

CLAUSE **CL01**

TITLE **Special Rate Variation (SRV) - Decision to Apply to the Independent Pricing and Regulatory Tribunal (IPART)**

FROM **Brett Stonestreet, General Manager**

TRIM REF **23/105471**

SUMMARY

At the Ordinary Meeting of Council held 9 May 2023 Council resolved that:

- (a) *Council endorse the draft Operational Plan (Budget) 2023/24 as per Attachment A – pages 281 to 288 and pages 300 to 305.*
- (b) *Council endorse the draft Ten Year Long Term Financial Plan Annual Review 2023/24 to 2032/33 and draft updated Delivery Program 2022/23 – 2025/26 as per Attachment A (Scenario 3) – pages 281 to 288 and pages 300 to 305.*
- (c) *Council endorse in principle, its intention to make application to the Independent Pricing and Regulatory Tribunal (IPART) to implement a Special Rate Variation commencing 2024/25 in accordance with the Ten Year Long Term Financial Plan 2023/24 to 2032/33 and draft updated Delivery Program 2022/23 – 2025/26 as per Attachment A (Scenario 3) – pages 131 to 132.*
- (d) *That Council commence extensive community consultation regarding the proposed Special Rate Variation in accordance with IPART “Guidelines for the Preparation of an Application for a Special Variation to General Income.” Further, that following this consultation a further report be considered by Council by October 2023.*
- (e) *Council place the draft documents as referred to in Recommendations (a) and (b) above on public exhibition for 28 days during which time a community consultation process will be undertaken.*
- (f) *Following the public exhibition period, draft documents as referred to in Recommendations (a) and (b) above be presented to Council for adoption subject to any amendments resulting from community submissions received, by 30 June 2023.*

This report details the community consultation and feedback received in relation to the proposed Special Rate Variation (SRV) and proposes that Council applies to the Independent Pricing and Regulatory Tribunal (IPART) to implement a SRV commencing 2024/25.

RECOMMENDATION

- (a) **Council receive and note the SRV Community Engagement Summary attached to the report including submissions, feedback received and key findings.**
- (b) **Council apply to the Independent Pricing and Regulatory Tribunal (IPART) under Section 508(A) of the Local Government Act 1993, for a permanent SRV of 10.5% inclusive of the assumed 3.0% rate peg each year for three consecutive years from 2024/25 to 2026/27. This is a cumulative increase of 34.9%. Applications are to be submitted by 5 February 2024 as determined by IPART.**

- (c) Council to notify IPART that it intends to apply for a Special Rate Variation as referred to in (b) above, by 25 November 2023 (date as determined by IPART).**
- (d) Council approves additional Service Reviews to those already listed in the 2022/23-2025/26 Delivery Program, as identified in this report. These are functions within the General Fund and will explore productivity improvements and cost containment strategies. The Delivery Program is to be updated accordingly.**
- (e) Management to report to Council on a quarterly basis with details of cost savings and additional revenue initiatives.**
- (f) Council to review the Financial Hardship Policy (FS-CP-506) to ensure adequate assistance is provided to ratepayers experiencing genuine financial hardship.**

REPORT

At the Ordinary Meeting of Council held 9 May 2023 Council resolved to endorse in principle, its intention to make application to IPART to implement a permanent SRV commencing 2024/25 to raise ordinary rates by 10.5% (inclusive of the assumed 3.0% rate peg) each year for three consecutive years from 2024/25 to 2026/27 (a cumulative total increase of 34.9%).

Council further resolved to commence extensive community consultation regarding the proposed SRV in accordance with IPART “Guidelines for the Preparation of an Application for a Special Variation to General Income.”

A copy of the 9 May 2023 Council Meeting Report and Minutes is attached to this report (Attachment A).

Background

Sound financial management and sustainability has been a high priority of this Council. Council’s Senior Management Team (SMT) continually monitors Council’s financial position to ensure that services are delivered for the community in accordance with the Community Strategic Plan and the Delivery Program. Council has worked diligently to ensure the finances are managed appropriately and that best use of public funds are always at front of mind.

Council took steps commencing in 2012 to restructure the organisation in order to reduce operational costs as far as possible without unduly compromising important services to the community. This action resulted in annual cost savings of approximately \$2M which allowed Council to ensure the reserves were cash backed.

In addition to cost savings, additional revenue sources were identified to supplement income within the General Fund. As a consequence of Council’s cost saving initiatives and additional revenue raising, the financial position of Council has been sustained for a substantially longer period than it would otherwise have been.

Whilst building cash reserves, Council has undertaken significant capital projects in recent years which have been partially funded by operating surpluses.

General Fund Under Pressure

Council’s General Fund operational budget is under pressure. Based on the current Long Term Financial Plan, Council’s General Fund will see ongoing deficits and will be unsustainable if no corrective action is taken.

At the Ordinary Meeting of Council held 9 May 2023, Council considered 4 scenarios including the following:

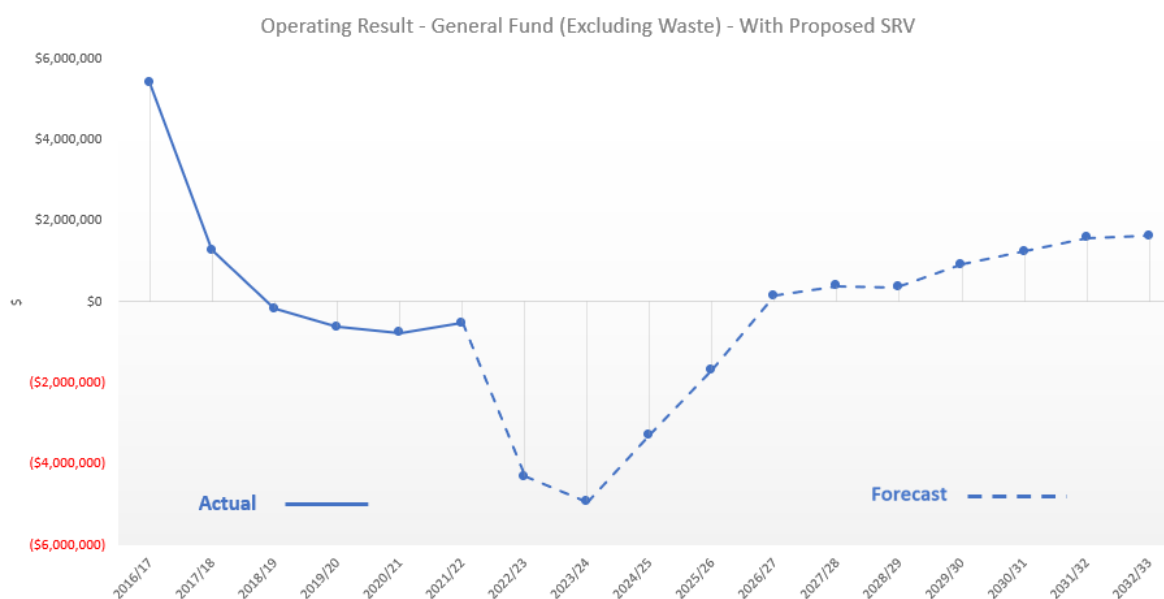
- Scenario 1 - SRV - 23% Increase 2024/25 (inclusive of assumed 3% rate peg)
- Scenario 2 - SRV-14% Increase 2024/25 and SRV-13% Increase 2025/26 (inclusive of assumed 3% rate peg)
- Scenario 3 - SRV-10.5% Increase 2024/25, 2025/26, 2026/27 (inclusive of assumed 3% rate peg)
- Scenario 4 - No Special Rate Variation 2024/25 (Rate Pegging Increase Only - assumed 3.0%)

At the 9 May 2023 Meeting, Council resolved to exhibit Scenario 3 in the draft Delivery Program 2022/23 – 2025/26 & Operational Plan 2023/24 and Long Term Financial Plan Annual Review 2023/24. Council also resolved to commence community consultation in regards to a SRV as per Scenario 3.

At the Ordinary Meeting of Council held 27 June 2023, Council resolved to adopt the Delivery Program 2022/23 – 2025/26 & Operational Plan 2023/24 and Long Term Financial Plan Annual Review 2023/24 including Scenario 3.

The following graph illustrates the historical performance of the General Fund (excluding Waste Fund) and the outlook for the next ten years with the proposed SRV. While Council has included in its Long Term Financial Plan the construction of an Art Gallery, any further action in regard to this matter will be the subject of further deliberation and resolution of Council. The following graph does not include any financial provision for construction of this facility.

General Fund (excluding Waste Fund) – Proposed SRV



Cost Saving and Additional Revenue Initiatives

Council's SMT acknowledges the challenge for ensuring the future financial sustainability of Council should not only rest with ratepayers via a SRV. In this regard, the Long Term Financial Plan Annual Review 2023/24, includes an annual cost savings/additional revenue initiatives line.

These cost savings will be achieved by reviewing operational efficiency and procurement practices to ensure best value for money. In addition, new revenue sources that are reasonable and take into consideration the community's capacity to pay, will be implemented to offset costs. An example of this may be car parking charges at the airport. It is important

to note that some of these initiatives will require capital investment to either generate savings or additional revenue.

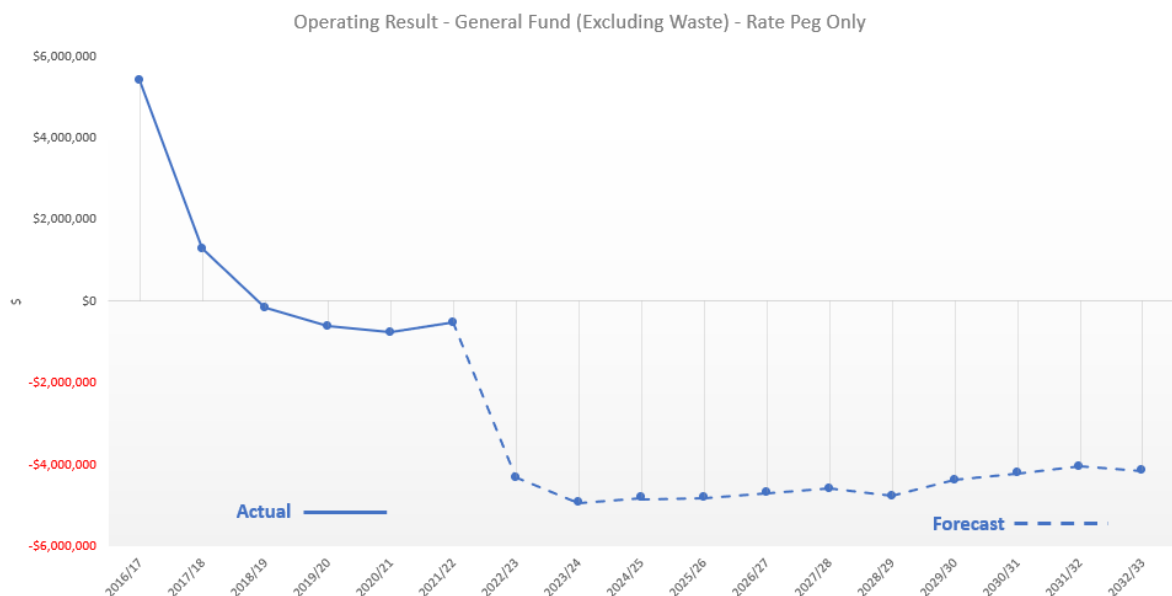
Council's SMT have commenced implementation of these initiatives with a target of \$300,000 to be realised in 2023/24. From 2024/25 this amount will lift to \$1M per annum. All cost savings/additional revenue initiatives will be reported to Council as part of the quarterly financial review of operations.

