



Independent Pricing and Regulatory Tribunal

Council of the City of Ryde's application for a special variation for 2015-16

under section 508A of *Local Government Act 1993*

Local Government — Determination
May 2015



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1 Determination

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the amount by which councils may increase their general income, which mainly comprises rates income. Each year, we determine a standard increase that applies to all NSW councils, based on our assessment of the annual change in their costs and other factors. This increase is known as the rate peg.

Under the *Local Government Act 1993* (the Act) councils may apply to us for a special variation that allows them to increase their general income by more than the rate peg. These increases may be for either an increase in a single year (section 508(2)) or successive increases for up to seven years (section 508A).

IPART assesses these applications against criteria in Guidelines set by the Office of Local Government (OLG).¹ Box 1.1 explains the Guidelines for 2015-16.

The Council of the City of Ryde (City of Ryde) applied for a multi-year special variation of 7% each year, from 2015-16 to 2018-19, to remain permanently in the rate base.² We have assessed the council's application, and decided to approve the variation as requested. We made this decision under section 508A of the Act.

Our decision enables the council to achieve financial sustainability, maintain existing services, maintain and renew assets and infrastructure, and address infrastructure backlogs.³

Box 1.1 Special Variation Guidelines for 2015-16

IPART assesses applications for special variations using criteria in the *Guidelines for the preparation of an application for a special variation to general income for 2015/2016*, issued by the Office of Local Government.

The Guidelines emphasise the importance of the council's Integrated Planning and Reporting (IP&R) processes and documents to the special variation process. Councils are expected to engage with the community about service levels and funding when preparing their strategic planning documents. The IP&R documents (eg, Delivery Program and Long Term Financial Plan) must contain evidence that supports a council's application for a special variation.

¹ Office of Local Government, *Guidelines for the preparation of an application for a special variation to general income for 2015/2016*, October 2014 (the Guidelines).

² Council of the City of Ryde, *Special Variation Application - Part A, 2015/16* (City of Ryde, *Application Part A*), Worksheet 4.

³ City of Ryde, *Special Variation Application Part B - Council Application for 2015/16* (City of Ryde, *Application Part B*), February 2015, p 6.

1.1 Our decision

We determined that the City of Ryde may increase its general income from 2015-16 to 2018-19 by the annual percentages shown in Table 1.1. The annual increases incorporate the rate peg to which the council would otherwise be entitled (2.4% in 2015-16).⁴ The cumulative increase of 31.08% is 19.18% more than the rate peg increase over these years.⁵

After the last year of the special variation (2018-19), the increase will remain permanently in the council's rate base.

Table 1.1 sets out our decision.

Table 1.1 IPART's decision on the City of Ryde's application for a special variation in 2015-16

	2015-16	2016-17	2017-18	2018-19
Increase approved (%)	7	7	7	7

Note: The rate peg in 2015-16 is 2.4%. In later years the council has assumed a rate peg of 3%.

Source: City of Ryde, *Section 508A & 508(2) Application Form Part A 2015/16* (City of Ryde, *Application Part A*), Worksheet 1.

We have attached conditions to this decision, including that the council uses the income raised from the special variation for purposes consistent with those set out in its application. Box 1.2 summarises these conditions.

⁴ The council has assumed a rate peg of 3% in future years. The special variation percentage approved will not change to reflect the actual rate peg in those years.

⁵ City of Ryde, *Application Part A*, Worksheet 1.

