

<b>GMU2</b>	DRAFT DELIVERY PROGRAM 2022-2026, DRAFT OPERATIONAL PLAN 2023-2024, DRAFT BUDGET 2023-2024 AND DRAFT FEES AND CHARGES 2023-2024
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<b>APPROVER:</b>	Michael Mamo, General Manager

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## RECOMMENDATION

1. That:
  - a. The draft Delivery Program 2022-26, and draft Operational Plan, including the draft Statement of Revenue Policy incorporating the draft Budget and draft Schedule of Fees and Charges for 2023-24, attached to the report, be placed on public exhibition for a period of not less than 28 days in accordance with the requirements in the Local Government Act 1993. Pursuant to the *Local Government Act 1993*, Strathfield Council has reviewed and developed the following plans for public exhibition for 28 days.
  - b. The period of exhibition be from 3 May – 31 May 2023.
  - c. A further report be prepared and submitted to an Extra-Ordinary meeting of Council to be held on 27 June 2023 following the exhibition period.
2. That in regard to management of various sportsgrounds that:
  - a. Council replace the existing natural turf pitch at Hudson Park with a synthetic pitch after November 2025, when the current Licence expires.
  - b. Council not enter into a new Licence for Hudson Park after November 2025 and that it be managed similarly to other sporting grounds and that it be booked through the normal Council seasonal hire process.
  - c. Strathfield Park sporting grounds not be made available for use for cricket.
  - d. The new Licence for the Croquet Club at 50 Redmyre Road, Strathfield, after July 2026, includes the full annual cost incurred by Council for maintenance of the greens.

## PURPOSE OF REPORT

It is the recommendation of this report that Council adopt for public exhibition for the required statutory period of 28 days, Delivery Program 2022-2026 and Operational Plan 2023-2024 including Revenue, Budget and Fees and Charges 2023-2024. Following public exhibition, Council will consider submissions made to the plans prior to their adoption in June 2023.

## REPORT

### Background

The *Local Government Act (Planning & Reporting) 2009* (NSW), established the Integrated Planning and Reporting (IPR) framework to improve long-term financial sustainability, asset management, community engagement, and organisational planning in local government. This legislation requires all councils in NSW to take an integrated approach to strategic planning and financial management.

The IPR framework connects Council's various strategic plans. Drawing these plans and resources together supports closer collaborations between Council, the community and our partners to realise the community vision. The statutory context for this work is set out in sections 402 to 406 of *the Local Government Act 1993*.

In June 2022, Council adopted the new Community Strategic Plan – Strathfield 2035. The Community Strategic Plan (CSP) was informed by extensive community engagement and alignment with regional and local strategies including the Local Strategic Planning Statement (LSPS). The CSP is set out across five themes which include:

1. Connectivity Theme reflects on the centrality and connectivity of the Strathfield LGA to Greater Sydney and beyond through infrastructure, transport and communications which includes planning for and the delivery of regional, state and local infrastructure to meet the needs of increasing populations, ensuring regional and local transport networks are integrated, connected and safe, and that service delivery and information access is optimised through integration of communications and digital technology.
2. Community Wellbeing Theme concerns supporting Strathfield's culturally diverse and socially cohesive, connected, and safe communities with access to public spaces and community facilities, and opportunities to participate in programs and activities.
3. Celebrating Culture and Place Theme relates to creating vibrant and enticing public domains, especially our town, village, and commercial centres, which blend access to services with opportunities for social connectivity and events, cultural programs and acknowledgement of civic and community achievements which promote a sense of civic pride and belonging.
4. Liveable Neighbourhoods Theme concerns ensuring well planned urban design, protection, and maintenance of the built and natural environment of the Strathfield LGA and involve high quality, well planned, sustainable, clean and well-maintained urban and natural environments, balance of new development with established local character and healthy, thriving and resilient natural environments.
5. Responsible Leadership Theme concerns leadership, accountable and efficient Council services, decision making based on priorities and values that are responsive to the needs of the community.

### **Delivery Program 2022-2026**

To support the goals and strategies of the CSP, Council adopted a new Delivery Program for the period 2022 to 2026. This was operational from 1 July 2022. Following an extensive review of Council's financial sustainability, in November 2022, Council resolved to apply to IPART for a Special Rate Variation (SRV). The Delivery Program 2022-2026, Operational Plan 2022-2023 and Long-Term Financial Plan were reviewed and amended to align with the SRV proposal. The amended plans were adopted in February 2023.

