



# Corporate Reporting & Influence

24 October 2024

# Presenters

- ▶ Simone Wickes, Director Corporate Services, Monash City Council
- ▶ Aaron Gerrard, Chief Financial Officer, Whittlesea City Council
- ▶ John Vastianos, Chief Financial Officer, Glen Eira City Council
- ▶ Nathan Kearsley, General Manager Organisational Performance, Latrobe City Council



# Agenda



- ▶ Senior Leaders Day - Recap
- ▶ Glen Eira Financial Sustainability Journey
- ▶ Sustainability Challenge & Survey Themes
- ▶ Table Discussion
- ▶ Questions

# Senior Leaders Day

- ▶ 65 attendees from 51 Councils
- ▶ Financial Sustainability/Strategy SIG
  - Revenue opportunities/Property Strategy
  - Service Planning/Review templates frameworks
  - Beneficial Enterprises
  - Sector wide capital works planning
- ▶ Webinar series Strategic Service Planning, Leading through Change, Financial sustainability panel discussion
- ▶ Financial Strategy Best Practise Guide

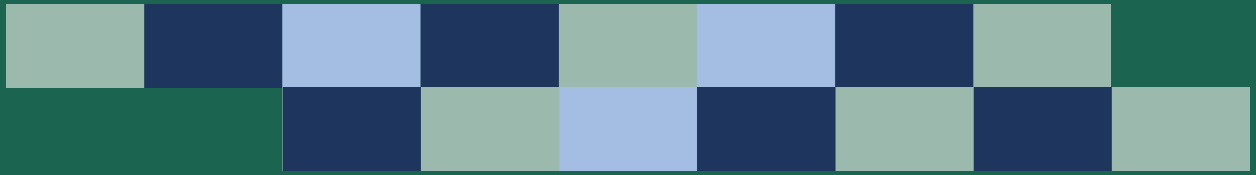


# Our Financial Sustainability Journey

Presented by

**John Vastianos**

Chief Financial Officer



Bentleigh | Bentleigh East | Brighton East |  
Carnegie Caulfield | Elsternwick | Gardenvale |  
Glen Huntly McKinnon | Murrumbeena |  
Ormond | St Kilda East



GLEN EIRA  
CITY COUNCIL

# Council's profile

The City of Glen Eira is located approximately 10 kilometres south-east of Melbourne's Central Business District.

Our community is well served by public transport, shopping precincts, local infrastructure, health and education facilities, and a wide range of religious, cultural and community services.

We provides stewardship over \$2.7b in community assets and provides over 120 unique services to the 155,000 strong Glen Eira community.



# Fast Facts 2023-24

**\$61.8**  
MILLION  
borrowings

**\$202.7**  
MILLION  
expenditure

**\$211.3**  
MILLION  
revenue with  
65 per cent  
generated through  
rates and charges

**\$63.4**  
MILLION  
of capital  
works  
completed

**\$8.6**  
MILLION  
end of year  
operating  
surplus

**\$58.6**  
MILLION  
holdings  
of cash/  
investments



# Carnegie Pool Redevelopment

**Budget:** \$75.3m

**Opening:** Late 2024

The existing pool and buildings have been demolished to make way for a modern and accessible 6-star green star recreation centre.

Partly funded by \$15m federal grant.





# What was Council's Financial Position before COVID?

Sound financial position on 30 June 2019

During COVID, we lost significant revenue, Glen Eira Leisure (\$19M) and Parking Infringements (\$7M)

