



LEETON
SHIRE COUNCIL

SPECIAL RATE VARIATION SEPARATE ATTACHMENT FOR

ORDINARY COUNCIL MEETING
23 November 2022
7.00PM

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GENERAL MANAGER'S MATTERS

Ratepayer Feedback Themes on Special Rate Variation Proposal, with Management Responses

Presented to Ordinary Council Meeting on 24 Nov 2022

Feedback sought on two SRV Options Proposed:

- **2 years at 52.52% cumulative including rate peg (presented as Council's preferred option)**
- **4 years 61.6% cumulative including rate peg**

1. SUMMARY OF ESTIMATED* SRV SUPPORT LEVELS BASED ON WRITTEN HAVE-YOUR-SAY COMMENTARY / EMAILS / LETTERS

	Feedback	Management Response	Proposed Action
1.1	Full Support – Proceed as proposed (52.52% cumulative over 2 years) Approximately 13 respondents	Noted	
1.2	Partial Support – Proceed but temporary only Approximately 2 respondents	A temporary increase will not achieve long term financial sustainability	
1.3	Partial Support – Proceed but at lessor % and / or over longer period Approximately 42 respondents. Suggestions for longer periods included four, five and seven years.	Noted. Any alternate SRV options must not exceed the highest cumulative impact on ratepayers as presented during public consultation, which is the 4-year option (cumulative total of 61.6%). Council could spread an SRV over 5 years by committing to find savings or new revenue such that the 5-year cumulative impact on ratepayers is no worse than what the 4 years one would have been. IPart will accept a 7 year application but is encouraging 5-years as the maximum (<i>pers comm Morrison Low who spoke with IPart</i>). Importantly, a 7-year application will cost ratepayers more in the long run, deliver a break-even budget even later and will potentially see the Shire’s cash reserves depleted below comfort levels, removing any resilience for handling potential unexpected shocks in future years.	Recommendation is to achieve a balanced budget by 2028, requiring an SRV over 5 years being at 8% for the first three years, and then 7.5% and 7.4% for the final two (totally 61.6% cumulative including the rate peg) with cumulative ‘savings’ of \$290K over the 5 years.
1.4	Partial Support – Proceed but ensure wiser spending and better management and ensure any increase is proved to be justified Approximately 8 respondents	Noted. Since 2015 Council has continued to review its operations and maintenance programs, reducing costs wherever possible and diversifying its revenue streams. It is during this period that Council started to trade water, for example. The Chairman of ARIC has provided a letter at ATTACHMENT 4 of the Council Report commenting that he has confidence in Council’s financial management.	
1.5	No Support for any SRV Approximately 835 respondents	Noted. The reasons for no support are captured in the pages that follow. Problems with the pool and Roxy project delivery were clearly conflated with feedback on the SRV proposal even though not directly related to the SRV.	Continue to offer more information / education sessions on major projects and how Council’s finances operate, incl post SRV.

*Estimated numbers were based on reading the feedback. Some respondents stated no but then conceded some level of SRV was necessary. They were counted as partial support.

2. CONCERNS ABOUT COMMUNITY CAPACITY TO PAY AND FAIRNESS/EQUITY ACROSS RATING CATEGORIES

		Management Response	Proposed Action
2.1	<p>Cost of living / inflation is on the rise already. Households are struggling financially already – mortgages/ interest rates going up as well as electricity, gas, fuel, oil, motor vehicles, insurances, irrigation costs, freight costs. Still suffering the impacts of drought, covid, rain and floods</p> <p>Concern for first home owners, especially young people</p> <p>Concern about residents’ welfare – increase will force people to go without food, heating and cooling. Residents will suffer from increased stress and worry</p> <p>Now is not the time as excessive rain has meant flood damage to crops. It has also been difficult to harvest due to unavailability of workforce</p> <p>Business are still suffering the affects of COVID-19 restrictions so shouldn’t be made to pay more</p>	<p>Increases in the cost of living / inflation and the impact on households is acknowledged. Public discussion regarding the need for an SRV has been put off since 2015 with Council’s initial focus geared to finding savings. When those were insufficient to achieve long term financial sustainability, SRV discussions were again put off on the basis the community was suffering a severe drought followed by COVID-19. The situation is now at a stage where Council can no longer delay this critical conversation with the community about financial sustainability. Like households, Council is also being impacted by rising costs and the issue of the widening imbalance between income and expenditure must be addressed. Without an SRV, Council risks depleting its remaining General Fund¹ cash reserves and becoming insolvent. Also, the longer a SRV is delayed, the greater the impact on ratepayers unless Council opts to cut services or reduce service levels.</p> <p>Using average rates (which IPART requires Council’s to use but are a very rough guide), under the 2-year SRV scenario, the following average <u>weekly increases</u> would apply:</p> <ul style="list-style-type: none"> • Residential: <ul style="list-style-type: none"> ○ Leeton \$5.13 (unimproved land value \$70,000) ○ Whitton \$3.60 (unimproved land value \$15,000) ○ Yanco \$3.42 (unimproved land value \$25,000) • Business: <ul style="list-style-type: none"> ○ \$4.46 (unimproved land value \$60,000) ○ \$6.29 (unimproved land value \$100,000) • Farmland: <ul style="list-style-type: none"> ○ \$9.69 (unimproved land value \$150,000) ○ \$13.60 (unimproved land value \$250,000) 	<p>Promote the tools Council has to help ratepayers facing genuine hardship.</p> <p>This includes provisions to make payment arrangements (eg. fortnightly payments).</p> <p>Council also has a Hardship Policy which can be exercised when required.</p>

¹ The General Fund is the account from which all Council’s operations are funded, except those of water, sewer and waste. The water, sewer and waste accounts are separate from the General Fund. They are not funded by rates and are therefore not part of the SRV discussion.

		A Capacity to Pay report commissioned by Council indicates there is generally ability for ratepayers of Leeton to afford this increase. From community feedback, the 5-year scenario is more acceptable to ratepayers and the Capacity to Pay report has been updated accordingly, with the same finding that the increase is affordable.	
2.2	Concern by pensioners and for pensioners. Aged care supports fail to meet their living needs. Suggestions that they be offered discounts on rates, pools and services	Council currently provides support to pensioners through the Pensioner Concession Scheme. Currently up to \$425 is available to pensioners (\$250pa relief towards ordinary rates and waste management charges; and \$87.50pa relief each for water access and sewer annual charge where those services apply). The State Government provides 55% of this relief and Leeton Shire Council provides 45%. There is the possibility of local councils providing a greater level of concession to pensioners at the local council's expense.	Council to investigate offering additional discretionary concessions to eligible pensioners over and above that specified in Section 575 of the <i>Local Government Act 1993</i> .
2.3	Small towns and villages are being ignored. Not receiving the level of service they pay for and deserve. Services and assets are not proportional to the rates charged. Council has not lived up to its duty of care Not fair, villages pay some rates as Leeton residential ratepayers but get less service. First fix roads, drainage, footpaths in villages before starting new projects	Council is committed to every community across the Shire but is not financially able to provide the same level of facilities everywhere. Leeton is the main business and recreation centre servicing the Shire. On average, residents of villages pay less in rates than Leeton residential ratepayers and, because of economies of scale and land values, Leeton ratepayers are in fact subsidising services in the small towns and villages. For example, the Whitton Pool operating deficit is around \$100K per annum, with the cost of each swim heavily subsidised by the Shire's general rate income. In recent years, Council has invested in playgrounds, public toilets, public art and community halls in towns and villages, along with some road, drainage, weeds management etc. During the SRV consultation Council has heard that residents of small towns and villages are not satisfied with services such as roads, drainage, mowing and cemeteries. Council acknowledges there is always more to do but it does not have the resources to do more. Council is committed to continual improvement and ensuring what is done is done as efficiently and effectively as possible.	Council needs to consider new/different ways of fostering increased engagement with its small town and villages. This could include <ul style="list-style-type: none"> - increased promotion of Town Improvement Committee meetings - holding topic-based meetings (such as cemetery or drainage) - encouraging local residents to sign up to relevant Facebook groups to ensure they are kept abreast of activities in their towns - encouraging local residents who do not use digital platforms to

		Council set up Town Improvement Committees in Whitton and Yanco in 2016 following a series of public meetings and engages with those Committees regularly, with both staff and Councillors attending. There were calls for expressions of interest for residents to join. It seems some residents remain unaware that Town Improvement Committees exist or that they are welcome to participate to raise concerns.	read the local newspaper or ask their local Post Office or the library for updates relevant to where they live
2.4	Property in Sydney is X4 the value of Leeton property yet has lower rates. Leeton's rates already cost the same as Hobart and part of Melbourne	Local Government Areas with higher concentrations of population have many more ratepayers to share the rate burden. Further metropolitan councils are better placed to generate income from parking (including parking lots and parking fines) and the leasing of commercial premises. This brings in millions of dollars in income to offset rates. Metro councils also have lower road maintenance and renewal costs compared to rural councils. Despite their economies of scale, even some metro councils in NSW are having to apply for SRVs to remain financially sustainable. Hornsby is a current example.	
2.5	There should be free pool entry for ratepayers. There should be discounts for pool and cinema entry for ratepayers	Free entry to facilities and services would require more rates to be collected to cover the full costs of the services. Currently, to keep things equitable and honour Council's community service obligation, a modest charge is applied to the direct beneficiaries (users) of various services. This mix of user-pays and general rate revenue to run services sees entry prices kept affordable for users while at the same time reducing the overall impost on the general ratepayer (many of whom don't use services such as the pool or Roxy cinema/theatre). It is considered a fairer approach overall. While Council does have differential fees for landfilling for Leeton ratepayers versus non residents, the administration of a similar scheme for services such as the pool and cinema would outweigh the benefits and would also risk visitors feeling 'unwelcome'.	
2.6	Farmers and business should pay more than residential as they are making money from their operations and can claim their rates off their tax	As part of the SRV consultation preparation, Council had Morrison Low undertake a Rates Benefit Model. In summary, Council recognises that farmers appear to be paying relatively more on balance compared to the direct benefits they receive, and businesses relatively less. However, it should be noted that any SRV application to IPART is a	By 30 April 2023 Council will review the rating structure to ensure improved equity and will consult with ratepayers

		request to increase the total rate revenue ‘pie’ and does not distinguish between rating categories (farmland, business and residential). How that pie is split between the 3 rating categories is a decision of Council, not IPART. Council will review the rating structure and further consult the community ahead of endorsing the 2023/24 Draft Operational Plan and Budget and 2023-2026 Delivery Program. Council will also have the benefit of updated property values from the Valuer General by then to more accurately assess how the rates burden may be shifting between ratepayers.	as part of the Annual Planning / Annual Budgeting engagement with a view to adopting a revised structure by 01 July 2023.
2.7	Residential and business rates should be a greater percentage than rural rates as they use the facilities more. Rural ratepayers are getting very little in return	If the land is classified as farmland, it has the capacity to provide an income whereas land that is classified as residential does not. It is the combination of the capacity to provide an income and larger lot sizes that result in farmland ratepayers paying a greater percentage of the overall rates burden. Businesses also pay more because of the capacity to produce income but generally have less land. It should also be noted that farmland and business ratepayers can claim their rates as a business expense.	By 30 April 2023 Council will review the rating structure to ensure improved equity and will consult with ratepayers as part of the Annual Planning / Annual Budgeting engagement with a view to adopting a revised structure by 01 July 2023.
2.8	Why should farmers pay for street lights, pool, library or Roxy? Farmland rates are already too high – plus dryland farms don’t earn as much as irrigation farms, and farms in Euroley are prone to flooding	While farmers possibly shouldn’t pay as much, they and/or their families still benefit from the existence of such services, either directly or indirectly. Leeton has a relatively small geographic footprint and farmers no doubt come to town at least weekly for services (doctors, shops, newsagents, accountants, hairdressers, schools, sports facilities, library etc). Leeton farmers also rely on farmworkers who often live in town with their families. Street lights, pools, libraries along with a host of other facilities, such as sportsgrounds, are necessary to maintain and grow the population (including the workforce), industry (which buys the farmers produce to process further) and the local economy. Farmers also use Shire roads extensively to transport their produce, usually in trucks that have a higher impact on road maintenance. Currently Council does not differentiate between irrigation farms and dryland farms for rating purposes. It may be possible to review this.	By 30 April 2023 Council will review the rating structure to ensure improved equity and will consult with ratepayers as part of the Annual Planning / Annual Budgeting engagement with a view to adopting a revised structure by 01 July 2023.

2.9	Land values have increased in recent years which already gives Council increased revenue	<p>This is not correct – a ratepayer’s increase in the value of their land does not mean any increase in total rates income for Council. The full amount of rates that Council can collect is set by IPART and that total figure cannot be exceeded. However, it is possible that some properties may pay proportionally more or proportionally less towards the total rates ‘pie’ depending on whether their property value went up or down after the last valuation by the Valuer General. These valuations happen every 3 years.</p> <p>Council is currently proposing an SRV to ask IPART to increase the amount of rates Council can collect overall. We sometimes call it growing the rates ‘pie’. It is Council’s job to determine how the rates ‘pie’ is split between the various rating categories. Council tries to ensure this is done as fairly as possible.</p>	
2.10	Council has been using the wrong valuation to charge my rates (still using 2019 value)	<p>Valuations are undertaken by the Valuer General every 3 years. New valuations are underway now (2022) and property owners will be advised soon by the Valuer General. Until 01 July 2023, all properties in Leeton will continue to be assessed on their 2019 valuations for rating purposes.</p>	
2.11	Council should act like a not-for-profit business, not a government	<p>Local Government is the third tier of government in Australia. Council is therefore required by legislation to manage itself as a government body in accordance with the <i>Local Government Act 1993</i>. That said, Council is not here to make a profit. Any ‘profits’ are set aside to address future asset maintenance or used to provide and enhance services to the community.</p>	
2.12	<p>Leeton’s rates are already higher than Narrandera and Griffith.</p> <p>Farmland rates in Leeton are double Narrandera’s for same country and soil</p> <p>Narrandera and Griffith aren’t raising their rates, why are we?</p> <p>If rates go up, residents will relocate, including to Narrandera and Griffith where rates are cheaper</p>	<p>Every Council is different and has their own individual needs and requirements. Through Integrated Planning and Reporting, each Council sets its own priorities, program and rating structure depending on their endorsed Community Strategic Plan and adopted Council Delivery Program. Also, Griffith, a regional city with more than double Leeton’s population, has economies of scale Leeton does not have.</p> <p>A large number of councils in NSW are not financially sustainable in their General Funds due to rate pegging etc and it is likely to be only a matter of time before Leeton’s neighbouring councils also consider an SRV of sorts and/or cutting or reducing services and service levels.</p>	<p>Management can present the high levels findings of future benchmarking exercises at least once annually to residents via a media release and on Council’s website. The same can apply to the findings of internal service reviews.</p>

		Leeton Shire Council does regular benchmarking of salaries, wages, staff numbers and service delivery costs and there is nothing to suggest Leeton is out of kilter with its peers. Certainly, the cost of Leeton's GM and Group Managers (like Directors) is less than any of our immediate neighbours and in terms of staff numbers, Leeton Shire is at the median relative to similarly sized councils (even slightly lower if children's services are disregarded as not all councils provide such services).	
2.13	Rate of increase is unfathomable when major projects were supposed to be paid for by state and federal grants	The SRV is not being triggered because of major projects. It's being proposed because Council does not receive enough revenue in its General Fund to cover the day-to-day <u>operational</u> cost of services, facilities and assets such as roads, drainage, parks, playgrounds, library, pools, museum and gallery etc. This operations shortfall was first forecast in 2015 during Fit For The Future. The larger capital projects have indeed had 50% plus of their costs covered by grants, with the rest mostly from general fund reserves and some loans. Capital projects do impact future operations in regards depreciation and the payment of interest on loans. It should be noted that Council's level of debt is very low.	

