-	1,304
Other notional internal expenses	1,834	1,985
Other expenses	2	1
<b>Total expenses from continuing operations</b>	<b>18,834</b>	<b>18,147</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(3,192)</b>	<b>(3,945)</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(3,192)</b>	<b>(3,945)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(3,192)</b>	<b>(3,945)</b>
<b>Surplus (deficit) after tax</b>	<b>(3,192)</b>	<b>(3,945)</b>
<b>Plus accumulated surplus</b>	<b>4,792</b>	<b>4,859</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Taxation equivalent payments	953	589
- Internal Rent	-	1,304
- Other Notional Internal Expenses	1,834	1,985
<b>Closing accumulated surplus</b>	<b>4,387</b>	<b>4,792</b>
<b>Return on capital %</b>	<b>(8.7)%</b>	<b>(28,178.6)%</b>
<b>Subsidy from Council</b>	<b>3,192</b>	<b>3,946</b>

Note that the narrative for the Commercial Waste Service in the 2023 LTPF before they were advised that it was in deficit is the same text in the 24/25 LFFP.

It is unclear how the Early Education Childcare Services will be able to contribute to Council's operating result when they receive a subsidy from Council. See above screenshot of June 2023 Income Statement.

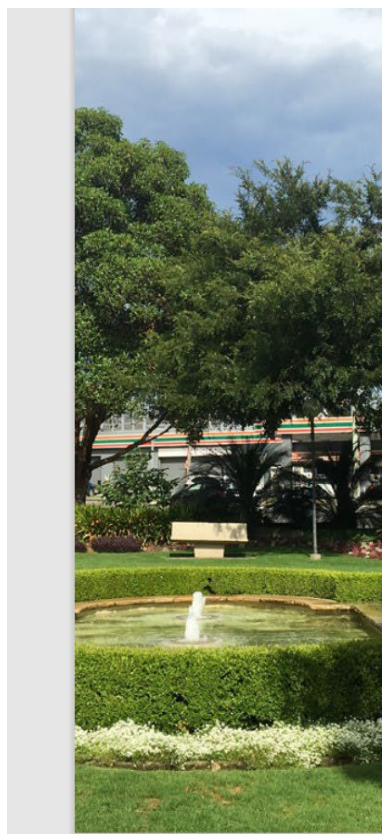
It is also noted that this updated 2024-2034 Long-Term Financial Plan refers to Strategy Development, as did the previous edition of the 2023-2033 version.

It is noted that the Catchment and Waterways Strategy is not listed in the Draft 24/25 Operational Plan until June 2025. It does not appear that it will be implemented until 2025/26.

The Precinct Plan outlined in the 2023-2033 Long Term Financial Plan have turned into Place Plans in the 2024-2034 edition. However, there have not been any delivered.

It is also noted that there is the same reference in both versions of these Long-Term Financial Plans, to the *financial challenge to implement these new and revised strategies*.

This is extremely concerning in the context of the requirement to either increase revenue or decrease expenditure by \$14million dollars (2024-2045 LTFP) considering the known issues of under resourcing of Infrastructure.



#### Pathway Option: Decreasing Operating Expenditure

Councils operating expenditure includes employee costs, materials and services, other expenses, borrowing costs and depreciation. The pathway option of decreasing operating expenditure would require a reduction in any of these categories.

As part of the Special rate Variation implemented in 2019-20, Council committed to providing a 1.25% operating expenditure efficiency dividend of \$54 million over a ten year period (2019-2028). This efficiency dividend is included in all models included in the LTFP. An increase or extension of the efficiency dividend would generate a further reduction in operating expenditure, however any increase would be limited to the point where it started to impact existing service levels. Increasing the efficiency dividend to 1.50% would increase the dividend by \$10 million over life of the plan.

Although depreciation is a non-cash item it is still included as an operating expense of Council. As Council's asset management maturity levels increase this will allow for a more comprehensive review of councils asset accounting methodologies which has the potential to drive down these expenditure levels.

As a comprehensive suite of service reviews take place across the Council services, combined with the introduction of new and/or revised strategies and plans, new and innovative ways of operating should be introduced. This combined with new technologies and methodologies should also create efficiencies and contribute to the decreasing the levels of operating expenditure without compromising service levels.

As part of the service reviews, Council will work closely with the community to understand the services they value, the standards they expect and what they are willing to pay for. This conversation with the community will include determining whether adjustments can be made to service provision for example rationalising community facilities, changing park maintenance standards and/or closing library branches.

It is even more concerning to read the Pathway Option for decreasing Operating Expenditure, including: as part of Service Reviews, rationalising community facilities, changed park maintenance standards and/or closing library branches.