Box 1.2 Conditions attached to the Council of the City of Ryde's approved special variation

IPART's approval of the Council of the City of Ryde's application for a special variation over the period from 2015-16 to 2018-19 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation to improve its financial sustainability and fund the program of expenditure outlined in its application and listed in Appendix A.
 - ▼ The council reports in its annual report for each year from 2015-16 to 2024-25 on:
 - the actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application, and summarised in Appendix B
 - any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation
 - expenditure consistent with the council's application and listed in Appendix A, and the reasons for any significant differences from the proposed expenditure, and
 - ▼ The council reports in its financial statements (currently in Special Schedule 9) each year from 2015-16 to 2024-25 on its compliance with the special variation and these conditions.
-

2 What did the council request and why?

The City of Ryde applied to increase its general income by a cumulative 31.08% over the 4-year period from 2015-16 to 2018-19, and to permanently incorporate this increase into its general income base.⁶

The council estimated that if the requested special variation is approved its permissible general income would increase from \$49.8 million in 2014-15 to \$65.3 million in 2018-19. Over the four years this would generate additional revenue of \$23.2 million above the rate peg.

The council is proposing to use the additional revenue from the special variation to maintain asset service levels and enhance its financial sustainability. The additional income will be used to increase maintenance expenditure and avoid forecast operating deficits, and achieve moderate, ongoing, operating surpluses. The operating surpluses will be applied to asset renewals and some new capital expenditure,⁷ including roads, footpaths, stormwater infrastructure, sportsgrounds, playground equipment and community buildings and halls.⁸

⁶ City of Ryde, *Application Part A*, Worksheet 1.

⁷ City of Ryde, *Long Term Financial Plan 2014-24 (LTFP)*, February 2015, p 50, and City of Ryde, *Application Part A*, Worksheet 6.

⁸ City of Ryde, *Securing Our Future* (information brochure mailed to residential ratepayers), July 2014, p 9.

From 2015-16 to 2024-25 the special variation should generate revenue of \$86.9 million above the rate peg. The council's application shows that over the 10 years the council proposes to use the special variation revenue above the rate peg to fund:

- ▼ increased maintenance expenditure of \$9.9 million, and
- ▼ renewals and capital expenditure of \$77.0 million.⁹

More detail on the council's proposed program of expenditure to 2024-25 is provided in Appendices A and B.

3 How did we reach our decision?

We assessed the City of Ryde's application against the criteria in the Guidelines. In making our assessment we also considered the council's most recent adopted Integrated Planning and Reporting (IP&R) documents, as well as a range of comparative data about the council, set out in Appendix C.¹⁰

The City of Ryde has applied on the basis of its IP&R documents, in particular *The City of Ryde 2025 Community Strategic Plan*, *City of Ryde Four Year Delivery Plan 2014-18*, and *City of Ryde Resourcing Strategy 2014-2024* (includes *City of Ryde Asset Management Plan 2014-2024*, *City of Ryde Workforce Plan 2014-2024* and *City of Ryde, Long-Term Financial Plan 2014-2024 (LTFP)*).

The rate increases for which the council has applied are significant and we carefully considered, among other things, the council's need for the increase, its consideration of the community's priorities and capacity and willingness to pay, and the impact of the rate increase on ratepayers.

⁹ City of Ryde, *Application Part A*, Worksheet 6 and Table A.2.

¹⁰ See Appendix C. City of Ryde is in OLG Group 3, which is classified as urban large or very large metropolitan developed local government area (pop. >70,000). The group comprises 17 councils, including councils such as Auburn, Parramatta City, Randwick City, Rockdale City, Sutherland Shire and Willoughby City councils.

The City of Ryde's application met the required criteria. In particular, we found that:

1. The need for the proposed revenue is demonstrated in the council's IP&R documents, reflects community priorities, and is supported by TCorp's assessment of the council's financial sustainability.
2. The council provided evidence that the community is aware of the need for and extent of the rate increases.
3. The impact of the proposed rate increases on ratepayers is significant but reasonable given the council's existing rate levels, its history of special variations, the purpose of the special variation and the council's consideration of ratepayers' willingness and capacity to pay.
4. The council provided evidence that the relevant IP&R documents have been exhibited and adopted.
5. The council reported productivity savings in past years, and indicated its intention to realise further savings during the period of the special variation.

Table 3.1 summarises our assessment against the criteria. Sections 3.1 and 3.2 discuss our findings against criteria 1 and 2 in more detail.

