

Relevant Information for Council

FILE: S122357 **DATE:** 24 June 2022

TO: Lord Mayor and Councillors

FROM: Bill Carter, Chief Financial Officer

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.2 – Integrated Planning and Reporting Program and Budget 2022/23 - Adoption

Alternative Recommendation

It be resolved that:

- (A) Council note the Engagement Report for Sustainable Sydney 2030-2050 Continuing the Vision and Community Strategic Plan, as shown at Attachment G to the subject report;
- (B) Council note the submissions received from the community, and staff responses, on the exhibited suite of the Integrated Planning and Reporting documents as shown at Attachment F to the subject report;
- (C) Council endorse Sustainable Sydney 2030-2050 Continuing the Vision, as shown at Attachment A to the subject report;
- (D) Council endorse the Community Strategic Plan Delivering Sustainable Sydney 2030-2050, as shown at Attachment B to the subject report;
- (E) Council adopt the 2022-2026 Delivery Program, as shown at Attachment C to the subject report;
- (F) Council adopt the Operational Plan 2022/23, as shown at Attachment D to the subject report;
- (G) Council adopt the Resourcing Strategy 2022, including the draft Operating and Capital Budgets and future years' forward estimates, as shown at Attachment E to the subject report;

- (H) Council note that the 2022/23 budgets include:
- (i) Operating income of \$651.1M, operating expenditure before depreciation of \$530.1M for an Operating Result of \$121.0M, and a Net Operating Surplus of \$77.1M after allowing for interest income, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$202.1M; including a capital contingency of \$10.0M;
 - (iii) Plant and Assets net expenditure of \$19.9M; including Information Technology Capital Works of \$7.0M; and
 - (iv) Net Property Acquisitions of \$147.8M;
- (I) Council adopt Rating Structure 1, as exhibited within the Operational Plan 2022/23, which is incorporated within the base case of our financial schedules, and aligns to the Independent Pricing and Regulatory Tribunal's final determination;
- (J) Council note the proposed changes to the fees and charges, as incorporated within the Operational Plan, and set out in Attachment H to the subject report;
- (K) Council approve additional funding for the Blackwattle Playground, Park on Lyons and Woolworths Façade Remediation capital works projects from the relevant asset renewal provisional capital budgets for 2022/23, as set out in the subject report; and
- (L) authority be delegated to the Chief Executive Officer to approve any minor editorial and document design corrections prior to publication.

Purpose

To provide updated information relevant to the adoption of the Integrated Planning and Reporting Program and Budget 2022/23.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 20 June 2022, the Committee was asked to note that the City was awaiting determination of its application to the Independent Pricing and Regulatory Tribunal (IPART) for a 2.5 per cent permanent special rate variation for 2022/23 and beyond.

The Draft Operational Plan exhibited two options of rating structures for Council adoption, with Rating Structure 1 reflected the City's intention to adopt a 2.5 per cent general rate increase, subject to IPART's approval of its special rate variation application.

On Monday 20 June 2022, IPART published its determination to approve 86 councils' applications for special rate variations, including the City's application for a permanent increase of 2.5 per cent from 2022/23, in line with our long term financial plans. IPART's decision is found at Attachment A.

The recommended rating structure, by category, is set out below:

Category / Subcategory	Minimum Rate (\$)	Ad valorem (rate in Dollar)
Residential - Ordinary Rate	\$613.50	0.00119024
Business - Ordinary Rate	\$785.00	0.00381862
Business subcategory - CBD Rate	\$785.00	0.00755000

Council should note that approval of the 2.5 per cent general rate increase, subject to IPART's determination, was included in the "base case" as shown in the City's financial schedules in the Operational Plan 2022/23, the Delivery Program 2022-2026 and the Resourcing Strategy 2022 (including the Long Term Financial Plan). The published versions of these draft documents, will now remove that degree of uncertainty, and for clarity the financial schedules for adoption are provided at Attachment B.

Matters raised by speakers

At the meeting of the Corporate Finance, Properties and Tenders Committee on 20 June 2022, four speakers also asked Council to consider a number of issues in relation to the IP&R documents. A summary of the issues raised by the speakers and the City's responses are as follows:

Michael Mobbs raised issues related to the climate emergency and business as usual activities related to carbon emissions. Responses to issues raised can be found in Attachment F to the Council papers from page 31 (reference number 9).

Elizabeth Elenius (Pymont Action) raised issues relating to the City's properties portfolio, in particular a site at Wattle Street / Wattle Crescent, leasing of community facilities to commercial entities, staffing of community facilities, processes for booking community facilities, Abraham Mott centre and the Maybanke site. Responses to issues raised can be found in Attachment F to the Council papers on pages 10-11 (reference number 25) and 33-37 (reference number 12).

Mary Mortimer (Friends of Pymont Community Centre) raised issues relating to social cohesion, fees and charges for use of community facilities, processes for applying to use community facilities, liability insurance and a proposal to move activities from Glebe to Tramsheds. Responses to issues raised (including Ms Mortimer's request for the City to consider streamlining the process for fee waivers and insurance cover) can be found in Attachment F to the Council papers on page 33 (reference number 11).

Lesley Bentley (Pymont Peninsular Public Transport Forum) did not provide a submission about the IP&R documents during the exhibition period but addressed Council directly at the Committee meeting. Subsequent to the Council Committee meeting Ms Bentley has provided further correspondence to the City which staff will respond to in due course. Ms Bentley raised the following issues: improved reliability of the 389-bus service; bus stops in York Street (near the former King Street stop); bus stop in Murray Street (closer to the ferry and at the Light Rail Stop); new bus service to link in with Broadway shopping centre and the new Sydney fish market; and, return of the F10 ferry stop to Pirrama Park.