There is good reason for a lack of confidence in the Sutherland Shire Council Service Reviews including failure to understand that their Commercial Waste Service was in deficit whilst reporting a surplus.

It is also noted that the 2023 Service Review of the Infrastructure and Operations Directorate found that there were major deficits. Rectification of many of these issues will require additional funding. It is also noted that this Service Review, included Open Space (parks), cleaning and buildings identified many serious issues including that:

- Service standards don't match community expectations.
- The quality of maintenance is below the typical standard of peer Metropolitan Councils.
- Asset information is poor.
- Internal communication is poor and has an impact on budget.
- Planned compliance and maintenance programs are underfunded.

Council Meeting

6 November 2023



During 2022/23 a Service Review was conducted for the operational areas within the Infrastructure and Operations Directorate which included: Open Space, Cleansing, Buildings and Civil. The Service Review was established to assist with the implementation of a new Enterprise Asset Management (EAM) system. The Service Review commenced in January 2023 with overall key findings including:

- Service standards don't match community expectations and is inconsistent
- Quality of maintenance is below the typical standard for a metropolitan Council
- Productivity can be improved with changes to work methods and equipment
- Supervision and management can be improved
- Predominantly reactive in many activities and not triages based on priorities
- Asset information is poor, making it difficult to benchmark performance and to program works
- Key major building assets do not have Asset Management Plans
- Internal communication is not adequate and results in budget impacts
- Planned compliance and maintenance programs are under funded for buildings

- High-profile public domain and tourist areas require additional presence for cleansing services during weekends and evenings

#### Opportunities for Improvement

An implementation framework has been developed based on the key findings from the review. This will include two streams working collaboratively through the next 12 months to create and commence implementation plans for the identified improvements.

The implementation framework includes:

- Development of service standards that match community expectations as endorsed in strategies
- Update maintenance schedules to meet the service standards
- Develop information (Asset Data) management requirements to support the delivery and regular monitoring of performance
- Transition to a proactive planned approach rather than reactive
- Develop key facility asset plans
- Undertake analysis for gaps in buildings maintenance and develop a business plan for long term funding
- Review and align functions and key tasks across the Directorate
- Review and improve contractor management and supervision
- Review services in 2025 with the aim of achieving improved performance



It is relevant to reiterate, that there has been **no** Action Plan including costing implications, or Progress Reports tabled at any Council meetings regarding management of the issues listed in this Service Review.

### Transparency of Sutherland Shire Council's Legal Costs.

As per the NSW Local Government (General) Regulation, Councils are required to provide a summary of amounts incurred by Council during the year in relation to legal proceedings taken by or against Council. This is reported in the Annual Report.

**NSW GOVERNMENT** | **NSW legislation**

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**Local Government (General) Regulation 2005**

**Status information**

**Part 1 Preliminary**

- 1 Name of Regulation
- 2 Commencement
- 3 Definitions
- 4 Application of Regulation

**Part 2 Approvals**

- 4 **Division 1 Preliminary**
  - 5 Exclusion of certain matters
- 4 **Division 2**
  - 6-12 (Repealed)
- 4 **Division 3 Approvals relating to**

(a2) details of each contract awarded by the council during that year (whether as a result of tender or otherwise) other than—

- (i) employment contracts (that is, contracts of service but not contracts for services), and
- (ii) contracts for less than \$150,000 or such other amount as may be prescribed by the regulations,

including the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract,

(a3) a summary of the amounts incurred by the council during the year in relation to legal proceedings taken by or against the council (including amounts, costs and expenses paid or received by way of out of court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result,

(a4) details or a summary (as required by section 67(3) of the Act) of resolutions made during that year under section 67 of the Act concerning work carried out on private land and details or a summary of such work if the cost of the work has been fully or partly subsidised by the council, together with a statement of the total amount by which the council has subsidised any such work during that year.

*acknowledge the traditional owners of this land and pay respect to Elders.*

What's new Accessibility Glossary Site map Copyright and Disclaimers

Below is a screenshot of the information provided in the Draft 2022/23 Annual Report.

It is noted that there is **no** data provided for costs in the Supreme, District Courts or NCAT. There is also very limited/inconsistent information listed for the Industrial Court. This is despite members of the community reporting being engaged in complex, protracted expensive legal disputes with Council and there is no record of the resultant legal costs.

### Legal reporting

In accordance with the Local Government (General) Regulation 2005, clause 21(1)(a)(3), the report must include a summary of the amounts incurred by the council in relation to legal proceedings.

