

NOTICE OF COUNCIL MEETING

PUBLIC AGENDA

An Ordinary Meeting of City of Parramatta Council will be held in PHIVE (COUNCIL CHAMBER) COUNCIL CHAMBER AT 5 PARRAMATTA SQUARE, PARRAMATTA on Monday, 26 February 2024 at 6.30PM.

Gail Connolly PSM
CHIEF EXECUTIVE OFFICER

EMERGENCY EVACUATION DIAGRAM

Level 4 East

2 Civic Place, Parramatta NSW 2150

Evacuation Procedures

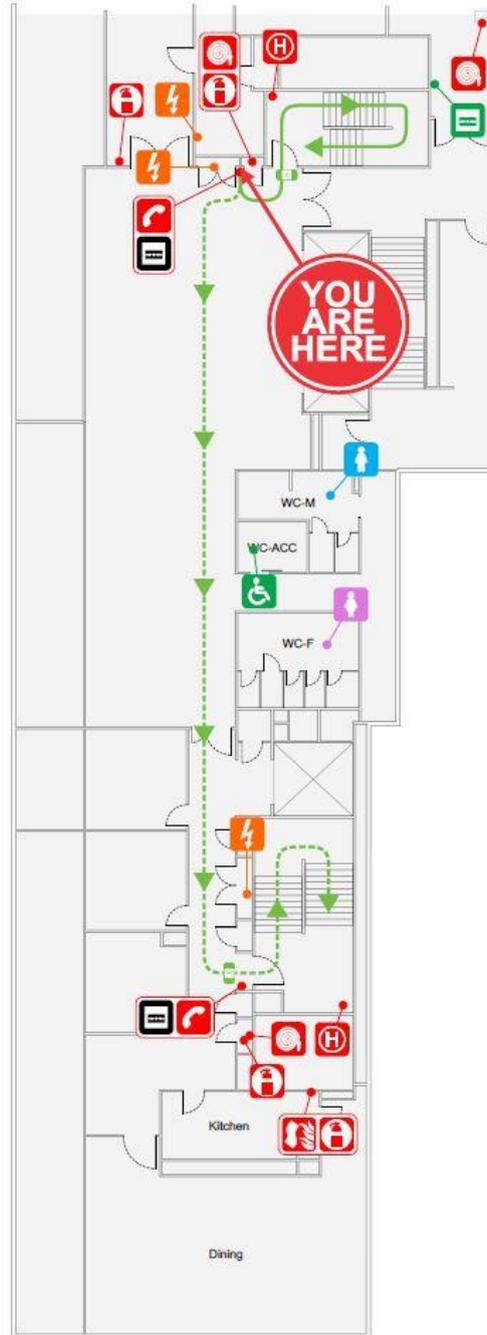
IN CASE OF FIRE

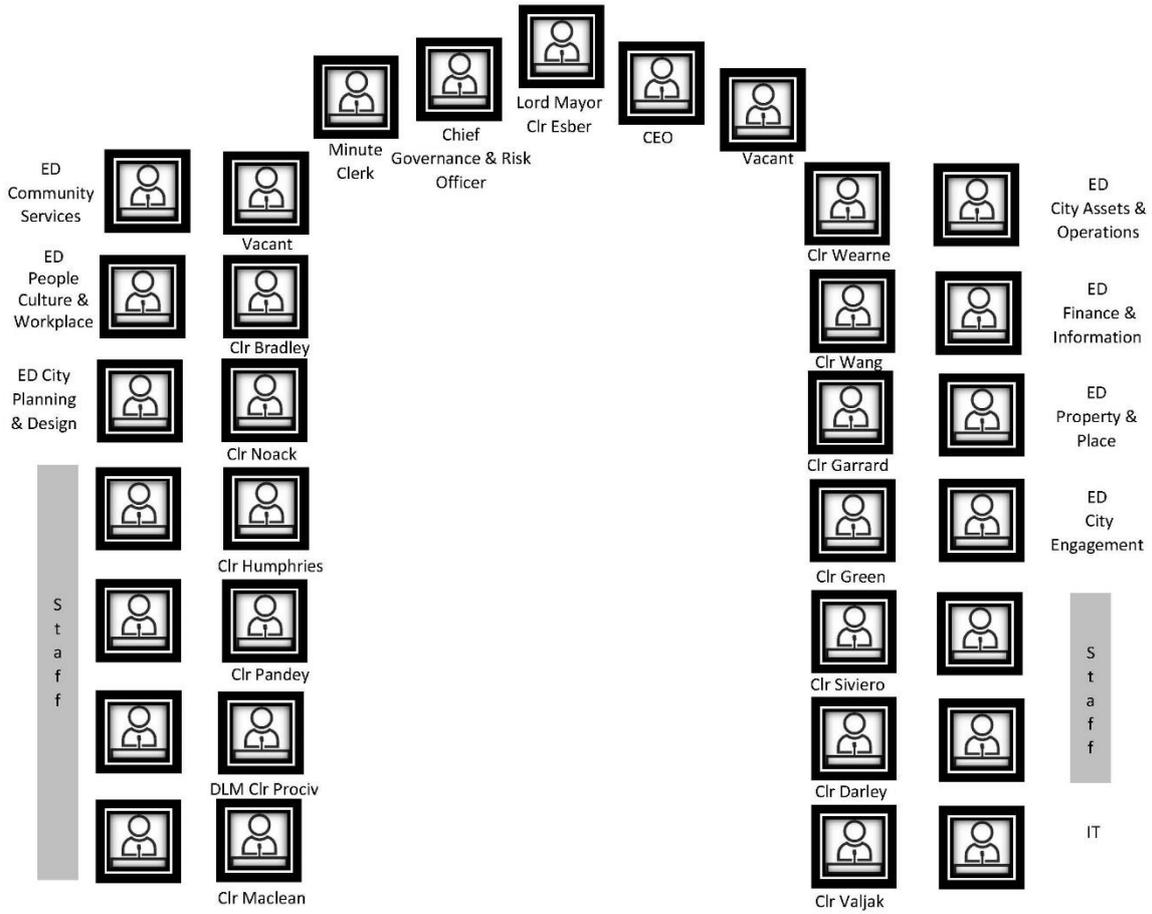
- (R)** REMOVE people from immediate danger
- (A)** ALERT people nearby and raise an alarm (Dial 000)
- (C)** CONFINE fire and smoke (Close doors behind you if safe to do so)
- (E)** EVACUATE via the nearest emergency exit