The City supports an inclusive approach to transport that enables everyone to travel within the city. The City acknowledges that not everyone is able to walk or use active transport and that other transport options are required to support travel for all. The City supports the NSW Government providing bus connections that meet the needs of everyone, including older people. Consistent with advice provided to other stakeholders, the City will approach Transport for NSW, who are responsible for bus routes and stops, to explore opportunities for an additional 389 bus stop in the western half of the city centre. The City supports concepts for better bus connections to Pyrmont, such as those outlined in the NSW Government's Tech Central Transport Strategy and continues to advocate for implementation of priority actions in that Strategy. City staff will respond directly to Ms Bentley providing information on how to provide feedback to Transport for NSW in relation to bus and ferry services.

Community Centres

At the 20 June 2022 Committee meeting, City staff were also requested to consider, and provide background information to Council relating to the potential for a full fee waiver for 12 months for not-for-profit organisations, and resident and community group usage of community centres, to aid in the community's recovery post the pandemic. Information was requested to also address the issue of insurance cover and staffing of centres to assist community groups.

If Council approves the full fee waiver for venue hire for all not-for-profit organisations and community group bookings, it will cost the City approximately \$475,000 for 12 months. The City currently waives approximately \$260,000 in community venue hire fees via the grants program, and therefore offering a full fee waiver to all not-for-profit organisations and community group bookings would increase this amount by \$215,000.

If Council approves the full fee waiver for Public Liability Insurance for all community group bookings, as not-for-profit organisations have their own insurance, it will cost the City approximately \$10,000 for 12 months. The City currently waives approximately \$3,000 in Public Liability Insurance fees, and therefore offering a full fee waiver to all community group bookings would increase this amount by \$7,000.

Hirers of our community facilities are currently required to complete a hire agreement, and provide Public Liability Insurance, or apply for cover under the City's policy. They can also apply for a Community Venue Hire Support grant if required. There is a project underway to consider how we can improve and streamline these processes through an online booking system. While this is progressing, the application form has been simplified and oral applications are being trialled for community groups who need additional support.

If a full fee waiver for venue hire fees and Public Liability Insurance were offered to not-for-profit organisations and community groups, these documents are still required to ensure the City knows who is using the facility, what activities are being undertaken, ensure eligibility for reductions or fee waivers, ensure that all hirers understand the terms and conditions of use and that risk and liability is adequately managed. This information is required under the terms of the City's relevant insurance policy.

Many organisations, including government agencies, currently use our facilities to deliver community programs, community meetings and elections. These are all valuable services provided by agencies who are required to pay the community rate.

Community Venue Hire Support grants are assessed on individual merit and consideration of the financial position of the applicant with demonstrated benefit for the community in line with the Grants and Sponsorship Policy. This application process allows a fair and equitable process based on need.

It is recommended that the City continue to provide fee waivers through the Community Venue Hire Support grants to community groups and organisations based on demonstrated benefit to the community and financial hardship, as well as fee waivers for Public Liability Insurance on application where the activity being undertaken is low risk and the fee would contribute to financial hardship. Staff will continue to improve and simplify processes as much as possible.

Millers Point

There are three community facilities operated by the City in Millers Point. The Abraham Mott Hall, Harry Jensen Community Centre and Abraham Mott Community Space are all available to the community through venue hire while the longer-term operational model is being considered.

Six venue support grants to waive fees to the value of \$45,523 are in place to provide over 30 hours a week access to these facilities for activities delivered by community groups based in Millers Point in 2022/23.

Maybanke Recreation Centre

Facilities at Maybanke Recreation Centre have been refreshed in preparation for an increase in utilisation while Pyrmont Community Centre is being upgraded. This has included pressure cleaning, roof and gutter cleaning, repair of roof tiles, mould treatment and painting, NBN connection, disposal of disused items and a detailed clean.

Joynton Avenue Creative Centre

The Joynton Avenue Creative Centre (the Centre), previously known as the Esme Cahill building, is a former hospital building within the South Sydney Hospital site, Zetland. This heritage significant building underwent significant construction works to transform it from a former nurses quarters in to a multi-purpose creative centre which opened in mid-2018.

The adaptive re-use included re-purposing the former nurses accommodation in to numerous small creative offices, the creation of some indoor spaces for small groups and a large undercover outdoor area made available for events, workshops, and general community use. Due to the heritage significance there is also a number of limitations to the building which means it is not suitable as an open space community centre, instead small spaces available for creative office space.

The Centre is operated and managed by an independent not for profit creative organisation 107 Projects (107). 107 manages the day-to-day operations and activations of the site including the management of a variety of offices and spaces to creative workers and micro-creative businesses with subsidised rent.

107 provide a program of creative participation opportunities for the local community and creative sector from the centre including jewellery courses, community yoga and music classes, live music events in partnership with Sydney Improvised Music and Association, exhibitions, workshops and community focused events.

107 make available numerous spaces at the centre for the community to hire and invite the community into the centre to work, study, use the Wi-Fi, read a book, or just have some extra space to play from 11am to 5pm from Wednesday to Saturday each week.

Memo from Bill Carter, Chief Financial Officer and Emma Rigney, Director City Life

Prepared by: CFO and City Life Managers

Attachments

Attachment A. IPART Determination of Special Rate Variation for 2022/23

Attachment B. Financial Schedules as Presented in the Delivery Program 2022-26, Operational Plan 2022/23 and Resourcing Strategy (Long Term Financial Plan)

Approved

A handwritten signature in black ink, appearing to read 'P. M. Barone', with a long horizontal flourish extending to the right.

MONICA BARONE

Chief Executive Officer