#### Land and Environment Court matters for the period 01/07/2022 to 30/06/2023

Type of Case	Upheld	Dismissed	Settled after Amendments	Discontinued	Undetermined	Total
Class 1	4		31	7	29	71
Class 2					1	1

#### Local Court matters for the period 01/07/2022 to 30/06/2023

Type of Case	Registered by Consent	Successful	Undetermined	Unsuccessful	Withdrawn by Council & Discontinued	Total
Companion Animals Act 1998	3	1	6	4	1	15
Environmental Planning and Assessment Act 1979	4			2	1	7
Protection of the Environment Operations Act 1997	2					2
Road Transport (General) Regulation 2013	6				1	6
Road Rules 2014	1			1		2
Roads Regulation 2018	3					3
Impounding Act 1993				4		4
<b>Total</b>	<b>19</b>	<b>1</b>	<b>6</b>	<b>11</b>	<b>3</b>	<b>39</b>

#### Land and Environment Court matters for the period 01/07/2022 to 30/06/2023

Type of case	Successful	Unsuccessful	Undetermined	Total
Companion Animals Act 1998			1	1
Environmental Planning and Assessment Act 1979	1 (sentence upheld)			1
Road Rules 2014		1 (sentence reduced)		1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	

#### Land and Environment Court matters for the period 01/07/2022 to 30/06/2023

SUMMARY	AMOUNT
Land and Environment Court proceedings	\$556,909
Costs against Council	\$9,000
Costs recovered	(\$139,854)
<b>Total cost</b>	<b>\$426,075</b>

Note that these figures do not include salaries of Council legal staff.

#### Industrial Staff Legal Matters

Council has not made any payments to employees where matters have been filed in the Industrial Relations Commission which can be disclosed.

In comparison, below is a screenshot of the standard of data provided by Georges River Council. Whilst the report doesn't itemise the 'other' legal costs, it provides the amount expended.

## Summary of amounts incurred by Council in relation to legal proceedings

The table provides in summary, amounts incurred by Council in relation to legal proceedings taken by or against Council (including amounts, costs and expenses paid or received by way of out-of-Court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result.

### Legal Costs 2022-2023

The Legal Costs indicated below exclude staff time:

<b>Development and Building</b>	1,335,085
Proceedings and Advice	
<b>Environmental, Regulatory, Waste and Compliance</b>	493,719
Proceedings and Advice	
<b>Property</b>	160,645
Relates to property Acquisitions, Commercial and Venue Hire Lease Arrangements and Strategic Property (individual cases not disclosed)	
<b>Governance</b>	7,264
Advice (including Code of Conduct)	
<b>Other Legal Costs</b>	438,386
Related to general legal costs not covered in the above (including HR, Executive Services, Project Delivery)	
<b>Total</b>	<b>2,435,099</b>
<b>Legal Costs Recovered</b>	
Rates	-307,293
Development and Building	-748,498
<b>Total</b>	<b>-1,005,791</b>

It is also noted that in 2023, Sutherland Shire Council engaged a consultant to review their Land and Environment legal costs. They now provide a monthly confidential report on Land and Environment Court Matters to Council. This information is not available to the public.

*CONFIDENTIAL REPORTS OF THE PLANNING AND GROWTH COMMITTEE HELD ON 8 APRIL 2024  
PLN004A-24 Land and Environment Court Matters – Monthly Status Update for February 2024 (pg. 96)*

The reason for this is unclear as other Councils provide comprehensive information including the outcome of each case. This transparency allows the community to assess the outcome of the legal proceedings and assess Council's efficacy re their legal costs.

Below is an example from Georges River Council. Many other Councils provide the cost of each case in addition to the outcome. Sutherland Shire Council provides no case level information.

## NSW Legislative Council: Inquiry into the ability of local governments to fund infrastructure and services. April 2024

