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**3 FOUR YEAR DELIVERY PROGRAM 2022-2026 INCLUDING ONE YEAR OPERATIONAL PLAN 2023/24**

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**Report prepared by:** Financial Controller  
**File No.:** FIM/23/46 - BP23/217

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**REPORT SUMMARY**

Adoption of this report by Council will ensure Council meets its legislative obligations to prepare a Four Year Delivery Program, Ten Year Long Term Financial Plan and a separate One Year Operational Plan.

Council must levy Rates and Charges in accordance with the *Local Government Act* 1993 for the FY23/24 Financial Year to allow the collection of Council's main source of revenue in order to continue to provide services for the community.

The report includes the proposed 2022-2026 Four Year Delivery Program and 2023/24 One Year Operational Plan **ATTACHMENTS 1 AND 2 - CIRCULATED UNDER SEPARATE COVER**. A Draft FY23/24 Fees and Charges Schedule for adoption is provided at **ATTACHMENT 3 - CIRCULATED UNDER SEPARATE COVER**. A Draft 2023 – 2033 Long Term Financial Plan **ATTACHMENT 4 - CIRCULATED UNDER SEPARATE COVER**.

Public submissions received in response to the Draft Plans must be considered by Council prior to their adoption. Details of the three submissions and a response from the relevant Council Officer's are provided in **ATTACHMENT 5 - CIRCULATED UNDER SEPARATE COVER**.

The Draft Budget FY23/24 projects a Net Operating Surplus of \$13.5m, and \$177k before Capital Grants and Contributions.

**RECOMMENDATION:**

That Council:

- (a) Considers the public submissions received during the public exhibition period and the responses to those submissions.
- (b) Adopts the proposed Four Year Delivery Program 2022-2026 including the One year Operational Plan for FY23/24, and FY23/24 Fees and Charges Schedule.
- (c) Levy of Rates for the FY23/24 Financial Year in accordance Section 535 of the *Local Government Act* 1993, such rate to be as follows:

**ITEM 3 (continued)**

Type	Name	Base Amount Yield %	Min/Base Amount \$	Ad Valorem (Amount in \$)
Ordinary	Residential	-	\$620.07	0.00038341
Ordinary	Business	-	\$620.07	0.00386455
Ordinary	Business- Major Retail Centre - Macquarie Park	-	-	0.00842115
Ordinary	Business- Major Retail Centre - Top Ryde	-	-	0.00493131
Special	Macquarie Park Corridor	-	-	0.00073408
Special	Special Infrastructure Renew al	49.81%	\$129.70	0.00011849
Special	Environmental Management	40.22%	\$61.80	0.00008327

- (d) Fixes its interest charge on overdue rates and charges in accordance with the Section 566 (3) of the *Local Government Act 1993* at the rate of nine percent (9%) per annum from 1 July 2023 to 30 June 2024, as determined by the Minister for Local Government.

**ATTACHMENTS – CIRCULATED UNDER SEPARATE COVER**

- 1 City of Ryde 2022-2026 Four Year Delivery Program
- 2 City of Ryde 2023-2024 One Year Operational Plan
- 3 Draft 2023-24 Fees and Charges
- 4 2023-33 Long Term Financial Plan
- 5 Response to Community Submissions - Fees and Charges

Report Prepared By:

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Report Approved By:

**Peter Brown**  
**General Manager - Business and Operations**

### ITEM 3 (continued)

#### Background

At its meeting on 26 April 2023, Council resolved to place the Draft Four Year Delivery Program 2022-2026, including One Year Operational Plan 2023/24, on public exhibition for 28 days from 1 May 2023 to 28 May 2023.

The purpose of this report is to consider any public submissions made during the exhibition period, reporting of any changes since the start of the exhibition period, and have the final suite of documents and budget adopted by Council.

#### Draft Budget FY23/24

The Draft Budget FY23/24 projects a Net Operating Surplus of \$13.5m, and \$177k before Capital Grants and Contributions.

Total projected expenditure (excluding depreciation) for delivering both recurrent & capital projects is \$172.4m. Of this \$124.4m is in delivering recurrent operations such as Roads, Parks, Buildings Maintenance, Library Services, Community Development & Events, Ryde Aquatic Leisure Centre, Forward Planning & Economic Development Activities, Regulatory Services, Subdivision & Development Activities, Waste Management and Governance Activities.

Draft Budget Capital expenditure of \$48.0m includes, \$41.1m in delivering 104 capital works projects in the next financial year, capital purchases of \$4.1m and \$2.8m in loan and lease payments.

The main source of Council's income is generated from Rates (50%). Other sources of income are Waste Management and Storm Water Charges (16%), Grants & Contributions (12%) and User Charges (11%) The remaining 11% is made up of Interest on Investments and Other Revenue.