What would happen if the SRV application is unsuccessful?

A funding shortfall of approximately \$4 million per annum would need to be offset with a combination of a reduction of services / costs and the introduction of alternative revenue sources.

The following graph illustrates the historical performance of the General Fund (excluding Waste Fund) and the outlook for the next ten years without the SRV (rate pegging only).

General Fund (excluding Waste Fund) – Rate Peg Only



As can be seen, the General Fund has significantly deteriorated in recent years which is primarily attributed to the impact of COVID-19, record levels of inflation, State Government cost shifting and diminishing Federal Grants. The long term impact of rate pegging being below inflation levels is also a major contributing factor.

Clearly, the future of the General Fund (excluding Waste Fund) is financially unsustainable and action needs to be taken to remain viable.

If the performance of the General Fund (excluding Waste) does not move into surplus, this will result in restricted funds (Reserves) being used to fund General Fund operations which is not sustainable, inappropriate and in some instances unlawful.

Should the SRV not be approved, Council will need to address the financial sustainability of Council via alternative means. Service levels will need to be reviewed and reduced. Examples of Council services that may be impacted include but not limited to:

1. Reduction of the operating hours and levels of service of Council facilities:
 - Griffith Regional Aquatic Leisure Centre

- Art Gallery
 - Theatre
 - Library
 - Pioneer Park Museum
 - Tourism Hub
 - Griffith Regional Sports Centre
 - Saleyards
2. Reduction maintenance/replacement for:
- Roads and bridges
 - Parks, gardens and playgrounds
 - Footpaths, carparks and cycleways
 - Street and gutter cleaning
 - Urban stormwater drainage
 - Public amenities
 - Sporting grounds
 - Council owned properties including Senior Citizens Centre, Community Centre
 - Fleet management
3. Reduction Council services:
- Ranger services (car parking, animal control)
 - Community development
 - Economic development
 - Council events
 - Grants, sponsorship and rate subsidies to community groups
 - Strategic Planning

Councillors will need to identify which of the above Council facilities or services would be impacted to achieve the cost reductions to bring the General Fund back into a balanced position. SMT will be guided by Councillors and a report prepared for Council's consideration.

Service Reviews

In preparation of Council's suite of strategic planning documents under the IP&R framework, Council was required to include a service review program. In response to this obligation, Council has already committed to a program of service reviews as detailed in the Delivery Program 2022/23-2025/26. These are:

- Water/Sewerage (2022/23 - in progress)
- Roads (2023/24)
- Developer Services - Development Applications (2024/25)
- Compliance (2025/26)

In order to explore productivity improvements and cost containment strategies it is recommended that Council undertakes additional Service Reviews within the General Fund. It is proposed that the Griffith Regional Aquatic Leisure Centre (early 2024) and Parks & Gardens (2024/25) be reviewed in addition to those already listed in the Delivery Program. Resources to undertake these independent reviews will be included in future quarterly reviews of the Delivery Program/Operational Plan.

Community Consultation

Council prepared a Special Rate Variation Community Engagement Plan to ensure our community was well informed and engaged about the proposed SRV and encourage their input and feedback through community consultation. (Refer to Attachment B Appendix 1)

Community consultation commenced on the 12 May 2023 and concluded on the 31 August 2023. During this time information sessions were held at Community Opinion Group (COG) Meetings held in Yoogali and Hanwood. Council Cafés were held in Kooyoo Street, Griffith Central Plaza and the Council Chambers. Council also met with a number of community organisations including the Griffith Business Chamber, U3A, Council Staff, Rotary Avanti, Griffith Rotary, East Griffith Rotary, Griffith Ladies Probus, Yenda Progress Association, Yenda Rotary, Griffith Lions Club, NSW Farmers Association, business leaders and members of the Sikh community.

Council has dedicated a web page for the proposed SRV which provides background information, frequently asked questions, how to provide feedback, details about community information sessions, online presentation and a Rates Estimator so that ratepayers can understand the financial impact of the proposed SRV.

Council also promoted the proposed SRV through media channels including Facebook Instagram, Media Release, Radio, Mayor on the Air, Council's weekly Newsletter, Council Catch Up and the COG email database. A flyer was included in the July 2023 Quarterly Rates' Notices emailed/posted out during the consultation period.

A SRV Community Engagement Summary has been prepared which details the community consultation undertaken and feedback received. (Refer to Attachment B)

Submissions received during the consultation period are attached to this report (Refer to Attachment B – Appendix 2).

Summary of Submissions

During the public exhibition period over 150 written submissions were received.

For privacy and consistency reasons, redacted submissions have been included as an attachment to this report.

Key issues raised by the community, and Council responses are summarised below:

Issue: Affordability of proposed rate increase / cost of living / capacity to pay / user pays system for facilities

Council Response:

- Council acknowledges that some ratepayers may experience difficulty with these planned increases, and a Financial Hardship Policy is in place to help them. This report recommends that the Policy be reviewed which may provide some further assistance to those genuinely experiencing financial difficulty.
- Pensioner concession rebate. Ratepayers who qualify for pensioner concessions receive an annual concession of up to \$250 per property for ordinary rates and domestic waste charges. The NSW Government funds 55% of the pensioner rebate whilst Council funds 45%. Council currently offers the pensioner concession rebate to 12,037 ratepayers. Council has the discretion to provide and fund further rebates for pensioners should it wish to do so.