Property Address / Applicant / Proceedings Number	Description of Matter	Status / Critical Dates	
88-92 Botany Street, Carlton <b>Applicant:</b> Hurstville Community Centre Incorporated <b>Proceedings:</b> 2021/360407	Class 1 Appeal against refusal of DA2019/0644 for demolition works, alterations to existing building and change of use from nursing home to place of public workshop, community facilities and associated works.	Matter listed for hearing on 17-19 August 2022. Following amendment of application. Appeal upheld subject to conditions. Date of grant 6 September 2022.	Completed
47 Boronia Street, Kyle Bay <b>Applicant:</b> Harry Myliotis <b>Proceedings:</b> 2022/16300	Class 1 Appeal against deemed refusal of modification application MOD 2021/0142 for various modifications at basement level including increase in basement footprint along with relocation of external vents, inclusion of plant room, and inclusion of storage area.  The modifications also include conversion of car space adjacent to lift into store and plant room; and lowering of pool coping level on 47 Boronia, removal of pool at 34 Cross Street, and relocation of alfresco and additional fill to north-western corner and demolition of fencing and new timber, fencing boundary.	Matter listed for S34AA Conference on 3 and 4 May 2022. Mediation terminated. Further S34AA Conciliation Conference listed on 1 September 2022. Section 34 Agreement entered into, following amended plans. Date of grant 27 September 2022.	Completed
6-10 Torrens Street, Blakehurst <b>Applicant:</b> Lioncrest Capital Holdings Pty Limited <b>Proceedings:</b> 2022/25659	Class 1 Appeal against deemed refusal of DA2021/0478 which seeks consent for the demolition of existing dwellings and ancillary structures and construction of a five-storey residential flat building over basement parking.	Matter listed for hearing 20 and 21 September 2022.	Not Completed
36 Chamberlain Street, Narwee <b>Parties:</b> Commitment Pty Limited <b>Proceedings:</b> 2022/44228	Class 1 Appeal against deemed refusal of DA2021/0415 for demolition works and construction of a child care centre.	Matter discontinued by Applicant on 20 September 2022	Completed
26 Bowden Street, Connells Point <b>Applicant:</b> Yasser Elgammal <b>Proceedings:</b> 2022/45831	Class 1 Appeal against Stop Work Order dated 11 February 2022.	Matter discontinued by Applicant on 20 October 2022	Completed
12-14 Bembridge Street, Carlton <b>Applicant:</b> Michel Murr <b>Proceedings:</b> 2022/65497	Class 1 Appeal against deemed refusal of DA2021/0400 for demolition of existing structures and construction of five storey residential flat building comprising of 16 apartments with rooftop communal space and 2 levels of basement parking.	Matter was discontinued by Applicant on 7 October 2022.	Completed

Below is an analysis of the expenses listed in the Annual Report vs Councils Financial Report to try and understand the quantum of their legal costs. Apologies for the poor standard of spreadsheet however this is indicative of the inconsistency of information provided in their Annual Report. It also demonstrated the difficulty trying to track known major legal expenses of \$300k per case.

## NSW Legislative Council: Inquiry into the ability of local governments to fund infrastructure and services. April 2024

Sutherland Shire Council Legal Costs												
Legal Expense	Dec-23	Sep-23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Quarter Budget review	Quarter Budget Review	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report	Fin Report
Debt Recovery			\$ 111	\$ 194	\$ 316	\$ 232	\$ 504	\$ 591	\$ 478	\$ 147	\$ 98	\$ 168
Other			\$ 448	\$ 387	\$ 370	\$ 426	\$ 354	\$ 426.00	\$ 592	\$ 903	\$ 982	\$ 899
Planning and Development			\$ 317	\$ 165	\$ 99	\$ 182.	\$ 159	\$ 115.00	\$ 84	\$ 69	\$ 34	\$ 43
<b>Total</b>	\$ 893,252	\$ 463,974	\$ 876	\$ 746	\$ 785	\$ 840.	\$ 1,017	\$ 1,132.	\$ 1,154	\$ 1,119	\$ 1,114	\$ 1,110.
<b>Annual Report</b>	In accordance with Local Govt General Regulation 2005, clause 217 (1) (a3), the Annual Report must include a summary of the amounts incurred by the Council in relation to legal proceedings.											
			2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17			
Land and Environment			\$ 556,939.	\$ 380,014	\$ 304,962.	\$ 390,187	\$ 297,923	\$ -	\$ -			
Local Court			\$ -	\$ 4,474.	\$ 12,871	\$ 185,596	\$ 10,080.	\$ -	\$ -			
Risk and Audit Legal Matters			\$ -	\$ -	\$ 24,923	\$ 40,864.	\$ 61,660.	\$ 46,863.	\$ 110,838			
							listed all the Risk and Audit cases					
Industrial Court Legal			\$ -	Harmer Industrial \$20k to date, not finalised	No ext. investigators or legal firms	No ext. investigators or legal firms	\$ -	\$ 22,261	\$ 39,665			

## Grant Funding for Local Councils

It is noted that Capital and Operational Grants are a substantive part of Council Revenue.

Below is the comparison comparing Sutherland Shire Council revenue and expenditure with similar Councils. This data was sourced from their 22/23 Operational Plans.

Note the significant variance in Operational and Capital Grant revenue.