Legend

Site Plan

Parramatta PHIVE





PUBLIC & PRESS GALLERY

STATEMENT OF ETHICAL OBLIGATIONS:

In accordance with clause 3.23 of the Model Code of Meeting Practice, Council is obligated to remind Councillors of the oath or affirmation of office made under section 233A of the Local Government Act 1993, and of their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest – the ethical obligations of which are outlined below:

Obligations	
Oath [Affirmation] of Office by Councillors	I swear [solemnly and sincerely declare and affirm] that I will undertake the duties of the office of Councillor in the best interests of the people of the City of Parramatta Council and the City of Parramatta Council that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgement.
Code of Conduct Conflict of Interests	
Pecuniary Interests	<p>A Councillor who has a pecuniary interest in any matter with which the Council is concerned, and who is present at a meeting of the Council at which the matter is being considered, must disclose the nature of the interest to the meeting.</p> <p>The Councillor must not be present at, or in sight of, the meeting:</p> <ol style="list-style-type: none"> At any time during which the matter is being considered or discussed, or At any time during which the Council is voting on any question in relation to the matter.
Non-Pecuniary Conflict of Interests	A Councillor who has a non-pecuniary conflict of interest in a matter, must disclose the relevant private interest in relation to the matter fully and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter.
Significant Non-Pecuniary Conflict of Interests	A Councillor who has a significant non-pecuniary conflict of interest in relation to a matter under consideration at a Council meeting, must manage the conflict of interest as if they had a pecuniary interest in the matter.
Non-Significant Non-Pecuniary Interests	A Councillor who determines that they have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest must also explain why conflict of interest is not significant and does not require further action in the circumstances.

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16 CONFIDENTIAL MATTERS

16.1	myWorkplace - 9 Wentworth Street Project Update <i>This report is confidential in accordance with section 10A (2) (c) of the Local Government Act 1993 as the report contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.</i>	
16.2	Determination of Senior Staff Structure – City of Parramatta <i>This report is confidential in accordance with section 10A (2) (a) of the Local Government Act 1993 as the report contains personnel matters concerning particular individuals.</i>	

17 PUBLIC ANNOUNCEMENT**18 CONCLUSION OF MEETING**



CITY OF PARRAMATTA

MINUTES

**Ordinary Council Meeting
Monday, 12 February 2024**

6.30pm

**Council Chamber
Level 4, PHIVE
Parramatta Square, Parramatta**

COUNCIL MEMBERS IN ATTENDANCE

The Lord Mayor, Councillor Pierre Esber and Councillors Phil Bradley, Kellie Darley, Michelle Garrard, Henry Green, Cameron MacLean, Paul Noack, Sameer Pandey, Deputy Lord Mayor, Dr Patricia Prociv, Dan Siviero, Georgina Valjak, Donna Wang and Lorraine Wearne (online).

COUNCIL STAFF IN ATTENDANCE

Chief Executive Officer - Gail Connolly, Executive Director City Engagement and Experience - Angela Jones-Blayney, Executive Director Finance and Information - John Angilley, Executive Director City Planning and Design - Jennifer Concato, Executive Director Community Services - Jonathan Greig, Executive Director City Assets & Operations – George Bounassif, Acting Executive Director People Culture and Workplace – Sarah McAskill, Chief Technology Officer - John Crawford, Chief Governance & Risk Officer - Roxanne Thornton, Chief Financial Officer - Amit Sharma, Chief of Staff - Justin Mulder, ICT Strategy and Partnering Manager - Ian Vong.