Table 3.1 Summary of IPART’s assessment of the City of Ryde’s application for a special variation against the criteria in the Guidelines

Criterion	IPART findings
<p>1. The need for and purpose of a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, including its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvas alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan by including scenarios both with and without the special variation.</p>	<p>The council’s IP&R documents clearly explain the need for and purpose of the special variation:</p> <ul style="list-style-type: none"> ▼ The Delivery Program links expenditure forecasts to Community Strategic Plan outcomes. ▼ The Long Term Financial Plan (LTFP) integrates the special variation. <p>In 2013, TCorp observed that the council is forecasting consistent operating deficits (when excluding capital grants and contributions), reducing liquidity and an increasing asset backlog. TCorp stated that a special variation was one way the council could address these issues.</p> <p>The council considered alternatives to a rate rise including loans, asset sales, cost reductions and an internal structure review.</p>
<p>2. Evidence that the community is aware of the need for and extent of a rate rise. The IP&R documentation should clearly set out the extent of the General Fund rate rise under the special variation. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure an opportunity for community awareness and input to occur.</p>	<p>We consider that the City of Ryde has met this criterion. The council:</p> <ul style="list-style-type: none"> ▼ clearly explained the need for and purpose of the rate increases and provided reasonable opportunities for community feedback ▼ conducted comprehensive consultation to determine the community's priorities and willingness to pay ▼ undertook an intensive consultation process based around the special variation application, and ▼ used a variety of methods to engage with its community, such as focus group discussion, community workshops, community surveys and an online discussion board. <p>Feedback from consultation found that the community supports an increase to maintain current asset condition levels, but is less likely to support an increase for additional assets.</p> <p>We received four submissions relating to the application. Issues raised include the capacity of the community to pay the increases and that the increases would have a greater impact on high-value properties.</p>
<p>3. The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The IP&R processes should:</p> <ul style="list-style-type: none"> ▼ clearly show the impact of any rises upon the community ▼ include the council's consideration of the community's capacity and willingness to pay rates and ▼ establish that the proposed rate 	<p>The impact on ratepayers will be significant, but reasonable. Key indicators show that the City of Ryde:</p> <ul style="list-style-type: none"> ▼ is considered less disadvantaged with a SEIFA ranking of 136 out of 153 ▼ had the third lowest average residential rate among similar and surrounding councils in 2012-13^a ▼ had the third lowest level of rates as a percentage of average income, in the same comparative group, and ▼ had a low outstanding rates percentage of 3.7% in 2013-14 (an improvement on the last two preceding years).

Criterion	IPART findings
increases are affordable having regard to the local community's capacity to pay.	<ul style="list-style-type: none"> ▼ The council considers that the community had the capacity and willingness to pay higher rates based on socio-economic analysis and feedback from the community consultation process. ▼ Feedback from community consultation showed the community supports an increase to maintain current asset condition levels.
4. The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.	The council adopted its Community Strategic Plan in 2014. The council exhibited its Delivery Program and Resourcing Strategy (including asset management plans, workforce plan and LTFP) between 17 December 2014 and 6 February 2015, and adopted them on 10 February 2015.
5. The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.	<p>The council's application, Delivery Plan and LTFP outlines productivity improvements the council has made and is proposing to make.</p> <ul style="list-style-type: none"> ▼ In past years the council has reduced employee and other expenses, increased income from rent, advertising, licenses and general fees and charges, reduced staff numbers, and adopted constrained budget practices. ▼ Going forward the council is looking to implement new systems to monitor and reduce costs of services, review overhead allocations and conduct 'Best Value Reviews' of key processes.

^a Ku-ring-gai, Willoughby City, Randwick City, Hornsby Shire, Sutherland Shire, Rockdale City, Parramatta City and Auburn councils.

Note: SEIFA is the Socio-Economic Indexes for Areas: refer to Appendix C, Table C.2.