3. CONCERNS THAT THE PREVIOUS TERM OF COUNCIL DID NOT ACT SOONER

		Management Response	Proposed Action
3.1	<p>View that community was in previous years never informed about the seriousness of the General Fund operating deficit (should have been made aware of financial situation in 2014). Council should have highlighted the decline in funding to a greater degree at the time.</p> <p>Why were earlier alarm bells ignored?</p>	<p>The need to close the gap in General Fund operations and catch up on the infrastructure backlog² was first identified in 2015 and has remained a feature of all Annual Plan and Annual Report commentary since, including the annual double page spreads placed in The Irrigator and on Have Your Say, which invited community feedback on the Delivery Program and Annual Plan and Budget, including the increasing operations deficit and growing infrastructure renewal backlog. A summary of the commentary in the Plans and Reports since 2015 is attached as Appendix 1.</p> <p>Council had healthy cash reserves in the General Fund to support the operating deficit for a time, but these are now at risk of being depleted over the next few years if Council doesn't act now. Management is asserting that delaying further would be unwise for Council as it will put Council at risk, exacerbate the situation for ratepayers and, if not turned around over the next 5 years, potentially result in Council being put into financial administration.</p> <p>Note: This situation is not unique to Leeton Shire. Councils across NSW are facing the same issue due to rate-pegging, the freezing of Financial Assistance Grants, cost shifting and increased depreciation. The system is broken for funding councils appropriately and moves are afoot by State Government to reassess rate-pegging methodologies which do not keep pace with the true costs of services.</p>	
3.2	<p>What went wrong as we were Fit For The Future in 2015. What caused massive, fast, spiralling deficit?</p> <p>What happened to all the money – council used to be rich?</p> <p>Council was financially stable – now in the red</p> <p>Council's reserves have diminished.</p>	<p>The situation is neither new and nor has it suddenly spiralled. Council was only declared Fit for the Future in 2015 on condition that Council improve its operating performance to the tune of \$1.3M per annum, recurrent. This condition was made in expectation of a future deficit of about the size we are currently facing.</p> <p>In 2016 management presented Council with the opportunity to undertake an SRV but Council opted to first focus on making savings to reduce expenditure. At the time, \$800K in savings was identified but this was not sustained (due to depreciation increasing following</p>	

² The term 'infrastructure backlog' refers the total amount or value of renewal works that need to be undertaken to bring a Council's asset stock up to an acceptable standard.

		<p>independent valuations and major upgrades; economic development was enhanced; recreation services were enhanced; cost shifting from NSW government including management of Council occupied Crown Lands and additional environmental responsibilities previously undertaken by EPA; as well as increased regulation and compliance reporting etc).</p> <p>Once options for savings were exhausted Council again delayed consulting on an SRV due to drought and then Covid-19 as it was felt the community was doing it tough enough already. While inflation is now running higher than in previous years and it can be argued that residents are facing a new financial challenge, Council's financial situation can no longer be ignored as General Fund cash reserves that have been propping up General Fund operations will become depleted. The Chairman of Council's Audit and Risk Committee, Graham Bradley, has written in strong support of the need for an SRV – see ATTACHMENT 4 of the Council Report.</p> <p>Note: Council still has healthy reserves of close to \$50M in total but the bulk of these are for water, sewer and waste and, under law, cannot be used for general council activities and services. More than half of what is remaining in the General Fund reserve includes unspent grants (which are can only be used for the purpose for which the funds were provided), Council's commitments to contracted capital projects, and employee leave entitlements. There are only a few more years of cash left to support General Funds operations which is why Council needs to plan to act now and not wait until the situation becomes a crisis.</p>	
3.3	<p>Should have addressed the issue 6 to 8 years ago. Council has taken 7 years to get into action. Council knew about the situation with LTFP for the general fund in 2016 but kept on spending.</p>	<p>The General Manager first workshopped the need for an SRV with the elected Council in 2016. Initially Council's preferred approach at the time was to address the issue through adopting measures other than an SRV but when these were exhausted the need for increasing revenue was conceded. Council has raised annually in its documents the need for increased income or to cut services or costs but chose to hold off opening formal consultation on an SRV with the community because it believed the community was already suffering as a result of drought and then COVID-19. A summary of the commentary in the Plans and Reports since 2015 is attached as Appendix 1.</p>	

		<p>Council continued to renew facilities that had come to the end of their useful lives and were non-compliant through this period (like the pool and Roxy) as the NSW Government had released unprecedented grant funding after the sale of electricity “poles and wires” which provided funding that would otherwise have had to come from ratepayers. The grant funding also allowed for such facilities to be upgraded in response to community requests (with those plans each going through extensive public and stakeholder consultation).</p> <p>Council was also aware that it had the reserves it needed at the time to enable it to hold off implementing an SRV until circumstances were more favourable for residents. The community may feel they are still not in a better position to weather a rates increase due to escalating inflation, but Council’s reserves are now at a point where it would be irresponsible for Council to hold off any longer.</p>	
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4. DISSATISFACTION WITH CONSULTATION AND SURVEYS ON SRV

		Management Response	Proposed Action
4.1	Survey questions are a 'set up' / skewed to give answers Council wants	That was not the intention.	
4.2	Survey provides no opportunity to vote no	The community was being consulted on priorities and how best to address the gap, including what might be the most palatable option. The community was not asked to vote – the vote sits with the Councillors who must have regard to their obligations under the <i>Local Government Act 1993</i> as well as the feedback from their constituents. It is noted in the feedback that the majority of residents do not support an SRV and they also do not support the reduction or cutting of services or service levels. Most respondents seem to hold the view that the need for an SRV is due to management incompetence not structural shortcomings in how councils are funded, like rate-pegging.	
4.3	Didn't ask if Council is doing a good job or not	Council asks the community if it is doing a good job every two years by contracting an independent research company to conduct a Community Satisfaction Survey. A great many councils across NSW use this approach and this service. The survey is done by phone to reach a range of demographics and geographic locations across the Shire – landlines and mobile numbers. The results are statistically valid. The survey is detailed and takes about 20 minutes to complete. It measures overall satisfaction, but it also looks at levels of satisfaction/ dissatisfaction with specific services, facilities and assets. The results are published on Council's website for all to read. In 2019 and 2021 there were high satisfaction rates with both the elected Councillors and Council administration. In response to SRV feedback which seems to signal an about turn in community satisfaction with Council, future satisfaction surveys could include a more specific question on financial governance and management.	Include in future satisfaction surveys a question about financial governance and financial management.
4.4	Need better communications / explanations for the SRV. Reasons not clear for SRV. Request clearer explanation as to what has caused the \$4.4m gap in the General Fund. Explain steep drop off since 2020.	In short, the reason for the SRV is because costs are outpacing income for the General Fund. This is due to rate-pegging which does not reflect the true cost of service delivery, the 3-year freeze of the Financial Assistance Grant from 2016 which had a cumulative impact of \$1M less	Staff to collate a FAQs response to ratepayer questions and upload these

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		<p>in revenue, increasing depreciation and cost shifting from State Government. There is also the infrastructure renewal backlog which requires \$1.6M of investment per annum to keep assets operating at a satisfactory level. The Morrison Low final background paper at Attachment 1 to the Council Report on the SRV provides a more extensive summary. The most comprehensive explanation for the need for an SRV is contained in Council's <i>Updated Long Term Financial Plan 2022–2023</i>. This document can be found on Council's website under the heading 'Resourcing Strategy' in the section 'Plans, Strategies and Reports'. If Council adopts the recommendation for a 5-year SRV the LTFP will be updated accordingly.</p> <p>The perceived steep drop off from 2020/21 is actually an unexpected reduction in the budgeted deficit due to an additional advanced payment of the Financial Assistance Grant, greater than usual ordered works from RMS and the recognition of rates paid in advance. The Audit Office requires the funds to be recognised in the year they were received, rather than the year they will be expensed. In other words, on balance, the deficit in General Fund operations has been on a steady decline since 2015 – as forecast – but is affected some years by 'one offs', some in Council's favour (as is the case in 2021/22) and some not.</p>	<p>on the website and promote them on Facebook.</p>
4.5	Unclear as to what services will be improved or better maintained as a result of the SRV	<p>The SRV is not about increasing service levels, it's about funding the service levels currently being provided and catching up on the infrastructure backlog. Council is unable to fund the current levels of service or do the amount of maintenance to keep our assets in a satisfactory condition from general operations. Council has been dipping into reserves to do this, which is not sustainable. If there is no increase in General Fund income, there will need to be cuts or reductions in current service levels to sustain operations. Most respondents to the SRV consultation are stating they do not want to see services cut or reduced (only management or wages which cannot realistically be achieved without cutting services). While a few individuals have expressed the view that they could do without certain services or projects (with that service varying from person to person or group to group) there has been no consensus of support for cutting any</p>	<p>Make public all future reports to IPART on how the SRV has been used in the event the recommendation to Council to apply for an SRV is adopted and the application is approved by IPART.</p>

		<p>one of those services. If the proposal to implement an SRV does not proceed, further community consultation would need to be conducted to determine which services should be cut/reduced as that will be the only remaining option to become financially sustainable.</p> <p>If a SRV is adopted and then approved by IPART, Council will need to report annually on how that SRV has been applied and what progress has been made.</p>	
4.6	Need greater transparency about exactly where the money is going	<p>The Annual Financial Statements (there are Annual Financial Statements for the past 8 years on Council's website) provide comprehensive documentation on where Council's money has gone. Around April of each year Council releases a Draft Annual Plan and a Draft Annual Budget which sets out what Council plans to achieve for the year. Residents are routinely invited to give feedback on what is proposed. Further Council does a Quarterly Budget Review which forecasts any changes to the adopted budget. These budget reviews are an open council.</p> <p>For anyone who is not financially minded, the Annual Reports for each year provide a Finance Snapshot that clearly illustrates where the money is being spent. There is also the opportunity to ask questions of Council staff. Council will be hosting one-on-one/small group information sessions on three topics on 21 and 28 Nov, one of which is Council's Financial Controls. Residents can book to attend one of those sessions.</p>	Staff to collate a FAQs response to ratepayer questions and upload these on the website and promote them on Facebook.
4.7	Examples used are unrealistic – you can't buy a house in Leeton for \$70K (the property value used for calculating the avg residential rate in Leeton)	\$70,000 is the current median value of a residential lot in Leeton, as valued by the NSW Valuer General. These valuations relate to the unimproved value of the land. It should be noted that valuations for rating purposes are different to real estate market valuations. It is important not to confuse the two.	
4.8	No guarantee from Council that things will be better if we pay more	Council is seeking additional rates income to fund day to day operational costs and to increase assets renewal backlog by \$1.6M per annum. If the SRV is approved, Council is required to report on how the SRV funds have been used to IPART on an annual basis.	Make public all future reports to IPART on how the SRV has been used in the event the recommendation to Council to apply for an SRV is adopted and the

			application is approved by IPART.
4.9	Requests for financial records pre 2021 have been ignored and draft 2022 Annual Report has not been released	Council Financial Statements and Annual Reports for previous years are available and have always been available on Council's website. Councils have 5 months from the end of each financial year in which to produce an Annual Report and have their Financial Statements audited. Council's draft Annual Report 2022 is included in the November Council Agenda for consideration and will be distributed publicly - as happens each year - before 30 November 2022. Council's Audited Annual Financial Statements for 2022 are currently on exhibition on Council's website, in the library, at the shop or PO in Whitton, Yanco and Murrumbidgee. They are also in the November Council Agenda. All councils in NSW are audited by the NSW Audit Office as per legislation. They are an independent body and sometimes use contract auditors to do the work on their behalf. Leeton's recent audits have been done by Crowe, based out of Albury.	
4.10	Previous community satisfaction phone surveys never asked about cost implications – no wonder everyone said they were satisfied. Respondents to satisfaction surveys didn't know that a rates rise was coming or was needed. Satisfaction surveys were not valid – only 400 people surveyed out of a population of 11,500	A professional research company undertakes the research on Council's behalf. Four hundred respondents is a statistically valid representation of community views. Many more people get contacted but some decline to participate. The independent research company Micromex Pty Ltd continues contacting residents until they have 400 completed surveys from a complete cross section of the community – gender, age, location, rating category. They contact people on landlines and mobile phones. The surveys to date are about satisfaction levels and priorities. Questions about costs and willingness to pay can be included in future surveys.	In future surveys Council could add a specific question about satisfaction with financial management and ratepayer views on receiving value for money.
4.11	Rates calculator is a farce as it is based on 2019 property valuations	The Valuer General values property every three years. The current rates are calculated on 2019 values. The next valuation is due shortly and will take effect from 1 July 2023. In short, the calculator is based on the current value and is working correctly. There were calculations available for both the 2 and 4 year SRV scenarios.	
4.12	Mailouts were spread out and arrived late. Many elderly do not have internet access to get information on the SRV.	We apologise if any mailouts arrived late – they were timed to arrive a week ahead of any public meetings. Flyers were also distributed to multiple businesses in Leeton, throughout the CBD and directly at some major businesses. They were also distributed in Murrumbidgee, Yanco and Whitton PO / shop. As well as electronic media, Council made a	

		concerted effort to provide information on multiple occasions via the newspaper and on radio. Notification commenced at least 4 weeks ahead of the consultation sessions.	
4.13	Disrespectful of Mayor, GM, staff and councillors to sit with their backs to residents during public meetings – they should have faced the attendees	This was definitely not the intent and we apologise if it was perceived this way. The Mayor welcomed everyone and the General Manager stood and faced the public on several occasions to answer questions. Councillors chose to sit in the audience with their constituents to signal they were listening.	
4.14	Answers changed from meeting to meeting – no doubt purposefully designed to confuse. Poorly executed, ‘spin’, convoluted. Should have provided easy to read, accurate, financial documents	Answers would only have changed in response to changes in questions. Nothing was changed in terms of the content of the presentation. Rates/rating categories is a complex issue and a genuine attempt was made to make everything as clear as it could be. At each meeting, flyers were made available to all attendees on entry. Those flyers directed readers to Have Your Say and Council’s website where all the detailed documentation could be found. All of Council’s financial statements are readily available on Council’s website.	
4.15	Disappointed council did not turn up at the last meeting at kiosk	There were 7 public meetings about the SRV and the Mayor, General Manager and senior staff attended them all, along with some councillors. There was no public meeting scheduled at the kiosk – it was advertised as a one-on-one drop-in session for ratepayers to come and ask their specific questions. All the senior finance staff were in attendance to answer any complex financial questions, along with some councillors. Separate to Council, a community rally was organised at that same time and Council was not notified or invited to attend. Councillors and staff remained at their post at the kiosk as had been publicly advertised. The Mayor, Deputy Mayor and GM were not in attendance at the kiosk as they were at the Annual LGNSW Conference discussing the many challenges being faced by the sector, most especially rate-pegging and its impact on the financial sustainability of councils across NSW.	