1. OPENING MEETING

The Lord Mayor, Councillor Esber opened the meeting at 6:32pm

2. ACKNOWLEDGEMENT TO TRADITIONAL OWNERS OF LAND

The Lord Mayor acknowledged the Burramattagal people of The Dharug Nation as the traditional owners of this land, and paid respect to their ancient culture and to their elders past, present and emerging.

3. WEBCASTING ANNOUNCEMENT

The Lord Mayor advised that this public meeting is being recorded and streamed live on the internet. The recording will also be archived and made available on Council's website.

The Lord Mayor further advised that all care will be taken to maintain privacy, however as a visitor in the public gallery, the public should be aware that their presence may be recorded.

4. GENERAL RECORDING OF MEETING ANNOUNCEMENT

As per Council's Code of Meeting Practice, the recording of the Council Meeting by the public using any device, audio or video, is only permitted with Council permission. Recording a Council Meeting without permission may result in the individual being expelled from the Meeting.

5. APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE OR ATTENDANCE BY AUDIO-VISUAL LINK BY COUNCILLORS

RESOLVED: Councillor Noack and Councillor Garrard

- (a) That an apology on behalf of Councillor Humphries and be accepted and a leave of absence granted.
- (b) That an apology be noted for the late arrival of Councillor Siviero.
- (c) That Councillor Wearne be permitted to attend this meeting by audio-visual link.

Record of Voting:

For the Motion: Unanimous

Note: Councillors agreed to send flowers to Councillor Humphries who is unwell.

5. CONFIRMATION OF MINUTES

Minutes of the Council Meeting held on 11 December 2023

RESOLVED: Councillor Noack and Councillor Pandey

That the minutes be taken as read and accepted as a true record of the Meeting.

Record of Voting:

For the Motion: Unanimous

Minutes of the Extraordinary Council Meeting held on 29 January 2024

RESOLVED: Councillor Garrard and Councillor Wang

That the minutes be taken as read and accepted as a true record of the Meeting.

Record of Voting:

For the Motion: Unanimous

6. DISCLOSURES OF INTEREST

There were no disclosures of interest.

PROCEDURAL MOTION DEALING WITH ITEMS BY EXCEPTION

RESOLVED: Councillor MacLean and Councillor Noack

That in accordance with Section 13 of Council's Code of Meeting Practice, the Order of Business be amended to deal with the following items by exception:

- Item 12.1 Investment Report for November 2023
- Item 12.2 Investment Report for December 2023
- Item 13.2 Casual Vacancy in Civic Office - Resignation of Councillor Donna Davis MP (Application to Minister for Local Government to Dispense with By-Election)
- Item 15.1 Questions Taken on Notice at the 11 December 2023 Council Meeting

Record of Voting:

For the Motion: Unanimous

12.1 **Investment Report for November 2023** (Report of Tax and Treasury Accountant)

RESOLVED: Councillor MacLean and Councillor Noack

That Council receive and note the Investment Report for November 2023.

Record of Voting:

For the Motion: Unanimous

12.2 **Investment Report for December 2023** (Report of Tax and Treasury Accountant)

RESOLVED: Councillor MacLean and Councillor Noack

That Council receive and note the Investment Report for December 2023.

Record of Voting:

For the Motion: Unanimous

13.2 **Casual Vacancy in Civic Office - Resignation of Councillor Donna Davis MP (Application to Minister for Local Government to Dispense with By-Election)**

(Report of Executive Director Finance & Information)

RESOLVED: Councillor MacLean and Councillor Noack

That Council make an application to the Minister for Local Government for an Order that the current vacancy in the office of councillor not be filled.

Record of Voting:

For the Motion: Unanimous

15.1 **Questions Taken on Notice at the 11 December 2023 Council Meeting**

(Report of Council Secretariat & Policy Officer)

QUESTIONS WITH NOTICE

Councillor Garrard asked a question on Item 13.12 Submission on Proposed Amendment to the Department of Planning and Environment - Homebush Bay West Development Control Plan (DCP) 2004 (for 16 Burroway Road and part 5 Footbridge Boulevard, Wentworth Point (Block H)).

- In Attachment 3 under the actual VPA, I am unable to read what the sticky notes say, can I please be advised what they say? There's at least 50-100 of them.

Executive Director City Planning and Design Response:

An amended version of Attachment 3 is attached to the report and it includes the details of the 'sticky notes' that are shown within in the version of the draft Planning Agreement that was originally attached to the report. The 'sticky notes' were inserted in the draft Planning Agreement by the applicant's lawyer to assist with the preparation of the document.

Deputy Lord Mayor **Councillor Prociv** asked a question on Item 13.2 Traffic Engineering Advisory Group - 8 November 2023 – Minutes (Item 2311 line marking).

- What is to be done when the line marking starts falling apart, in particular in Harris Park?

Executive Director City Planning and Design Response:

The line marking in Harris Park that had failed is in Albion Street and was replaced in January 2024. This line marking was installed

incorrectly and was replaced as part of a defects liability process with no additional charge to Council.

