How commercialising Coffs CityWorks created benefits for the Council, staff and community

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Who are we?

Coffs CityWorks

- Water/Sewer Reticulation Maintenance
- Mechanical/Electrical and Plant Operations
- Water and Sewer Treatment
- Infrastructure Construction
- Infrastructure Maintenance – Roads and Open Space
What makes us ‘commercialised’

**Operational**
- Tendering and pricing control
- Marketing and identity
- Culture and workforce
- Relationship to Council

**Governance**
- Independent advisory board
- Governance protocols
- Instrument of delegation

**Financials**
- Separated from Council
- Control with CityWorks
- Responsible and accountable
- Commercial style reporting

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Why commercialise

$14.8m current capacity for capital and private works. Additional capacity required in current year

$6.5m shortfall in budgets from 2014 onwards
Timeframe

- **2009**: Private works begin
- **2010**: Investigations and business case
- **2011**: Consideration of options
- **2012**: Develop operational model and protocols
- **2013**: Council approval
- **2014**: CityWorks kicks off
Overcoming resistance

• Council
  – Risk management approach
  – Outside perspective/assurance/examples

• Other staff
  – Involved in the journey
  – Understanding and acceptance

• CityWorks
  – Uncertainty
  – Opportunity

• Industry
  – Sub-contracting opportunities
  – Targeted scope of works to avoid significant conflicts

• Other Councils
  – We are not taking your work
Bridge Services
Concrete Bridges

© Morrison Low
Cook Drive Intersection
Coffs Harbour

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Eggins Drive Water and Sewer

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Beryl Street / Pacific
Highway Traffic Lights
Leighton Fulton Hogan JV - Service Relocations
Key benefits

- CityWorks continues to grow, providing more jobs and a wider range of opportunities to its staff than previously.
- CityWorks is able to bid for and win large projects and through that generate work for the smaller contractors in Coffs Harbour.
- Untagged revenue generated for Council is available for use on major strategic projects reducing the burden on ratepayers.
- Driving efficiency in our work practices and processes that have reduced our internal cost of service by 8-10%.
- A change in workplace culture and practice reflecting the commercial environment.
Where to from here?

- Identity is growing
- Cultural challenges
- Credibility in market
- Growth opportunities
- Relationships strengthened
Conclusions

• The process and commercial model can have benefits, and has done, for CityWorks, Coffs, its staff and community
• Process was thorough, resource intensive and challenging
• Risks exist and must be managed
• Potential benefits outweigh the risks and challenges when done properly
Questions?