The table below provides summary of Operational Income and Expenditure below:

Income Statement	<i>Proposed Budget 2023/2024 (\$'000)</i>
<b>INCOME FROM CONTINUING OPERATIONS</b>	
Rates and annual charges	109,718
User charges and fees	18,410
Interest and investment revenue	5,477
Other revenues	12,535
Grants & contributions provided for operating purposes	6,040
Grants & contributions provided for capital purposes	13,286
Net gain from the disposal of assets	1,226

**ITEM 3 (continued)**

Income Statement	<i>Proposed Budget 2023/2024 (\$'000)</i>
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>166,693</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>	
Employee benefits and on-costs	64,275
Borrowing costs	108
Materials and contracts	53,163
Depreciation and amortisation	28,820
Other expenses	6,864
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>153,230</b>
<b>NET OPERATING RESULT</b>	<b>13,463</b>
<b>NET OPERATING RESULT before Capital Grants and Contributions</b>	<b>177</b>

**Capital Works Project Expenditure:**

The FY23/24 Draft Capital Works Program has a total projected expenditure of \$48.0m. The plan has been developed in response to the priority projects in the 2022-2026 Delivery Program. Of this, \$27.9m has been allocated for renewal of Councils existing assets to ensure the condition is maintained for residents. In addition, \$17.3m has been allocated for the construction of new assets, and \$2.8m in loan and lease payments.

Next year's works program has been funded from the following various sources, Internal Reserves, Section 7.11 & 7.12 Developer Contributions and Capital Grants and Contributions. It is important to note that Council forecasts its Section 7.11 and Section 7.12 related expenditure for the coming financial year based on receipts already received to ensure that Section 7.11 funds are not over-committed and that cashflow remains positive.

The Ryde Central project is currently under review as per the public statement dated 23 May 2023 and as such, the project budget for FY23/24 has been reduced by \$37.3m which includes a reduction of \$35.5m as detailed elsewhere in this Business Paper and \$1.8m which has been brought forward to this Financial Year.

During this Financial Year FY22/23 through the quarterly budget review process, the Original Budget of \$69.9m was reduced to \$3.9m. Based on information at the time regarding project delays, it was assumed that \$3.9m would be sufficient to allow for remaining works.

As works have progressed further than anticipated, additional funding of \$1.8m will be brought forward from next Financial Year FY23/24 due to having a more accurate estimate of commitments that will be realised by 30<sup>th</sup> June 2023.

### ITEM 3 (continued)

Remaining funds are for works that that are complete and awaiting invoices from contractors, relocation of the Sydney Water main that currently runs underneath the existing site, temporary fencing and security patrols to ensure site safety and prevention of deterioration of the site.

This variation will be reflected in June Quarterly Review and the budget for next FY23/24 has been amended to reflect this reduction.

Some key highlights of the \$48.0m Capital Works Program include the following projects:

- \$6.4m – Ryde Central
- \$4.8m – Gannan Park, Masterplan Delivery
- \$3.3m – Constitution Rd/Bowden St, Meadowbank - Traffic Control Signals
- \$1.5m – Hermitage Road shared path, West Ryde
- \$1.1m – Smalls Road Public School drainage and easement upgrade
- \$950k – Road Resurfacing Blenheim Road (Jopling Street - Cutler Parade)
- \$900k – Road Resurfacing Culloden Road (Waterloo Road - Marsfield Park)
- \$760k – Road Resurfacing Renewal, Balaclava Road (Abuklea Road)
- \$757k – Dunbar Park amenities upgrade
- \$638k – Putney Park Seawall Rehabilitation work
- \$620k – Santa Rosa Park
- \$600k – West Ryde Library major upgrade

The table below provides summary of next year's Capital Works Program of \$48.0m by asset class:

\$'000	Building	Civil	Footpath & Cycleway	Traffic	Storm Water	Parks	Other	Fleet	TOTAL
<b>Renewal</b>	950	9,566	681	968	2,608	7,173	1,875	4,100	<b>27,921</b>
<b>New</b>	8,445	937	3,263	3,532	-	540	600	-	<b>17,317</b>
<b>Subtotal</b>	<b>9,395</b>	<b>10,503</b>	<b>3,945</b>	<b>4,500</b>	<b>2,608</b>	<b>7,713</b>	<b>2,475</b>	<b>4,100</b>	<b>45,239</b>
<b>Lease &amp; Loan</b>	-	-	-	-	-	-	-	-	<b>2,784</b>
<b>TOTAL</b>	<b>9,395</b>	<b>10,503</b>	<b>3,945</b>	<b>4,500</b>	<b>2,608</b>	<b>7,713</b>	<b>2,475</b>	<b>4,100</b>	<b>48,023</b>

## ITEM 3 (continued)

### Proposed Rating Structure

The following rating table outlines the various rating categories and associated yields for the FY23/24 Financial Year. The table below has been updated to reflect the supplementary valuations received during the public exhibition period.

The total projected rates income is forecasted to be \$83.8m in FY23/24 which represents 50.27% of Council's total revenue.

