

OUTCOMES ACHIEVED - 2020/21 PRODUCTIVITY IMPROVEMENTS / COST CONTAINMENT STRATEGIES

2020/21 Op Ex \$

51,286,000

No.	Code	Strategy	20/21 Saving / Rev	% of Operating Expenses	Category	Ongoing / One-off	Outcomes Achieved
IS-1	Service	10% reduction in operating service levels (e.g. maintenance) in Transport and Recreation	\$ 266,000	0.52%	Productivity	Ongoing	Savings achieved in materials and services actual expenditure compared with 2019/20.
ORG-1	Service	Reduce operational business case initiatives	\$ 627,000	1.22%	Cost Containment	Ongoing	Negative impact on service improvements, mainly resulted in deferral of General Fund new positions.
ORG-2	Service	Reduce capital works program	\$ 776,000	1.51%	Cost Containment	One-off	Mainly reduction in capital asset renewal projects.

TOTAL QUANTIFIED GAINS

\$ 1,669,000

3.3%

OUTCOMES ACHIEVED - 2021/22 PRODUCTIVITY IMPROVEMENTS / COST CONTAINMENT STRATEGIES

2021/22 Op Ex

2021/22 Op Ex \$

55,400,000

No.	Code	Strategy	21/22 Saving / Rev	% of Operating Expenses	Category	Ongoing / One-off	Outcomes Achieved
F&A-1	Operational	Move to TechnologyOne cloud and use of Application Managed Services	\$ 61,474	0.11%	Productivity	Ongoing	1 FTE position saving
IS-1	Operational	Restructure of the mechanics workshop	\$ 100,000	0.18%	Productivity	Ongoing	Employment savings against budget achieved.
P&S-1	Service	Review programs and service standards for libraries	\$ 49,400	0.09%	Productivity	Ongoing	Employment savings against budget achieved.
P&S-5	Operational	Pause on all non-essential recruitment and filling essential vacancies only	\$ 500,000	0.90%	Productivity	One-off	Employment savings against budget achieved.
P&S-8	Operational	Filling vacant positions wherever possible using internal/existing employees	\$ 187,000	0.34%	Productivity	One-off	Employment savings against budget achieved.
IS-2	Service	Review of vacant FTEs	\$ 20,000	0.04%	Cost Recovery	One-off	Additional fees & charges income achieved.
IS-3	Service	Add new / review existing fees & charges	\$ 47,312	0.09%	Cost Containment	One-off	Employment savings against budget achieved.
IS-4	Service	Aquatic Centre kiosk - close kiosk and install vending machines	\$ 300,000	0.54%	Cost Containment	Ongoing	Ongoing annual strategy to fund asset renewal within Council's limited own-source revenue.
EDE-1	Operational	Focus grant funding on existing projects within Council's adopted operational plan	\$ 34,000	0.06%	Cost Recovery	Ongoing	Outcome was an increase in systems being identified and charged.
EDE-2	Service	Review on-site sewerage management charges & properties charged	\$ 60,000	0.11%	Revenue	One-off	Sale of land at Inch Street Lithgow.
P&S-2	Operational	Property sales for 2021/22 budget	\$ 92,500	0.17%	Cost Containment	One-off	Employment savings against budget achieved.
P&S-3	Operational	Review overtime budget and tighten controls	\$ 6,500	0.01%	Cost Containment	Ongoing	Savings achieved.
P&S-4	Operational	Remove Council contribution for non-compulsory uniforms	\$ 4,200	0.01%	Cost Recovery	Ongoing	Additional income achieved.
P&S-6	Operational	Leaseback fees (income & to reduce FBT) – increase above CPI	\$ 100,000	0.18%	Cost Containment	One-off	Employment savings against budget achieved.
P&S-7	Operational	Forced Leave - Excessive Annual Leave	\$ 250,000	0.45%	Cost Containment	One-off	Employment savings against budget achieved.
P&S-9	Operational	Natural attrition retirements - targeted in non-essential areas or positions that can be re-designed	\$ 108,241	0.20%	Cost Containment	One-off	Savings against budget achieved.
P&S-10	Operational	Workers comp premium saving	\$ 17,673	0.03%	Cost Containment	One-off	2021/22 FBT saving
W&WW-1	Operational	Phase out of leaseback vehicles	\$ 612,000	1.10%	Cost Recovery	One-off	To assist with building working capital.