Ordinary Rates

FY23/24 No. of concessions	Concessions granted	State Govt Subsidy Received by Council	Cost of Concession to Council
1237	\$290,791	\$159,935	\$130,856

- For the purposes of information for Councillors, an additional rebate funded by Council to concession holders, would result in additional cost to budget as per the following:

Additional Rebate per assessment \$	Additional Annual Cost to Council \$
\$75	\$92,775
\$100	\$123,700
\$125	\$154,625

- Council delivers water and utilities services to the community. These services are not subject to rate pegging legislation. Council has received feedback during the consultation period that it should look closely at every opportunity to limit water and sewer charge increases at least during the SRV implementation period. In response to these concerns, Council could consider limiting increases in water and sewer charges to 3% per annum (equivalent to assumed rate peg) from 2024/25 to 2026/27.
- Council has spread the SRV increase across three years in an endeavour to provide ratepayers opportunity to plan for future increases.
- Some services delivered by Council incur a user pay charge. These charges are intended to relieve the pressure on the general rates and place more responsibility on those directly utilising the service. Council does review the Revenue Policy on an annual basis which sets the user pay charges.
- The proposed rate increase will also affect local businesses and farmers. Following consultation with these industry groups there was an understanding that operating costs have risen significantly in recent years. For Council finances to remain sustainable, rates must be increased to reflect the changes in operational costs.

Issue: Smaller increase / fewer years / supported by reduced operational costs and other revenue streams / other alternatives in combination with the SRV

Council Response:

- The SRV increase identified is the minimum amount required to bring Council's financial position in the General Fund to a sustainable level.
- Council is committed to exploring operational efficiencies and alternative revenue streams to limit the SRV increase to that which is proposed.

Issue: Do not want to cut services / lose jobs

Council Response:

- Should a SRV proceed, Council will not need to cut services or reduce jobs in the organisational structure.

Issue: Reduce Councillor numbers and Councillor costs

Council Response:

- Council has resolved as from September 2024, to reduce the Councillors from 12 to 9.
- Many conferences now allow remote attendance. Council is exploring this option to help reduce costs.

- Councillors review the fees payable to Councillors on an annual basis in line with the prescribed minimum and maximum amounts set by the Local Government Remuneration Tribunal. The Tribunal makes annual determinations on the categorisation of each Council and Mayoral office for the purpose of determining the minimum and maximum fees payable to Councillors and Mayors in each category.

Issue: Review current spending / services, Council efficiency, cost saving initiatives / streamline processes

Council Response:

- Council intends to undertake several service reviews and these are identified in this report.
- Council is committed to exploring operational efficiencies and alternative revenue streams to limit the SRV increase to that which is proposed (2023/24 \$300,000. 2024/25 onwards \$1,000,000 per annum).

Issue: Review senior positions and staffing levels

Council Response:

- The organisational structure of Council is reviewed within 12 months of an ordinary election of Council. The next review will occur following the 2024 Council election.
- The level of staff resources required reflects the level of services expected by the community and to meet regulatory requirements.

Issue: Concentrate on essential infrastructure projects

Council Response:

- Council reviews its Delivery Program & Operational Plan and Long Term Financial Plan (including capital works budget) on an annual basis and it is exhibited for public comment to ensure the works proposed meet community expectations.

Issue: Concerns about the new Art Gallery proposal

Council Response:

- While Council has included in its Long Term Financial Plan the construction of an Art Gallery, any further action in regard to this matter will be the subject of further deliberation and resolution of Council.

Issue: Affordability of Housing (higher rents)

Council Response:

- Council has implemented a number of strategies to assist with providing affordable accommodation in Griffith. Eg. Griffin Green Affordable Housing project – 20 dwellings plus 42 building allotments. Donation of land to Argyle Housing Corner of Wakaden and Crossing Streets. 4 x 2 bed affordable dwellings. Adoption of new Residential Control Plan providing various concessions for affordable housing.

Summarised Submission from the Griffith Business Chamber

“The Chamber submits that:

- a) Council should consider alternatives in combination with the proposed SRV, including measures to reduce operational costs and further revenue streams; and*
- b) If Council does determine to apply for the SRV, that a substantially lower increase be introduced (supported by reduced operational costs and further revenue streams) and over a single year rather than compounded over three years.”*

Council Response:

Council is committed to identifying \$1M per annum in savings or additional revenue sources to supplement the SRV proposal. SRV options were modelled at levels to achieve financial sustainability and the options presented at the 9 May 2023 Council Meeting achieved the required result. These options ranged from one to three years for the implementation of a

SRV. Any reduction in the SRV percentage will require review of service levels in order to achieve additional savings required.

“Chamber has received feedback from members proposing the following ways in which it could reduce operational costs and raise further operational revenue:

- a) Introducing renewable energy infrastructure, e.g. solar panels on government-owned buildings, carparks etc, solar-powered light-poles etc;*

Council Response:

Council already has solar panels on some facilities. An energy audit has been conducted on the 5 largest sites for energy consumption. Council will consider in future budgets and grant funding opportunities will be explored, providing funding to install solar panels and associated infrastructure on these facilities. This would require significant upfront capital investment which would need to be funded from unrestricted cash reserves.

- b) Increasing rent for leases and licences of Crown land to commercial rates (if possible);*
- c) Increasing rent for leases and licences for Council-owned land to commercial rates, considering more commercial uses of such land, and the sale of land which is not required for current or future Council services;*

Council Response to (b) and (c):

Council increases lease and licence fees on an annual basis in accordance with the lease and licence agreements. Future leases or renewal of current leases will be examined closely to ensure the revenue return to Council is in line with commercial rates where appropriate.