This is clearly a major concern for the Sutherland Shire community. It is a reasonable expectation that there should be oversight and transparency of Councils performance in application and the success rate in Grant Applications.

23/24 Council CAPEX Budget Comparison						
	Population	Income (million)	CAPEX Budget (million)	Stormwater/ Drainage Budget (million)	Operational Grants (million)	Capital Grants (million)
<b>Sutherland Shire Council</b>	231 K	\$ 287	\$ 76.11	\$ 1.70	\$ 14.50	\$ 14.00
Northern Beaches Council	263 K	\$ 437	\$ 102.00	\$ 4.77	\$ 27.50	\$ 32.30
Wollongong Council	216 K	\$ 357	\$ 106.00	\$ 6.80	\$ 29.50	\$ 38.70
Penrith City Council	219 K	\$ 384	\$ 153.00	\$ 7.07	\$ 9.00	\$ 43.00
Lake Macquarie Council	213 K	\$ 351	\$ 118.00	\$ 4.30	\$ 27.30	\$ 41.00
Inner West Council	188 K	\$ 307	\$ 111.16	\$ 2.60	\$ 9.10	\$ 37.80

Council Income from Rates Comparison		
	Population	Rates revenue (million)
<b>Sutherland Shire Council</b>	231 K	\$ 190
Northern Beaches Council	263 K	\$ 246
Wollongong Council	216 K	\$ 232
Penrith City Council	219 K	\$ 148
Lake Macquarie Council	213 K	\$ 158
Inner West Council	188 K	\$ 132

## Office of Local Government

The Office of Local Government purport to provide oversight and guidance to Councils.

*The Integrated Planning and Reporting (IP&R) Guidelines were first issued by the Office of Local Government (OLG) in 2010. The Guidelines have been updated to reflect legislative changes enacted through the Local Government Amendment (Governance and Planning) Act 2016.*

*All councils in NSW use the IP&R framework to guide their planning and reporting activities. County councils also plan and report under a modified IP&R framework. Joint organisations must consider member councils' strategic priorities developed through IP&R when preparing and reporting on their strategic regional priorities. **The requirements for IP&R are set out in the Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation).***

*These Guidelines explain what councils, county councils and joint organisations **must** do to ensure they comply with their planning and reporting requirements set out in the Act. The Guidelines are issued under section 406 of the Act and the Regulation.*

Below are links to the OLG Guidelines and Handbook.

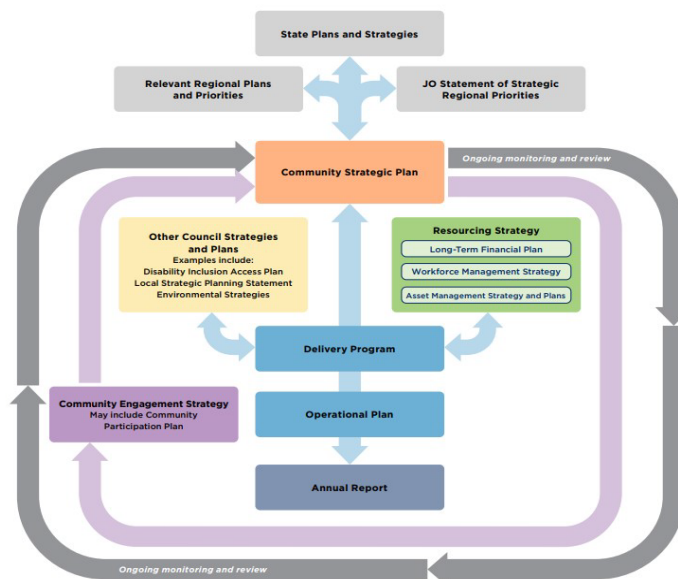
[IPR Guidelines 2021 \(nsw.gov.au\)](https://www.nsw.gov.au/ipr-guidelines-2021)

[Integrated Planning & Reporting Handbook for Local Councils in NSW](#)

Below is a copy of the OLG Integrated Planning and Reporting Framework.

All councils in NSW are required to work within the IP&R framework (shown below).

**Figure 1:** The Integrated Planning and Reporting framework



### IP&R process diagram

The IP&R diagram has been updated to reflect the 2016 amendment to the Act.

The Resourcing Strategy has been moved closer to emphasise the important role that resource planning must play in delivering the council's strategic objectives.

While there is a direct link from the Community Strategic Plan to the Delivery Program and Operational Plan, this must be informed and supported by the financial, asset and workforce planning undertaken by council as part of the Resourcing Strategy. Any community endorsed changes to council's strategic direction and priorities should be reflected in resource planning and allocation.

