

**Statement to Council Meeting 23 May 2023 by Mr Wayne Rylands,  
Chief Executive Officer, Ryde City Council**

Good evening Councillors, staff and the community.

You may recall that I commenced as the Chief Executive Officer in August 2022. Around that time, Council's Chief Financial Officer brought to my attention concerns in relation to various transfers of funds obtained from developer contributions which had been placed in restricted reserves. These funds are required to be held by Council and spent for the purposes for which they were collected from developers in line with Council's Contributions Plan.

Based on the information provided to me, I authorised the CFO to undertake an immediate and thorough investigation into these matters, including engaging accounting and legal experts to examine the issues.

Those investigations reveal three key transactions of concern which occurred around mid 2020:

- (1) There was a transfer of \$35.5 million from developer contributions obtained under the 2014 Contributions Plan to the 'Ryde Central Reserve' when only \$12.5m should have been transferred.
- (2) Some \$52.5m from developer contributions was also transferred to an Asset Expansion Reserve. The bulk of this was spent on projects identified in the 2014 and 2020 Contributions Plan. However, some \$11.6 million of these funds were spent on matters not included in either of these Contributions Plans, although these matters did provide amenities or services to the community.
- (3) The transfer of \$1.1 million from developer contributions to the Council's Employee Leave Entitlement reserve and the expenditure of those funds.

The new Executive Leadership Team is very surprised and disappointed about these findings as the legislation imposes strict obligations on how these funds are to be managed. These transactions should not have occurred.

Following the advice provided to Council, we reported the findings to the Office of Local Government and the Independent Commission Against Corruption, who are now examining these matters.

In addition, Council has obtained advice on the necessary corrective measures. A draft Action Plan setting out those measures has been provided to the Office of Local Government and ICAC for their consideration.

Rest assured, that our new Executive Leadership Team is determined to address these matters and ensure all developer contributions and other funds in restricted reserves are correctly managed in accordance with the legislation and best practice.

Given the situation, the Ryde Central Project is now under review. We will continue to update Councillors and the community on the future of the Ryde Central Project.

Council's top priority is to make sure Ryde ratepayers continue to receive the services and programs that they have come to expect and that the impacts from this matter are minimised. Council's main priority is our ratepayers.

As these matters have been referred to the Office of Local Government and ICAC for their consideration, no further comment can be made by the Executive Leadership Team of Council on these matters.

Thank you.