Rates and Charges - Estimated Yield for 2023/24							
Rate Type	Category/Sub-Category	No. of Properties	Land Values \$	Base Charge \$	Minimum \$	Ad Valorem (amount in \$)	% of Revenue from Base for each rate Estimated Yield \$
Ordinary	Residential - Minimum	37,535	20,137,019,552		620.07		23,274,327
Ordinary	Residential - Ad Valorem	14,692	34,190,334,312			0.00038341	13,109,005
Ordinary	Business - Minimum	502	25,909,939		620.07		311,275
Ordinary	Business - Ad Valorem	1,498	5,091,924,236			0.00386455	19,678,007
Ordinary	Business- Major Retail Centre –Macquarie Park	1	325,000,000			0.00842115	2,736,873
Ordinary	Business- Major Retail Centre – Top Ryde	7	49,074,149			0.00493131	242,000
<b>TOTAL YIELD</b>	<b>ORDINARY RATES</b>						<b>59,351,487</b>
Special	Macquarie Park Corridor – Ad Valorem	454	2,647,572,004			0.00073408	1,943,534
Special	Special Infrastructure Renewal –Base Charge	54,235		129.70			49.81% 7,034,280
Special	Special Infrastructure Renewal –Ad Valorem	54,235	59,819,262,188			0.00011849	7,088,037
Special	Environmental Management –Base Charge	54,235		61.80			40.22% 3,351,723
Special	Environmental Management - Ad Valorem	54,235	59,819,262,188			0.00008327	4,980,961
<b>TOTAL YIELD</b>	<b>ORDINARY &amp; SPECIAL RATES</b>						<b>83,750,022</b>

*The above rates figures include the rate pegging amount of 3.7% as determined by the Independent Pricing and Regulatory Tribunal.*

*For the 2023/24 rating year, the base date for Land Values is 1/07/2022*

In accordance with section 566 (3) of the Local Government Act 1993, the Minister for Local Government has determined the maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive) will be 9.0%.

### Public Submissions

As per Council Resolution dated 26 April 2023, the Draft Four Year Delivery Program 2022-2026 including One Year Operational Plan 2023/24 and Fees and Charges were placed on public exhibition between 1 May 2023 and 28 May 2023 seeking feedback from our community.

Council received a total of three (3) public submissions during the exhibition period. Two submissions related to sportsfield lighting at Waterloo Park and the current capacity of the sportsfields at this location, one submission related to rates for Macquarie Centre for FY23/24.

1. A request to upgrade the lighting at Waterloo Park to eliminate dark spots and cover all areas of the fields during evening training, citing current lighting is not sufficient and as a result there are safety concerns while children are training.

**ITEM 3 (continued)**

2. A request to upgrade all the sportsfields and lighting at Waterloo Park to allow for a decent spread of use, citing increasing numbers of residents creating an increasing requirement for utilisation of the Waterloo Park sportsfields.
3. Submission received opposing increase to the Business Major Retail Centre (Macquarie Centre) rating category.

**Responses from Council Officer:***Submission 1 & 2:*

Council has allocated funding in the 2023/24 Operational Plan for upgrade of lighting infrastructure at Waterloo Park to increase the visibility levels. As per the Sports Field Action Plan which is detailed elsewhere in this Business Paper, it is recommended to investigate the feasibility to increase the active recreation capacity for Waterloo Park to occur during 2023. In addition, this action is consistent with Council's adopted Sport and Recreation Strategy.

*Submission 3:*

Council's Rating Structure ensures a fair and equitable outcome for all Ratepayers. Council Officers will respond to this submission and explain Council's proposed Rating Structure methodology in further detail.

A summary of all submissions received with responses from Council Officers is detailed in **ATTACHMENT 5 – CIRCULATED UNDER SEPARATE COVER**.

**Fees and Charges – Proposed Changes After Public Exhibition**

It is proposed to amend the following Fees and Charges after the public exhibition period in accordance with Circular (23-02) issued by Office of Local Government (OLG) on 8 May 2023.

**Section 603 Certificate:**

Under section 603 of the Act, councils may issue a certificate as to the amount (if any) of rates, charges, etc. due or payable to the council for a parcel of land. Section 603(2) states the application must be accompanied by the approved fee. In accordance with the approved methodology, the approved fee for FY23/24 is determined to be \$95. This is an increase of \$5 from the FY22/23 fee.

### **ITEM 3 (continued)**

#### **Interest Rate on Overdue Rates and Charges:**

In accordance with section 566(3) of the Act, it has been determined that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive) will be 9.0% per annum. The methodology used to calculate the interest rate applicable for the period 1 June 2023 to 30 June 2024 is the Supreme Court methodology (the Reserve Bank cash rate plus 6%), rounded to the nearest half per cent.

All Fees and Charges are detailed in **ATTACHMENT 3 – CIRCULATED UNDER SEPARATE COVER.**

#### **Document Amendments**

The proposed 2022-26 Delivery Program and 2023/24 Operational Plan and proposed 2023/24 Fees and Charges have been duly exhibited in accordance with legislative requirements and consideration given to all submissions. The documents have been amended to include the reported changes and are presented for adoption at this time.

#### **Financial Implications**

The proposed changes outlined in this report will have no impact on Council's position as at 30 June 2024.

#### **Conclusion**

The proposed 2022-26 Delivery Program, 2023/24 Operational Plan and proposed 2023/24 Fees and Charges, as amended, is presented to Council for adoption.