Deputy Lord Mayor **Councillor Prociv** asked a question on Item 13.4 CBD Footpaths Audit and Pavement Replacement Program.

- Is there anything west of Pitt Street not being considered in the CBD Footpath Priority Plan?

Executive Director City Assets and Operations Response:

The footpaths west of Pitt Street have not been considered in the current CBD Footpath Priority Plan. This was outside of the scope of this current audit, however these footpaths will be considered in the future audit work.

Councillor Garrard asked three (3) questions on Item 13.4 CBD Footpaths Audit and Pavement Replacement Program.

- Why isn't the footpath on Wigram Street, between Parkes and Hassall Streets, in the report?

Executive Director City Assets and Operations Response:

Wigram Street footpath between Parkes and Hassell Street is included in the report, and is identified in Table 2 located on page 3.

- Investigate what works will be completed by developers?

Executive Director City Assets and Operations Response:

The developer will complete works that have been specified in the DA conditions. This includes but not limited to the footpath, kerb and gutter, driveway crossing etc. The footpath fronting the 12 Parkes Street property (corner building which is under construction) will be constructed by the developer and the remaining section towards Hassell Street will be completed by Council.

- Is the footpath on O'Connell Street, between Campbell and the Great Western Highway, concrete or concrete paver?

Executive Director City Assets and Operations Response:

Based on Council's public domain guideline, the footpath is designated to be concrete pavers.

Councillor Darley asked a question on Item 15.1 Council Meeting Live Data Stream.

- Are they unique visits? Do they tune in back and forth?

Executive Director City Engagement and Experience Response:

Based on the 11 December 2023 Council Live Data Stream results are as below:

Watching the live stream: 125 unique users (a unique ID is given to each individual user)

- Total views: There was a total of 360 views.
- Video paused: 54 times
- Users who completed the video: 33
- Average engagement time per user: 1 minute and 38 seconds.

QUESTIONS WITH NOTICE – CONFIDENTIAL ITEMS (ITEMS 16.2, 16.3, 16.4 AND 16.5)

Councillor Pandey asked two (2) questions on Item 16.2 Expression of Interest on Retail 6 - Parramatta Square.

Answer provided at Confidential Attachment 2.

Councillor Pandey asked a question on Confidential Item 16.3 Tender Exemption – Engagement of Property Strategy Consultant.

Answer provided at Confidential Attachment 2.

Councillor Pandey asked a question on Confidential Item 16.4 Tender Exemption – Engagement of 9 Wentworth Consultant.

Answer provided at Confidential Attachment 2.

Councillor Pandey asked a question on Confidential Item 16.5 LATE REPORT- Partnership Proposal between the City of Parramatta and Parramatta Eels (2024-2026).

Answer provided at Confidential Attachment 2.

Councillor Bradley asked a question on Confidential Item 16.5 LATE REPORT- Partnership Proposal between the City of Parramatta and Parramatta Eels (2024-2026).

Answer provided at Confidential Attachment 2.

Councillor Darley asked a question on Confidential Item 16.5 LATE REPORT- Partnership Proposal between the City of Parramatta and Parramatta Eels (2024-2026).

Answer provided at Confidential Attachment 2.

8. MINUTES OF THE LORD MAYOR

8.1 **Vale The Hon. Michael Egan AO**

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Noack

- (a) That Council acknowledge the death of the Hon. Michael Egan AO, former NSW Treasurer, Leader of the Government, Leader of the Opposition, Ministers for Energy, Gaming and Racing, and State and Regional Development, and Member for Cronulla, on 1 February 2024.
- (b) That Council express its sincere condolences to the Hon. Michael Egan AO's family and friends at this sad time.

Record of Voting:

For the Motion: Unanimous

8.2 **Vale Ms Trish Keating**

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Noack

- (a) That Council acknowledge the death of Trish Keating on 31 December 2023, former Auburn City Council employee, Secretary of the City of Parramatta Art Society and Old Government House and Experiment Farm volunteer and National Trust Parramatta Branch Member.
- (b) That Council express its sincere condolences to Trish Keating's family and friends at this sad time.

Record of Voting:

For the Motion: Unanimous

8.3 2024 Citizen of the Year Awards and 2024 Australia Day Honours

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Garrard

- (a) That Council congratulate the winners of the City of Parramatta's 2024 Citizen of the Year Awards, who received their awards at the ceremony held at Parramatta Park on 25 January 2024:
 - a. Julie Crane – Citizen of the Year
 - b. Nass Aoun – Young Citizen of the Year
 - c. Ronda Gaffey – Senior Citizen of the Year
 - d. Support Organisation for Homeless and Asylum Seekers (SOHAS) – Community Group Award
- (b) That Council congratulate the following recipients of the Governor General's 2024 Australia Day Honours for their contributions to the Parramatta community, being:
 - a. Officer of the Order of Australia (AO)
 - i. The late Emeritus Professor Robin William King AO
 - b. Member (AM) in the General Division
 - i. Emeritus Professor Michael John Eyles AM
 - ii. Professor Christopher Gerard Maher AM
 - iii. The Honourable Justice Grant Theo Riethmuller AM
 - c. Medal (OAM) in the General Division
 - i. Mrs Lilian Margaret Ries OAM
 - ii. Mr Peter Bacha OAM
- (c) That the Lord Mayor write a letter of congratulations to the recipients of the 2024 Australia Day Honours.
- (d) That Council celebrates the success of the popular City of Parramatta Australia Day events held on 25 and 26 January 2024 and congratulates all staff involved on their fantastic efforts.