5. SUGGESTIONS ABOUT SERVICES AND SERVICE LEVELS, WASTAGE AND GETTING BACK TO BASICS

		Management Response	Proposed Action
5.1	All services are necessary – do not cut any services	Noted. The purpose of the SRV as recommended is to ensure Council does not have to cut services.	Recommend Council proceeds with SRV application
5.2	<p>Downsize Council to a ‘beer budget’, not an expensive ‘champagne one’. Don’t pursue extravagant projects best suited to cities and large country towns.</p> <p>Council needs to realise it can’t grant every wish for facilities and services. Council’s vision for the Shire is too ‘fancy’; get back to basics. Stop trying to match major city councils.</p> <p>Focus on safety, not beautification. Stop waste like Art Deco façade painting, CBD upgrades, astroturf near the library, Tesler Electric Vehicle Charger, Leeton number plate, decorations or bike paths that go nowhere – spend money on roads instead.</p> <p>Get priorities right – forget about birdwatching and art / sculptures or welfare for refugees and migrants. Stop doing projects for the minority like pool and Roxy and skatepark</p> <p>Scrap projects of little value and direct funds elsewhere. Don’t sacrifice home ownership for ‘fountains and festivals’</p>	<p>Council gets its direction about community aspirations through the Leeton Community Strategy Plan. Council believes its activity reflects the priorities put forward by residents and stakeholders.</p> <p>Council undertakes extensive community engagement before proceeding with major projects.</p> <p>Value is difficult to define. What might be of little value to one person is highly important to another. A case in point is the planting of annuals in the roundabouts of Leeton. Some people view them as a costly exercise that is ‘of little value’ while others think they are wonderful and would be distressed if the practice was discontinued. Some residents see the pools as critical assets for teaching children to swim and coping with our (usually) extremely hot summers, whereas some people who don’t swim consider pools a waste. Some residents welcome the skatepark as an important asset for youth and young children, while others see it as non-essential. Council grapples with these sorts of tensions each year when determining priorities and responding to community requests.</p> <p>Drought funding helped seed the Art Deco Façade Painting Project in the CBD. Each building owner who benefited initially paid 40% of the costs and that money went into a kitty to fund further façade painting. Latterly benefitting property owners now pay 50%. Eventually the kitty will run out. The Façade Painting Project has a two-fold purpose. It helps protect the town’s Art Deco Heritage and it helps local retailers and the economy by freshening up the CBD. A tired-looking town attracts fewer visitors and fewer dollars than one that’s well presented.</p>	<p>In relation to future CSP and capital project engagements, Council to introduce more information and greater discussion on the ongoing costs of delivering existing services or proposed new or enhanced services.</p>

		<p>The Tesla charger was provided to Council at no cost. Council does fund the ongoing costs.</p> <p>Council will continue to engage with residents about priorities. Reflecting on feedback, Council could and should do more to ensure the costs of projects – capital and operations – are better understood by ratepayers when doing public consultation.</p>	
5.3	Pull the belt in. Cut your cloth accordingly. Live within your means / available budget	<p>Council is committed to continue to seek savings. Already, in 2022, \$600K of depreciation 'savings' have been identified and articulated in the long-term financial plan. The recommendation in the November SRV report to Council proposes finding a further \$290K of savings by the end of year 5 of an SRV. Council could undertake additional service reviews in its efforts to find the required levels of savings. It is not possible to keep current service levels and service standards, as well as close the infrastructure backlog, without an SRV. Council notes the ideas the community has put forward in section 9 below for finding savings and will give these further consideration.</p>	<p>Propose finding \$290K of savings by end of year 5 of SRV if it proceeds.</p> <p>Propose to undertake two service reviews per annum to ensure services are running as efficiently and effectively as possible.</p>
5.4	There was nothing wrong with the old Gogeldrie Weir – don't waste money on new plans	<p>The plans have already been developed in consultation with the community and were adopted in 2021. \$300,000 was allocated for what were considered to be necessary improvements/repairs in the 2022/23 Budget but the remainder of the plan will not be carried out unless grant funding is secured. The current Council does not wish to embark on further capital works that are not essential.</p>	<p>Publish recent and planned costs, including ongoing operational costs of Gogeldrie Weir, for the community's feedback ahead of the next Annual Plan.</p>
5.5	Electronic screen at western entrance to Leeton is an unnecessary waste of money	<p>Council received government funding for the screen. The aim of the screen is to promote local events to increase participation and economic activity as well as relay other important matters to the community and visitors. Council gets positive feedback about the screen messaging and has received suggestions that a similar screen should be erected on the eastern entrance to the Shire between Yanco and Leeton.</p>	<p>Council to provide direction on electronic sign on eastern side of Leeton.</p>
5.6	Pool was adequate and the upgrade was unnecessary. Lack of transparency about ongoing operational costs	<p>The Leeton Pool did not meet health regulations and, at 50 plus years old, was at the end of its useful life. It had to be renewed. Following extensive community consultation the Pool Redevelopment project was</p>	

		<p>established as Priority 1 under the Leeton Shire Council Financial Year 2017-2021 Delivery Program. During consultation the key aspects of the works that the community wanted delivered were:</p> <ol style="list-style-type: none"> 1. Additional lanes to support swimming events and carnivals. 2. Disability access ramp for ease of access and in order to comply with disability access requirements. 3. Improved toddler/child play facilities. 4. Replacement of existing aging water slide. <p>It should also be noted that \$3M of the pool project was grant funded by NSW Department of Premier and Cabinet. Council has increased solar energy generation and variable speed drives with pumps at the new pool to reduce energy costs.</p>	
5.7	<p>Roxy was adequate and the upgrade was unnecessary. Buying the two shops next door was unnecessary. Lack of transparency about ongoing operational costs</p>	<p>The Roxy did not meet work, health and safety and disabled access requirement standards. Its functionality was limited due to the raked floor and it was expensive to run for only a few customers. There were several structural concerns too. Something had to be done. Extensive public consultation established that there was little / no appetite to alter the existing heritage footprint to accommodate rehearsal rooms etc and an overwhelming desire to spill those activities into the two shops next door which Council acquired. Close to 50% of the Roxy project is grant funded, with a further \$1M pending.</p> <p>In terms of ongoing operations, Council has always stated its intent to only fund them at the old levels, plus CPI and adjusting for increased depreciation. To this end, Council is exploring the idea of an external service provider with charitable status running the facility – an organisation geared up to access philanthropic funds not available to local government. That organisation would also run a performing arts ‘school’ generating economic activity in Leeton and seeing the facility utilised 7 days a week. Already NIDA has selected RIPA (Roxy Institute of Performing Arts as its regional partner in NSW).</p> <p>A service level agreement would be drawn up with the external provider to ensure regular community use is accommodated in the annual program at community prices – eg Eisteddfod, Art Deco Festival, Outback Band Spectacular, school prizegivings etc.</p>	<p>Notify the community when a formal proposal is put to Council on the ongoing operations of the Roxy Community Theatre.</p>

		<p>When development approval was given by the Western Joint Regional Planning Panel, the chairman of the panel noted that there had been no objections to the proposal, only significant support, and complimented Council on the extensive community engagement that had occurred in the lead up to the project plans being finalised and lodged for development approval.</p> <p>It should be noted that as well as being a modern theatre / cinema and performing arts school, the Roxy will also serve as Leeton Shire's town hall. There will be a strong focus on services to youth.</p>	
5.8	Waste to build new classroom at LELC with no guarantee it can be staffed	<p>The decision to build the new classroom was made because the community desperately needs more childcare. The Leeton Early Learning Centre has a current waiting list of 135 children. Whilst it is acknowledged that finding trained staff in the current climate is challenging, Council is confident that it will be able to recruit the right people.</p>	

6. CONCERNS ABOUT OVERSPENDING AND MISMANAGEMENT

		Management Response	Proposed Action
6.1	WASTAGE AND OVERSPENDING		
	Overspending is a concern – expensive decisions like paying Riverina Regional Library to run our library, paying towards private hospital in Griffith and paying for road works at Whitton Malt House	The \$100K contribution to St Vincent’s in Griffith from Leeton Shire was from a private benefactor via Leeton Shire, not rates. The developers of the Whitton Malt House invested more than \$10M of private funds in the project and paid 1% of that in developer contributions to Council. Given the significance of the project for attracting tourism to the Shire, Council saw fit to direct funding into roads works to make the turnoff into the facility safe. Joining Riverina Regional Library is not more expensive – it is in fact slightly cheaper than running our own library, has provided significant systems improvements, and offers a much-improved level of service for library users.	
6.2	Stop reckless spending. Stop all overseas trips	The only overseas trip since 2015 was when Council sent the then Tourism and Events Coordinator to Napier to learn from the Napier Art Deco Festival. She was accompanied by Cr George Weston who paid all his own costs. The GM has not travelled overseas in her role.	
6.3	Why was Vance Estate Stage 2 sold at below market value? Why is Vance Estate Stage 3 being offered at discount rates (5%)	There is a highly competitive market currently with many councils vying to attract new businesses to set up. For this reason, Leeton Shire Council is seeking to incentivise new business establishing in Leeton. While Vance Stage 2 was on some occasions sold slightly below value by the previous Council, Stage 3 is being sold at least at full market valuation. The discounts being offered of 5% relate to building being completed within a short time frame, again to incentivise job creation locally and prevent properties being sat on for land banking. The sale of the land and grant funds are being used to fund the development, not rates, although the initial set up costs may be loaned from reserves.	
6.4	GM is known to have entertained Roxy engineers at Whitton Malt House for a weekend at ratepayers’ cost.	This is entirely not true or correct – not only for Roxy engineers but any other contractors to Leeton Shire. In fact, the GM does not entertain any contractors whatsoever.	
6.5	MISMANAGEMENT		
6.6	No confidence in Council’s Asset Management data. Why are Asset Management Plans on website from	Council’s Asset Management processes are maturing – it is acknowledged that they are a work in process and do not yet represent	

	2016/17 – surely they should be more current than that?	<p>best practice. It is also acknowledged that the individual plans are now outdated but the Strategic Asset Management Plans that have underpinned the Long Term Financial Plan are current. They can be found here: https://www.leeton.nsw.gov.au/Your-Council/About-Council/Plans-Strategies-and-Reports/Resourcing-Strategy</p> <p>Council’s asset data underpinning Long Term Financial Planning is robust, fit for purpose and aligns with industry standards. From here detailed Asset Management Plans will be updated alongside an Asset Management Policy to guide future decision making. Going forwards plans will be reviewed and updated annually.</p>	
6.7	If using external valuers for asset valuations is ‘best practice’, on what basis has council found \$600K in depreciation savings?	Council’s Audit Risk and Improvement Committee (ARIC) commissioned an independent review on depreciation. High level findings are that road and building annual depreciation expenses are relatively high compared to other councils of our size and capacity. This review has identified \$600K of depreciation savings.	
6.8	Council’s debt is too high	Leeton Shire Council has low debt. Council is required to disclose our ability to service debts. The ratio measuring ability to service debts is known as the debt service cover ratio. This ratio is included in Council’s annual financial statements which are available on our website. The industry benchmark identifies a debt service cover ratio of greater than 2 at being acceptable. As at 30 June 2022, Council’s ratio was 11 for the General Fund. (Source: Pg 83, 2021/22 Annual Financial Statements). This indicates a strong capacity for Council to service its debts and increase borrowings (if required).	
6.9	Relying on volunteers to run the VIC is not right	Council has five services that rely significantly on the valued contribution of volunteers – the Visitor Information Centre; the Leeton Museum and Art Gallery; the Leeton Golf Course; the Yanco Community Hall and the Whitton Community Hall; and the Whitton Museum. These groups of volunteers provide direct services, reducing the burden on rates and providing levels of service that Council could otherwise not afford. There is also the Murrami Community Hall. There are currently no volunteers to manage the operation of the Murrami Community Hall, which means that Council will have to carefully consider the future	

		of the hall and how it is run. Council intends to maintain these volunteer-run services.	
6.10	Does Council do profit and loss reviews and financial forecasting?	Council undertakes monthly financial analysis for its Senior Management Team and, for Councillors, quarterly forecasting (quarterly budget review), annual reporting and long-term financial forecasting (long-term financial plan). All of reports to Council are publicly available.	
6.11	Need to understand and reign in actual expenditure per employee (not just wages or salary)	Council has already undertaken reviews on overtime and penalty rates, and found savings. The most significant of these was moving to an after-hours service which triages what is critical and what can wait until the next working week. Council is already committed to additional service reviews to ensure a consistent focus on improvement, including overtime. No staff, including senior staff, get any perks above private use of vehicles, commuter use of vehicles or vehicle allowances. Staff that have private use or commuter use of vehicles pay fortnightly towards these costs from their wages.	
6.12	What has LSC actually done to be more economically viable? What efficiency drivers have been employed?	Council has made good use of relevant technology and specialist equipment including but not limited to solar panels, LED lighting, variable speed drives, road building equipment and use of alternative materials such as spray seal instead of asphalt. Council has also introduced an afterhours service to reduce overtime costs and penalty payments. Depreciation has also been reviewed and savings found.	
6.13	Need an urgent review / forensic audit to understand why financial situation has got so bad The necessary audits have obviously not occurred	The situation being faced today was forecast in 2015 in the Long-Term Financial Plan. Council is independently audited annually by the NSW Audit Office (via their delegate, Crowe), which includes both financial audits and performance audits. The issue of long-term financial sustainability has been routinely notified to ratepayers in every Annual Plan and every Annual Report since 2015. See Appendix 1 of this report for a synopsis of those notifications. Council has undertaken a comprehensive review of its financial situation as part of the preparation of the Long Term Financial Plan. Council has consistently fulfilled its statutory auditing requirements.	
6.14	Poor financial control - staff with financial responsibilities are considered inept and don't	Council ensures that staff with financial responsibilities have appropriate qualifications and experience and are continuing to work	

	<p>question enough; alleged GM has sent other councils broke; train councillors to understand a balance sheet; need to do whole of life costings for projects</p>	<p>on improving level of financial analysis to support management and the elected Council. The Group Manager (Director) Corporate is a CPA and has vast experience in a multinational company. The Manager Finance has relevant tertiary qualifications in finance and is vastly experienced in the local government sector.</p> <p>Councillors are provided with training opportunities including in local government specific financial governance. Council is fortunate to have a very experienced local government auditor (CA) as independent Chair of its Audit Risk and Improvement Committee and a Councillor who is CPA accredited and has vast experience as a financial controller. Both ask very probing questions to ensure the organisation's financial management is sound. There are also business owners on Council.</p> <p>Whole of life costings are conducted for all projects. There is scope to ensure the general community is made more aware of these costings during project engagement.</p> <p>As presented, the position Council is in regarding financial sustainability of the General Fund relates to the "broken" financial framework local government is forced to work under where rate-pegging prevents councils from collecting rates to cover the true costs of services.</p>	
6.15	<p>This SRV Proposal is the General Manager's proposal. Councillors must demand accountability from GM and staff in leadership as they have allowed the financial position to deteriorate</p> <p>Why has financial sustainability issue only just come to light? Council must take responsibility for utilising cash reserves over recent years and explain openly and honestly why the general fund is now inadequate</p>	<p>It is the responsibility of the General Manager and senior staff to point out issues to Councillors and to make recommendations on how to address those issues. On her arrival in Leeton the General Manager immediately presented to Council the challenge of remaining financially viable (in the form of an Improvement Plan that was presented to IPART). Initially Council opted to seek savings and new revenue streams, with some success, but these were soon overtaken by low rate pegs and a new focus on asset renewals as the NSW government started to make significant grant funding available. In early 2018, the GM arranged workshops with Councillors to consider Council's financial sustainability and proposed an SRV, but Council was reluctant to pursue one at that time. An SRV was raised again by the GM the following year but as the drought was biting Council felt the time wasn't right. For the next two years Council made considerable income from the sale</p>	