Sources: The City of Ryde, *Four Year Delivery Plan 2014-18*, February 2015, pp 12, 14-16, and 18-110; The City of Ryde, *Asset Management Plan 2014-2024*, February 2015, pp 11-13; The City of Ryde, *Workforce Plan 2014-2024*, February 2015, pp 10-11; The City of Ryde, *Long-Term Financial Plan 2014-2024*, February 2015, pp 15, 43-68; New South Wales Treasury Corporation, *City of Ryde Council, Financial Assessment, Sustainability and Benchmarking Report*, March 2013, p 5 and 27; The City of Ryde, *Application Part B*, pp 16-20, 34-35, 65 and 69 and *Attachment 12*; The City of Ryde, *Application Part A*; The City of Ryde, *General and Special Purpose Financial Statements - Year ended 30 June 2014*, Note 13 and p 30; The City of Ryde, *General and Special Purpose Financial Statements - Year ended 30 June 2012*, p 29.

3.1 Need for and purpose of the special variation

The council's IP&R documents explain the need for and purpose of the special variation:

- ▼ The Delivery Program clearly links special variation expenditure forecasts to Community Strategic Plan outcomes.
- ▼ The resourcing strategy documents and Long Term Financial Plan (LTFP) integrate and support the special variation application.¹¹

¹¹ City of Ryde, *Four Year Delivery Plan 2014-18*, pp 12, 16, and 18-110; City of Ryde, *Asset Management Plan 2014-2024*, pp 11-13; City of Ryde, *Workforce Plan 2014-2024*, pp 10-11; City of Ryde, *Long-Term Financial Plan 2014-2024*, pp 43-68.

The LTFP forecasts that:

- ▼ Without the special variation the council will have ongoing operating deficit ratios of 1.75% in 2015-16, growing to a deficit of 3.66% in 2023-24.
- ▼ With the special variation it will have ongoing operating surplus ratios of 0.6% in 2015-16, growing to a surplus of 4.41% in 2023-24.
- ▼ The council is proposing to use surpluses to maintain service levels through asset renewals and capital expenditure. The council forecasts:
 - an infrastructure renewals ratio of 121.7% in 2015-16 that declines to 116.8% in 2023-24, and
 - an infrastructure renewals backlog that will decline from \$67.2 million in 2015-16 to \$45.4 million in 2023-24, indicating the council intends to address its renewals backlog.¹²

In 2013, TCorp observed that the council is forecasting consistent operating deficits (when excluding capital grants and contributions), reducing liquidity and an increasing asset backlog. TCorp stated that a special variation was one way the council could address these issues.¹³ TCorp described the council's financial position as 'sound', but considered its outlook to be 'negative'.¹⁴

The council considered alternatives to a rate rise including loans, asset sales, cost reductions and an internal structure review and concluded that:

- ▼ borrowing would not address ongoing sustainability issues
- ▼ the council does not have sufficient assets available for sale, and
- ▼ cost reductions and a structural review have already been carried out, and further gains were not achievable without reducing service levels.¹⁵

¹² The council's LTFP included forecasts from 2013-14 to 2023-24. For this reason we have considered ratios forecast for this period (see City of Ryde, *Long-Term Financial Plan 2014-2024*, February 2015, pp 27, 31, 55 and 59).

¹³ New South Wales Treasury Corporation, *City of Ryde Council, Financial Assessment, Sustainability and Benchmarking Report*, March 2013, pp 5 and 27.

¹⁴ New South Wales Treasury Corporation, *Financial Sustainability of the New South Wales Local Government Sector*, April 2013, p 18.

¹⁵ City of Ryde, *Application Part B*, pp 19-20.

3.2 Community engagement and awareness

We consider that the City of Ryde has met this criterion.

The council clearly explained the need for and purpose of the rate increases, and provided reasonable opportunities for community feedback. The council conducted comprehensive consultation and research to determine the community's priorities and willingness to pay before deciding on options for an increase. The council then undertook an intensive three-month consultation process based around the special variation application.¹⁶

Outcome of the council's consultation on rate increases

We found that the council demonstrated that it had support for the special variation and willingness to pay based on the feedback it received from the community.