At the time of preparation of the Operational Plan and Budget for 2023-2024, the SRV application has not been determined. Therefore, the draft Operational Plan and Budget includes possible scenarios which may be determined by IPART by June 2023.

The IPR suite of documents reviewed and prepared for public exhibition include:

- Delivery Program 2022-2026 and Operational Plan 2023-2024 including Annual Budget 2023-2024 and Fees and Charges 2023-2024.

### **Key deliverables for 2023-2024**

At the time of preparation of the draft plan, the outcome of Council's SRV proposal has not been determined. The outcome of SRV will impact on delivery of services, programs, projects and capital works. It is expected that the determination will be notified in June 2023.

The Delivery Program and Operational Plan includes the following initiatives:

- Improvements to the maintenance and cleanliness of Strathfield's public domains, parks and residential streets, with particular emphasis on illegal dumping and upgrading of Gateway Signage.
- Service Reviews of Council's street sweeping service and capital works are scheduled for 2023-2024.
- Improvements to local infrastructure and reductions of backlogs through investment of \$2.4M in road renewals and \$4.5M in footpath renewals to deliver assets that meet community standards of service.
- Grant funding was awarded to Council by the NSW Government under the WestInvest program. Detailed plans will be prepared for projects in Airey Park, Strathfield Park, Hudson Park and Begnell Field for implementation in late 2024.
- Development of a proposal for a Community Service Centre to provide support for migrants, seniors and domestic violence .
- Improving community access to Council services and bookings through the implementation of iConceirge. This system will enable access to online bookings, payments and lodging of requests.
- The continued operations of Council's works areas, parks and gardens, compliance activities, town planning/development approval, natural resource management, environmental initiatives and waste collection services.
- The continued operations of governance and administration and secretariat activities consistent with
- legislative requirements.
- The provision of corporate services to support the operational areas of Council such as human resources, records management, finance and technology infrastructure.
- Facilitation and delivery of a range of community programs to support the social, recreation, health and leisure needs of Strathfield's multi-cultural and diverse community.
- Continued operation of community and library services, facilities and programs for local residents including children, youth, aged, people with special needs, and the general community.

### **Draft 2023/24 Budget**

The draft 2023/24 Budget has been prepared with a focus on maintaining existing services and asset renewal, consistent with Council's IPART Special Rates Variation (SRV) application. Guided by the current year's budget, new organisational structure and the need to provide additional resources in several areas, the draft Budget presented in the 2023/24 Operational Plan is balanced and assumes approval of the IPART SRV application.

### Special Rate Variation Application

To recap, the IPART SRV application is designed to be completed over a four (4) year period and cumulatively increases rates by 92.8% as presented in the table below.

2023/24	2024/25	2025/26	2026/27	Cumulative
35.1%	13%	17.5%	7.5%	92.8%

Creating a more financially sustainable future for Council is necessary in order to ensure we are able to provide a safe and growing community, which provides all the services that our residents and businesses come to expect and enjoy.

Councils are required to follow principles of sound financial management. Council must ensure its spending is responsible and sustainable, undertake responsible and sustainable investments in infrastructure for the benefit of the local community, implement effective financial and asset management, and have regard to achieving intergenerational equity.

Simply put, if our finances are not in order we will find it difficult to offer all of our current services and we will put our Council at a significant operational risk.

Council undertook a financial sustainability review in 2022 and identified a significant residual funding gap that places Council's financial sustainability at risk unless additional action is taken. Given Council's obligations to employ sound financial management principles and ensure that it generates sufficient revenue to provide the level and scope of services and infrastructure agreed with its community, it is critical that Council acts urgently to ensure its ongoing financial sustainability.

Considering the residual funding gap of both operational and capital requirements, Council reviewed its rates and rating structure to:

- Have a more equitable rating structure
- Create a sustainable rating structure for the future
- Maximise the rates income from future rate assessment growth
- Rebalance the income generated for provision for general fund services.

As a result, Council has reviewed its options and considers that the application for an SRV to IPART is necessary for a sustainable future and must commence in the 2023/24 financial year.