		<p>of water, which masked the operations funding gap. The COVID-19 years saw many people lose jobs and income, so it was not appropriate to introduce a rate hike during that time either. Nonetheless the General Manager made very clear the financial situation Council was facing – see Attachment 1 of this report. The situation today sees water sales at rock bottom; costs outpacing income and a General Fund reserve gradually becoming depleted. It is not yet a crisis but to stay solvent the General Manager has advised Councillors they must act now by increasing income or reducing services.</p> <p>Good financial management has meant that not only were the Councillors fully informed about the issue being faced from the start, but Council also had the reserves in place to weather a few years of operating ‘in the red’. This meant it was possible to delay the SRV discussion but that discussion cannot be put off forever. The new Council unanimously agreed to consult the community on an SRV, with the preferred option at the time being a cumulative amount of 52.52% over 2 years, including the rate peg.</p>	
6.16	Council is double-dipping as we now pay for tip fees as well as bin charges	<p>Landfilling fees are unrelated to the SRV. However, for information, there are three types of charges:</p> <ul style="list-style-type: none"> - Kerbside collection (only for those that received the service and it includes the costs for disposing to landfill) - Waste management charge (to cover the cost of administration and operating a landfill – all ratepayers pay this charge) - User-fees (for those persons / companies disposing of waste directly to landfill). <p>Historically, for domestic purposes, user fees have been worn by Council with no offset revenue. In 2021 the NSW Government released a document known as the “NSW Waste and Sustainable Materials Strategy 2041”. This document outlines a series of mandated items all landfills across the state must comply with, including implementation of a FOGO service by 2030 and 80% waste diversion targets by 2030. These mandates are putting extensive pressure on councils who run waste management and landfills across the state. Leeton Shire was one of the last councils in NSW, if not the last, to provide free domestic access to the landfill.</p>	

		The new domestic gate fees have driven an increase in recycling at the landfill by 160% since the fee for service methodology was adopted.	
6.17	Our tip money is being used to pay for the Roxy and the pool	The funds associated with waste management are internally restricted. This means the funds associated with waste management cannot be utilised by any other department outside of the waste services within council.	
6.18	Murrami pays for kerb and guttering but does not get the service	This matter needs to be investigated.	A report on findings to be presented to Council by the end March 2023
6.19	Council is double dipping charging rates and then also charging entry fees to council facilities	Council is not double-dipping in charging rates as well as entry fees. The operational costs of these facilities are paid for by a mix of rates and entry fees. Council is trying to balance between user pays and overall benefit to the Shire of having the facility. The Shire does not have a large enough population to generate sufficient income from fees to operate facilities such as the Leeton Regional Aquatic Centre. Council does not want to increase fees to a level that discourages residents from using the facilities, so rates covers the gap.	
6.20	Instead of charging more rates, Council should access its considerable investment funds to closing the operations funding gap	This is exactly what Council has been doing in recent years, but the General Fund reserve will soon become depleted. The analysis of the cash position has been an important part of the long-term financial planning process and this indicates that future funding is required.	
6.21	Stop paying legal costs for GM every time she's taken to court for wrong doings	The General Manager has never been taken to Court for wrong doings.	
6.22	Restructure from three to two directors in 2016 saw director salaries go up from \$130K to \$200K. Now back to 3 directors at the higher rate even though they have less experience and are less qualified.	This information is incorrect. Firstly, the two-director structure was the first time senior staff as defined under the <i>LG Act</i> were introduced to Council. They were on performance-based contracts. They were to operate at a strategic level and their PDs were different to the previous directors who were strongly operational. Council no longer has senior staff on contract but permanent Award based Group Managers. Salaries have dropped commensurately. Secondly, the pay comparisons are not comparing apples with apples. The first figure is comprised of wages only, not complete salary packages. The second figure encompasses total salary packages, which include superannuation and private use of vehicles.	

		<p>Thirdly, the comment regarding experience and qualifications is a matter of opinion which is unjustified. No concerns have been expressed by Council that suggest that the senior management team doesn't have a good mix of the qualifications and experience to successfully lead the organisation. Importantly, the GM has full confidence in the Senior Management Team who work constructively and cohesively.</p>	
6.23	<p>Council employed special project and procurement staff, yet projects have gone wrong – what is the value of these positions?</p>	<p>Assuming this comment is in reference to the pool waterslide, procurement was undertaken by the builder via his subcontractor, not Council. The issue being faced is that Council staff endorsed the selection of the slide despite the builder's stated reservations.</p> <p>Council – via its Audit, Risk and Improvement Committee – has undertaken internal audits on project management, contract management and procurement. Council needs suitable resourcing to implement the improvements identified. These include policy, system and process improvements. Good progress is being made. Council's procurement coordinator has recently even won a Local Government NSW Procurement Award.</p>	

7. CONCERNS MAJOR CAPITAL PROJECT HAVE BEEN POORLY MANAGED / OVERSPENT

		Management Response	Proposed Action
7.1	GENERAL		
7.1.2	Poor decision-making processes	Council has instituted a Project Management Office and put systems in place to support good decision making. Processes are continually being improved. Management does not defend some regrettable decisions made in relation to the Leeton Pool but advises that the matters in question are not clear cut. Given the contractual complexities and the status of ongoing negotiations, the community is respectfully asked to understand that public information about the pool will be limited for a period. In time, there can be fuller disclosure.	
7.1.3	Capital Projects – Pool, Roxy and CBA have caused the rates rise	The need to close the gap in general fund operations and catch up the infrastructure backlog was first identified in 2015 and has remained a feature of all budget and annual report commentary. General Fund operations do not include the capital costs of major works but it is acknowledged that major projects do impact depreciation and interest on loans, where relevant. However, in the larger scheme of things, these impacts are minor. The key point is that the proposed rate rise was needed prior to the Pool, Roxy or CBD projects and the SRV has not been triggered by any of these projects.	
7.1.4	Should have used only local contractors for major projects – they are more invested in getting a quality job done.	Council would be pleased to use local contractors and we do whenever we can. Council also has a local preference policy. Under the <i>LG Act 1993</i> , councils are obliged to put all projects over \$250K out to public tender. This is with a view to getting the best value for the community. For most of the larger projects, local companies are often not willing to take on the risk. However, they are often willing to work as sub-contractors so even if the head contractor is not from Leeton, local trades do have an opportunity to submit quotes. Council continues to encourage local contractors to sign up to VendorPanel.	
7.1.5	Why are major projects experiencing budget blow outs? These need to be better explained. Lack of transparency about projects and their true costs.	There are effectively only two matters that can be considered unexpected project ‘blowouts’, one being the replacement slide and toys at the Leeton pool and the other being dress circle seat replacement at the Roxy after a fire engineer determined they were flammable and did not meet fire compliance standards.	

		<p>In both cases, the Council voted to fund the remedial actions before procurement commenced and there were media releases issued to explain the situation. In the case of the seats, the Roxy Redevelopment Committee has undertaken to fundraise \$300K to re-imburse those costs, with Council underwriting them in the meantime.</p> <p>Responsibility for repairing the leaks in the pool may be disputed by the builder in due course, but currently Council has funded the repairs from withheld contract funds.</p> <p>Council staff present quarterly capital works updates to the elected Council in open Council. Details of any risks or challenges are presented in the business papers which are publicly available. Where projects have had challenges, these have been reported in The Irrigator, on social media (FB) and on Council's website. It must also be said that in the current economic climate, construction costs nationally have soared (between 10% and 30%) and are showing no signs of slowing. Freight costs, raw materials, labour and fuel costs continue to place upward pressure on developments. Whereas councils typically catered for contingencies of 5 to 8 %, nowadays councils need to plan for 20% to 25%.</p>	
7.1.6	<p>Why are projects running over budget when Council has received grants?</p> <p>The Shire has run out of funds to complete the Roxy.</p> <p>Shire should have got grants to help pay for the Pool and the Roxy.</p> <p>Shire should use its investment funds to finish the Pool and the Roxy instead of asking ratepayers</p>	<p>No capital projects have directly triggered the SRV and no capital projects have run out of funds.</p> <p>For the pool, Council received a grant of \$3M towards a \$5M build. The difference was funded via a loan as the pool will last at least 50 years, delivering an intergenerational benefit. The replacement slide and water toys have been funded from the pool reserve funds (part of the General Fund reserves, not General Fund operations).</p> <p>For the Roxy, Council has secured grants totalling \$5M towards the build, with a further \$1M pending for items being procured separately by Council (including sound, lights, hearing augmentation etc). These grants amount to around half the total project cost (build, consultants, power supply upgrade, project management etc). The remainder will</p>	

		<p>be funded via loans, reserves and developer levies. Again, the useful life of the Roxy will be intergenerational which makes the project very suitable for loan funding.</p> <p>Council can use its General Fund investment funds for capital projects, and does. In some circumstances, Council can also borrow from water, sewer and waste reserves at commercial interest rates, which avoids bank fees and charges. This has not yet occurred but will be investigated. It is encouraged by Council's independent Audit, Risk and Improvement Chairman.</p> <p>Leeton Shire Council has low debt and good capacity to pay back any loans.</p>	
7.1.7	Wamoon sewer is still not yet delivered	<p>The first set of detailed design plans for Wamoon Sewer were rejected by the funder who decided the sewage had to be piped back to Leeton and not treated close to Wamoon. The funder also required Council to redo the benefit cost ratio to ensure the project still met their funding criteria. Achieving a BCR above 1 was challenging for a small village like Wamoon. Revised designs; revised business cases; extensive debate about the merits of the project for 68 properties and an approval process that required sign off from multiple government departments, slowed down delivery of the project. The contract has now been let and works will commence in early 2023 after consultation with individual householders about how the new scheme will connect to their property. Council acknowledges the residents of Wamoon are feeling frustrated and thanks them for their understanding and patience.</p>	
7.1.8	Took on too many big projects at once without long term budgeting	<p>It is acknowledged that the significant increase in capital works has placed heavy demands on Council staff.</p> <p>However, Council deliberately decided to take up the unprecedented grant funding opportunity realised through the sale of NSW "poles and wires" to deal with aging assets that were at the end of their useful lives or that were non-compliant. Both the pool and the Roxy no longer met compliance standards. Pursuing grant funding saved the Council and its ratepayers multi-millions of dollars that Council would have had</p>	

		<p>to fund itself to upgrade and/or renew the assets. (Most councils across NSW availed themselves of this same opportunity, including neighbouring councils).</p> <p>The elected Council considered that these grant funding opportunities would not be repeated for many decades into the future and wanted to be sure Leeton Shire got “its share” while funds were being made available.</p> <p>To support the process and being mindful of Council’s own resourcing limitations, a Special Projects Manager role was introduced to support asset managers and, later, a Project Management Office was introduced (1FTE, redirected from systems analysis) to support Project Control Groups, management reporting, governance reporting and systems improvements.</p> <p>Again, it should be noted that Council’s capital projects did not trigger the need for an SRV although they will contribute to the need via increased depreciation and interest on loan funds, where applicable. An SRV was identified as being needed back in 2015, well before the Roxy and Pool redevelopments were conceptualised.</p>	
7.1.9	Do not start projects if funds are not available to complete. Council should not have commenced any projects before receiving all the funding.	Council has not and did not commence any projects before the necessary funding was voted. If this comment is in reference to Council waiting for the Coalition Government’s election promise before proceeding to Stage 2 of the Roxy build, it should be noted that Council had already resolved to cover the difference via a loan if the final round of funding was not forthcoming. In total, Council has received \$5M of grant funding for the Roxy with a further \$1M pending for items Council is procuring separately.	
7.1.10	Need better contract management to stop price gouging. Ensure smarter contract and project management. Be more alert to price gouging	A special projects manager role was introduced 3 years ago to support asset managers with internal project and contract management. In the last year, a Project Management Office was introduced (1FTE ³ , redirected from systems analysis) to support Project Control Groups, management reporting; governance reporting and systems	

³ Full-time equivalent

		improvements. All major projects like the Roxy and Pool have independent superintendents to ensure payment claims are valid. DCWC is the superintendent for the Roxy and FDG is the superintendent for the Pool.	
7.1.11	Almond Road footpath needed rework	There are no sections of the Almond Rd concrete footpath that have been reworked. Filling in of the Almond Rd drain between Petersham Rd and Lansdowne Estate to provide a safe walking space did require rework. This is due to the extensive wet weather incurred for the duration of the project. Council staff made a conscious decision midway through the schedule to pause works for a period to avoid further rework having to be done.	
7.1.12	Need an independent person to audit tendering and procurement processes. Need an external review of council operations	Council's Audit, Risk and Improvement Committee commissioned an internal audit of procurement a few years ago and project and contract management more recently. There are improvement plans for both, which are being implemented. Council also commissioned an independent report on staff levels. Council's staff numbers are at the median for similar sized councils. Council also does regular benchmarking. Council's General Manager and senior staff are not paid more than the median and are paid less than the General Managers and senior staff of any of Leeton Shire's immediate neighbours.	
7.1.13	The jetpatcher is a waste – doesn't do the job properly	The jetpatcher provides a cost-effective way of restoring the waterproofing membrane of the road seal when potholes occur. Other methods exist for this work; however, it would require full resealing of the road, or pavement rebuilding. This is unfeasible and costly in most circumstances. Jet patching is a common repair method utilised by the local government industry. It would be fair to say that the recent wet weather has made the task more difficult. The NSW government has recognised the significant increase in potholes since the rains started and has made \$50M available across the state to remedy the situation.	
7.1.14	Do better feasibility studies and business cases. Do more research upfront to better understand costs and risks	Council routinely does feasibility studies and business cases for all major projects. These are always undertaken by reputable agencies. Risk identification and risk mitigation is standard for all project government and project management.	