Record of Voting:

For the Motion: Unanimous

Note: Councillor Noack requested the Lord Mayor's permission to move his Notice of Motion which is Item 14.3 of this meeting. The Lord Mayor agreed to the request.

14.3 **Congratulations to Mr Peter Bacha OAM**

(Motion by Councillor Noack)

RESOLVED: Councillor Noack and Councillor Garrard

That Council congratulate Mr Peter Bacha OAM for his well-deserved OAM Honour and his tireless work as a volunteer for the Rydalmere Lions Football Club, and other areas of community service, as he is an inspiration to the Parramatta community.

Record of Voting:

For the Motion: Unanimous

8.4 **Acknowledgement of Service - Ms Donna Davis MP**

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Darley

- (a) That Council acknowledge the resignation of Ms Donna Davis MP from the City of Parramatta after serving as Councillor for seven years, including as Lord Mayor from January 2022 to May 2023; and
- (b) That Council thank Ms Donna Davis MP for her service to the community and congratulate her for all she has achieved.

Record of Voting:

For the Motion: Unanimous

8.5 **Thank You to Council Staff for Working During the Christmas Close Down and New Year Period**

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Garrard

That Council thank the City of Parramatta staff who continued to work and provide services to our community over the Christmas close down and New Year period.

Record of Voting:

For the Motion: Unanimous

8.6 Celebrating Lunar New Year – Year of the Dragon

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Wang

- (a) That Council celebrates the Lunar New Year, ushering in the Year of the Dragon and its significance to many diverse cultures and communities within the City of Parramatta.
- (b) That Council note the popular Lunar New Year festivities held on 10 February 2024 at Parramatta Square and Centenary Square from 4-10pm, featuring family friendly entertainment, culture and food such as dragon and lion dancing, music, lanterns and a giant interactive dragon installation.
- (c) That Council commends all staff involved in delivering the Lunar New Year event on 10 February and associated celebrations including calligraphy, stamp carving, textiles, amuletic cards, traditional food-making workshops and walking tours at PHIVE.

Record of Voting:

For the Motion: Unanimous

8.7 Opening of Oatlands Memorial Garden

(Lord Mayor Councillor Pierre Esber)

RESOLVED: Lord Mayor Councillor Esber and Councillor Garrard

- (a) That Council acknowledge the opening of permanent memorial garden honouring the four children who tragically died in a motor vehicle accident in Oatlands in 2020.
- (b) That Council note the actions taken by City of Parramatta to improve pedestrian safety on Bettington Road, Oatlands.
- (c) That Council staff investigate alternative options for the pedestrian safety barrier on Bettington Road, Oatlands to improve the visual amenity of the barrier whilst also ensuring relevant Australian Traffic Standards are met.

Record of Voting:

For the Motion: Unanimous

9. PUBLIC FORUM

There were no speakers.

10. PETITIONS

Councillor Prociv tabled a petition for the Parramatta City Council to advocate for the residents of in relation to the Silverwater Business Centre the Post Office will close from the 24 February 2024.

Note: Councillor Prociv raised the same petition as a matter of urgency after Item 15.4.

Note: Councillor Siviero joined the meeting at 7.09pm.

11. RESCISSION MOTIONS

Nil

12. REPORTS TO COUNCIL - FOR NOTATION

12.3 Referral of Inspection Reports by Fire and Rescue NSW (Report of Team Leader Building Compliance)

RESOLVED: Councillor Darley and Councillor MacLean

- (a) That Council notes the inspection reports from Fire and Rescue NSW (FRNSW), pursuant to Schedule 5, Part 8 of the Environmental Planning and Assessment Act 1979 (EPA Act 1979).
- (b) That Council note FRNSW will be advised in due course of the ongoing actions taken by Council officers to address concerns identified by FRNSW.
- (c) That Council note the exercise of powers pursuant to Schedule 5, Part 8 (17) of the EPA Act, to give fire safety orders addressing fire safety measures to the buildings located at:
 - 22 Cowper Street, Parramatta
 - 128 Macquarie Street, Parramatta
 - 72 Great Western Highway, Parramatta

as outlined in this report and provide further notice of this determination to the Commissioner of FRNSW.

Record of Voting:

For the Motion: Unanimous

Councillor Pandey asked a question on Item 12.3 Referral of Inspection Reports by Fire and Rescue NSW which was taken on notice. Can we find out how many notices and orders have been issued in this term of Council regarding flammable cladding?