The 2023/24 increase of 35.1% includes the transfer of \$4M from domestic waste management (DWM) to general operations, reducing the DWM Charge from \$795 to \$550, a reduction of \$245. The \$4M transfer represents 20.3% of the 35.1% increase. A full breakdown is provided below.

2023/24 Rate Peg	3.7%
DWM transfer	20.3%
Special variation	11.1%
<b>Total</b>	<b>35.1%</b>

In conjunction with the IPART SRV application, Council has applied to introduce a minimum rate of \$1,040 in 2023/24, increasing to \$1,200 in 2024/25. This application facilitates moving from the existing base amount rating structure to a minimum rate rating structure.

Council has also resolved to introduce additional sub-categories into its business rates category as follows:

- Business CBD;
- Business North; and
- Business South.

Council's total rates and DWM charges for 2022/23 is \$33.5M. The 35.1% increase will generate an additional \$7M in rates, and the \$4M reduction in the DWM charge will reduce that increase to \$3M. A large part of the increase in 2023/24 rates will be directed toward the new sub-categories as set out in the table below.

Category / Sub-Category	2022/23 Rates (\$'000)	2023/24 Rates (\$'000)	\$'000 Increase/ (Decrease)
Residential	14,065	18,781	4,716*
Domestic Waste Management	13,570	9,565	(4,004)*
Business North & South	3,000	4,856	1,856
Business CDB & General	2,901	3,336	435
	<b>33,536</b>	<b>36,538</b>	<b>3,003</b>

\* The net increase in Rates & Annual Charges for Residential properties, noting the \$4M reduction in the DWM Charge, will be \$712k.

Full details of the 2023/24 rating structure are set out later in the report and will be included in the Statement of Revenue Policy in the 2023/24 Operational Plan.

### **Draft 2023/24 Operating Budget**

The draft 2023/24 operating budget anticipates total income from continuing operations of \$60.886M and total expenses from continuing operations of \$56.703M, resulting in a net operating surplus of \$4.184M inclusive of capital grants and contributions. Excluding capital grants and contributions, the net operating result is a deficit of \$5.928M.

At the outset, it should be noted that the income statement bottom line is generally consistent with the 2022/23 adopted and revised budgets. This in itself is a quite significant achievement given the changes incorporated into the budget, notably the reduction in domestic waste management overhead cost allocations (of up to \$4M) along with a much-reduced capitalisation of salaries and wages (of up to \$1.3M).

Staffing costs aside, expenditure has been maintained at a level consistent with the revised 2022/23 Budget. The draft operating budget is summarised below with the current year's adopted and revised budgets as comparatives.

Income Statement	Adopted 2022/23 (\$)	Revised 2022/23 (\$)	Estimated 2023/24 (\$)
Rates and annual charges	(33,580)	(33,683)	(36,948)
User charges and fees	(4,155)	(4,830)	(4,939)
Other revenues	(3,814)	(4,010)	(3,944)
Grants and contributions provided for operating purpose	(2,225)	(2,769)	(2,606)
Grants and contributions provided for capital purposes	(26,966)	(18,149)	(10,112)
Interest and investment income	(441)	(920)	(1,714)
Net gain from the disposal of assets	(351)	(351)	(625)
<b>Total Income from Continuing Operations</b>	<b>(71,531)</b>	<b>(64,712)</b>	<b>(60,886)</b>
<b>Expenses</b>			
Employee benefits and on-costs	22,344	20,896	25,694
Materials and services	16,939	20,230	20,065
Borrowing Costs	489	-	179
Depreciation and amortisation	9,345	9,345	9,551
Other expenses	1,063	1,200	1,215
<b>Total Expenses from Continuing Operations</b>	<b>50,180</b>	<b>51,671</b>	<b>56,703</b>
<b>Net Operating (Surplus)/Deficit from Continuing Operations</b>	<b>(21,351)</b>	<b>(13,041)</b>	<b>(4,184)</b>
<b>Net Operating (Surplus)/Deficit before Capital Grants &amp; Contributions</b>	<b>5,615</b>	<b>5,108</b>	<b>5,928</b>

A brief commentary on each line item is provided below.