7.1.15	Council should better publicise cost of projects for community comment before proceeding. Concern that false information has been given about the costs of capital projects. Constant lack of transparency from management about constant project failures and budget over-runs. Community was never alerted to what happened at the pool	<p>Management does not agree that community has not been engaged or that costs have not been well publicised. For the Roxy and CBD there were even community committees convened to augment the engagement process. Pool engagement involved extensive consultation with schools, swim clubs and patrons, with costs communicated clearly to community.</p> <p>No false information has been given either about the cost of projects. If the writer is referring to the increase in costs for the Roxy, perhaps they missed notification of Council's decision to purchase the next-door shops and expand the footprint of the project. There were members of the community in attendance when Council made the decision to proceed with the Roxy, mostly in support.</p> <p>Council receives quarterly reports on capital projects from the PMO (Project Management Office) in their business papers. While Council works hard to engage with the community via annual plans, the annual report, social media and print media, it is possible that as projects develop, the community might not be abreast with the latest changes. Management does not agree that the community was never advised of issues at the pool. There were media releases, social media posts and Irrigator articles covering the topics of the slide, toys and leaks.</p>	That Council puts out a quarterly update in The Irrigator and on social media summarising the status of all major projects.
7.1.16	Wade Ave South went over budget	Wade Ave South was delivered on budget.	
7.2	LEETON POOL		
7.2.1	Pool issues include slippery concrete, leaky pipes and non-compliant water slide. Was planning and procurement done properly; errors need to be investigated? No proper process to select the company who built the pool.	<p>There was thorough planning undertaken by a reputable architectural firm with vast experience designing and building public swimming pools. They ran the tender too. In hindsight, procurement of elements of the project (such as the slide) would be done differently. Of note, all tenders came in over budget, so Council resolved to reject them and negotiate with a preferred tenderer to achieve a result within the voted budget (of \$5M at the time).</p> <p>Going forwards, management will more carefully consider which projects or components of projects are suited to value engineering, and which are not. In hindsight it may have been better to ask Council to increase the voted budget than endeavour to achieve an outcome with lessor quality materials.</p>	

		Errors have already been investigated with professional reports from relevant experts on a variety of matters.	
7.2.2	Stop procurement of slide – we do not need a slide at the pool. Why compete with Narrandera’s pool that is run by a private company?	There is wide community anticipation for the slide, especially from Leeton Shire’s young people. Also, Council has resolved to proceed and contracts are almost finalised for the replacement slide. It is reiterated that the capital cost of the slide is not the trigger for a proposed SRV.	
7.2.3	Who signs a contract that doesn’t cover poor workmanship?	The contract was an AS4000 contract and most certainly covers poor workmanship.	
7.2.4	Pool project has not delivered any service uplifts, including not being sufficiently heated to support swimming lessons for small children	These additions are an increase in service, include water quality for public health purposes. Swimming lessons for small children are being successfully run from the revitalised pool complex. It is noted that this summer season is unusually cool.	
7.2.5	Work at the pool is having to be redone as it wasn’t done properly the first time. There needs to be greater accountability for the pool project. Council has failed to hold staff and contractors accountable for problems. Council should have withheld payment to pool contractor so as not to be out of pocket. Ratepayers are paying for the mistake of the pool contractors	Rework is acknowledged for some elements of the build. Responsibility is still being determined, with varying reasons identified. Council has withheld funds and used those funds to undertake repairs. This may be challenged. Council will advise community in due course about who will have to pay for what and why.	
7.2.6	How much money is in the pool reserve? How is the slide being funded?	As at 30 June 2022, Council has \$520K in the pool reserve. The slide is being funded from last year’s reserve funds (rolled over into current financial year). The replacement slide is costing \$887,079.	
7.2.7	The pool still isn’t open. It’s still not working. The pool still leaks. The pool has been destroyed	The pool is open. This is the third swim season with the new pool. It no longer leaks. The pool has not been destroyed. Council continues to watch for any signs of any defects, as we do with any works that get contracted out.	
7.2.8	Why is the slide dumped at the tip?	The slide is being stored at the landfill – it is not dumped at the tip. There is space at the landfill. Council will endeavour to recoup the costs of the non-compliant slide componentry.	

7.3	ROXY COMMUNITY THEATRE		
7.3.1	Stop Roxy build now – go to fixed staged contract with the likes of Joss who have experience and capability	Council cannot stop the build. Council has a build contract with the Lloyd Group. Council staff formally meet with the Lloyd Group site managers weekly to monitor progress and discuss issues. Being a 90-year-old state heritage listed building, it is being treated with ‘kit gloves’. Council has received \$5M in grant funding for the project and there is a further \$1M pending. The Roxy redevelopment is not a trigger or significant contributor to the proposal for the SRV, which is about general fund operations.	
7.3.2	Should have done more research on Roxy before upgrading it. Project wasn’t planned effectively. Was planning and procurement done properly?	The Roxy build was tendered in accordance with local government tender legislation. The contract for the works was developed by legal firm Maddox. It is an AS4000 contract. Full checks were done on Lloyd Group to ensure capability and solvency before any contracts were signed. The contract is fixed price except for provisional sums for electrical, mechanical and hydraulic. There was significant planning undertaken by heritage architects, structural engineers, electrical engineers, fire engineers, services engineers – all coordinated by WilliamsBoag Architects. There is a superintendent who reviews all payment claims. Payment is only made for works completed and on receipt of a statutory declaration that all sub-contractors have been paid. Council continues to do regular due diligence on the Lloyd Group.	
7.3.3	Roxy unnecessarily lost revenue for over 12 months due to delays in the build project – this is lost income to Council.	The Roxy has never run at a profit or ever at break even. In fact, the Roxy costs Council \$400K per annum for general operations (which includes depreciation and maintenance). Given the Roxy Coordinator role is vacant, and shows and movies aren’t being subsidised at present, Council general fund operations are slightly better off with the Roxy closed. In short, Council has not lost revenue due to delays in the build project.	
7.3.4	Since Roxy closed there is an overpaid Roxy manager sitting idle with nothing to do.	This information is incorrect. The Roxy Coordinator resigned prior to the closing of the Roxy and the position has been kept vacant ever since. Funds have however been redirected to help pay the costs of Council’s internal Roxy Project Manager. It will become necessary to reinstate the Roxy Coordinator position in the foreseeable future to commence planning the utilisation of the upgraded facility.	
7.3.5	The Roxy contractors were sacked. Why is it taking so long to get the Roxy completed?	The Roxy contractors were not sacked. Council continues encourage the Lloyd Group to pick up pace but acknowledges that latent	

		conditions coupled with supply chain and trade challenges, which are being experienced across the nation, are a consideration. The builder is working on a 90-year-old 'grand old lady' and wants to do it once and do it right. The plan is to have the Roxy completed by May and fully commissioned by end June 2023 in readiness for the Art Deco Festival.	
7.3.6	What will NIDA partnership cost the community?	Roxy operations, including any NIDA partnership, will not cost the community any more than the operating cost (adjusted for CPI) when the Roxy closed. Council intends to explore a service level agreement with RIPA (Roxy Institute of Performing Arts) which will have charitable status and be able to secure philanthropic funds that are not currently available to councils.	
7.3.7	Why was grant money spent on the purchase of the Movie Café and Crate Café?	No grant money was spent on the purchase of the two cafes. All Roxy grants have been provided for capital works, not for the purchase of new buildings. Council voted to fund half of the property purchases from loans and half from reserves.	
7.3.8	Quality of workmanship is a concern – wavy roof is an example of that	The new roof iron has been placed on the existing 90-year-old roof trusses. The trusses have warped over the years but are still technically sound for supporting the roof. This creates a slightly wavy appearance but is water tight and effective. The roof structure at the Roxy is not yet complete, with flashings and other elements yet to be installed and finished. Once a crane comes to site, part of the new roof may be temporarily lifted to finalise the install of the new mechanical heating and cooling system. It makes no sense to complete the roof fully until that element of the project is finalised.	
7.4	CHELMSFORD PLACE		
7.4.1	Chelmsford Place has been mismanaged and overspent	Works have not started on Chelmsford Place. The project has been carefully managed to ensure that it won't be overspent.	
7.4.2	Management team has angered community by calling for tenders to destroy Chelmsford Place. Do not proceed with Chelmsford project – our town needs to be functional, not pretty.	The plans for Chelmsford Place have been through extensive community consultation, not once but twice. Further there was a CBD Enhancement Committee established in 2017 with representatives from the Leeton Business Chamber, the Leeton Family and Local History Society, the Leeton & District Local Aboriginal Land Council and community members. Its task was to work with the landscape architects and advise Council, as well as engage with community and local businesses. There was also consultation with the RSL, Hydro	

		<p>Hotel, Emergency Services and Rotary (who built the fountain and the rotunda), as well as a raft of public consultation.</p> <p>The final design plan was adopted by Council, subject to funding.</p> <p>When Council met a series of development planning performance goals, the NSW Gov 'rewarded' Council by allowing Council to apply for a \$2M Public Legacy Fund Grant, for which Council was successful.</p> <p>Besides the redevelopment of Chelmsford Place, this funding was also going to be used to build a full adult disabled toilet and change facilities to Sycamore Street so that people travelling would have the opportunity to have their needs met in Leeton. Unfortunately, costs have gone up significantly in the last year since COVID-19 and the Ukraine War, which renders Council unable to deliver the full vision at this time. At Council's request, staff are seeking a variation from the NSW Government to reduce the scope of the project to fit the \$2M grant. Council has to use and fully acquit the grant by 30 June 2023 or return the funds.</p>	
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8. CONCERNS AROUND STAFF AND COUNCILLOR CAPABILITIES, PERFORMANCE AND COST

		Management Response	Proposed Action
8.1	STAFF COSTS AND NUMBERS		
8.1.1	There have been excessive pay rises. Estimated over \$770,000. There should be greater transparency around wages	<p>There have not been excessive pay rises. Council operates a grade-based system with 3 steps. There are a few professional staff who cross grades as their qualifications and experience increases (eg civil engineers, planners and building inspectors), but for the most part staff remain in their grades with only the annual Award adjustment.</p> <p>The current employment environment is highly competitive so in a handful of circumstances, market rates are applied to secure hard-to-come by professional skills.</p> <p>Council has a policy payoff paying within 10% of the median for similar sized councils and participates in benchmarking to test this from time to time.</p> <p>The General Manager's salary package is public in the Annual Report.</p>	
8.1.2	Too many staff now and significant wage costs – there were fewer staff in 2014, now 3 staff do job of one; unnecessary positions have been created; management is top heavy; several staff stand around watching one person dig; staff asleep in their cars during working day	<p>Council had its staff numbers independently reviewed by LGNSW. It was found that Leeton was in the middle of the pack for similar sized councils and, with childcare removed, on the lower end. Leeton is a lean organisation. Management is not top heavy – on average there are 180 staff (including part-time staff, casuals and trainees) that equate to approximately 152 FTEs. The full management tier of Council, including the General Manager and Senior Management Team, amounts to 16 FTE when all positions are filled.</p> <p>It is not possible to respond to the other comments that are generalised opinions. Anyone with a genuine concern about inefficient working is best to ring the office to speak to management at the time at which such behaviour is being observed.</p>	
8.1.3	Staff numbers have increased in upper and middle management but not at the coalface where it is needed	Staff numbers have increased but not really in upper and middle management. Examples include IT helpdesk, procurement, project management, customer service, child educators, waste and recycling. It	

		is important for Council to be suitably resourced to deliver on its adopted Delivery Program.	
8.1.4	Wages and salaries are too high. GM and Directors/CFO are overpaid (cut by 25%). Staff get pay increases despite the state of the General Fund	<p>Council has a policy to pay within 10% of the median for similar sized councils and participates in benchmarks to test this from time to time.</p> <p>Council is a \$34M business that is diverse and complex. The General Manager's salary package is public in the Annual Report. It is lower than any neighbouring councils. The Senior Management Team are paid less than neighbouring councils too.</p> <p>Council is subject to the LG Award and must honour the wage agreements negotiated with the Unions and LGNSW.</p>	
8.1.5	<p>Staff turnover rate is high. Why do staff get terminated instead of redirected? Over \$600K spent on staff payouts. Staff payouts from unfair dismissals</p> <p>Issues with staff morale and retention of staff, costing Council (staff leaving in droves; expensive payouts from unfair dismissal legal cases)</p> <p>Multiple restructures and unfair dismissals</p>	<p>Leeton's staff turnover rate was lower than the NSW average last year (9.6% vs 13.1% for NSW rural councils). This has been the case for most years since 2015 except for 2019 when it spiked to 18%. With the current competitive employment environment, there is again quite a bit of movement so it will be interesting to compare Leeton's turnover with the NSW average next year.</p> <p>Leeton Shire is not operated as a traditional government bureaucracy. It is geared to be a lean and agile organisation that is responsive to priorities and opportunities that present (at least to the extent possible under the Award and in a unionised workforce). Council management aims to have the right people in the right job at the right time and requires high levels of professionalism and performance. For this reason staff are re-organised from time to time, with only two staff made redundant since 2015. As with any big organisation there are resignations, terminations, and grievances but, relative to the total workforce, the number is small and the direct costs to Council are substantially lower than alleged. The Shire is fortunate to have dedicated and hardworking staff who give over and above to their employer as they are fully committed to serving the community. There is much effort put into offering staff the chance to grow professionally, with approximately \$900 per FTE available for training on average.</p>	

8.2	ALLEGATIONS OF INTERNAL CORRUPTION/POOR PERFORMANCE		
8.2.1	Cronyism / Jobs for Mates / Corruption	Management strongly rejects such allegations. Further, these are general statements with no supporting evidence which seem to aim to smear. There are avenues for community members to lodge allegations of corruption if they believe this to be true. Leeton Shire has not received any such enquiries or complaints about its recruitment practices since 2015 except for student holiday jobs which are now routinely advertised. Council is an EEO employer and undertakes merit based recruitment.	
8.2.2	Low productivity from staff. Too many watching others work.	Responding to this statement is a challenge. This may be a perception. Sometimes for WHS reasons a job needs a spotter who, to the uninformed, may appear to be someone standing around when they are in fact ensuring electrical lines aren't being touched. Any blatant disregard for productivity can be reported by writing or contacting the General Manager.	
8.2.3	Insufficient accountability. There should be KPIs for works and services. Staff need to pay the price for the pool and the Roxy – have they been relieved of their positions?	There is significant accountability through the Delivery Program / Operational Plan, formal reporting, and performance reviews. All staff have KPIs. Council management has a philosophy of continual improvement. Staff are only relieved of their roles if there is wilful disregard of management instruction, dishonesty or consistent failure to compromise the safety of self or others. Staff are guided by a Code of Conduct.	Review productivity measures for teams, including KPIs for works and services.
8.2.4	Dismiss all or some of following: General Manager, Senior Staff, Staff - their SRV proposal is 'arrogant' Sack everyone and start again with people who can do the job. Employ staff with the rights skills and experience to do the job	Staff are doing what they are meant to do – advising Council of the situation and providing options for solutions.	
8.3	COST OF COUNCILLORS		
8.3.1	Stop increasing Councillor wages. Councillors should perform their roles as volunteers (for free).	Councillors are required under law to accept their allowances. Councillors spend significant time doing Council business and their	

		allowances are definitely not commensurate with the time and effort they put in.	
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9. IDEAS FOR COUNCIL TO CONSIDER TO SAVE MONEY OR MAKE MONEY

		Management Response	Proposed Action
9.1	SAVE ON SERVICES		
9.1.1	Do less maintenance. Cut non-essential spending	Council has invited feedback from residents about their ideas to cut costs. Overwhelmingly, most respondents to the SRV surveys don't want to see services cut or reduced. Those who did offer ideas have those ideas listed below. As a general comment, reducing maintenance is not responsible and Council has a legal obligation to ensure assets are maintained in a satisfactory condition (protecting the investment). Doing less maintenance would mean that roads, parks, stadium, pool, library, museum, and other facilities would deteriorate and, potentially, become unsafe or inadequate to meet community needs.	
9.1.2	Cut costs. Cut discretionary spending	To cut costs, the community has been invited to offer ideas on where costs can be cut. These are listed below. It is apparent that one resident's idea on discretionary or non-essential spending may be in stark contrast to that of another person. This is why Community Strategic Planning and community consultation is essential when Council develops up plans for projects that have been floated by local community.	
9.1.3	Don't use consultants	Consultants, correctly procured, afford Council a much more affordable and effective way to bring in expertise or knowledge that is not available in Council's permanent workforce. For example, Council used to have an internal auditor that cost Council \$120K per annum. By using consultants instead, we have halved the cost of delivering that service while still achieving the function. Moreover, the consultants are specialists and better able to perform good quality audits than a generalist. It is important that consultants must have a clear scope of work, a solid contract and their performance must be monitored.	