We helped our community – endorsed stimulus package (\$9M) for financial relief

Maintained employment for permanent staff

Total impact in excess of  
**\$50M**

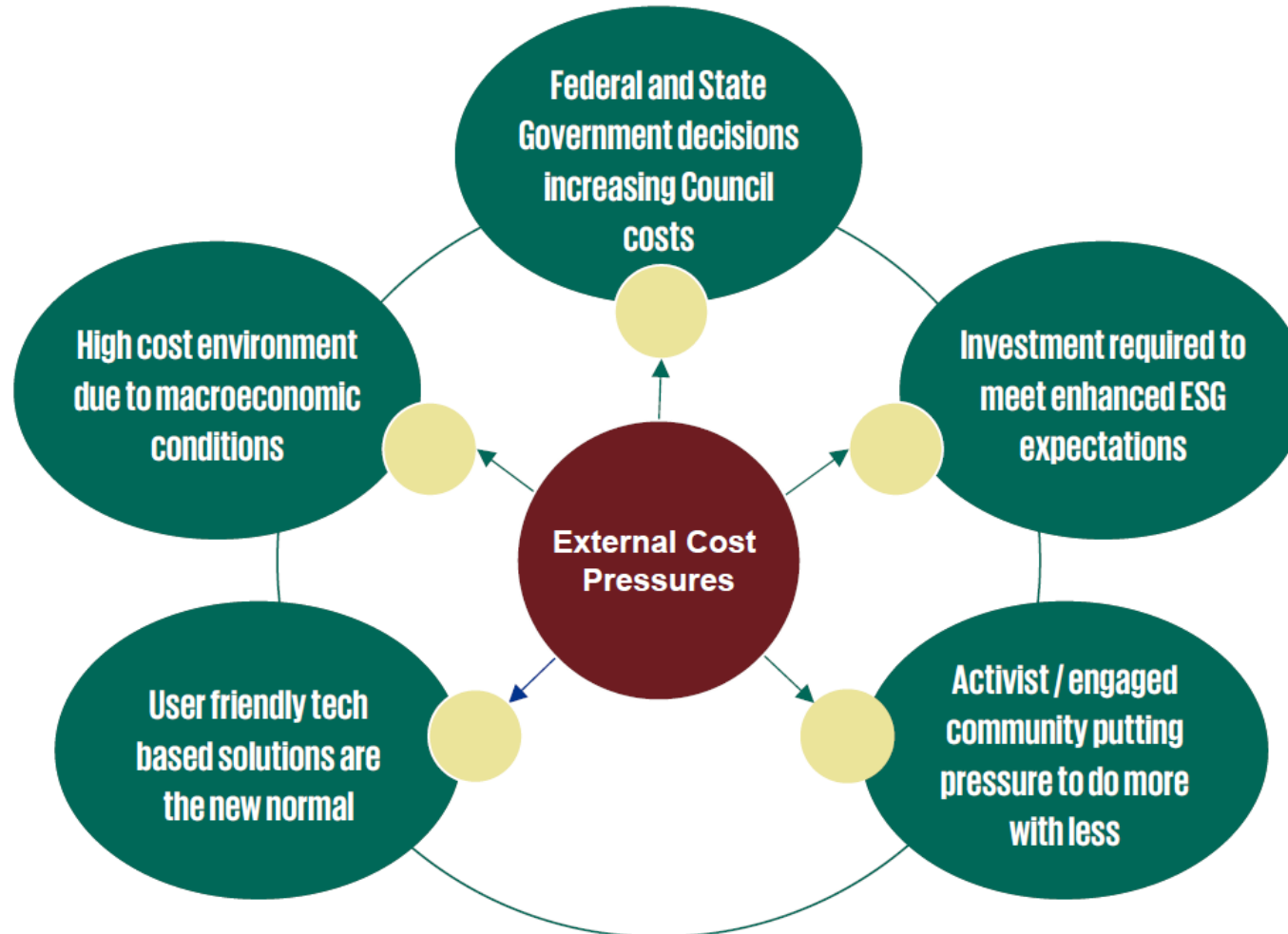


# How much money did we lose?

<b>Income area</b>	<b>2018-19 \$,000s</b>	<b>2019-20 \$,000s</b>	<b>2020-21 \$,000s</b>	<b>2021-22 \$,000s</b>
Statutory Fees and Fines	14,098	10,727	4,413	7,791
User fees	26,605	20,617	12,501	16,136
Interest	2,057	1,261	186	217
<b>Total</b>	<b>42,760</b>	<b>32,605</b>	<b>17,100</b>	<b>24,144</b>
<b>Annual Variance from 18-19 levels</b>		<b>10,155</b>	<b>25,660</b>	<b>18,616</b>
<b>Cumulative Variance</b>				<b>54,431</b>

# External pressures on Council

- Enhanced reporting obligations
- Shifting of service delivery costs onto Councils



- Increasing interest rates
- Supply chain challenges
- Labour shortages and cost challenges