- d) Harnessing Council’s skilled workforce to provide services to other councils on a fee-for-service basis, including civil, plumbing and electrical services;*

Council Response: Council currently provides services support to other local government areas eg Environmental Health Officers services. Most industry sectors including local government are experiencing severe skills shortages, consequently Griffith City Council’s capacity to outsource services on a fee for service basis is limited. In some cases, Council has engaged contractors to undertake service provision as it has been unable to recruit staff.

- e) Introducing paid parking for the Griffith City Airport.*

Council Response: Council is currently investigating technology solutions to introduce paid parking at Griffith City Airport. It is anticipated that additional revenue will be generated by introducing paid parking, however in initial years, this additional revenue will be offset by the capital cost of implementation.

Submission from Member for Murray, Helen Dalton MP

“I urge Council to firstly conduct an independent review of its commercial viability before applying for any Special Rates Variation. Such a review should consider the following areas of the Council’s financial model and operations:

Council Response:

Griffith City Council is committed to identifying \$1M in annual savings to supplement the SRV proposed. Council’s operations are benchmarked against all Councils in NSW on an annual basis by the Office of Local Government. Council’s financial performance and ratios

compare favourably with other councils in our Group. In addition, Council has identified several services which will have independent reviews undertaken during the next two years.

- *The increase of Council's Senior Management team from 5 to 6 Directors*

Council Response:

Griffith is a growing city as is evidenced by significant public and private sector investment. Council delivers in excess of 70 different services and manages over \$1B assets and infrastructure. The Senior Management Team is fully occupied in this regard.

- *The quantum and extent of wage increases across all managerial roles*

Council Response:

Wage and salary increases are set at the equivalent of those set by the Local Government State Award.

- *The management of Lake Wyangan and associated financial issues*

Council Response:

Council has identified the primary challenges with Lake Wyangan and has implemented several strategies to progressively improve the condition of the water body and the environment. Council has endorsed a Western Foreshore Infrastructure Plan. These works will commence late 2023.

- *The levels of transparency and accountability in water trading*

Council Response:

Council took the initiative in 2014 to have regulations amended to allow local government to temporarily trade excess water in order to supplement income and therefore reduce the impact on rates. Council trades water through various independent water brokers in accordance with Council policy. Council has no knowledge of the buyers' details as all trades are facilitated by the water brokers' trust account.

- *The water levy on developers and its impacts*

Council Response:

Council implemented a water levy on developers as a consequence of the NSW Government proposing such action. Council has discontinued this levy.

- *The meeting of housing demands and housing needs in the Council's area with an emphasis on affordability and the associated growing of the Rate Base; homelessness; and assisting with the workforce shortage by the provision of plentiful and affordable housing*

Council Response:

Council adopted the Affordable Housing Strategy in 2019. Council has implemented a number of initiatives to assist with providing affordable accommodation in Griffith. Eg. Griffin Green Affordable Housing project – 20 dwellings plus 42 building allotments. Donation of land to Argyle Housing Corner of Wakaden and Crossing Streets. 4 x 2 bed affordable dwellings. Adoption of new Residential Control Plan providing various concessions for affordable housing.

- *Cost blowouts on infrastructure developments*

Council Response:

The Member for Murray is requested to provide further detail in order for this point to be addressed.

- *The management and budgets for increased infrastructure spending on facilities such as the sports precinct and pool*

Council Response:

Council undertook extensive community consultation with regard to the scope of both the 50m pool construction and Griffith Regional Sports Centre. This consultation prompted Council to significantly increase the scope of works for both facilities. The capital budgets for those projects were consequently amended for the increased scope. Some additional grant funding was secured to partly offset the increase in capital costs.

- *An overall assessment of Council's budget forecasts and key performance indicators such as Gross Regional Product.*

Council Response:

Griffith City Council has very limited influence on Gross Regional Product. Council has a number of economic development initiatives in place to assist the private sector. Council proactively liaises with external stakeholders to drive new business activity and growth.

OPTIONS

OPTION 1

As per Recommendation.

- (a) Council receive and note the SRV Community Engagement Summary attached to the report including submissions, feedback received and key findings.
- (b) Council apply to the Independent Pricing and Regulatory Tribunal (IPART) under Section 508(A) of the Local Government Act 1993, for a permanent SRV of 10.5% inclusive of the assumed 3.0% rate peg each year for three consecutive years from 2024/25 to 2026/27. This is a cumulative increase of 34.9%. Applications are to be submitted by 5 February 2024 as determined by IPART.
- (c) Council to notify IPART that it intends to apply for a Special Rate Variation as referred to in (b) above, by 25 November 2023 (date as determined by IPART).
- (e) Council approves additional Service Reviews to those already listed in the 2022/23-2025/26 Delivery Program, as identified in this report. These are functions within the General Fund and will explore productivity improvements and cost containment strategies. The Delivery Program is to be updated accordingly.
- (f) Management to report to Council on a quarterly basis with details of cost savings and additional revenue initiatives.
- (g) Council to review the Financial Hardship Policy (FS-CP-506) to ensure adequate assistance is provided to ratepayers experiencing genuine financial hardship.

OPTION 2 (Not recommended)

- (a) Council not make application to IPART for a SRV.
- (b) Council acknowledges that to achieve a financially sustainable position, Council needs to generate savings or additional revenue of \$4M per annum in the General Fund. In addition, Management will identify annual savings of \$1M.
- (c) In preparation for the FY24/25 draft Budget, Councillors nominate specific services to be reviewed to achieve the savings as referred to in (b) above.