#### Rates and annual charges

Rates and annual charges are made up of Council's residential and business rates, domestic waste management charges, stormwater management charge and Section 611 charges (AGL's payment for pipelines in the area) net of pensioner rebates. The draft 2023/24 Budget includes year one (1) of the IPART SRV application, a 35.1% increase in rates offset by a \$4M reduction in domestic waste management charges. The net increase in income, compared to this year's adopted budget, is \$3.4M or 10.0%.

#### User charges and fees

Council receives income from the wide range of fees and charges adopted in its schedule of Fees and Charges each year. For 2023/24, a comprehensive review of our fees and charges has been undertaken together with a review of neighbouring Councils' fees and charges to identify opportunities to introduce new income streams. Total income anticipated in 2023/24 is \$4.9M, an increase over the current year's adopted budget of \$784K or 18.9%.

There is a wide range of changes to numerous income streams when comparing to this year's adopted budget. These arise from changes in utilisation / activity or simply more realistic budgeting. The largest variations are listed in the table below.

Fee / Charge	2022/23 Adopted Budget	Draft 2023/24 Budget	Difference
Hoardings	315,200	100,000	(215,200)
Stand Plant	153,800	350,000	196,200
Road Closures	30,800	200,000	169,200
Driving Range	1,050,600	1,875,000	824,400
DA Fees	512,500	350,000	(162,500)
Neighbour Notification	250,000	175,000	(75,000)
			<b>737,100</b>

#### Other Revenues

Other Revenues, as the name suggests, is the catch-all income classification for everything that does not fall into the other classifications. More than half of it comes from fines, with the other main sources being leases/licences, rates legal cost recovery and ex gratia rates. Total income anticipated for 2023/24 is \$3.9M, an increase over the current year's adopted budget of \$131K or 3.4%. The table below shows the main sources of income and differences between the two budgets.

	2022/23 Adopted Budget	2023/24 Draft Budget	Difference
Fines	2,101	2,305	204
Leases	693	895	202
Legal Recovery	283	50	(233)
Ex Gratia Rates	181	187	6
Other	556	507	(49)
	<b>3,814</b>	<b>3,944</b>	<b>131</b>

#### Grants & contributions for operating purposes

Operating grants include the Financial Assistance Grant (general and roads components), Library per capita subsidy and special grant, RMS Block Grants, Roads to Recovery and programs, and the traffic route streetlighting subsidy. An occasional grant is received for a specific operational project. The 2023/24 Budget anticipates income of \$2.6M, an increase over the current year's adopted budget of \$381K or 17.1%. The increase is largely due to Strathfield Festival grants (\$244k) and the indexation of our Financial Assistance Grants.

#### Grants & Contributions for Capital Purposes

Capital grants and contributions include developer contributions levied under Council's Contributions Plans (which will be renewed in the 2023/24 financial year) and numerous grants for specific projects and can vary significantly from year to year. The table below lists the capital grants and contributions in the 2022/23 adopted budget and draft 2023/24 budget.

	<b>2022/23 Adopted Budget</b>	<b>Draft 2023/24 Budget</b>	<b>Future Years' Grants</b>
Strathfield Leisure Centre	21,185,000		
Developer Contributions	5,781,000	5,730,000	
WestInvest - Strathfield Park		161,540	1,453,860
WestInvest - Hudson Park		823,360	7,410,240
WestInvest - Airey Park		415,400	3,738,600
WestInvest - Begnell Reserve		781,200	7,030,800
WestInvest Contestible - Upgrade to Cooke Park Skatepark		250,000	323,000
Begnell Drainage		500,000	500,000
Homebush Lighting & Safety Measures		350,000	
Hudson Park West		500,000	
Ford Park Drainage*		600,000	
	<b>26,966,000</b>	<b>10,111,500</b>	

\* Subject to grant approval

The projects listed for 2023/24 have been staged over a number of years with the four (4) WestInvest parks projects budgeted at 10% in 2023/24, 40% in 2024/25 and 50% in 2025/26. The total grant for these projects is \$21.8M, replacing the Strathfield Leisure Centre in the 2022/23 adopted budget.

#### Interest and investment income

Council has around \$50M invested and earning interest. These investments are reported to Council monthly. The 2022/23 adopted budget would have been based on interest rates around 1% while the 2023/24 draft budget has been based on interest rates around 4%. This has resulted in interest earnings increasing from \$441K to \$1.714M in the draft 2023/24 budget.