Councillor Bradley mentioned that work on flammable cladding in buildings around the City of Parramatta has been done. Can an update report on the progress on remedial work on buildings affected by the cladding recall be provided?

12.4 **Delegation of the Lord Mayor and Chief Executive Officer Exercised During the 2023/24 Recess Period**

(Report of Executive Officer)

RESOLVED: Councillor Darley and Councillor Noack

- (a) That Council note the decisions exercised under delegated authority during the recess period, being Tuesday 12 December 2023 until Sunday 11 February 2024, contained within this report.
- (b) That this matter be deferred to allow the CEO to provide a report on financial expenditure incurred during previous recess periods throughout this term of Council.

Record of Voting:

For the Motion: Unanimous

Councillor Garrard asked a question on Item 12.4 Delegation of the Lord Mayor and Chief Executive Officer Exercised During the 2023/24 Recess Period which was taken on notice. Can staff provide detailed information on the benefits the position of Lord Mayor gets including the discretionary budget?

13. REPORTS TO COUNCIL - FOR COUNCIL DECISION

13.1 **Adoption of the Parramatta Bike Plan 2024**

(Report of Senior Project Officer Transport Planning)

RESOLVED: Councillor Pandey and Councillor Noack

That this matter be deferred to a Councillor Workshop before the matter is considered further by Council.

Record of Voting:

For the Motion: Unanimous

14. NOTICES OF MOTION

14.1 **Proposed Council Submission - Review of Section 83c of the Education Act 1990**

(Motion by Councillor Humphries)

RESOLVED: Councillor Noack and Councillor Valjak

- (a) That Council authorise the Executive Director, City Planning and Design to lodge a submission on the NSW Government's Review of section 83C of the *Education Act 1990 (NSW)*.
- (b) That the submission outline Council's concern that the regulation of non-government schools should not preclude the ability of any school to assist in providing potentially valuable community uses and wider community benefits on non-government school land, such as the Hunts Creek connection identified in Council's Parramatta Bike Plan 2024.

Record of Voting:

For the Motion: Unanimous

Councillor Pandey asked a question on Item 14.1 Proposed Council Submission - Review of Section 83c of the Education Act 1990 which was taken on notice. Are there policies and procedures in place for Councillors to be privy to submissions made by staff on behalf of Council?

14.2 **Draft 2024/25 Budget - Proposed Capital Works Program Budget Increases**

(Motion by Councillor Garrard)

MOTION: Councillor Garrard and Councillor Siviero

- (a) That the CEO commence a review of the existing capital works program to identify potential budget increases for consideration by Councillors during the 2024/2025 budget process, including but not limited to the program areas listed below:
 - Roads Renewal Program (current 3yr budget **\$30.756m**).
 - Kerb and Gutter Renewal Program (current 3yr budget **\$9.227m**).
 - Drainage Construction Program (current 3yr budget **\$6.338m**).
 - Footpaths Construction Program (current 3yr budget **\$6.598m**).
 - Footpath Renewal Program (current 3yr budget **\$5.167m**)
 - Stormwater Drainage Renewal Program (current 3yr budget **\$4.921m**).

- Roads To Recovery Program (current 3yr budget **\$3.956m**)
 - Playground Replacement Program (current 3yr budget **\$3.137m**).
 - Neighbourhood Improvement Program (current 3yr budget **\$6.080m**).
 - Sportsground Capital Improvement Program (current 3yr budget **\$1.492m**).
- (b) That the CEO provide a preliminary report regarding the proposed options to increase the abovementioned capital programs, to the Finance Committee as part of the 2024/2025 budget process.

AMENDMENT: Councillor Darley and DLM Councillor Prociv

- (a) That the CEO commence a review of the existing capital works program to identify potential budget changes for consideration by Councillors during the 2024/2025 budget process after careful consideration of the feedback from the Your Place, Your Voice! Community Workshops.
- (b) That the CEO provide a preliminary report regarding the proposed options to change the abovementioned capital programs, to the Finance Committee as part of the 2024/2025 budget process.
- (c) That the CEO provide Council with updated Asset Management Plans and Strategy as part of the 2024/2025 IP&R process.
- (d) That the CEO identify potential funding sources to accompany any proposed movements (increases) in the funding of program areas.

Record of Voting:

For the Amendment: Lord Mayor Councillor Esber, Deputy Lord Mayor, Councillor Prociv, Councillors Bradley, Darley and MacLean.

Against the Amendment: Councillors Garrard, Green, Noack, Pandey, Siviero, Valjak, Wang and Wearne.

On being put to the meeting, voting on the Amendment was five (5) votes FOR and eight (8) votes AGAINST. The Amendment was **LOST**.