OPTION 3 (Not recommended)

- (a) Council not make application to IPART for a SRV.
- (b) Council acknowledges that to achieve a financially sustainable position, Council needs to generate savings or additional revenue of \$4M per annum in the General Fund. In addition, Management will identify annual savings of \$1M.
- (c) In preparation for the FY24/25 draft Budget, Councillors request Management to provide a report to a future Workshop with implications for service cuts as identified by Councillors of 23% of net cash costs as per the table below, to achieve the required \$4M per annum savings.

Management has categorised operations in the General Fund between statutory and discretionary services to identify those services that could be reviewed without breaching any legislative or statutory requirements.

Function	Net Cash Costs (Income less Cash Costs)	Approximate reduction in Cash Costs to achieve \$4M saving
Aquatic Facilities	\$ 1,584,491	\$ 370,846
Community Services MangT	\$ 496,406	\$ 116,182
Economic Development	\$ 383,205	\$ 89,688
Events Co- Ordinator	\$ 469,036	\$ 109,777
Fleet Management	-\$ 2,447,125	-\$ 572,743
Footpaths & Cycleways	\$ 106,342	\$ 24,889
Griffith Livestock Mk Centre	\$ 154,829	\$ 36,237
Griffith Regional Art Gallery	\$ 311,590	\$ 72,927
Griffith Regional Theatre	\$ 987,946	\$ 231,226
Housing	-\$ 51,926	-\$ 12,153
Library Services	\$ 1,087,922	\$ 254,625
Other Community Services	\$ 26,118	\$ 6,113
Parking Areas	\$ 36,293	\$ 8,494
Passive Recreation	\$ 3,811,256	\$ 892,014
Pioneer Park Museum	\$ 582,659	\$ 136,370
Public Conveniences	\$ 281,295	\$ 65,836
Quarry	-\$ 44,520	-\$ 10,420
Ranger Services	\$ 428,932	\$ 100,390
Roads & Bridges	\$ 3,520,311	\$ 823,919
Senior Citizens Centre	\$ 15,238	\$ 3,566
Sporting Bodies Subsidies	\$ 55,820	\$ 13,065
Sporting Grounds	\$ 828,038	\$ 193,800
Sports Stadium	\$ 421,198	\$ 98,580
Strategic Planning	\$ 2,758,089	\$ 645,523
Street & Gutter Cleaning	\$ 409,166	\$ 95,764
Urban Stormwater Drainage	\$ 139,719	\$ 32,701
Visitors Centre	\$ 738,243	\$ 172,784
	\$ 17,090,571	\$ 4,000,000

OPTION 4 (Not recommended)

Any other resolution of Council.

Councillors should note that IPART has advised that if Council determines to progress with any SRV other than that, which has been placed on public exhibition, Council will be required to follow the following steps:

1. Amend Council's Long Term Financial Plan and Delivery Program, to reflect the revised SRV proposal.
2. Place the draft documents on public exhibition for 28 days.
3. Undertake community consultation for the proposed SRV.
4. Further report to adopt the amended Long Term Financial Plan and Delivery Program following the consideration of community submissions and final decision to apply for the revised SRV.

Deadline for application to IPART is early February 2024.

POLICY IMPLICATIONS

Not Applicable

FINANCIAL IMPLICATIONS

In order to achieve financial sustainability for Griffith City Council in the General Fund, a SRV will be required. Alternatively, significant services will be required to be reviewed and restructure costs quantified.

LEGAL/STATUTORY IMPLICATIONS

Council must ensure resourcing levels are adequate to carry out legal and statutory functions in line with relevant Acts and legislation.

ENVIRONMENTAL IMPLICATIONS

If a SRV is not implemented, Council may consider reducing budget relating to environmental programs and activities.

COMMUNITY IMPLICATIONS

Should Council resolve not to proceed with a SRV, the community would be impacted by reductions to Council services and access to facilities as outlined above in the report.

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item 3.2 Ensure Council's financial sustainability through effective financial management that is transparent and accountable.

CONSULTATION

Senior Management Team

Community consultation undertaken as outlined in Attachment (b).

ATTACHMENTS

- (a) Council Report and Minutes 9 May 2023 (under separate cover)
- (b) SRV Community Engagement Summary (includes Community Engagement Plan and Submissions Received) (under separate cover)
- (c) Rate Peg Only - General Fund - 10 Year Financial Projection for Years Ended 30 June 2023 - No Art Gallery

- (d) Proposed SRV - General Fund - 10 Year Financial Projection for Years Ended 30 June 2023 - No Art Gallery

**ORDINARY MEETING OF GRIFFITH CITY COUNCIL
HELD IN GRIFFITH CITY COUNCIL CHAMBERS ON
TUESDAY, 24 OCTOBER 2023 COMMENCING AT 7:00 PM**

PRESENT

The Mayor, Doug Curran in the Chair; Councillors, Glen Andreazza, Shari Blumer, Simon Croce, Jenny Ellis, Manjit Singh Lally, Melissa Marin, Anne Napoli, Christine Stead, Chris Sutton, Laurie Testoni and Dino Zappacosta

STAFF

General Manager, Brett Stonestreet, Director Economic & Organisational Development, Shireen Donaldson, Director Utilities, Graham Gordon, Director Infrastructure & Operations, Phil King, Director Business, Cultural, Financial Services, Steve Saffioti, Director Sustainable Development, Bruce Gibbs and Minute Taker, Hannah Hall

MEDIA

Cai Holroyd, Area News.

1 COUNCIL ACKNOWLEDGEMENTS

The Meeting opened with Councillor Laurie Testoni reading the Opening Affirmation and the Acknowledgement of Country.

2 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE OR ATTENDANCE BY AUDIO-VISUAL LINK BY COUNCILLORS

No apologies or requests for leave of absence were received.