#### Net gain on disposal of assets

A net gain or loss on sales of assets largely arises from the turnover of Council's plant and vehicles but also provides for writing off the book value of infrastructure assets that have been renewed. The draft 2023/24 budget does not, at this stage, include the book value of assets sold. Details of plant and vehicle replacement programs are yet to be finalised. Once available, the book values of assets to be sold or renewed will be updated into the budget.

It is important to note that the inclusion of the book value of assets sold is a non-cash item and will not affect the net cash result of the budget, but will increase the deficit on Council's income statement.

## Employee benefits & on-costs

Council staff salaries and wages are subject to annual increases that are determined by the New South Wales Local Government State Award. This Award is currently under negotiation which creates a need to estimate the outcome of those negotiations for the purpose of budgeting staff salaries and wages. Currently we are considering that the increase will be higher than what we have experienced in prior years (between 2-3% per annum) due to current economic challenges such as an increased Consumer Price Index.

Salaries and wages and associated costs such as superannuation and workers' compensation insurance represent the largest expenditure in Council's operating budget. The biggest increases in these costs arise from the annual Award increase and changes to the superannuation guarantee percentage. Remaining competitive in a tight employment market can also contribute to increased costs.

As the 2023/24 Award increase is currently unknown, and subject to a negotiation process that will not finalise for some time, our best guess is that the increase will be in the 4.5% to 5.5% range for 2023/24. Based on this a 5% increase has been budgeted. The superannuation percentage also increases in 2023/24 from 10.5% to 11%.

The table below steps through the increase in staffing costs at a high level.

	\$'000
2022/23 Adopted Budget	22,344
Capitalised salaries & wages	2,955
<b>Gross 2022/23 staffing costs</b>	<b>25,299</b>
Award increase @ 5%	1,265
Superannuation 10.5 to 11%	156
Salary step progression	200
Long Service transfers	100
Restructure / Market changes	361
<b>Draft 2023/24 Budget</b>	<b>27,381</b>
Draft 2023/24 Budget	25,694
Capitalised salaries & wages	1,687
	<b>27,381</b>

The increase arising from the organisational restructure and market impacts, is partly funded from s.7.11 developer contributions to cover the cost of Council's Contributions Planner. Net of this funding, the increase is \$229k or 0.9% of 2022/23 gross staffing costs. Given the quantum of organisational change and tight employment market, to move to the new organisational structure and recruit a new senior management team with a cost impost on the budget of less than 1% is a strong reflection of management's commitment to budgetary restraint.

#### Materials & services

From \$16.9M, the adopted budget for materials and services has been significantly revised during the current financial year to \$20.2M, an increase of \$3.3M. The draft 2023/24 Budget is generally consistent with that level of expenditure, reducing slightly to \$20.1M.

While these have been previously reported to Council in the September and December 2022 quarterly budget reviews, the table below lists the largest increases in expenditure incorporated into the 2022/23 budget.

	\$'000
Domestic waste management – tipping fees and operational	615
Strathfield Festival (50% grant funded)	468
Infrastructure repairs & maintenance	410
Financial Sustainability and Asset Improvement	320
IT maintenance contracts	314
Buildings repairs & maintenance	235
Service Reviews	200
Asset Management System	190
Saleyard Creek floodplain management (grant funded)	150
Medium density housing study consultation	150
Internal audit	150
Litigation expenses	100
	3,302

Where this additional expenditure is not ongoing, the budget has been re-allocated to other services and projects and the overall level of spend maintained.

#### Borrowing costs

The borrowing costs in the 2022/23 adopted budget were associated with proposed borrowings for the Strathfield Leisure Centre project of up to \$22M, which is a project that has subsequently been cancelled by Council in 2022.

The draft 2023/24 budget provides for borrowing costs associated with borrowing \$7M to commence the acceleration of reducing Council's asset renewal backlog. Councillors will recall that the IPART SRV application included borrowing up to \$42M for this purpose. This borrowing will be stage over a number of years as Council gears up to being able to manage the additional projects being funded from borrowings.