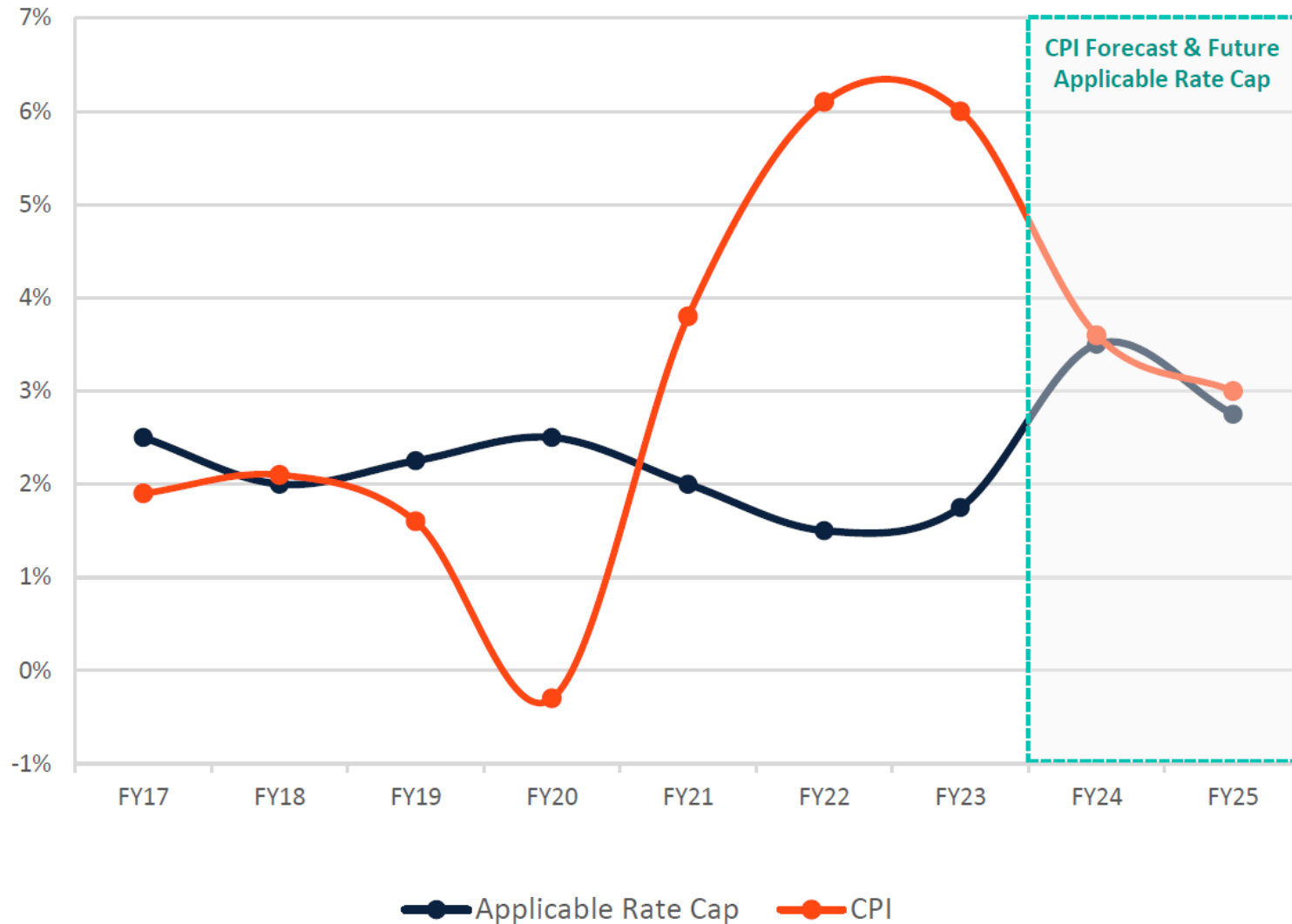
- Need to comply with broad range of complex Legislation
- Heightened community expectations to take a leadership role on ESG
- Significant public commitments by Council that need to be delivered on

- Customers expect best practice websites, apps, live chat, self-service and 24/7 availability

- Strong political pressure to maintain rate capping
- Push back on paid parking and infringement charges