Feedback from community consultation found that the community:

- ▼ supports an increase to maintain current asset condition levels, and
- ▼ is less likely to support an increase for additional assets.¹⁷

In its application the council considered the results of the telephone survey, votes registered through the dedicated website and from the brochure feedback forms (a total of 3,538 responses). The council combined the results of all surveys and concluded that overall 57.7% of responses supported the increase.¹⁸

4 What does our decision mean for the council?

Our decision means that the City of Ryde may increase its general income over the 4-year special variation period from \$49.8 million in 2014-15 to \$65.3 million in 2018-19.¹⁹ Table 4.1 shows the annual increases in the dollar amounts to the council's general income. These amounts reflect the percentage increases we have approved and any adjustments that occur as a result of various catch-up and valuation adjustments.

¹⁶ City of Ryde, *Application Part B*, pp 16, 34-35, and 36-39.

¹⁷ In response to early rounds community consultation the council decided to lower the percentage of the option to 'maintain services' (Option 2) from 8% to 7%. City of Ryde, *Application Part B*, pp 16-18.

¹⁸ City of Ryde, *Four Year Delivery Plan 2014-18*, February 2015, p 15, and City of Ryde, *Application Part B*, p 44.

¹⁹ City of Ryde, *Application Part A*, Worksheet 1.

These increases will be permanently incorporated into the council's revenue base. After 2018-19 the council's permissible general income will increase by the annual rate peg unless we approve a further special variation.²⁰

Table 4.1 Permissible general income of the City of Ryde from 2015-16 to 2018-19 arising from the special variation approved by IPART

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2015				49,802,821
2015-16	7.00	7.00	3,506,080	53,308,901 ^a
2016-17	7.00	14.49	3,731,623	57,040,525
2017-18	7.00	22.50	3,992,837	61,033,361
2018-19	7.00	31.08	4,272,335	65,305,697

^a A prior year catch-up of \$19,883 that had not been recouped by the time of the application was submitted to IPART is to be recouped in 2015-16.

Source: The City of Ryde, *Application Part A*, Worksheet 1 and IPART calculations.

The council estimates that over the period 2015-16 to 2018-19, the additional rate revenue will accumulate to \$23.2 million above the rate peg. This extra income is the amount the council requested to enable it to enhance financial sustainability and undertake additional operating, renewal and capital expenditure to maintain service levels.

5 What does our decision mean for ratepayers?

IPART sets the allowable increase in general income, but it is a matter for each individual council to determine how it allocates any increase across different categories of ratepayer, consistent with our determination.

The City of Ryde consulted with the community on the basis of a 7% increase in rates income which will affect residential and business ratepayers. The council communicated that the increase for each assessment would depend on the value of each property, and demonstrated that the increase in average residential rates would be around 7% per year for four years.²¹

²⁰ General income in future years cannot be determined with precision, as it will be influenced by several factors apart from the rate peg. These factors include changes in the number of rateable properties and adjustments for previous under- or over-collection of rates. The Office of Local Government is responsible for monitoring and ensuring compliance.

²¹ City of Ryde, *Application Part B, Attachment 5, Securing Our Future, brochure*; July 2014, pp 7-8; Media Release, 10 December 2014; Media Release, 11 February 2014, and IPART calculations.

The council proposes to apply the increase almost uniformly to both ratepayer categories through a special rate:²²

- ▼ the average residential rate will increase by a cumulative 31.34%, or by \$60.94 in the first year and by \$266.78 over four years, and
- ▼ the average business rate will increase by a cumulative 30.67%, or by \$580.64 in the first year and by \$2,625.68 over four years.²³

Table 5.1 sets out the City of Ryde’s estimates of the expected increase in average rates in each ratepayer category.