9.1.4	Cut art deco festival – it's a waste	The Art Deco Festival in 2022 cost \$120K to run with only \$20K of that coming from ratepayer funding. This excludes events staff time. The Art Deco Festival was attended by 3500 plus people in 2022, with over 30% of those coming from out of Leeton and staying in our hotels for up to 4 days, eating at our restaurants and shopping locally. It is conservatively estimated that the ROI to the community is \$300K. Destination NSW has their eye on the Art Deco Festival and helped promote it more widely as they consider it has significant potential as a driver of economic development in Leeton Shire. So does Council.	
9.1.5	Do not proceed with Chelmsford Town Square project	Council has been awarded \$2M grant funding towards this project. Council is seeking a variation to reduce the scope of the project as the tenders have come in over budget.	Update community on status of project after funder has considered variation request and Council has determined if and how to proceed.
9.1.6	Do not undertake any new projects. Finish one project before starting another	The new Council has already determined to slow down any non-essential capital works but intends to complete the funded projects. Fortunately - or unfortunately – following the sale of electricity poles and wires in NSW, the State Government made significant funding available to local communities to renew aging infrastructure. This funding was a one-off and many councils across NSW availed themselves of the opportunity to catch up on works that had been lagging for years. Leeton Shire Council was successful in securing more than \$23M in grant funding over 4 years, saving the ratepayers from having to shoulder the burden of those costs themselves. The kicker is that grants have to be expended and acquitted within a set timeframe. Ideally, it would be much more manageable to finish one project before starting another. However, this could come with the cost of missing out on grant funding rounds that will not be repeated in future.	
9.1.7	Privatise or sell off the Roxy, Pool, Golf Course and Museum. Roxy only gets used X3 per year	These ideas could all be considered in theory. Management is mindful that these are all highly valued community assets so access and affordability would need to be assured. Rather than 'selling' the asset, Council could consider an operations lease to an external party for running the services while the asset remains in Leeton community ownership (Council). Currently Council maintains the Leeton Golf Course, effectively subsidising operations there by around \$120K per	Consider as part of service review the idea of third parties operating the Roxy, Pool, Golf Course and Museum either on a lease or a fee for service basis.

		annum, on average. The Roxy Community Theatre costs the community approximately \$400K pa to operate, the Leeton Pool \$300K; the Whitton Pool \$100K, the Leeton Museum and Gallery \$360K and the Whitton Museum \$65K per annum.	
9.1.8	Close the Leeton Pool – use Narrandera’s pool instead	Management does not consider this to be an idea that would be well received by the majority of the community. Council has already vested \$5M into revitalising the Leeton pool.	
9.1.9	Consolidate underutilised playgrounds. Reduce number of playgrounds. Don’t replace playground equipment so often	This could be revisited. Previously, Council has endeavoured to consolidate neighbourhood parks but without success as, during consultation, communities did not want their local playground or park to be removed. Council does not simply replace playground equipment but does so when routines maintenance shows up wear and tear or risk. Playgrounds must be compliant and meet relevant standards.	Consider consolidating smaller neighbourhood parks and playground equipment.
9.1.10	Consolidate underutilised public toilets	Noted. This would require community consultation and monitoring of use so that informed decisions can be made. Council has previously been opposed to installing shared toilets, and prefers separate male and female toilets.	Consider doing a service review on public toilets – the number, location, cleaning costs, capital plans. Consult with the community.
9.1.11	Stop planting annuals in flower beds – do perennials instead. (It is a waste pulling out flowers twice a year before they have finished blooming).	This could potentially be done however, with weeding, the estimated saving would be minimal. The Community Strategic Plan engagement saw many residents comment on how much they loved the flowers in the roundabouts. Many felt that the roundabouts are a signature for Leeton and foster a sense of pride. Some even said it boosted their mental health during the drought to see the flowers and that the flowers give a sense of daily joy. Visitors to Leeton comment frequently about how welcoming it is to see the flowers when entering Leeton’s CBD. If pursued, this idea would need extensive engagement and a full understanding of the costs and benefits these displays offer. The entrance to the south from Parkview has already been planted in perennials.	Consult the community on the costs and benefits of the flowers in the roundabouts at Leeton’s 3 main entrances (east, west and north).
9.1.12	Cut compliance	Council is unable to cut compliance. Compliance is a legal requirement. Compliance responsibilities and costs have continued to grow over the years as State government passes over more and more responsibility to local government but without any ongoing financial support.	

9.1.13	Move VIC to LMAG and turn VIC into a function centre	Moving the VIC to LMAG could be a consideration. Council will only find savings by doing so if the cost of maintaining this key heritage building in the Shire is covered by another party.	Consider moving VIC to LMAG.
9.1.14	Review budget and cut waste	Management does this already, including reviewing the budget annually and have close regard to actuals the year prior. That said, with continual improvement front of mind, service reviews will be undertaken to ensure services are running efficiently and effectively, with no waste.	Resource the implementation of a program of no less than two comprehensive services reviews per annum.
9.2	SAVE ON STAFF COSTS		
9.2.1	<p>Reduce staff – including automating. Reduce working days to four days a week (especially office staff).</p> <p>Improve staff productivity – try new rosters like 7/4 7/3 to reduce overtime.</p> <p>Freeze office staff wages; reduce GM salary; forgo all bonuses</p> <p>Introduce an immediate freeze on all staff, staff travel and staff entertainment (with any exceptions having to be approved by all 9 councillors)</p>	<p>Service reviews will continue to be undertaken to ensure services are running efficiently and effectively, with no waste.</p> <p>Where practical, some services are already on 7day rosters.</p> <p>Leeton Shire strives to pay all staff within 10% of the median for similar sized councils. Council undertakes benchmarking to test this from time to time.</p> <p>There are Staff Award considerations that must be met. Council does not have the discretion to ignore Award increases which are negotiated with the unions by LGNSW on behalf of all NSW councils.</p> <p>There are GM Contract considerations that must be met. The Leeton General Manager is paid less than any immediate neighbouring Shires.</p> <p>No staff receive bonuses, including the General Manager.</p> <p>It would impractical and an impediment to business to stop all staff travel and seek Council approval each time.</p> <p>No staff at Council have entertainment budgets. From time to time the General Manager, Mayor and, sometimes, Deputy Mayor do have meetings afterhours with visiting politicians or funders or Australia Day Ambassadors etc over a meal but this is the exception rather than the rule.</p>	As above – Resource the implementation of a program of no less than two comprehensive services reviews per annum.

		<p>There is a Facilities and General Expenses policy for Councillors.</p> <p>The General Manager does on occasion make funds available for staff to have celebrations such as staff Christmas functions (meals), reaching a key milestone (meals) or staff farewells (morning teas). Again, these are modest and considered reasonable for any normal business.</p>	
9.2.2	Increase lifecycle of vehicles, phones and laptops	This is already done.	
9.2.3	Make more money – childcare services guarantee income so build more; build new houses; make and sell compost using organic waste	Finding new revenue streams is important as it will reduce the need to cut or reduce services to find savings. Council also owns a quarry and is considering how that could bring in additional funding.	Consider ideas for new revenue streams.
9.2.4	Employ locals to get the town tidy again – stop paying overpriced contractors	<p>Contractors are generally cheaper than day labour, especially for one-off jobs.</p> <p>Council gets quotes or calls for tenders from suppliers of services to ensure ratepayers are getting best value for money.</p> <p>Council has a Local Preference Policy, which means Council is prepared to have local contractors win a job even if their costs are marginally more. There are limits, of course.</p>	Invite community ideas on how this can be progressed outside of creating additional permanent positions.
9.2.5	Remove private use of all council vehicles Don't issue Council vehicles, rather pay staff a small allowance to use their own vehicles for work purposes	<p>Private use of vehicles is part of the employment terms and conditions of some staff.</p> <p>Increasingly, Council is offering vehicle allowances in lieu of private use of vehicles, where this is safe and practical. This saves some costs but is not significant.</p>	
9.3	INCREASE REVENUES		
9.3.1	A prudent Council will put money aside each year	Council does put money aside each year when it has a surplus. The money that has been put aside over the years is what is currently being used to prop up General Fund operations.	
9.3.2	Transfer water and waste surpluses to the General Fund. Utilise cash reserves from other funds (water, sewer, waste) What is council's overall financial position – million stashed away. Use that instead of charging more rates.	<p>Council is prevented by law from doing so. Any surpluses in water/sewer/ waste must be retained in those Funds to be reinvested back into water/sewer/waste infrastructure and service provision.</p> <p>The 2021 / 22 Annual Financial Report and Audited Financial Statements are in the November Business Papers.</p>	

9.3.3	Increase user pays – including Roxy and Pool	Council has a community service obligation and has always taken the position that it is important to set charges at a level that is affordable for most people in the Shire.	
9.3.4	Offload unused assets	Noted. Unused assets are limited.	Council will look for any opportunities to rationalise and dispose of unused assets.
9.3.5	Stop buying top of the range company cars for staff	Different roles in Council have value tiers from which to select vehicles. Council prefers to support local businesses. Council gets the government rate for the vehicles it purchases. Sometimes certain vehicles can be sold close to (or even more) than the original purchase price. Council works to optimise its light fleet procurement and disposal to give Council the best value for money. It is acknowledged that there may be scope for further efficiencies.	Undertake a review of light fleet purchasing and disposal to ensure Council is achieving best value for money.
9.3.6	Generate more income. Look for alternative revenue streams. Make money. Eg by growing childcare business	Noted. Council is currently expanding LELC (its long daycare service). Council will also investigate options for the quarry it owns.	
9.3.7	Gogeldrie Weir should be self-funding. Museum too. Apply a small entry charge at Museum.	While Gogeldrie Weir Caravan Park could eventually be self funding, the playground, public toilets and BBQ areas will likely not. Even with a small entry charge, the Museum will not be self funding. Its current operational deficit is \$360K pa (including depreciation). Council does charge entry fees for special exhibitions, but not for the open “Water by Design” exhibition which is a key drawcard for visitors and locals alike. There is the opportunity for patrons to offer a donation.	
9.3.8	Get more ratepayers – grow Leeton’s population. Open up more residential land	Noted. Council is endeavouring to do this through its Economic Development Strategy.	
9.3.9	Charge non-Shire ratepayers more to use the Shire’s facilities	This can be difficult and expensive to manage. It can also detract visitors to Leeton. Council does this for the landfill operations, but that is much clearer to administer.	
9.3.10	Do we benchmark operational staff performance against other councils?	Indirectly, yes, via the LG Professionals Performance Excellence Program. There is more scope for management to do exchanges or site visits to other councils to observe directly. Certainly, the sector is generally very collegial and willing share information and best practice ideas.	Arrange site visits to other councils to compare how they undertake operations, and how they measure performance efficiencies and effectiveness.

9.1.11	Ask the Federal Government for more grant funding for operations, making sure to leverage their improved relationship with and commitment to local government	The Commonwealth does not offer any grants for operating purposes. However, it does issue the sector Financial Assistance Grants. This used to be 1% of Commonwealth Tax Revenue (CTR) but has slipped to 0.55%. Leeton Shire has joined forces with other rural councils and peak bodies to request the re-instatement of FAGs grant funding at 1% of CTR.	Continue to advocate for a FAG to the local government sector across Australia that is returned to 1% of CTR per annum.
9.1.12	Ask the NSW Government for more grant funding for operations	The NSW government does not offer any grants for operating purposes. However, it does distribute the federally funded Financial Assistance Grants (FAGs) via the NSW Grants Commission. Leeton Shire has joined forces with many other rural councils and peak bodies to request that a bigger proportion of the FAGS funding is directed to smaller councils (away from the major metropolitan councils who derive significant income through parking fees, parking fines and commercial letting of buildings).	Continue to advocate for a fairer distribution of FAG funding to rural councils in NSW.
9.4	OTHER		
9.4.1	Amalgamate with Narrandera. Amalgamate with Griffith	Management does not consider this would be acceptable to the bulk of ratepayers.	Council to determine.
9.4.2	Push back on State and Federal Government cost shifting. There is a hidden UN agenda to “ <i>own nothing and be happy</i> ”. Get residents’ support to raised concerns with local MPs	Council does push back but most often the state government passes legislation which immediately makes something a Council responsibility to undertake. It is noted that some statutory fees have not been increased for several years, meaning the cost to deliver the service has outpaced the income derived from fees and charges. This is certainly the case for development approvals.	Continue lobbying for increased funding from NSW Government to fund the additional compliance burden it places on councils. Also lobby NSW Government to set fairer statutory fees that properly reflect the cost of service.

10. RATEPAYER CONCERNS ABOUT GAPS IN SERVICES AND POOR/INFERIOR SERVICES

		Management Response	Proposed Action
10.1	Increase daycare facilities for children – a critical need	<p>Council earlier this year endorsed the building of a new demountable classroom at the Leeton Early Learning Centre (of which Council is the Approved Provider) that will allow us to take a further 20 children per day (100 per week) once the increase for our number of places from 68 to 88 per day is approved. This is expected to be by March 2023.</p> <p>There is also another private provider in the process of setting up a brand-new facility in the Shire.</p>	No further action
10.2	Playgrounds are not suitable for children under 3 years of age – insufficient softfall – have to use Leeton Hotel’s kids playground	<p>Graham Park specifically has a fenced toddlers play area. Other playgrounds around cater for broader age groups with individual items suitable for children under 3. Softfall is maintained to standard through a combination of rubber and mulch.</p> <p>Additional rubber softfall areas are budgeted for installation during 2022/23. All future playground improvements are as prescribed in Council’s Playground Strategy.</p>	Promote Graham Park to parents of toddlers.
10.3	Library needs to introduce STEM programs for children	This is a good suggestion and something that the library team can discuss collaboratively with local schools. Council has just recently started receiving increased school tour group bookings to visit the library to learn more about their local library.	Library Team to arrange a meeting with relevant local schools to explore the introduction of some STEM related programs during 2023.
10.4	Ratepayers should get 2 free tip passes per annum	This is a good idea. Council offers and promotes “dump for free” days several times a year. Council is also looking at other initiatives such as free tip passes.	Consider free tip passes for 2023/24
10.5	Council needs to drive improved healthcare / health services	Healthcare is currently the community’s number 1 priority. Council has done significant advocacy around rural health and will continue to do so. Council also voted funds to prepare an integrated health services plan for Leeton. This is underway and EvoHealth has been contracted to assist with facilitating co-design meetings with the MLHD, MPHN, NSW Ambulance, Aged Care and the RDN.	Continue to put media releases out updating community on progress with the Integrated Health Services Plan for Leeton.