Community engagement has been expanded to encompass the entire IP&R process. This reflects new requirements, extending the Community Engagement Strategy to all aspects of council engagement, not just the Community Strategic Plan. Additional requirements under the *Environmental Planning and Assessment Act 1979* to prepare a Community Participation Plan can be incorporated into a council's wider Community Engagement Strategy.

Monitoring and review continues to play an important role in the whole IP&R process, as reflected in the diagram. This encompasses the new Internal Audit requirements for councils outlined on p7.

A significant issue is that the OLG have **no systems to validate** that Council's comply with the Integrated Planning and Reporting Framework.

As a result, the Integrated Planning and Reporting Framework is basically voluntary.

There are no enforceable standards for the quality of/or the requirement for any suite of Strategies.

Note that Sutherland Shire Council does not have a Biodiversity Study/Strategy, an Urban Tree Canopy Management Strategy, a Climate Strategy, a Catchment and Waterways (Stormwater Mgt) Strategy and their Environment and Sustainability Strategy is dated 2012 so is out of date. This is inconsistent with peer Sydney Metropolitan Councils.

In the context of this submission, Sutherland Shire Council do not have a Performance Management Framework, use or report using Performance Indicators or Measurable Outcomes.

However, the Office of Local Government state that *Performance Measurement is a key element of the Integrated Performance Management Framework.*

It is important that councils have a framework in place to monitor progress. The type of monitoring councils undertake depends on the objectives and strategies that have been set. The aim of the assessment process is to answer a few key questions: • Are we reflecting our principles? • Are we moving towards or away from achieving our long-term objectives? • Are the partners identified in the CSP doing what they said they would do. **Integrated Planning and Reporting Framework Handbook P 24.**

Below are screen shots from the Handbook. This demonstrates an expectation but unfortunately not any enforceable requirement for using Performance Measures.



## 2.9 Monitoring and measuring performance

Monitoring performance is the process of collecting, analysing and reporting data regarding the performance of an organisation.

It is a tool to help local government evaluate the quality and effectiveness of their services and an important accountability mechanism between council's administration and councillors, and between councillors and the community.

The IP&R framework requires councils to report in the following ways:

- Quarterly Financial Budget Review Statements
- Delivery Program Progress Reports
- Annual Report
- State of our City Report.

Performance information assists in understanding how well council, parts of the council and individuals are performing. It allows for evidence-based decision making to inform other stages in the planning cycle, whether it be the annual operational plan or the longer-term community strategic plan.

It addresses the question 'how will we know when we have arrived?' by additional questions such as:

- Did we do what we said we would do?
- If not, what were the barriers?
- How much did we do?
- How well did we do it?
- Is anyone better off as a result of what we did?

As each component of the IP&R framework has a different purpose, so too they will have different measures to monitor progress and performance.

Performance measures can include outcomes (the actual results of programs and services), inputs (resources used), outputs (program activities) and efficiency measures (ratio of inputs to outputs).

### Deciding on measures

It is up to each council to put in place a framework for monitoring performance. Reporting that considers what worked, as well as what didn't, supports better future processes and creates trust with the community.





The table below provides more detail:

### Supporting effective measurement

#### PLANNING

<b>Where are we now?</b>	In 2021, community survey results indicated that 6 of the 8 playgrounds in the Local Government Area (LGA) were under-utilised, primarily through lack of shaded pleasant places for supervising adults.
<b>Where do we want to be in 10 years' time?</b>	By 2032, we want all 8 playgrounds in the LGA to be regularly utilised by families who have a positive playground experience.
<b>How will we get there?</b>	We will undertake a mature-tree planting program to increase available shade. We will install park benches near the new trees with good line of sight to play equipment to enable supervision.
<b>How will we know when we've arrived?</b>	In 2032, community survey results will indicate that all playgrounds in the LGA are being utilised. Supervising adults will report that playgrounds are pleasant places to be.

#### REPORTING

##### May be appropriate for Annual Report

**How much did we do?** Between 2021 and 2023, 100 trees of varying maturity were planted across the 8 playgrounds in the LGA.

##### Should be answered for State of our City

<b>How well did we do it?</b>	Of the 100 trees planted, at least 75% of the trees planted at each site have survived and are thriving. <b>OR</b> Of the 100 trees planted, approx. 10 % at each site survived (as the species was incompatible with this climate) <b>OR</b> Of the 100 trees planted, approx. 50% survived at each site (losses were due largely to vandalism and damage caused by trail bikes that frequent the parks)
<b>Is anyone better off as a result?</b>	In 2023, 85% of survey respondents indicated that the playgrounds were now more pleasant places to be. <b>OR</b> Complaints received since the trees were planted indicate that a high number of playground users have experienced allergic reactions to the trees. <b>OR</b> Playground users report that the trees now create a visual barrier between the playground and the neighbouring area, making the playground feel less safe.