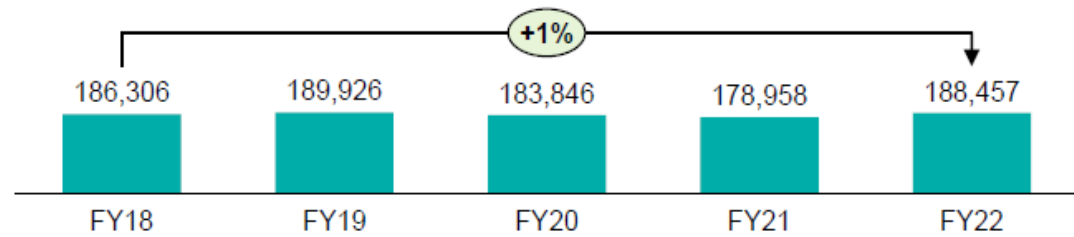
# Challenges of the rate cap

Applicable Rate Cap vs. CPI

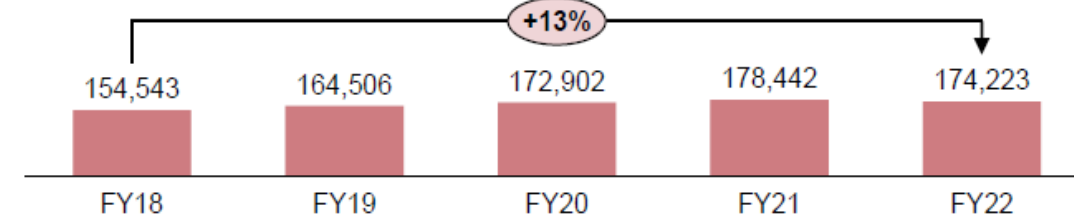


# Negative Impact to Council's Finance

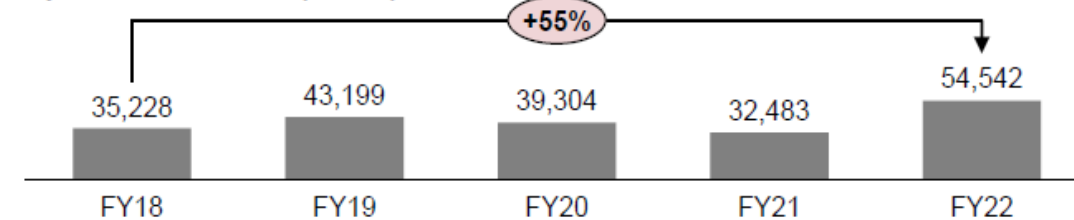
Revenue performance (\$'000)



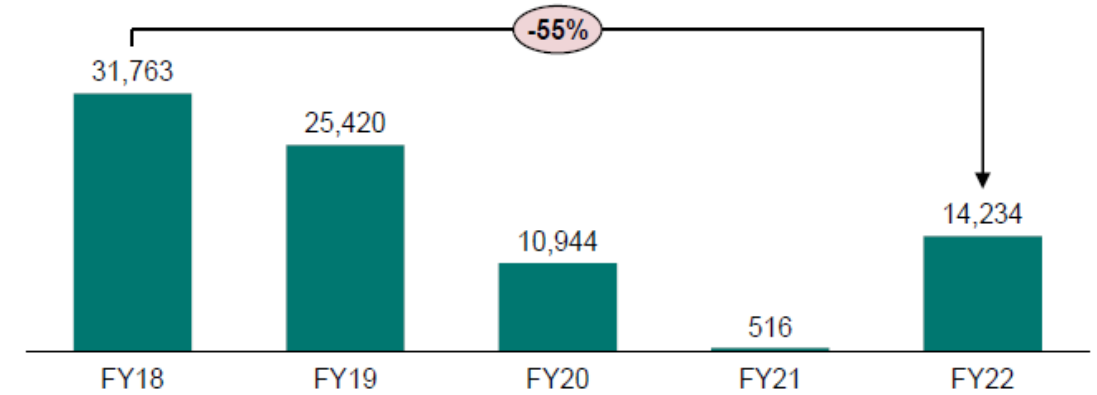
Operational Cost performance (\$'000)



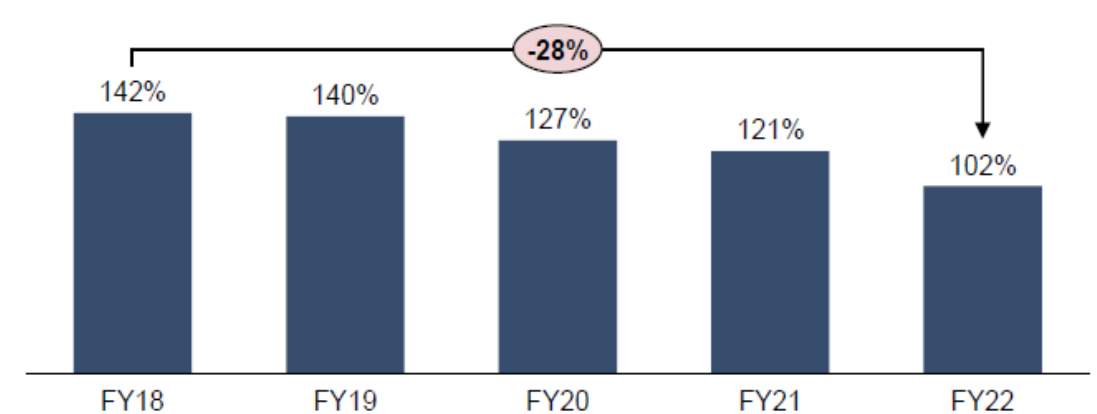
Capital Investment (\$'000)



Net Result (\$'000)



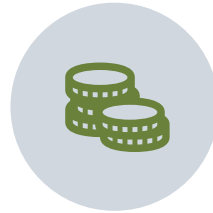
Working Capital Ratio (Liquidity Ratio)



# What are our strategic levers?



**Increasing  
revenue**



**Reducing  
expenditure**



**Breadth of  
service provision**



**Level of future  
capital  
investment**



**Reduction of the  
asset portfolio**

# What did the Community tell us?

The *Our Priorities, Our Future* community survey indicated the following services are most important to our community:



1: Open space



2: Recreation



3: Roads,  
footpaths and  
cycling



4: Waste



5: Libraries



6: Climate action



# Boosting Efficiency and Revenue

## Recast our Capital Works 10-year Program

- **Reprioritised** in line with strategies, plans, benefits, risks and costs
- **Staged** our costs (e.g. feasibility, design and construction)
- **Revised** our planned projects

## Boosted Internal efficiency

- **\$3.7 million** saved once-off
- **\$4 million** saved each year ongoing
- Undertook an **organisational review** and restructure
- Early Learning centre **Service Exit**
- **Partnership** with Bayside City Council for in home support service

## Explored new revenue opportunities

- **Boosted** stakeholder engagement
- **Prioritised** opportunities based on feasibility and impact
- **Codeveloped** initiatives for new revenue streams
- **Benchmarked** fees and charges against neighbouring councils



# Revenue Review with Davidson



In November 2023, Glen Eira City initiated a Revenue Review with Davidson Advisory to explore new revenue sources, enhance existing ones, and co-develop initiatives for improved financial sustainability.



Financial  
constraints  
due to rate  
capping



Impact of  
rising costs



Recent  
ministerial  
amendments

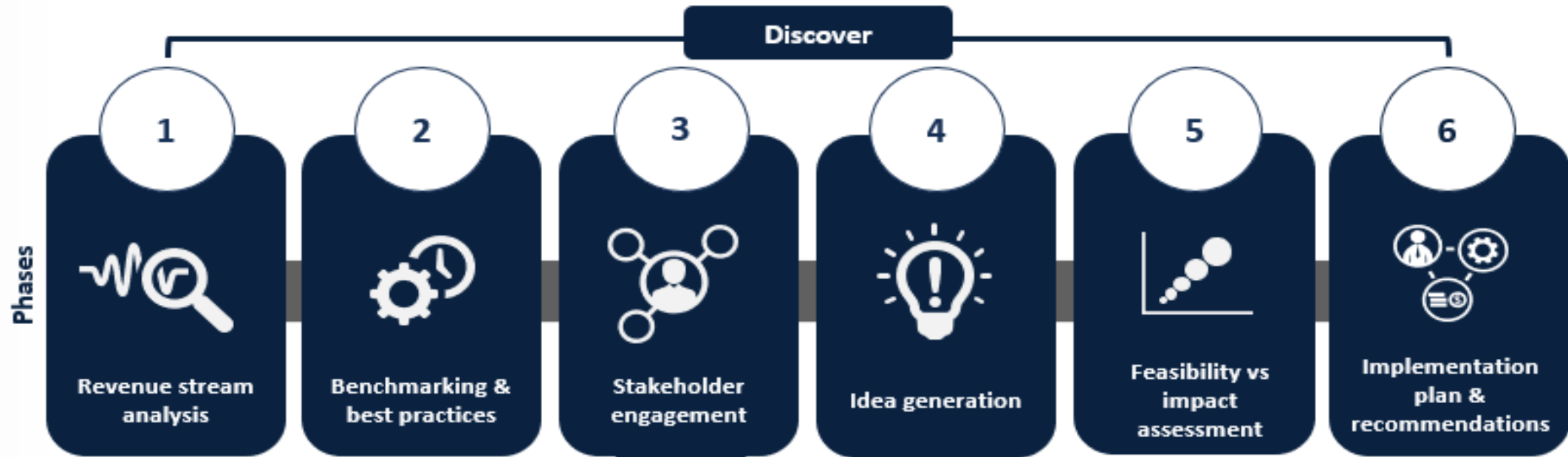


Diversification  
of revenue  
sources

# What was the approach?



By following a structured and evidence-based approach, potential revenue improvement opportunities were identified and evaluated, whilst not losing sight of service quality and community expectations.