10.6	Levels of maintenance for many services are below standard and services leave a lot to be desired	This is a very broad statement. Without specific details on which levels of maintenance/services are being referring to it is difficult to take action or respond. Residents and ratepayers are welcome to call, write or attend Council offices in person to raise such concerns.	Continue advertising to ratepayers how to lodge a customer request with Council.
10.7	Instead of Roxy, Council should prioritise: <ul style="list-style-type: none"> - Filling empty shops - Developing local industry - Fostering training opportunities for youth - Attracting migrants 	In 2021, Council set up a new Activation Department. The purpose of that department is to carry out activities aimed at everything you have listed. The Annual Report 2022 is being tabled for endorsement at the 23 November Council Meeting. Following endorsement, the Annual Report will be uploaded to Council's website. Under the heading 'Theme 4: A thriving economy with good jobs' a summary can be found of the activities that were undertaken in 2021/22 to boost our local economy. <ul style="list-style-type: none"> - Anecdotally, there are currently more shops in the main street than before. - Vance Estate is being developed and 8 lots have been sold of the plans to new industries. - Council houses the Country University Centre at the Library and also advocates for TAFE services to be maintained and grown. - The refurbished Roxy will have a significant focus on vocational training for youth in all things performing arts. 	Continue to promote opportunities for youth
10.8	Do more to encourage locals to invest in Leeton, rather than relying on investors from outside	Noted. Council gives support to both internal and external investors. It is important for investors to make themselves known to Council by contacting the Manager Economic Development or the General Manager.	
10.9	Gogeldrie Weir Cabins have gone and the campsite prices are insane	Council took back control of Gogeldrie Riverside Park under a caretaker-led management model in January this year. The campsite prices have remained the same as the previous licensee had in place. Council understands the prices are actually very reasonable in comparison to other similar campgrounds/caravan parks. Council determined recently that the installation of some new cabins at Gogeldrie Weir would be held off until the successful completion of other major capital projects including the Roxy Community Theatre Redevelopment Project, Leeton Swimming Pool remediation works and Chelmsford Town Square.	
10.10	Want a green waste or FOGO bin X9 respondents	In 2021 the NSW Government released the 'NSW Waste and Sustainable Materials Strategy 2041'. This document outlines several	Update residents about FOGO plans in 2023,

		items all landfills across the state must comply with. Notably the implementation of a FOGO service by 2030 has been mandated. Council is currently in the process of identifying a strategy and timeline for the implementation of this service. Although the mandated deadline for implementation is 2030, Council is considering introducing this earlier.	including when the revised Leeton Shire Council Delivery Plan is released.
10.11	VIC should be AAA rated and open for longer	The Leeton Visitors Information Centre is a Level 3 accredited visitor information centre (white “I” logo with blue background) and has been for the past 3.5 years. This level of accreditation allows Council to be more flexible with operating hours so that we can open longer during key event periods (eg SunRice Festival, Art Deco Festival) or when large coach groups visit at prearranged times outside our regular hours whilst at the same time also giving us the opportunity to not open on weekends during off peak periods therefore saving money on casual wages. Prior to this new arrangement we were a Level 1 Accredited (yellow “I” logo with blue background) and were required to pay an annual membership fee and be open 364 days per year (only closed Christmas Day) from 9am to 5pm regardless of the time of year, peak or off-peak periods. This does not suit Council’s current operating model and would be much more expensive to run. During closed periods, the LMAG backs up as the VIC for Leeton during the hours it is open.	
10.12	Leeton needs a small, indoor, heated pool.	Council conducted a feasibility study into the construction and operation of an indoor heated swimming pool. Under five separate scenarios the facility made an operating loss of between \$100K and \$400K with price of admission set to \$10 per person. Research indicates that to price higher than this means that the facility would be underutilised and make a larger loss. The pool would also not be heated to hydrotherapy temperatures. To do this would mean greater losses than mentioned above.	
10.13	Leeton needs a hostel in town for seasonal workers The Shire needs more housing	The desperate need for housing is acknowledged. Council has adopted a housing strategy.	
10.14	Residents should get a once-a-year kerbside pick up service for bulk waste	The implementation of a bulk waste kerbside collection has been reviewed previously at council. There are several key challenges associated with the implementation of this service some very risky,	

		such as illegally dumped hazardous materials like asbestos. Also, Council would need to purchase or hire in a purpose-built truck to enable the delivery of this service. As a substitute to bulk waste kerbside collection, Council has implemented 'dump for free' weekends to support our community.	
10.15	Council needs to mow the grass more often at Ramponi Park and the Circuit in Parkview. Needs more trees planted too	Parks are mown according to maintenance schedules and seasonal conditions. Parkview has extensive park and street tree plantings with renewal plantings undertaken recently in several streets and parks including Central Park and Noel Pulbrook Park. Plantings in streets include Melaleuca Avenue and Railway Avenue. Excessively wet conditions have prevented some areas from being mown for extended periods.	Assess further suitable tree planting sites in and around Ramponi Park and the Circuit in Parkview.
10.16	Need a footpath for disabled residents near Railway Ave / Ramponi Park	Council is continually working towards an inclusive and active network of shared paths and footpaths. This is driven by the Active Transport Plan which is currently under review. The Active Transport Plan will identify the infrastructure and facilities needed to enhance health, lifestyle and social benefits to our community. Community Consultation about the Active Transport Plan will be held in early December and the draft Active Transport Plan will go on Public Exhibition in early 2023. The community are asked to play an active part in the development and prioritisation of continued works of future programs.	Promote Active Transport engagement and specifically consider disabled access near Railway Ave and Ramponi Park
10.17	Need sewerage service in Washington Drive, Wattle Hill. Need to maintain Wattle Hill better	The properties on Washington Drive are not currently sewered as the blocks are large enough for onsite treatment. However, Council is undertaking a review of its utilities and will consider the feasibility of sewerage parts of urban Leeton that still operate on septic systems. Wattle Hill receives no less maintenance or service than other areas of Leeton Shire.	Notify residents of unsewered urban areas in Leeton of the opportunity to engage with Council on the upcoming utilities review.
10.18	Council needs to mow long grass more often to reduce fire hazard risk and reduce risk of snakes, including at Yanco Duck Pond and in Whitton near Police Station, Common, Saleyard and along pool fencing	These areas are routinely mown according to maintenance schedules. Excessively wet conditions have prevented some areas from being mown for extended periods.	

10.19	Council should mow verges between roadway and property boundary	Generally, residents of properties mow and tend to the verges. Council only mows verges in certain prime areas as resources permit and where there is no clear property owner. Comment is too general to respond comprehensively. Council is simply not resourced to mow every verge in the Shire.	
10.21	The Shire needs a lake at Fivebough for recreation	This idea can no longer be progressed. Fivebough is now a RAMSAR listed wetland.	
10.22	Council needs to be quicker at responding to requests – too slow	Council recognises that customer service and quick response times are important. Council has a customer service guarantee and tracks response rates. If there is a complaint about slow response times, it is best to send this through as a specific example than making a general statement.	
10.23	Improve entrance to Leeton between traffic lights and Woolworths	As a roadway, the entrance is functional and well maintained. If the reference is about aesthetics, this would require an increase in the service levels provided by Council, which means more resources will be required. In recent years Council considered kerb and guttering for this section of road but determined it was a non-essential cost and parked the project. Council is speaking with SunRice about beautifying what is called “Cannery Corner”.	Progress ideas for aesthetic improvements at Cannery Corner in partnership with SunRice and RMS.
10.24	Keep library open for longer hours – offers warmth in winter and cool in summer	Council at their September Ordinary Council Meeting endorsed the trial of new Library operating hours until the end of March 2023 (a six-month period). The revised opening hours currently sees the library open an additional 3 hours per week which is an additional benefit to Library users. A survey will be carried out starting in early 2023 to seek Library users’ feedback on how the current trial revised opening hours are being received by the community.	Survey seeking feedback on new trial opening hours to be distributed online and in hardcopy in late January/early February 2023.
10.25	We need improved community transport and improved public transport	Provision of community and public transport is not a function of Leeton Shire Council but Council can advocate. The improvements needed would need to be better understood.	Invite community to comment specifically on community and public transport needs in the next community satisfaction survey and/or next CSP engagement.
10.26	We need a better caravan dump point – more modern	Leeton Showground has a dump point which is maintained by the Leeton Showground Trust (supported by Crown Lands) and Leeton Caravan Park has its own dump point as well for park users. A new	

		dump point has been purchased for Gogeldrie Riverside Park and will be installed by a local plumbing contractor over the next couple of months (weather permitting) and will be accessible to all that visit the park (including day visitors).	
10.27	We need more walking and running paths that link up	Council is continually working towards an inclusive and active network of shared paths and footpaths. This is driven by the Active Transport Plan which is currently under review. The Active Transport Plan will identify the infrastructure and facilities needed to enhance health, lifestyle and social benefits to our community. The development of the Active Transport Plan will aid Council in applying for grants and funding in the future as Council will have a clear program of projects to implement.	Continue to develop and implement the Active Transport Plan. Promote community awareness of the opportunity to engage in early December.
10.28	We need more bins for dog poo and more water troughs for dog to drink	There are bins located throughout the shire in strategic locations that cater for all rubbish including the off-leash area. Without specific requests for required locations it's difficult to comment.	Future water stations could include a dog drinking attachment.
10.29	We need a volunteer run community garden for growing vegetables	Noted. Council invites volunteers to come forward with their ideas.	
10.30	Need better drainage in Willimbong	Council is investigating scenarios and feasibility for further augmentation to drainage works in the Willimbong Area and Waipukuru Park area. Significant limitations exist to the capacity of the network heading north, however options will be reviewed to reduce the impact of large rail events to the Willimbong Area.	Keep community informed about outcomes of investigations.
10.31	Need projects that promote Leeton and attract manufacturing. Offer incentives to new business to help them get on their feet	Noted. Council has an Economic Development Strategy with a view to promoting Leeton and attracting new business, including manufacturing businesses.	
10.32	Need more wind and solar energy projects	Existing data shows our region isn't ideal for wind power generation. This is largely due to the typical wind ratings we achieve and the irregularity of adequate wind speeds. However, Leeton is in a quality location for solar production. Leeton Council has delivered a substantial number of solar projects on Council infrastructure. Council adopted an Energy Master Plan at the November 2021 Ordinary Council Meeting. The purpose of this Plan is to provide Council with technical guidance to aid the implementation of best practice energy sustainability, financial reduction in ongoing operational expenditure and reduction of Council's carbon footprint. Whilst this plan is a multiyear implementation, Council is proud to say we have delivered a total of	

		293.3kw of renewable energy projects. These figures are expected to increase by the end of the financial year when another two installations come online.	
10.33	Need more spaces for multipurpose use	Noted. Insufficient detail to be able to respond meaningfully.	
10.34	Improve / upgrade foot paths around schools	Footpaths around schools are Council's highest priority for maintenance works and are inspected regularly for defects. Schools are encouraged to be an active and engaged participant in our Active Transport Plan by bringing forward limitations and ideas for improvement.	
10.35	Add a playground and picnic tables to Acacia Park in Wattle Hill	Gossamer Park is the designated neighbourhood playground for Wattle Hill as identified in the Leeton Shire Council Playground Strategy. It is a well-resourced park and playground.	
10.36	Improve drainage, including Whitton, Murrami and Yanco. Mosquitoes are breeding	Noted. A Mosquito Management Plan has been developed and is being implemented.	Investigate feasibility of underground drainage scheme in Whitton.
10.37	Stadium has not been upgraded since the 1990s. It leaks	Preliminary plans are being developed for a stadium extension and amenities refurbishment. Roof sheets were replaced on the stadium in 2021/22 to address some leaks which has resulted in a significant improvement. There are some minor leaks during very heavy rain events but that is expected in a stadium of this age.	Stadium extension design plans to be completed in 2022/23.
10.38	Outdoor courts aren't level	There are some inconsistencies in the surface of the outdoor courts which have been exacerbated during the consistently wet weather. The courts will need resurfacing in the coming years and the inconsistencies can be addressed at that time.	
10.39	Homes at start of Corbie Hill Rd are still waiting to access sewerage	The properties at the start of Corbie Hill Rd are not currently sewered as the blocks are large enough for onsite treatment. However, Council is undertaking a review of its utilities and will consider the feasibility of sewerage parts of urban Leeton that still operate on septic systems.	
	ROAD MATTERS		
10.40	Council needs to improve the Shire's roads. Roads are awful. Fix the roads.	Council is continually working towards renewing and improving the state of councils Roads Network. The continual increase in vehicle movements and requests for larger high productivity vehicles put strain on our roads and speeds up degradation of our network.	
10.41	We need better roads, including Wamoon and Murrami and Whitton. Merungle Hill Road, Paten Rd, Carbone Rd all need repair.	Several Roads are approved and funded for repair in Wamoon following the completion of sewer installation works.	

		<p>Paten Road had a significant upgrade several years ago. Carbone road is approved for heavy Patching works this financial year.</p> <p>As above, Council continually works towards renewing and upgrading its road network where it is deemed necessary and approved.</p>	
10.42	Fix Petersham / Almond Rd roundabout	The Petersham Road/Almond Road roundabout has had significant heavy patching completed. This works will tie in with a road rehabilitation approved for this year on Almond Road, once completed.	
10.43	Require better maintenance of through road at the end of Railway Ave	Noted. Council encourages residents wanting to bring maintenance items to attention to contact Council either in person, by email or phoning on 6953 0911.	
10.44	Need to attend to Willow Tree Rd as it is dangerous	There is no record of a Willow Tree Road in Leeton Shire Council's database. Council encourages residents wanting to bring maintenance items to attention to contact Council either in person, by email or phoning on 6953 0911. Please use the road name as signposted when making reference to roads.	
10.45	Improve roads generally, including shoulders in Yanco. Roads are in a poor state. Too many potholes. Road network is dangerous to cars – with risk of injury and death	Noted. Council is continually working towards renewing and improving the state of Council's Road Network.	
10.46	Low cost road sealing is creating bigger problems – failing more quickly	To date Council's low-cost road sealing technique – "Otta Seal" – has only been trialled in two locations: Quadling Road and a section of Tabain Road. This trial is in its early stages; however, neither section is showing any sign of premature failure as yet. Surrounding councils have Otta Sealed roads that are far older than councils' trials. Those roads are degrading at the same rate as roads sealed using standard road seal treatments.	

11. OTHER

		Management Response	Proposed Action
11.1	Council is preventing new housing developments which is why there are no new ratepayers	Council welcomes new housing developments and is definitely not preventing such development. Development Applications (DAs) for housing developments would only be rejected if they were non-compliant with legislation. On average 23 new houses are built per annum in Leeton Shire, with one year since 2016 delivering 59 new homes.	
11.2	Leeton's population is dwindling – Shire can't afford a rate rise	Rates are paid per property, not on a population basis. There is a shortage of housing in Leeton which suggests that the number of rates assessments is unlikely to decline anytime soon. It is true that the official government forecasts see Leeton's population declining. The Shire does not agree with this forecast and has met with the Dept of Planning to challenge the numbers, especially in regards migrant workers that are not currently counted. Population.id sees Leeton's population growing to 11,800 by 2030 (which we have used for our housing strategy). Of note, the MIA's gross regional product continues to grow, with manufacturing our Shire's most prevalent employer, followed by agriculture and then education.	
11.3	Funding or attending the art deco festival is not affordable for pensioners	There are free community events held at the Art Deco Festival.	
11.4	Leeton has the most expensive real estate in the region	Comment noted. Housing in Griffith is more expensive than in Leeton, so it is difficult to understand the source of this statement or its relevance.	
11.5	The degree of illegal dumping has increased since tip fees were introduced and costs to clean up have gone up	Rangers report that illegal dumping rates have stayed the same as prior to introducing tip fees.	
11.6	The main street is emptying out more and more	There is in fact an increasing number of shops being established in Leeton's main street.	
11.7	Dog Park is dismal. It is to be replaced with Social Housing. Not supported as we are a dog friendly community. Consult the community first	Unlike many other parks that are community land, the former caravan park at Brobenah Rd is operational land which gives Council greater flexibility as to its future use. It is also very well located for housing, which has been identified as a critical need in our Shire. Currently, private developers are not keeping pace with demand which is why Council is looking at options within its control to support the	Council to consult the community on the best location for an alternative dog park. Council to update the community on planned