### Using measures, indicators, baselines, targets and data for quality reporting

In order for the planning cycle to continue, periodic measurement of progress against the objectives set in the plans needs to occur to ensure that the strategies and actions identified are delivering the intended outcomes.

Setting measures and indicators for strategies and actions in plans, with an identified baseline and target, a timeframe and a known source of data, will enable the key IP&R questions to be answered:

- Where are we now? (the baseline)
- Where do we want to be in 10 years' time? (the target)
- How will we get there? (the strategy, activity, program or action)
- How will we know when we've arrived? (the measure or indicator supported by data).

The IP&R framework requires councils to report to their communities on progress toward the achievement of the objectives of the Community Strategic Plan (CSP) and Delivery Program (DP). Key to successful reporting is sound measurement using reliable data.

Many NSW State agencies collect and publish data that will be useful for councils' reporting. The [Australian Bureau of Statistics](#) also collects data that can be sorted by local government area. While these data collections may not coincide exactly with the IP&R cycle (e.g. the Australian census occurs every 5 years), they nevertheless provide useful information that can assist councils to monitor trends over time in relation to the things that matter in local communities.

The CSP objectives are specifically measured and reported on through the State of our City. Sound measurement and understanding how well the strategies have worked in achieving the CSP's objectives are key steps in informing the development of the next CSP.

### Principles

When establishing a framework for reporting there are a few key principles to keep in mind:

- All reporting in the council has the clear purpose of monitoring the progress of implementation of the council's suite of plans.
- Reporting informs reviews and amendments as necessary to keep the council on track for meeting its objectives.
- Every strategy, activity and action across the entire suite of IP&R documents is allocated a measure to determine its success. This includes identifying the baseline (where are we now?), the target (where do we want to be?), the timeframe in which the target is expected to be achieved and the indicator or measure that will be used to identify progress (how will we know when we've arrived?).
- Each indicator or measure is assigned a data source, and there is agreement from the data custodian that the required information will be provided at agreed times to enable reporting.

Below are screen shots from Sutherland Shire Council's most recent Progress Report. It is unclear how the Green Streets Planting Program could be 50% on track when it has met 15% of its milestone, noting that there is no baseline target provided.

The second action to implement public place tree planting for Development Consents and Roads Act approvals is even more baffling. This program is being *considered* as part the development of the Tree and Bushland Strategy (which is several years overdue) but not delivered and there is no timeframe. Yet, they have achieved 10 % of an undefined milestone.

Operational Plan 2023/24 | July to December 2023 Progress Report | sutherlandshire.nsw.gov.au | 45

✔ Complete   
 ● On Track   
 ● On Hold   
 ● Needs Attention   
 ● Off Track

2E Manage, promote and enhance our tree canopy in urban and natural areas <span style="float: right;">🌿</span>		
<b>2E.24.01 Deliver the Green Streets Planting Program</b>		<b>50%</b> <span style="color: green;">●</span>
<b>Progress Commentary</b>	<b>Measure</b>	<b>Results</b>
During the reporting period, a further 69 trees were planted on public land across the Sutherland Shire area, as part of the Green Streets Planting Program. There was also a focus on procurement to facilitate planting in the early stages of 2024, when many businesses are closed.	Trees planted and maintained for two years	15% milestones met 69 trees were planted on public land
<b>2E.24.02 Implement public place tree planting for Development Consents and Roads Act approvals</b>		<b>10%</b> <span style="color: grey;">●</span>
<b>Progress Commentary</b>	<b>Measure</b>	<b>Results</b>
The application of this program is being considered as part of Council's current development of a Tree and Bushland Strategy.	Trees are replaced in the road reserve with quality stock and ongoing maintenance	10% milestones met Being considered as part of Council's current development of a Tree and Bushland Strategy

The 24/25 Draft Operational Plan below does not list **any** Performance Indicators.