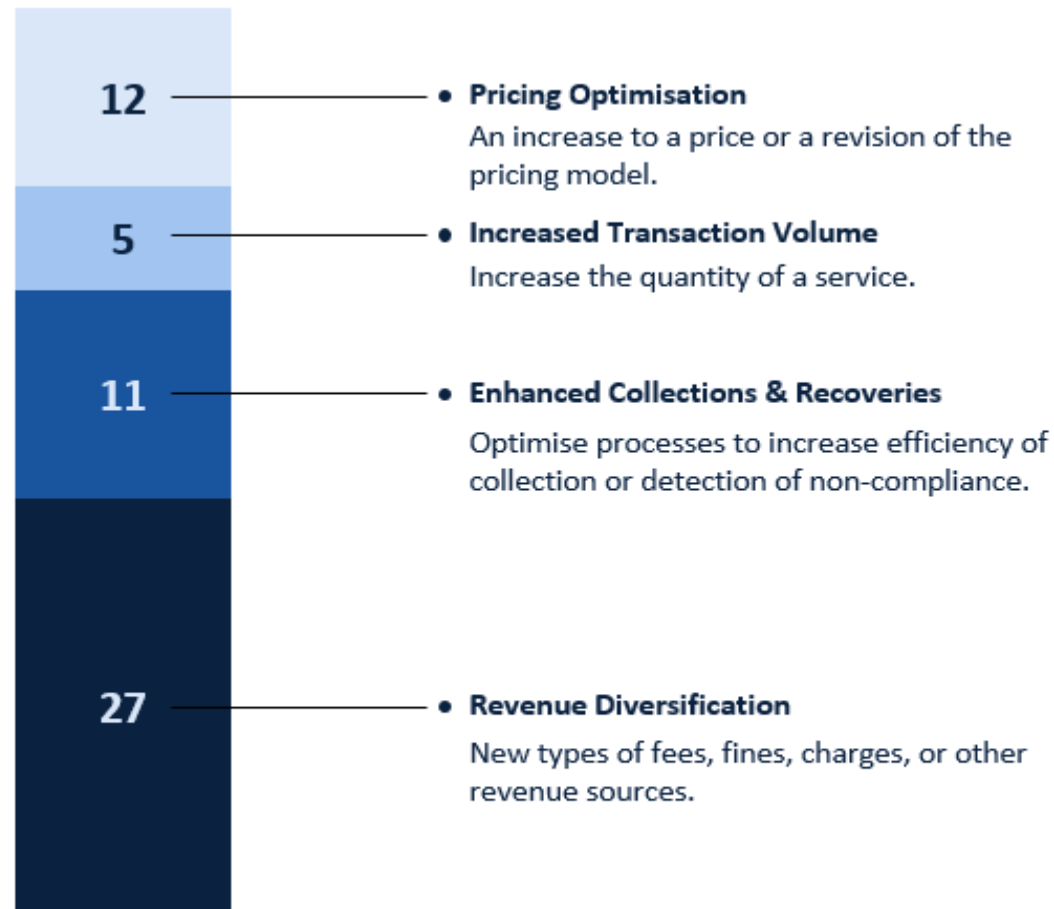
➤ 2 workshops with ELT and Senior Leaders



➤ 10 interviews with various teams across GECC

# Identifying Revenue Improvement Options

55 opportunities were initially identified through research, desktop analysis and stakeholder consultation, spanning 10 categories and 4 types of intervention.



Total Opportunities = 55



# Preliminary Assessment of Identified Opportunities

55 opportunities underwent a preliminary assessment (against the highlighted criteria below) to quickly identify candidates for shortlisting, deferral, or removal.



Davidson



## Impact (Quantum in dollar value)

Criteria	Components
Revenue impact	Quantum (\$/p.a.)
Magnitude	Affordability
	Duration of benefits

## Feasibility (Effort, ease, risk)

Criteria	Components
Achievability	Ease of implementation
	Resource requirements
	Existing project underway
	Timing
Core Business	Strategic Alignment
	Service Offering
	Community Acceptance
Delivery and Risk	Change required
	Delivery mode
	Organisational experience
	Risk (upside and downside)

## Decision Matrix

		Low	Medium	High
Impact Score	High	Keep in backlog	Proceed (potentially longer term)	Prioritise
	Medium	De-prioritise	Keep in backlog	Proceed (now, capacity dependent)
	Low	De-prioritise	De-prioritise	Keep in backlog (unless mandatory)
		Low	Medium	High
		Feasibility Score		

Legend: ■ Preliminary Assessment Criteria – supplementary criteria was acknowledged but not examined in depth at this stage.

# What were the results?

## 55 opportunities !



### Opportunities Shortlisted –

paid parking, philanthropy and donations, centralised grant management etc...

### Opportunities in the Backlog –

food and beverage at events, standardising charges for sports clubs, marketing council for filming locations etc....

### Opportunities De-prioritised –

increase residential parking permit fee, leverage underutilised fleet etc.....