The draft 2023/24 budget also anticipates borrowing \$1M for works at the golf driving range. The drawdown of this loan will be made late in the financial year, resulting in there being only a small amount of accrued interest impacting on the budget. Full repayments of this loan will commence in 2024/25, funded from driving range income.

#### Depreciation and amortisation

Depreciation is calculated to account for the annualised consumption of long-term assets. For example, a \$100,000 newly constructed segment of footpath that has a life of 50 years will be depreciated at \$2,000 a year. Depreciation is also indicative of how much Council should be spending each year on asset renewal. This is, in large part, what the IPART SRV application is planned to do – fully fund annual depreciation which, in turn, allows Council to spend that money on asset renewal. Fully funding depreciation contributes significantly to Council's long-term financial sustainability.

Depreciation will typically increase from one year to the next based on construction of any new assets and revaluation / indexation of existing assets.

#### Other expenses

Other expenses include Council's statutory contributions (Fire Brigades, SES and Department of Planning), Community & Cultural Grants and bad debt provisioning. The increase in expenditure from \$1.1M in the adopted 2022/23 budget to \$1.2M in the draft 2023/24 budget is largely due to the indexation of statutory contributions.

#### Council's Improvement Plan actions

During 2022, Council undertook a review of its current operations and considered several ways in which it could minimise expenditure. An Improvement Plan and actions resulted from this process. This review has been considered in the formulation of the draft 2023/24 budget which includes forecast savings of \$300K relating to the cessation of Connector Bus weekend services. Further potential savings may arise from the external review of the Connector Bus service, but until that review is completed and considered by Council, any additional savings have not been anticipated in the draft budget.

### Capital Funding calculation

To conclude the overview of the draft operating budget, it is important to understand how the operating budget provides funding toward the capital budget. The table below steps through this calculation.

	2023/24 Draft Budget
<b>Available Capital Funding:</b>	
Net Operating (Surplus)/Deficit Before Capital Grants & Contributions	5,928
<b>ADD:</b>	
<u>Transfers to Reserve from Operating:</u>	
S.7.11 & S.7.12 Interest	357
Stormwater Management Charge	309
Election	100
IT	118
Driving Range	300
<u>Repayment of Principal on Loans</u>	103
LESS:	
<u>Transfers from Reserve to Operating:</u>	
S.7.11 Admin	(282)
Domestic Waste Management	(280)
<u>Non-cash items</u>	
Depreciation	(9,551)
<b>Available Capital Funding</b>	<b>(2,898)</b>

The starting point of the calculation is the operating result before capital grants and contributions. Transfers to reserves from the operating budget are added to the operating result, together with the repayment of principal on loans. Transfers from reserves to fund operational projects/activities are then deducted, together with any non-cash items which in the draft 2023/24 budget is only depreciation at this stage.

The bottom line is that, following funding all of Council's day-to-day services and making necessary and appropriate transfers to and from reserve, Council has \$2.9M available from the operating budget to go toward funding its capital works program, noting that this is under the assumption that Council's IPART SRV application is approved in full and implemented.

### *Draft 2023/24 Capital Budget*

The draft 2023/24 Capital Budget, and how it is funded, is presented in the table below.

<b>Capital Budget</b>	
<u>Expenditure</u>	
Plant & Equipment	2,650
IT	122
Roads, bridges & footpaths	8,850
Traffic Management	393
Stormwater drainage	309
Buildings	700
Parks & Reserves	200
Major Projects	5,382
Other	196
	<b>18,802</b>
<u>Funding</u>	
Operating Budget	(2,898)
Grants & Contributions	(4,382)
Loans	(8,000)
External Reserves	(1,828)
Internal Reserves	(1,700)
	<b>(18,807)</b>
<b>Budget Result (Surplus)</b>	<b>(5)</b>

In addition to the \$2.9M from the operating budget, there is funding from grants, loans and external and internal reserves that produce a net budget result of a \$5K surplus.

A detailed Capital Budget can be found in the Operational Plan.

### **Special Rates Variation and Minimum Rates Applications determination**

Council is anticipating determination of its applications on 8 June 2023. If the applications are not approved, or approved in part, Council will need to reduce its operating and capital expenditure budgets in 2023-2024. This results from the need for Council to proceed with the \$550 domestic waste management change regardless of the outcome of the applications. Based on the current draft budget, expenditure reductions in the order of \$4M will need to be found which will inevitably impact on services and service levels.