Table 5.1 Indicative annual increases in average rates (including special rates) under the City of Ryde’s approved special variation 2015-16 to 2018-19

Year	Average residential rate			Average business rate		
	Increase (%)	Increase (\$)	Rate (\$)	Increase (%)	Increase (\$)	Rate (\$)
2014-15 ^a			851			8,561
2015-16	7.16	61	912	6.78	581	9,141
2016-17	7.05	64	977	6.88	629	9,770
2017-18	7.02	69	1,045	6.96	680	10,451
2018-19	6.98	73	1,118	7.04	736	11,186
Cumulative increase	31.34	267		30.67	2,626	

a 2014-15 is included for comparison.

Notes:

The average rate is calculated by dividing the sum of ordinary and special rates by the number of assessments for each category.

Some numbers may not add due to rounding.

Source: City of Ryde, *Application Part A*, Worksheet 5a.

²² City of Ryde, *Application Part A*, Worksheet 5a and Worksheet 5b.

²³ City of Ryde, *Application Part A*, Worksheet 5a.



Appendices

A Expenditures to be funded from the special variation above the rate peg

Table A.1 and Table A.2 show the City of Ryde's proposed expenditure of the special variation funds over the next 10 years.

The council proposes to use the special variation revenue above the rate peg of \$86.9 million over 10 years to fund:

- ▼ increased operating expenditure relating to maintenance of \$9.9 million, and
- ▼ asset renewals and capital expenditure of \$77.0 million.²⁴

As a condition of IPART's approval, the council will indicate in its Annual Reports how its actual expenditure compares with this proposed program of expenditure.

²⁴ City of Ryde, *Application Part A*, Worksheet 6.

Table A.1 The City of Ryde – Income and proposed expenditure over 10 years related to the special variation (\$000)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Special variation income above rate peg	2,291	4,492	6,908	9,557	9,844	10,139	10,443	10,756	11,079	11,412	86,921
Funding for increased operating expenditures	299	492	1,058	1,057	1,089	1,121	1,155	1,190	1,225	1,262	9,948
Funding for renewal and capital expenditure	1,992	4,000	5,850	8,500	8,755	9,018	9,288	9,567	9,854	10,149	76,973
Total expenditure	2,291	4,492	6,908	9,557	9,844	10,139	10,443	10,756	11,079	11,412	86,921

Note: Numbers may not add due to rounding.

Source: The City of Ryde, *Application Part A*, Worksheet 6.

Table A.2 The City of Ryde – Proposed 10-year capital expenditure program related to the special variation (\$000)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Road Resurfacing	1,792	2,150	3,000	3,750	3,863	3,978	4,098	4,221	4,347	4,478	35,677
Footpath Renewal	200	500	500	500	515	530	546	563	578	597	5,031
Road Kerb Renewal	0	200	250	500	515	530	546	563	580	597	4,281
Stormwater Asset Replacement/Renewal	0	500	1,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	16,825
Sportsfield Upgrade & Renewal	0	250	500	1,000	1,030	1,061	1,093	1,126	1,159	1,194	8,412
Playground Construction and Renewal	0	400	600	750	773	796	820	844	869	896	6,747
Total Capital Expenditure	1,992	4,000	5,850	8,500	8,755	9,018	9,288	9,567	9,854	10,149	76,973

Note: Numbers may not add due to rounding.

Source: The City of Ryde, *Application Part A*, Worksheet 6.

B The City of Ryde's projected revenue, expenses and operating balance

As a condition of IPART's approval, the City of Ryde is to report annually against its projected revenue, expenses and operating balance as set out in its LTFP (shown in Table B.1).

Revenues and operating results in the annual accounts are reported both inclusive and exclusive of capitals and contributions. In order to isolate ongoing trends in operating revenues and expenses, our analysis of the council's operating account in the body of this report excludes capital grants and contributions.

Table B.1 Summary of projected operating statement for the City of Ryde, 2015-16 to 2024-25 (\$000)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total revenue	73,350	76,964	81,280	85,844	88,076	90,366	92,716	95,126	97,600	100,528
Total expenses	75,915	78,839	79,992	83,872	86,637	89,534	91,597	94,152	97,038	99,949
Operating result from continuing operations	-2,565	-1,875	1,288	1,973	1,439	832	1,119	974	562	579
Net operating result before capital grants and contributions	-3,448	-2,349	814	1,503	958	338	612	454	28	29

Note: Numbers may not add due to rounding.