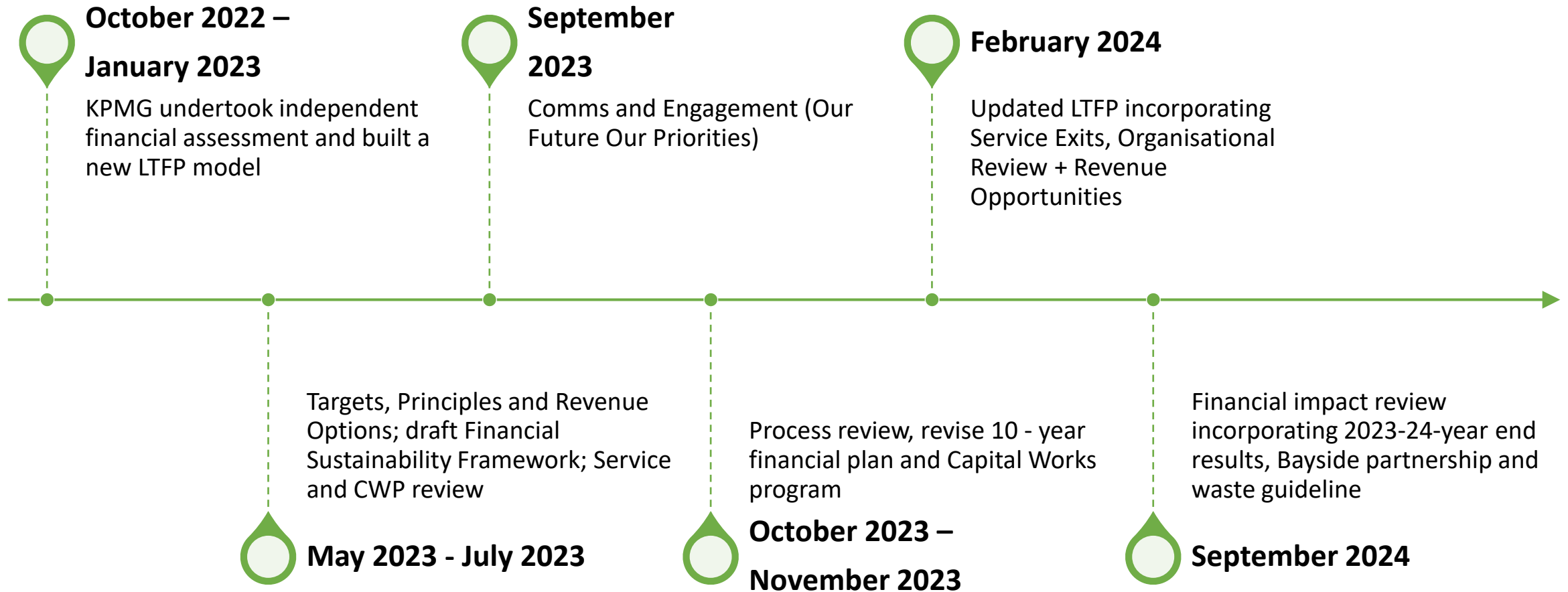
# Benchmarking Opportunities

Specific fees in our fee schedule were benchmarked against surrounding councils. This high-level analysis identified potential revenue increases of \$2.9M to \$3.4M over 10 years if fees were moved to median and average rates of neighbouring councils. If moved to the highpoint, this increases to \$9.2M over 10 years.

Benchmarked Fee	Move to Average			Move to Median			Move to Highpoint		
	1 yr	4 yrs	10 yrs	1 yr	4 yrs	10 yrs	1 yr	4 yrs	10 yrs
Dog Registrations <sup>^</sup>	-	-	-	-	-	-	\$77k	\$308k	\$770k
Waste (Skip) Bin Permits	\$88k	\$352k	\$880k	\$76k	\$304k	\$760k	\$223k	\$892k	\$2,230k
Footpath Trading Permits	\$12k	\$50k	\$124k	\$11k	\$45k	\$113k	\$31k	\$126k	\$314k
Parking (Min. Hourly Rate)	\$67k	\$268k	\$670k	\$32k	\$130k	\$324k	\$200k	\$800k	\$2,001k
Parking (Max. Daily Rate)	\$147k	\$587k	\$1,468k	\$163k	\$652k	\$1,631k	\$241k	\$963k	\$2,409k
Parking (Residential Permit)	\$16k	\$65k	\$162k	\$3k	\$13k	\$31k	\$99k	\$396k	\$989k
Legal Point of Discharge Report	\$4k	\$15k	\$37k	\$4k	\$14k	\$35k	\$11k	\$44k	\$110k
Concrete Footpath	\$1k	\$5k	\$12k	\$1k	\$3k	\$8k	\$3k	\$13k	\$33k
Concrete (Kerb & Channel) <sup>^</sup>	-	-	-	-	-	-	\$2k	\$9k	\$23k
Pre-application Advice (Minor Applications) <sup>^</sup>	-	-	-	-	-	-	\$11k	\$42k	\$105k
Advertising (First 10 Notices) <sup>^</sup>	-	-	-	-	-	-	\$18k	\$72k	\$181k
<b>Total Benefit Available</b>	<b>\$0.3M</b>	<b>\$1.3M</b>	<b>\$3.4M</b>	<b>\$0.3M</b>	<b>\$1.2M</b>	<b>\$2.9M</b>	<b>\$0.9M</b>	<b>\$3.7M</b>	<b>\$9.2M</b>