Delivery Program 2022 - 2026 Operational Plan 2024 - 2025 | sutherlandshire.nsw.gov.au | 49

STRATEGY					
CSP		<b>2.3 Enhance and protect diverse natural habitats</b>			

PRINCIPAL ACTIVITY						
DELIVERY PROGRAM		<b>Code</b>	<b>Description</b>	<b>Responsibility</b>	<b>Level of Influence</b>	<b>Quadruple Bottom Line</b>
		2E	Manage, promote and enhance our tree canopy in urban and natural areas <span style="color: red;">●</span>	Environmental Science	Control	🌿

ACTIONS							
OPERATIONAL PLAN		<b>Code</b>	<b>Description</b>	<b>Responsibility</b>	<b>Measurement</b>	<b>Timeframe</b>	<b>Supporting Documents</b>
						24/25    25/26	
		2E.25.01	Deliver the Green Streets Tree Planting Program	Construction Manager	• Trees planted in identified areas and maintained for a period of 2 years	✔    ✔	
		2E.25.02	Increase the tree canopy within town centres to align with the Sutherland Shire Green Grid, through the Green Streets Program and proactive tree management	Manager Environmental Science	• Increase in tree canopy to align with the outcomes of Council's draft Tree and Bushland Strategy	✔    ✔	Public Domain Strategy

The lack of Measurable Outcome means that it is difficult, if not impossible, to monitor or compare Council's performance in the delivery of services.

It is extremely relevant and concerning that Sutherland Shire Council also does not comply with the 'requirements' for Asset Management Planning, outlined in the Integrated Planning and Reporting Handbook, page 74. This is evidenced by the Service Review Report on page 40 of this submission.

### **Summary**

Whilst it is important to ensure that local Councils are adequately resourced, it is equally important that there is governance to ensure that those resources are managed responsibly and equitably.

As outlined, the Office of Local Government does not have any oversight of the performance of local Councils. It is not clear that there is any external oversight of compliance with the Local Government Act or Regulations. This is demonstrated by the inconsistency of information provided about legal costs in the Sutherland Shire Council Annual Report.

The Office of Local Government's advice is that it is **not** their role to be monitoring the effectiveness and efficiency of Councils. They state that it is up to the community to vote them out if they are unhappy with the Council's performance. That is all well and good, but there is nothing to inform communities about the performance of their Council.

As this submission has demonstrated, there is **nothing** between a poorly performing council and that community.

There is **no** governance over the standard of information that a Council is required to provide to their community.

This includes that there is **no** requirement to use a Performance Measurement Framework.

The average member of the public should not need high level financial skills to be able to evaluate the performance of their local Council. In addition, the available data should have some level of consistency so that the public can make some basic comparisons with peer Councils.

This submission has demonstrated that unlike other LGAs, the Sutherland Shire community have **no** idea of the details of most of the Capital Works projects that are scheduled each year, so **no** idea if they were delivered.

They have **no** idea that the Council is subsidising the waste service for 18% of local businesses that include most local real estate agents nor that this has cost ratepayers at least \$347 k over the last 2 financial years and most likely more over the past 6 years.

They have **no** idea that the Stormwater Infrastructure is being under resourced or the expenditure on Sports Fields is disproportionate.

They have **no** idea that the Building Maintenance is funded at 50% of the benchmark of peer Councils.

They have **no** idea that there is no suite of contemporary Environmental Strategies to inform Council decision making.

They have **no** idea that the yield of Grant funding is substantially less than other Councils.

They have **no** idea that there is **no** system in place to ensure that Council meeting resolutions are carried out. (There are multiple examples of reports to council **never** being delivered, including

those arising from the Commercial Waste Service motion to deliver quarterly reports until full cost recovery is achieved).

They have **no** idea of the poor outcomes from Sutherland Shire Council's Service Reviews.

Most of them have no idea that there is **no** regulatory oversight and in fact, the community are responsible to monitor the performance of their local Council.

### **Recommendations.**

It is recommended that the Standing Committee considers the iPart Terms of Reference.

- Visibility of Councillors and the community over the financial and operational performance of their councils.
- Whether the current budget and financial processes used by councils are delivering value for money for ratepayers and residents.
- Whether the current funding model will sustainably support the needs of the communities.
- Whether councils (both Councillors and staff) have the financial capacity and capability to meet current and future needs of communities.
- How can better planning and reporting systems improve long term budget performance, transparency, and accountability to the community.

It is also recommended that the Office of Local Government:

- Implement a system to validate Council compliance with their Integrated Planning and Reporting Framework.
- Implement a system of mandatory performance standards for Local Councils to ensure transparency and accountability.
- Mandate that Councils undergo a process of external review against a core set of standards.
- Provide the community with a suite of comparable Council performance data, in a format that enables the public to make an informed assessment.
- Mandate that Council Audit, Risk and Improvement Committees audit and report on a defined set of performance indicators. This should include an audit on the delivery of Council Meeting resolutions.
- Implement a system to ensure that Councils allocate equitable funding to maintain Infrastructure.