TOTAL QUANTIFIED GAINS

\$ 2,488,826

4.5%

PLANNED 2022/23 PRODUCTIVITY IMPROVEMENTS / COST CONTAINMENT STRATEGIES

2021/22 Budget	2021/22 Budget
Op Ex	Op Ex

t	2021/22 Budget	
	Op Ex	\$

52,688,000

No.	Code	Strategy	22/23 Saving / Rev	% of Operating Expenses	Category	Ongoing / One-off	Outcomes to be Achieved
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W-1	Operational	Innovate and deploy artificial day cover at Council’s Lithgow waste facility	\$ 250,000	0.47%	Productivity	Ongoing	There will be estimated savings for cover material (12,000m3/year and 200,000m3 over the landfill life). The landfill ‘space’ saved is worth ~\$2M per annum based on current commercial gate fee of \$180/t. Further, if Council had to purchase material from a quarry there would be additional cost (~\$250k per annum). Council acknowledges the EPA Bushfire Recovery Program for Council Landfills which has fully funded the \$152K cost of the artificial day cover.
F&A-6	Service	Implement comprehensive service standards across Council	N/A	N/A	Productivity	Ongoing	Council has implemented a complete set of service standards for each customer-facing Department.
P&S-2	Operational	Pause on all non-essential recruitment and filling essential vacancies only Filling vacant positions wherever possible using internal/existing employees	\$ 500,000	0.90%	Productivity	One-off	Employment savings against budget.
IS-1	Service	Focus grant funding on existing projects within Council’s adopted operational plan	\$ 300,000	0.57%	Cost Containment	Ongoing	Ongoing annual strategy to fund asset renewal within Council's limited own-source revenue.
IS-2	Operational	Review of plant hire rates	\$ 1,390,640	2.64%	Cost Recovery	One-off	Increase in plant hire income.
IS-3	Operational	Electricity contract savings - 6 months from 1/1/23	\$ 91,527	0.17%	Cost Containment	Ongoing	Savings compared with previous contract.
IS-4	Operational	LED street lighting - savings from upgrade of remaining luminaires	\$ 26,000	0.05%	Cost Containment	Ongoing	Savings compared with previous contract.
IS-5	Operational	Savings from solar panels on Aquatic Centre	\$ 18,456	0.04%	Cost Containment	Ongoing	Savings for 3 quarters of 2022/23; full year savings = \$24,608
EDE-1	Operational	Review on-site sewerage management charges & properties charged	\$ 34,850	0.06%	Cost Recovery	Ongoing	Outcome was an increase in systems being identified and charged.
P&S-1	Operational	Leaseback fees (income & to reduce FBT) – increase above CPI	\$ 39,766	0.07%	Cost Recovery	Ongoing	Additional income achieved.
P&S-3	Operational	Workers comp premium saving	\$ 200,392	0.36%	Cost Containment	One-off	Savings against budget.
W&WW-1	Operational	Tax equivalent payment from sewer fund to general fund	\$ 134,680	0.24%	Cost Recovery	One-off	To assist with building working capital.
F&A-1	Service	Add new / review existing fees & charges	\$ 114,648	0.21%	Cost Recovery	One-off	Includes Development Planning fees inc. \$53,672 on 21/22 actuals, certificate fees \$5,035 inc, septic tank fees \$5,831 inc, sporting fields \$14,153 inc, cemeteries \$9,218 inc, private works water \$14,137 inc, sewer fees \$12,602 inc.
F&A-2	Operational	Increase investment income	\$ 289,737	0.52%	Revenue	One-off	Investment returns have increased since January 2022 with Council being able to achieve up to 3.3% returns on six month investments. Also, Council’s average investment balance has been above the budgeted average investment balance of \$28M.
F&A-3	Operational	Depreciation - reduced by \$204K consolidated following review of capital project completion dates	\$ 204,000	0.37%	Cost Containment	One-off	Savings against budget.
F&A-4	Operational	Store - savings on uniforms & rags	\$ 7,500	0.01%	Cost Containment	One-off	Savings against budget.
F&A-5	Operational	Store - change to lower cost work boots	\$ 5,200	0.01%	Cost Containment	One-off	Savings against budget.
TOTAL BUDGETED GAINS			\$ 3,607,396	6.8%			