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		development of affordable housing. No decisions have been made at this point in time.	housing development at Brobenah Rd and seek feedback on plans.
11.8	Council plans to spend \$20K on a conference table	Council has not included the table in its budget. The table was to have screens and speakers integrated in to better facilitate on-line meetings, paperless meeting agendas and hearing augmentation for people seating in the gallery. Council resolved not to include this table in its adopted 2022/23 budget.	
11.9	Childcare is a gold mine – why is it not making money?	The Leeton Early Learning Centre does not operate at a loss. It pays its own way. Council keeps the fees and charges affordable – enough to cover costs but not too high so that parents are supported to attend work. Leeton Shire Council makes helping residents with going to work at our local businesses a high priority. Key to this is ensuring childcare is readily available.	
11.10	Energy master plan won't save any money	The Energy Master Plan was developed to provide a plan for reducing Council's energy consumption costs and steer Council towards practical sustainable service delivery. The infrastructure projects (such as solar installations) typically have a return-on-investment period of less than three years. Council is already generating over 293.3kw of energy.	
11.11	Tourism is non-existent in Leeton Shire	The Visitor Information Centre is a popular facility with tourists. Numbers are collected for reporting and, after COVID-19, it is good to see them start to increase again. In fact, Leeton has hosted several coach tours this year, car club rallies, the Art Deco Festival, the Sun Rice Festival and Chill 'n Grill, to name a few. Leeton Shire is a participant in joint marketing with neighbouring councils (Murrumbidgee Trails) and has recently commenced marketing the Art Deco Way Touring Route. Tourism is in good heart and growing steadily.	
11.12	There are no decent playgrounds in the Shire	Playgrounds within Leeton Shire are maintained to a very high standard compared to other local government areas.	
11.13	Council needs to live up to the reputation of Leeton portrayed on BackRoads "a great place to live and work"	In a statistically valid community survey in 2021, more than 80% of residents reported that they find Leeton to be a welcoming, caring and inclusive place to live, work and play.	
11.14	Allocate money to a proper hospital with full time doctors	The NSW Government funds the Murrumbidgee Local Health District to run and staff the Leeton Hospital. Council offers a \$5K incentive payment to any new doctor who moves to Leeton and agrees to work on the roster as a Visiting Medical Officer in the Emergency Department. The	

		recently completed MLHD Clinical Services Plan (draft) outlines improvements required and workforce needs which will be put to the NSW government as a budget bid in future years. At this point, allocating funds to direct health services is not a Council strategy. It is recognised that some councils do invest in services such as GP practices but they are generally more remote councils that have difficulty attracting doctors.	
11.15	Don't remove heritage trees. Don't cut down healthy trees	Noted.	
11.16	Don't allow heritage assets to be destroyed, like Historic Hydro	Council is committed to ensuring Leeton's heritage is protected. There are heritage provisions in the LEP (Local Environmental Plan) and DCP (Development Control Plan). Any changes to state heritage listed buildings is required to get approval from not just Council but also NSW Environment and Heritage.	
11.17	Council has an image and communication problem	Council can always improve. Council is committed to being open and transparent and genuinely considers feedback from residents. There are numerous active engagement opportunities. Many decisions Council makes are complex and difficult to convey.	
11.18	When Councillors vote on SRV, a division should be called	Noted. Councillors can make that call at the meeting. There is no regulatory requirement for them to do this. It is a majority decision.	Council to determine
11.19	Murrumbidgee bin collection is irregular and unreliable. Lawn mowing of playground and hall is not up to scratch	Council encourages residents wanting to bring maintenance items to attention to contact Council either in person, by email or phoning on 6953 0911. It is best to do so as soon as the problem arises. Council staff will investigate.	
11.20	Afterhours service does not work – waited two hours and then councillors eventually attended	On a few occasions there have been glitches, sometime with the external service provider and sometimes with Council's own systems. Overall, the afterhours service is delivering better and more cost-effective services. The senior management team has monthly updates on the performance of the afterhours service and response rates to customer requests.	
11.21	Get FACS to clean up housing commission houses (they have long grass and are a WHS hazard)	Noted. Agreed.	Write a letter to Dept Housing to request their support with getting long grass under control.
11.22	It is wrong to sell the land that the Men's Shed is sitting on. Men need mateship and a place to meet.	The land the Men's Shed is sitting on is being licensed to the Men's Shed for \$1.00. It is being subdivided off from the land that is the proposed as a site for affordable housing. Council values the service of the Men's	

		Shed very highly and looks forward to them growing from strength to strength in their current premises.	
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Samples of reporting Council's financial situation to the community since 2015

All our Community Strategic Plans, Delivery Programs, Operational Plans, Budgets and other planning documents are routinely put out for public comment. They are uploaded to our website and hardcopies are available in the library, Council reception and at shops/POs in Whitton, Murrumbidgee and Yanco. Our Annual Reports are uploaded to Council's website and made available as hardcopies through the same agencies as the planning documents. We advertise their availability and where/how to access them in *The Irrigator* and on social media (extensively across various sites).

With the SRV proposal we advertised on radio as well. All planning documents are routinely placed on Leeton Have Your Say along with surveys. We also always push out notices about Have Your Say surveys to all residents who have given us their email addresses. Importantly, for those who aren't digitally orientated, each year we put a double page spread in the *Irrigator* explaining exactly what Council is planning to do that year, including the draft budget and budget implications, and invite feedback.

2015/16	
	Leeton Shire was declared Fit for the Future, subject to an IPART approved Improvement Plan as Council's Long Term Financial Plan dipped into a deficit operating result in the General Fund after 5 years.
Article in The Irrigator 'Decision another setback' (on rate pegging), dated 15 December 2015	<p>Quoted the then Mayor Cr Paul Maytom as saying that the State Government should "stop asking local government to achieve more with substantially less... This unrealistic rate peg on top of the indexation freeze on the Federal Assistance Grants, which has left a \$650,000 hole in Leeton Shire Council's budget over three years is making it impossible for Council to run a sustainable business and deliver the levels of service our community demands."</p> <p>The article continued: "Council is currently striving to make \$1.3M of recurrent operational savings via its Fit for the Future Improvement Plan to fund its infrastructure backlog over the next five years."</p>
Long Term Financial Plan 2015–2025	<p>Made reference to financial sustainability and modelled three scenarios to inform the community of the financial implications of the activities and the levels of service outlined in the Community Strategic Plan. Each scenario builds on the previous base scenario in terms of levels of service and/or facilities provided. The three scenarios were:</p> <ul style="list-style-type: none"> • Scenario 1: Current level of service • Scenario 2: Scenario 1 plus 2% increase special rate variation for the 4 years commencing 2016/17 • Scenario 3: Scenario 1 plus 5% increase special rate variation for the 4 years commencing 2016/17.
2016/17	
Delivery Program/ Operational Plan	The Mayor and General Manager Message expressed that Council enjoyed good cash reserves and very low debt (which is still the case in 2022) which provided capacity to undertake major projects but that Council's operating position remained a challenge on the back of a very low rate peg (1.8%) combined with a freeze on the annual government Federal Assistance Grant.
Annual Report	The Mayor and General Manager introduction warned that: "long term financial sustainability will remain a challenge due to an infrastructure backlog that has yet to be fully addressed if we are to remain Fit For The Future".

	Flyer advertising the availability of the Draft Annual Operating Plan 2016/17 for comment	The flyer states: "Council has been declared 'Fit for the Future'... Our 'fit' status has been given on condition that we improve our operating performance to the tune of \$1.3M on an ongoing basis by 2020." The flyer also references a rates cap of only 1.8%, receiving \$200,000 less from the Commonwealth than previously forecast, and having to "catch up on our infrastructure backlog".
2017/18		
	Delivery Program/ Operational Plan	The Message from the Mayor and General Manager stated: "we face a meagre rates rise of 1.5% which is out of kilter with increasing operational costs. Already a financially and operationally lean organisation, this extra challenge compels Council to consider new ideas to remain viable... Council will have further conversations with the community about service levels and revenue options".
	Annual Report	The Message from the Mayor and General Manager said that Council had applied for significant project funds from an unprecedented funding pool that had come available from the NSW Government after the sale of NSW 'poles and wires' (electricity network) but warns that, although consolidated financials ended strong: "we are still lagging with our infrastructure backlog". Further, the Mayor and General Manager explain how the task of becoming financially sustainable is consistently made more difficult by "... the constant cost shifting by State Government which demands more compliance-based resourcing at the local level." The example of Crown Lands coming across to Councils to administer was highlighted with the comment that the NSW Government's one-off short-term financial support "does not come close to the true costs that will now sit with Council for decades to come". The report specifically mentions Council's advocacy for increased indexing of the Financial Assistance Grant which had been frozen by the Federal Government.
	Media Release: DRAFT 2018/19 Annual Financial Statements reviewed by Council dated 29 October 2019	Stated: Referring to the relatively small amount of unrestricted cash, Mrs Hawkins [the then Manager Finance] cautioned that Council's General Fund was relying on revenue from interest earnings and the sale of water to stay in the black, both of which are unpredictable. "To stay financially Fit for the Future and keep abreast with the asset renewal backlog, Council is going to have to find additional income from a more reliable source in the coming years."
2018/19		
	Delivery Program/ Operational Plan	The Message from the Mayor and General Manager stated that Council was embarking on "an ambitious" works program to make good use of the NSW's Government's funding programs which were referred to as a "wonderful opportunity" as projects could be delivered without needing to rely heavily on Council reserves or borrowings. There was an express warning that all the new capital works "will exacerbate our depreciation burden and running costs over time". A direct question was put to the community in the Message: "We especially want to know whether residents want Council to undertake new works which will require additional rates revenue in future years, wait for another time when our financial sustainability is more certain (which will mean we will miss out on assured grant funding), or avoid new works altogether (which will leave us better off financially but not achieving our Community Strategic Plan aspirations)". The message ends with: "It is an exciting time for Leeton Shire given the funding opportunities but we need to proceed with our eyes wide open."

	Annual Report	That year Council looked to fees and charges to increase its revenue base a little. The Mayor and General Manager closed their introductory message with: <i>"At financial year end, Leeton Shire Council's finances remain strong but with a continuing need to find additional resources to fund the infrastructure backlog. Our bigger-than-usual capital works project will increase depreciation and running costs over time and further impact on our infrastructure backlog. Council will need to identify new revenue sources for the General Fund if it is to remain financially viable without reducing service levels"</i> .
2019/20		
	Delivery Program/ Operational Plan	The Mayor and General Manager opening remarks in the adopted 2019/20 Delivery/Operations Plan state that <i>"The drought facing our community has led Council to shelve its plans to explore a special rate variation. While our cash position remains good, Council is not yet able to fund its infrastructure backlog and we will, sometime in the near future, have to find ways to increase our revenue base. However, now is not the time."</i>
	Annual Report	The Mayor and General Manager introductory remarks touched on the arrival of the COVID-19 pandemic and well as the drought: <i>"Council commenced a very ambitious capital works program totalling more than \$8M. These projects have helped create jobs and growth during some of the toughest drought times we have faced and will serve to refresh and revitalise our Shire for many years to come"</i> . The year ended with the usual strong cash position, with reserves of \$50M.
	Double page in <i>The Irrigator</i> summarising the contents of the Draft 2019/20 Operational Plan and Fees and Charges and inviting residents to have their say	The Message from the Mayor and General Manager states: <i>"Given the drought, Council has not advanced a special rate variation at this time. Rates will only increase by the 2.7% rates cap and Council's service levels will remain unchanged except for the new WCIC Building which will be set up as an exciting arts, cultural and heritage space."</i> The section Financial Implications if this Plan Is Adopted states: <i>"While [Council is] currently Fit for The Future, this trend is due to turn. Our bigger than usual new capital works program will increase our depreciation and running costs over time. In future years, Council is going to have to find new revenue sources if it is to remain financially viable without reducing service levels."</i>
2020/21		
	Delivery Program/ Operational Plan	The Mayor and General Manager introduction referenced the uncertain times being faced with the pandemic, the projects being progressed, and community advocacy with health services being a priority focus. It also stated that Council would revise its 10-year financial plan (Long Term Financial Plan).
	Annual Report	The Message from the General Manager reported that the General Fund ran at a deficit and stated: <i>"Council is going to have to work hard to keep the general fund in check, either by reducing services or increasing income"</i> .
	Media Release: Draft 2020/21 Operational Plan, Budget and Revenue Policy (including Fees and Charges) on Public Exhibition, dated 13 May 2020	Quoted the General Manager: <i>"Council understands that many of our residents have been impacted by the drought and COVID-19, and, as a result, Council has not advanced a special rate variation for 2020/21 but will look at this again in 2021/22. Rates will only increase by the 2.6% rate peg in 2020/21 and Council's service levels will remain unchanged,"</i> said Council's General Manager, Jackie Kruger."

	<p>Double page in <i>The Irrigator</i> inviting feedback on the Draft Operational Plan, Budget and Fees and Charges</p>	<p>The Message from the Mayor and General Manager stated: "While our larger than normal capital works program represents important investment in our community to deliver critical infrastructure, with this comes an increase to operating costs and depreciation over time."</p> <p>It went on to state: We understand that many residents have been impacted by the drought and COVID-19, and as a result, Council will not advance a Special Rate Variation in 2020/21 but will review this for 2021/22."</p> <p>Under the heading 'Financial Implications if this Plan is Adopted', it stated: "To remain financially sustainable, Council has identified it will need to increase its current revenue in the future. Council is exploring a range of options, including sourcing new income streams and the addition of a Special Rate Variation (SRV). If additional revenue cannot be raised, Council may be required to reduce service levels."</p>
	<p>Media Release: dated 26 June 2020</p>	<p>Stated: "Jackie Kruger said that Council understands that many residents have been impacted by the drought and the COVID-19 pandemic and, as a result, Council will not advance a special rate variation in 2020/21 but will review this for 2021/22."</p>
2021/22		
	<p>Delivery Program/ Operational Plan</p>	<p>In anticipation of the SRV, the Message from the Mayor and General Manager stated clearly that the Budget is facing severe challenges in the general fund with a \$4.4M deficit forecast in the budget excluding capital grants and introduces that the new Council must take action or face running out of cash in the next 10 years. It advises the community that financial sustainability is a sector wide issue, not just a LSC issue and, in the Councillor values and goals section, states that the current Council commits to ensuring they end their term with the organisation returned to a financially sustainable position.</p> <p>The document advised that community consultation would commence to explain the challenges and consider options, and suggests a mix of reducing expenses via efficiency gains, service reductions, increasing fees and charges, setting up a business entity and, more likely, an SRV to increase rates above the rate peg). It also said that Council would continue to refine and update the LTFP (stress test the numbers) and then invite community input. Residents were encouraged to familiarise themselves with the issue in the meantime by reading the LTFP.</p>
2022/23		
	<p>Delivery Program/ Operational Plan</p>	<p>The Message from the Mayor and General Manager stated: "While we have a bright future ahead and lots of important projects to complete, we are facing some challenges. Council's 2023 Budget for the General Fund (excluding water and sewerage, which are accounted for separately) is a deficit of just under \$4 million (excluding capital grants).</p> <p>The Long Term Financial Plan 2022–2032 indicates that if Council doesn't take action to address the situation, it will continue to post annual operating deficits of \$3.5 million plus into the future. While Council is unlikely to run out of cash in the next 10 years if it reduces its capital works programs, it will effectively drain its cash reserves paying for day-to-day operations, which is unsustainable.</p> <p>While we need to be alert to these issues, please don't be alarmed. As a local council, we are not alone in having to solve the problem of expenditure outgrowing income. According to the Australian Local Government Association, local government expenditure has increased markedly over the past 25–30 years in line with a corresponding increase in roles and responsibilities. That expenditure has not been matched by an</p>

		<i>equal increase in revenue. In 2019/20, 60 out of 128 councils reported an operating deficit (NSW Office of Local Government)."</i>
	Double page in The Irrigator summarising and inviting community comment on the contents of the Draft 2022/23 Operational Plan, Budget and Revenue Policy including Fees and Charges	<p>The Financial Implications if this Plan is Adopted section stated: <i>"The budgeted operating result for the General Fund (excluding water and sewerage, which are accounted for separately) is a \$3.48 million deficit (including capital grants and contributions).</i></p> <p><i>"The Long-Term Financial Plan highlights that if Council doesn't take action, it will continue to post annual deficits for the General Fund into the future. Accordingly, this coming year, Council will also be conducting an extensive engagement program to determine community preferences with regard to measures for ensuring Council remains financially sustainable into the future."</i></p>