RESOLVED: Councillor Garrard and Councillor Siviero

- (a) That the CEO commence a review of the existing capital works program to identify potential budget increases for consideration by Councillors during the 2024/2025 budget process, including but not limited to the program areas listed below:
- Roads Renewal Program (current 3yr budget **\$30.756m**).
 - Kerb and Gutter Renewal Program (current 3yr budget **\$9.227m**).
 - Drainage Construction Program (current 3yr budget **\$6.338m**).

- Footpaths Construction Program (current 3yr budget **\$6.598m**).
- Footpath Renewal Program (current 3yr budget **\$5.167m**)
- Stormwater Drainage Renewal Program (current 3yr budget **\$4.921m**).
- Roads To Recovery Program (current 3yr budget **\$3.956m**).
- Playground Replacement Program (current 3yr budget **\$3.137m**).
- Neighbourhood Improvement Program (current 3yr budget **\$6.080m**).
- Sportsground Capital Improvement Program (current 3yr budget **\$1.492m**).

(b) That the CEO provide a preliminary report regarding the proposed options to increase the abovementioned capital programs, to the Finance Committee as part of the 2024/2025 budget process.

Record of Voting:

For the Motion: Unanimous

14.3 Congratulations to Mr Peter Bacha OAM

(Motion by Councillor Noack)

This matter was addressed earlier in the meeting as detailed in these Minutes.

15. QUESTIONS WITH NOTICE

15.2 Active Parramatta School Holidays Program

(Report of Councillor Darley)

QUESTIONS WITH NOTICE

1. How many sessions (by sports code/type) have been provided at each school holiday program over the last year?

Executive Director, Community Services response:

Council has collaborated with 40 different sporting codes to deliver 158 sessions over the last 12 months. Some of these sporting codes may be well known and established codes with multiple sessions offered and others may be emerging or growing codes as shown in the table below:

Sport code by child participation	Number of sessions
Football/soccer	5

Dancing (recreational)	12
Basketball	2
Tennis	12
Athletics, track and field (includes jogging and running)	4
Rugby league	4
Netball	7
Australian football	2
Other (other codes and activity types)	110
TOTAL	158

2. What is the total number of kids that have attended each of our popular school holiday programs over the last year and what proportion were children from within the Parramatta LGA?

Executive Director, Community Services response:

In total 2,541 children attended the school holiday program in the last 12 months.

Holiday Period	# of activities	# of attendees
April 2023	38	507
July 2023	39	703
September 2023	41	606
January 2024	40	725
TOTAL	158	2,541

Of the 2,541 attendees, 1,858 (or 73%) reside in a postcode that is wholly or partially located within the Parramatta LGA.

3. Are the providers of each activity in our school holidays program paid or do they provide them for free?

Executive Director, Community Services response:

Both. In the last 12 months, 19 activities involved payment to the facilitator and 139 involved no payment.

15.3

Additional Waste (Recycling) Collection Service at Christmas
(Report of Councillor Darley)

QUESTIONS WITH NOTICE

A number of other Councils in Greater Sydney provide an additional recycling collection for residents over the Christmas period, including Ryde, Fairfield, Penrith, Hawkesbury and Wingecarribee.

1. Are there any reasons why City of Parramatta couldn't do this?

Executive Director, City Assets & Operations response:

Council's new waste collection contract commences in November 2024 and provides additional recycling services for unit complexes.

However, any additional services (recycling or otherwise) across the entire LGA during the Christmas period would require a variation to the collection contract and would need to be negotiated and agreed to by the contractor. Council would also need to resolve to allocate additional funding towards the cost of additional services, which may also require an increase to ratepayers' annual waste charge.

2. Roughly, what would be the associated cost of providing an additional recycling collection for each area after Christmas?

Executive Director, City Assets & Operations response:

Publication of this commercial-in-confidence information would prejudice Council's negotiating position with the contractor should Council determine to proceed with an additional collection in the future.

Therefore, this information will be provided to Councillors confidentially on the Councillor portal.

3. When would Council need to make a decision on this to ensure an additional recycling collection happens after Christmas this year?

Executive Director, City Assets & Operations response:

Should Council's contractor agree to a contract variation (and should Council allocate the necessary additional funds to cover the cost) it is estimated that it would require a minimum of 6 months' notice from the date of variation to resource the additional recycling collection (trucks, staff, etc).

15.4

Preparation of a Draft Tree Canopy Plan

(Report of Councillor Darley)

QUESTIONS WITH NOTICE

1. As per the 2023/24 approved DPOP, Council's tree canopy plan was due to be completed by December 2023. What is the current status of the tree canopy plan?

Executive Director, City Planning & Design response:

Work on the Canopy Plan has been delayed due to City Strategy's prioritisation of the Strategy Refresh process and the West Invest grant funding application and Deed requirements.

A Councillor workshop is scheduled in March 2024 to seek feedback and a subsequent Councillor workshop to present a draft Canopy Plan prior to seeking Council endorsement for exhibition is planned for May. It is anticipated that the draft Canopy Plan will be submitted to Council in June seeking endorsement for public exhibition.