### **Draft 2023/24 Fees & Charges**

As noted in the budget overview above, a comprehensive review of our fees and charges has been undertaken together with a review of neighbouring Councils' fees and charges to identify opportunities to introduce new income streams. The outcomes of this work have been included in the schedule of Fees and Charges 2023/2024 attached to this report.

Since circulating the draft 2023/24 Fees & Charges at the 11 April Councillor Workshop, the following changes have been made. Page numbers have been included for ease of reference.

<b>Change</b>	<b>Page No.</b>
Increase Planning Proposal fees to better align with neighbouring Councils	24
Correction of Pricing Principle and fees - Fire Safety Statement Registration – late lodgement	27
Removal of Food Shop Follow-up reinspection fee	27
Update Interest on Overdue Rates following advice from Office of Local Government (6% to 9%)	31
Correct Legal Services Fees to include GST	32
Standardisation / simplification of Park Hire fees – grass field and hard court rather than sports groups based	40
Set single Lighting Fee per hour rather than per utility usage – another Lighting Fee removed below	40
Increase seasonal Kiosk Canteen hire to better align with neighbouring Councils	40
Removal of Lighting Fee – single fee set above	42
Addition of Golf professionals Annual Permit in Personal Trainers fees	43
Removal of Store Room Hire fee and Amenities Hire fee – not required	44
Increase Standing Plant Permit to better align with neighbouring Councils	50
Addition of Standing Plant Express Approval fee	50
Addition of Advertising on Council Property fees	50
Addition of Road Closure Urgency Fee	51
Re-introduce Extra Service Charge for Green and Yellow bins	53

Before Council can adopt its fees and charges for 2023/24 the draft fees and charges need to be placed on public exhibition. This is done in conjunction with the Delivery Program and Operational Plan as part of the Statement of Revenue Policy.

## Draft 2023/24 Rating Structure

Council has resolved to change its rating structure from a base amount structure to an ad valorem structure subject to a minimum rate. To facilitate this, included with Council's IPART SRV application is its application to increase the amount of the minimum rate to \$1,040 in 2023/24 and \$1,200 in 2024/25.

In addition to changing the structure of the rate, Council will be introducing sub-categories into its business category. The sub-categories will be Business General, Business CBD, Business North and Business South. The table below sets out the rating structure proposed for 2023/24 and are subject to IPART approval, either in part or in full.

All Categories and sub-categories – ad valorem rates subject to a minimum

Category / sub-category	No. of Assessments	Rate in \$ and Minimum Rate	Land Value	Land Value subject to Minimum	No. of Mins	2023/24 Yield
Residential	16,698	0.04562 \$1,040	17,284,289,647	6,521,159,647	13,337	18,780,620
Business General	461	0.21800 \$1,040	1,170,802,717	24,702,027	156	2,660,740
Business CDB	85	0.18423 \$1,040	263,766,120	19,911,885	67	518,933
Business North	574	0.22786 \$1,040	601,060,111	71,529,125	461	1,686,029
Business South	400	0.22786 \$1,040	1,435,136,340	37,155,414	135	3,325,839
<b>TOTAL BUSINESS</b>	<b>1,520</b>		<b>3,470,765,288</b>	<b>153,298,451</b>	<b>819</b>	<b>8,191,541</b>
<b>TOTAL RATES</b>	<b>18,218</b>		<b>20,755,054,935</b>			<b>26,972,161</b>

It should also be noted that, in response to Council's resolution on 4 April, the Statement of Revenue Policy has been updated to include the adopted position on aggregation, that is:

- a) *Aggregation of rates in accordance with S.548A of the Local Government Act will apply in the following situations: for all lots categorised as Residential or Business for rating purposes, one separately titled car space and/or one separately titled utility lot that are in the same ownership as the residential or business lot and are within the same building or strata plan. All aggregations will only apply from the commencement of the instalment period following the lodgement of the application with Council. An application fee is applicable to all applications for aggregation.*

Further, given that IPART is yet to determine our SRV and minimum rates applications and following discussion with the Office of Local Government, alternate rating structures have been included in the Operational Plan. These alternate structures are:

- Neither the SRV nor minimum rates applications are approved – 3.7% rate peg only
- DWM adjustment only approved in addition to the rate peg and minimum rate of \$1,040 approved
- DWM adjustment only approved in addition to the rate peg, minimum rate not approved so the maximum minimum rate of \$590 introduced.