3 CONFIRMATION OF MINUTES

23/250

RESOLVED on the motion of Councillors Glen Andreazza and Christine Stead that the minutes of the Ordinary Meeting of Council held in Griffith City Council Chambers on 10 October 2023, having first been circulated amongst all members of Council, be confirmed.

A division was called for, voting on which was as follows:

For	Against
Councillor Doug Curran	
Councillor Glen Andreazza	
Councillor Shari Blumer	
Councillor Simon Croce	
Councillor Jenny Ellis	
Councillor Manjit Singh Lally	

Councillor Melissa Marin
Councillor Anne Napoli
Councillor Christine Stead
Councillor Chris Sutton
Councillor Laurie Testoni
Councillor Dino Zappacosta

The division was declared **PASSED** by 12 votes to 0.

4 BUSINESS ARISING

Nil

5 DECLARATIONS OF INTEREST

Pecuniary Interests

There were no pecuniary interests declared.

Significant Non-Pecuniary Interests

There were no significant non-pecuniary interests declared.

Less Than Significant Non-Pecuniary Interests

There were no significant non-pecuniary interests declared.

6 PRESENTATIONS

Nil

7 MAYORAL MINUTES

Nil

8 GENERAL MANAGER'S REPORT

CL01 SPECIAL RATE VARIATION (SRV) - DECISION TO APPLY TO THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART)

23/251

RESOLVED on the motion of Councillors Christine Stead and Glen Andreazza that the meeting suspend standing orders to allow Mr Robert Milton MacFarlane to speak.

A division was called for, voting on which was as follows:

For

Against

Councillor Doug Curran
Councillor Glen Andreazza
Councillor Shari Blumer
Councillor Simon Croce
Councillor Jenny Ellis
Councillor Manjit Singh Lally
Councillor Melissa Marin
Councillor Anne Napoli

Councillor Christine Stead
Councillor Chris Sutton
Councillor Laurie Testoni
Councillor Dino Zappacosta

The division was declared PASSED by 12 votes to 0.

23/252

RESOLVED on the motion of Councillors Glen Andreazza and Laurie Testoni that the meeting resume standing orders.

A division was called for, voting on which was as follows:

For	Against
Councillor Doug Curran	
Councillor Glen Andreazza	
Councillor Shari Blumer	
Councillor Simon Croce	
Councillor Jenny Ellis	
Councillor Manjit Singh Lally	
Councillor Melissa Marin	
Councillor Anne Napoli	
Councillor Christine Stead	
Councillor Chris Sutton	
Councillor Laurie Testoni	
Councillor Dino Zappacosta	

The division was declared PASSED by 12 votes to 0.

Councillors Curran and Ellis moved the following **MOTION** that:

- (a) Council receive and note the SRV Community Engagement Summary attached to the report including submissions, feedback received and key findings.
- (b) Council apply to the Independent Pricing and Regulatory Tribunal (IPART) under Section 508(A) of the Local Government Act 1993, for a permanent SRV of 10.5% inclusive of the assumed 3.0% rate peg each year for three consecutive years from 2024/25 to 2026/27. This is a cumulative increase of 34.9%. Applications are to be submitted by 5 February 2024 as determined by IPART.
- (c) Council to notify IPART that it intends to apply for a Special Rate Variation as referred to in (b) above, by 25 November 2023 (date as determined by IPART).
- (d) Council approves additional Service Reviews to those already listed in the 2022/23-2025/26 Delivery Program, as identified in this report. These are functions within the General Fund and will explore productivity improvements and cost containment strategies. The Delivery Program is to be updated accordingly.
- (e) Management to report to Council on a quarterly basis with details of cost savings and additional revenue initiatives.
- (f) Council to review the Financial Hardship Policy (FS-CP-506) to ensure adequate assistance is provided to ratepayers experiencing genuine financial hardship.
- (g) Council cap increases to Water and Sewer charges by the assumed 3% annual rate peg (per the SRV) for the period of the 3 year implementation of the SRV.

- (h) Council increase the pensioner rebates on Ordinary Rates by the following amounts for the period of the 3 year implementation of the SRV.

	Additional Rate per Assess	Additional Annual Cost
Year 1	\$100	\$123,700
Year 2	\$75	\$92,775
Year 3	\$50	\$61,850
	Total	\$278,325

- (i) Council staff prepare the next draft Operational Plan (Budget) 2024/2025, draft Delivery Plan 2022/23 – 2025/26 and the draft 10 year 2024/25 – 2033/34 Financial Plan on the basis of removing the Art Gallery project.
- (j) Council staff prepare reports with respect to the following cost savings projects and alternative revenue opportunities:
- Paid parking at the Airport
 - Review of recent energy audit and further installation of solar panels on high energy consumption facilities.
 - Audit of buildings owned by Council which are leased to other entities (to include purpose of the original purchase and current lease arrangements relative to commercial terms).
 - Initiate a Road Service review as a matter of priority (as referred to in this report) including improvements to the gravel and sealed road networks and the resheeting programs.

Councillor Zappacosta **FORESHADOWED** the following **MOTION**:

- Council not make application to IPART for a SRV.
- Council acknowledges that to achieve a financially sustainable position, Council needs to generate savings or additional revenue of \$4M per annum in the general fund.
- In preparation for the FY24/25 draft budget a “RAZOR GANG” be set up consisting of Councillors and the General Manager to address the pressures on Councils general fund.
- The “RAZOR GANG” to report to Council for the preparation of the FY24/25 draft budget.
- That the Community in general be thanked for their input into the SRV discussions over the public consultation period.

Councillor Stead tabled a Petition in relation to the Special Rate Variation.