Source: City of Ryde, *Application Part A, Worksheet 7*.

C Comparative indicators

Performance indicators

Indicators of council performance may be considered across time, either for one council or across similar councils, or by comparing similar councils at a point in time.

Table C.1 shows how selected performance indicators for the City of Ryde have changed over the four years to 2012-13.

Table C.1 Trends in selected performance indicators for the City of Ryde, 2009-10 to 2012-13

Performance indicator	2009-10	2010-11	2011-12	2012-13	Average change (%)
FTE staff (number)	486	486	427	510	1.6
Ratio of population to FTE	216	216	254	212	-0.5
Average cost per FTE (\$)	66,877	69,226	85,412	74,520	3.7
Employee costs as % operating expenditure (General Fund only) (%)	40.4	40.0	40.3	38.3	
Consultancy/contractor expenses (\$m)	16.4	19.6	22.1	22.8	11.6
Consultancy/contractor expenses as % operating expenditure (%)	20.4	23.3	24.4	23.0	

Note: Except as noted, data is based upon total council operations that include General Fund, Water & Sewer and other funds, if applicable.

Source: OLG, unpublished data.

General comparative indicators

Table C.2 compares selected published and unpublished data about the City of Ryde with the averages for the councils in its OLG Group, and for NSW councils as a whole.

As indicated in section 3, the City of Ryde is in OLG Group 3. Unless specified otherwise, the data refers to the 2012-13 financial year.

Table C.2 Select comparative indicators for the City of Ryde, 2012-13

	The City of Ryde	OLG Group 3 average	NSW average
General profile			
Area (km ²)	40		
Population	110,791		
General Fund operating expenditure (\$m)	94.9		
General Fund operating revenue per capita (\$)	843	828	2,026
Rates revenue as % General Fund income (%)	54.8	57.1	46.8
Own-source revenue ratio (%)	77.4	77.6	71.1
Average rate indicators^a			
Average rate – residential (\$)	646	815	712
Average rate – business (\$)	6,992	5,253	2,688
Average rate – farmland (\$)		2,198	2,194
Socio-economic-capacity to pay indicators^b			
Average annual income for individuals, 2011 (\$)	56,458	54,682	49,070
Growth in average annual income, 2006-2011 (% pa)	4.1	4.3	5.2
Average residential rates 2012-13 to average annual income, 2011 (%)	1.1	1.5	1.5
SEIFA, 2011 (NSW rank: 153 is least disadvantaged)	136		
Outstanding rates and annual charges ratio (General Fund only) (%)	3.9	3.5	6.0
Productivity (labour input) indicators^c			
FTE staff (number)	510	589	294
Ratio of population to FTE	212	252	127
Average cost per FTE (\$)	74,520	85,623	75,736
Employee costs as % operating expenditure (General Fund only) (%)	38.3	41.5	37.1
Consultancy/contractor expenses (\$m)	22.8	15.5	7.8
Consultancy/contractor expenses as % operating expenditure (%)	23.0	13.7	10.3

^a Average rates equal total ordinary rates revenue divided by the number of assessments in each category.

^b Average annual income includes income from all sources excluding government pensions and allowances.

^c Except as noted, data is based upon total council operations, including General Fund, Water & Sewer and other funds, if applicable. There are difficulties in comparing councils using this data because councils' activities differ widely in scope and they may be defined and measured differently between councils.

Source: OLG, unpublished data; ABS, *Regional Population Growth, Australia*, August 2013; ABS, *Estimates of Personal Income for Small Areas, 2005-06 to 2010-11*, October 2013; ABS, *Socio-Economic Indexes for Areas (SEIFA) 2011*, March 2013 and IPART calculations.