These scenarios will provide an indication to the community of potential outcomes of Council's applications.

### Sportsground Management

At the Council meeting on the 7 February 2023, it was resolved:

1. As part of considering the draft 2023/24 budget and other cost savings initiatives, a review be presented to on the maintenance costs associated with our cricket pitches.
2. The report includes alternative options available to save on annual maintenance costs in the long term.
3. Council to look into our Alan Davidson Oval, which is our premier cricket ground and have consultations with the Strathfield Cricket Club about this pitch.

Council has three natural turf wickets, located at Airey Park, Bark Huts Reserve and Hudson Park.

Airey Park has a premium turf wicket, which is used by Strathfield Cricket Club as part of the First Grade Shires competition. Bark Huts Reserve is also used by Strathfield Cricket Club for the third and fourth grade competitions.

Hudson Park is used by St Patricks College on Saturdays only. Lower grade cricket clubs use the grounds on Sundays. It is noted that the grounds are prepared prior to each weekend, however the grounds are not always used.

During the cricket season, the grounds are mowed twice per week. Regardless of whether the pitch is natural or synthetic turf, Council will still need to undertake all outfield mowing and maintenance. The cost to maintain the natural turf includes weekly wicket preparation and rolling. It also includes annual renovations, wicket soil and nutrition. The approximate cost to maintain the turf cricket wicket each year (excludes the outfield) is as follows:

1. Airey Park	2. \$52,000
3. Bark Huts Reserve	4. \$46,000
5. Hudson Park	6. \$41,000
7. Total	8. \$139,000

Should Council be of a mind to reduce the number of natural turf pitches, Hudson Park is the lowest priority, and it is recommended to be removed. The natural turf pitch would be replaced with a synthetic pitch. The outfield would remain natural turf.

St Patricks College have a Licence with Council to use Hudson Park and the adjacent Pavilion. This Licence expires on 29 November 2025. The Licence is silent with regards to the cricket pitch. However, it could be assumed that the turf pitch is a key feature of the tenancy. It is therefore recommended that the natural

turf pitch be removed after the Licence has expired. Alternatively, that the maintenance costs be passed on in full to the new Licensee.

### **Strathfield Park Cricket Wicket**

The existing synthetic sporting ground at Strathfield Park is generally used for soccer. It can be modified to allow for cricket to be played by uncovering of a cricket pitch area. The cost to make this change is substantial. It is approximately \$7,000 to uncover the cricket pitch and \$15,000 to cover it back up again for use by soccer.

There are limited requests for this ground to be used for cricket. Given the high cost of allowing for cricket, it is recommended that this ground not be used for cricket into the future.

### **Croquet Club Maintenance**

The Strathfield Croquet Club has a Licence Agreement for use of the premises at 50 Redmyre Road, Strathfield. The current Licence expires on the 11 July 2026. With regards to maintenance, the Licence requires the Croquet Club to pay a quarterly maintenance levy.

Council staff undertake weekly maintenance of the croquet court and undertake one renovation per year. The approximate cost of this work is \$18,000 per annum, which greatly exceeds the maintenance levy paid by the Club.

Once the existing Licence expires, it is recommended that the full maintenance cost be passed on to the Club. Alternatively, the level of maintenance provided could be reduced.

### **Performance Monitoring and progress of Delivery Program, Operational Plan & Budgets**

Council reports regularly to the community on the progress of the implementation of the Delivery Program and Operational Plan. This includes:

- Budget is reported at the end of each financial quarter
- Progress reports on the principal activities in the Delivery Program are reported every six months
- An annual report which outlines Council's achievements in implementing its Delivery Program and performance of the annual Operational Plan as well as a financial summary showing key income expenditure areas for the financial year.

A State of Strathfield report on the progress of the implementation of the Community Strategic Plan will be presented to Council after the commencement of the next Council term in 2024.

### **FINANCIAL IMPLICATIONS**

The financial implications have been identified in this report.

#### ATTACHMENTS

1. DRAFT Operational Plan 2023-2024
2. DRAFT 2023-2024 Fees & Charges