# Financial Sustainability Journey





# Challenges ahead.....



There is still **financial pressure** – we still have work to do



There is increased **cost with borrowings** despite doing these changes



Recent **Ministerial guidelines** exclude certain services from waste charges



We are still not there with **cash backing all the reserves** to have flexibility and security



Announcement of the **Rate Cap for 2025-26**



The timing and impact of **emergency events**



Future **Enterprise Agreement** provisions



# Thank-you for listening



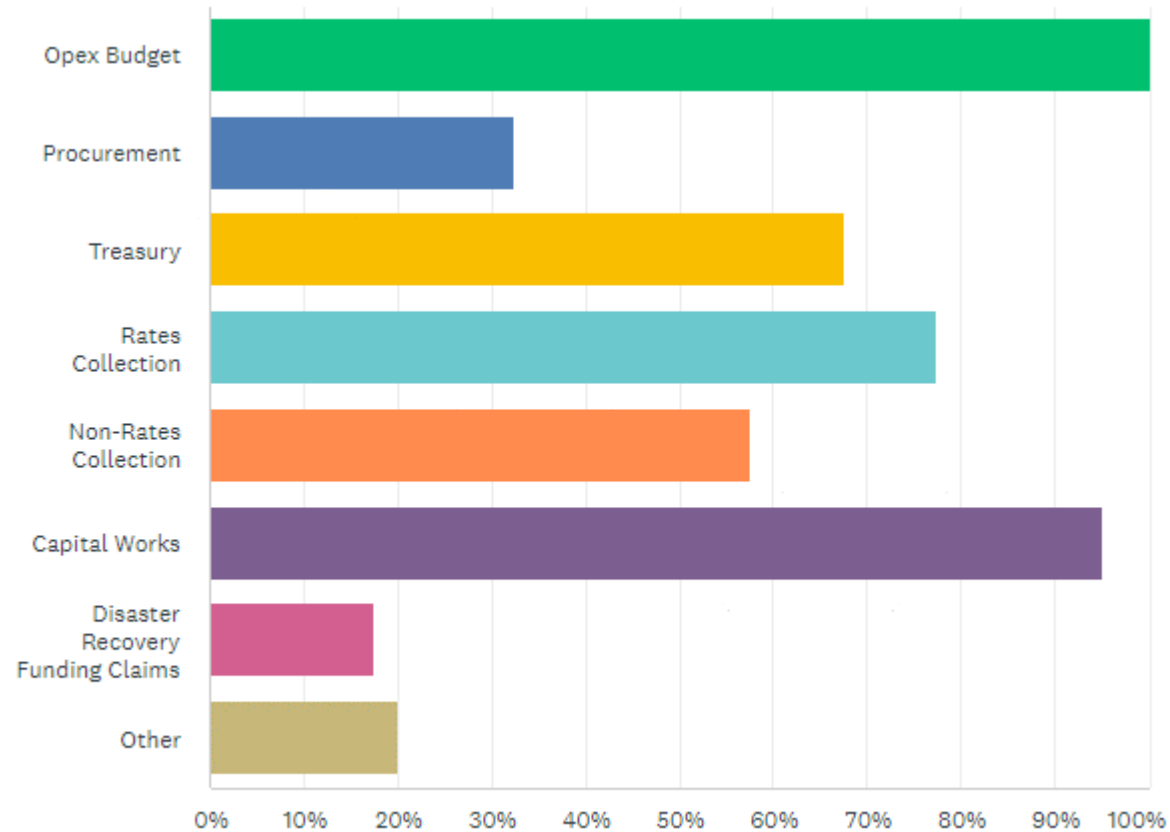
**Questions &  
Wrap Up**

# Survey Themes

- ▶ 40 Council's Replied – thank you!
- ▶ 92.5% financial sustainability as strategic risk
- ▶ Only 50% have strategic risk link in report templates
- ▶ LTFP, Asset Plan & Workforce Plan – up to 20% never report; 25% once in four years; 40%+ yearly

# Survey Themes

## ▶ Exec Finance Report





# Table Discussion



- ▶ Impactful reports in local government.....

**WHO?**

are the key stakeholders in preparing the report?  
is the intended or target audience (key stakeholders) of the report?

are the key areas included in the report and why?  
does the structure of the report look like?

**WHAT?**

influencing techniques they would use in their report (e.g., visuals, forecasts, comparisons).  
is a Corporate Report and what is the purpose of the report?  
language should you use?  
makes this an effective report?  
should be included in a Corporate Report?  
should be the frequency of a Corporate Report?

**HOW**

can financial reports be structured to influence decision-makers?  
can storytelling be integrated with data?  
do you effectively report to support organisational goals?  
do you translate complex data into a narrative?  
does this report build influence?

# Corporate Reporting - group activity



# Table Discussion



- ▶ Examples / ideas from Table Discussions to do differently to help influence the financial sustainability conversation

# Questions