23/253

RESOLVED on the motion of Councillors Doug Curran and Jenny Ellis that:

- (a) Council receive and note the SRV Community Engagement Summary attached to the report including submissions, feedback received and key findings.
- (b) Council apply to the Independent Pricing and Regulatory Tribunal (IPART) under Section 508(A) of the Local Government Act 1993, for a permanent SRV of 10.5% inclusive of the assumed 3.0% rate peg each year for three consecutive years from 2024/25 to 2026/27. This is a cumulative increase of 34.9%. Applications are to be submitted by 5 February 2024 as determined by IPART.
- (c) Council to notify IPART that it intends to apply for a Special Rate Variation as referred to in (b) above, by 25 November 2023 (date as determined by IPART).
- (d) Council approves additional Service Reviews to those already listed in the 2022/23-2025/26 Delivery Program, as identified in this report. These are functions within the General Fund and will explore productivity improvements and cost containment strategies. The Delivery Program is to be updated accordingly.
- (e) Management to report to Council on a quarterly basis with details of cost savings and additional revenue initiatives.
- (f) Council to review the Financial Hardship Policy (FS-CP-506) to ensure adequate assistance is provided to ratepayers experiencing genuine financial hardship.
- (g) Council cap increases Water and Sewer charges by the assumed 3% annual rate peg (per the SRV) for the period of the 3 year implementation of the SRV.
- (h) Council increase the pensioner rebates on Ordinary Rates by the following amounts for the period of the 3 year implementation of the SRV.

	Additional Rate per Assess	Additional Annual Cost
Year 1	\$100	\$123,700
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- (i) Council staff prepare the next draft Operational Plan (Budget) 2024/2025, draft Delivery Plan 2022/23 – 2025/26 and the draft 10 year 2024/25 – 2033/34 Financial Plan on the basis of removing the Art Gallery project.
- (j) Council staff prepare reports with respect to the following cost savings projects and alternative revenue opportunities:
 - i) Paid parking at the Airport
 - ii) Review of recent energy audit and further installation of solar panels on high energy consumption facilities.
 - iii) Audit of buildings owned by Council which are leased to other entities (to include purpose of the original purchase and current lease arrangements relative to commercial terms).

- iv) Initiate a Road Service review as a matter of priority (as referred to in this report) including improvements to the gravel and sealed road networks and the resheeting programs.

A division was called for, voting on which was as follows:

For	Against
Councillor Doug Curran	Councillor Simon Croce
Councillor Glen Andreazza	Councillor Melissa Marin
Councillor Shari Blumer	Councillor Anne Napoli
Councillor Jenny Ellis	Councillor Christine Stead
Councillor Manjit Singh Lally	Councillor Dino Zappacosta
Councillor Chris Sutton	
Councillor Laurie Testoni	

The division was declared PASSED by 7 votes to 5.

CL02 DA 85/2023 - SINGLE STOREY SECONDARY DWELLING

23/254

RESOLVED on the motion of Councillors Simon Croce and Christine Stead that:

- (a) Council, as the consent authority pursuant to Section 4.16(1)(a) of the Environmental Planning & Assessment Act 1979, grant consent to Development Application DA 85/2023(1) for a Secondary Dwelling at Lot 1589 DP 751709, No. 1 Wilga Street Hanwood subject to conditions including those set out in Attachment 'A' of this report; and;
- (b) Development Application 85/2023(1) be delegated to the Director of Sustainable Development for the preparation and issue of the notice of determination.

In accordance with the Local Government Action (section 375A - Recording of voting on planning matters) Council must record the Councillor's vote in relation to the matter.

For	Against
Councillor Doug Curran	
Councillor Glen Andreazza	
Councillor Shari Blumer	
Councillor Simon Croce	
Councillor Jenny Ellis	
Councillor Manjit Singh Lally	
Councillor Melissa Marin	
Councillor Anne Napoli	
Councillor Christine Stead	
Councillor Chris Sutton	
Councillor Laurie Testoni	
Councillor Dino Zappacosta	

The division was declared PASSED by 12 votes to 0.

CL03 CLOSURE OF KOOYOO STREET STAGE 1 - BANNA AVENUE TO BANNA LANE

Councillor Marin asked for the initial cost of each bollard in Kooyoo St, and how much it would cost if they were to be removed. This was taken on notice by Mr Gordon.

23/255

RESOLVED on the motion of Councillors Glen Andreazza and Chris Sutton that Council authorise the General Manager to apply to Transport for NSW to permanently close Kooyoo Street, Griffith from Banna Avenue to Banna Lane for the purpose of motor vehicle access.

A division was called for, voting on which was as follows:

For	Against
Councillor Doug Curran	Councillor Simon Croce
Councillor Glen Andreazza	Councillor Manjit Singh Lally
Councillor Shari Blumer	Councillor Melissa Marin
Councillor Jenny Ellis	Councillor Christine Stead
Councillor Anne Napoli	Councillor Dino Zappacosta
Councillor Chris Sutton	
Councillor Laurie Testoni	

The division was declared PASSED by 7 votes to 5.

The General Manager read out a Public Address received from Mr and Mrs Tropea regarding CL02 - DA 85/2023 - Single Storey Secondary Dwelling. The Mayor offered to recommit the vote should Councillors wish.

9 INFORMATION REPORTS

Nil

10 ADOPTION OF COMMITTEE MINUTES

Nil

11 BUSINESS WITH NOTICE – RESCISSION MOTIONS

Nil

12 BUSINESS WITH NOTICE – OTHER MOTIONS

Nil

13 OUTSTANDING ACTION REPORT

23/256

RESOLVED on the motion of Councillors Glen Andreazza and Melissa Marin that the report be noted.

14 MATTERS TO BE DEALT WITH BY CLOSED COUNCIL

Nil

There being no further business the meeting terminated at 8:12pm.

Confirmed:

CHAIRPERSON