

## **SRLX Service Delivery Review cover note**

The SRLX Service Delivery Review commenced in 2017 and was conducted by GHD Pty Ltd on behalf of Council. The focus of the review was analysis of the following areas:

- Levels of service and benchmarking
- Service delivery models
- Financial
- Governance processes and technology
- Stakeholder engagement

In their final report GHD provided five options (status quo, outsourced operations, operating lease, capital lease, sale of facility) with the following recommendations to support Option 4 (capital lease):

- Council pursue funding opportunities from State and Federal Government to address the \$2.9 million backlog of capital works. Council successfully obtained \$5.2 million in grant funding.
- Advertise for expressions of interest (EOI) to lease the facility with a preference for a long-term capital lease. As part of this arrangement the lessee should be required to at a minimum, maintain the facilities at current standards.
- If a satisfactory capital lease cannot be negotiated, the next preference would be for Council to enter into an operating lease, while maintaining the current Capital Improvement Levy to fund future capital works.
- If the facility is leased, Council should dissolve the Advisory and Consultative Committees. Instead, Council would deal directly with the lessee, who in-turn will be responsible for dealing with users.

A report was considered at the 27 March 2019 Council meeting, where the capital lease option was adopted as preferred.

Prior to exploring capital lease options Council will complete upgrade works, expected in 2022.

The upgrades will address user safety, animal welfare, efficiency of use, biosecurity and productivity and will also bring all cattle handling facilities up to current industry, building and safe work standards.

The status of the upgrade project was noted by Council, when an SRLX update report was considered at the 9 June 2021 Council Meeting.