2. A new tree canopy dataset for Greater Sydney, which provides the most in-depth and detailed tree canopy imaging, was released by the NSW Government in late 2023. As a summary, what did this show has happened to the tree canopy across Parramatta LGA?

Executive Director, City Planning & Design response:

Council staff have reviewed the 2022 data from the NSW Government, which was released by the NSW Government in 2023. It shows an overall canopy coverage of 25.3% for the LGA, an increase of 0.1% from 2019 and an increase of 2.5% from 2016.

However, as Councillors were previously advised in April 2023, these three data sets should not be used to understand the trend in canopy cover over time for Parramatta, for the following reasons:

- The NSW Government has used a different data capture and analysis methodology for each iteration of data making the results unable to be compared consistently.
- An assessment of the 2016 and 2019 data provided by RMIT found that the 2016 had a higher resolution aerial imagery and therefore more accurate canopy coverage data. This assessment is still relevant as the 2022 data has a lower resolution (less accurate) than the 2016 data.
- The variations from the methodologies will likely have a greater impact on differences in data than the actual canopy change over the time-period.

The NSW Government has committed to a consistent data capture methodology that will align with the 2022 data. This will allow the comparison of the 2022 data in the future.

3. Where is the most change in tree canopy occurring in the Parramatta LGA?

Executive Director, City Planning & Design response:

Staff have undertaken a comparison between the three NSW Government datasets in response to this request. The data and

commentary is included below

MMB_Cat	2016	2019	2022	Change 2016-2019	Change 2019-2022	Net change 2016-2022	Observations:
Commercial	11.2%	10.5%	11.9%	-0.8%	1.4%	0.7%	- There are large fluctuations in canopy gain and loss between 2016-2019-2022 in Commercial, Industrial, Railway and Residential. This is considered unlikely based on Council officer reviews of aerial imagery. - There are significant gains in Environmental and Water. Council Officers expected increases in these areas but not at the rates indicated.
Education	37.8%	39.2%	40.6%	1.5%	1.3%	2.8%	
Environmental	54.4%	63.5%	64.5%	9.1%	1.0%	10.2%	
Hospital/Medical	19.6%	21.6%	22.4%	2.1%	0.8%	2.8%	
Industrial	10.4%	9.0%	10.1%	-1.4%	1.1%	-0.2%	
Other	15.5%	15.0%	17.0%	-0.5%	1.9%	1.5%	
Railway	13.1%	16.1%	11.1%	2.9%	-5.0%	-2.0%	
Recreational	36.9%	38.4%	40.6%	1.4%	2.3%	3.7%	
Residential	20.8%	24.4%	22.5%	3.6%	-1.9%	1.7%	
Road	14.7%	14.8%	17.9%	0.2%	3.1%	3.3%	
Water	42.0%	50.1%	52.6%	8.0%	2.5%	10.5%	
Total	22.7%	25.1%	25.3%	2.4%	0.1%	2.5%	

Based on the RMIT assessment, trends observed in the NearMap data and Council staff analysis, the reported changes in canopy coverage appear to be inaccurate don't reflect changes on the ground. Further information can be found in the presentation from the April 2023 Councillor workshop.

- How many trees has Council planted in parks, along streets and on other public land annually for the last 3 years?

Executive Director, City Planning & Design response:

The table below provides a summary of the trees planted in parks and streets for the past 3 years.

FY	Number of trees	Program
20/21	1,000	Council Tree Planting Program
21/22	3,900	Parramatta Light Rail Tree Offset program + Greening our City program + Council Tree Planting Program
22/23	2,019	Parramatta Light Rail Tree Offset program+ Parks and Open Space + Capital Works Projects
Total	6,919	

There are an additional 798 trees still to be planted as part the PLR Offset Program. This is anticipated to be completed by June 2024.

A further 250 plants associated with capital projects are scheduled to be planted by June 2024.

PROCEDURAL MOTION MATTER OF URGENCY

The Deputy Lord Mayor, Councillor Prociv requested to raise a Matter of Urgency under clause 9.3(b) of the Code of Meeting Practice, regarding the Closure of Australia Post at Olympic Park.

The Lord Mayor considered the matter to be urgent.

MATTER OF URGENCY CLOSURE OF AUSTRALIA POST AT OLYMPIC PARK

MATTER OR URGENCY - Closure of Australia Post at Olympic Park

RESOLVED: Deputy Lord Mayor, Councillor Prociv and Councillor Darley

- (a) That Council write to The Hon Michelle Rowland MP, Minister for Infrastructure, Transport, Regional Development, Communications and the Arts, Ms Sally Sitou MP, Federal Member for Reid, Ms Siobhan McKenna as Chair of the Australia Post and the affected franchisee, requesting that the decision to close Silverwater Business Hub Office on Saturday mornings be reversed.
- (b) That Council advocate for a permanent Australia Post facility to be established on the Olympic Peninsula to serve an increasing population.

Record of Voting:

For the Motion: Unanimous

PROCEDURAL MOTION MOVE TO CLOSED SESSION

RESOLVED: Councillor Noack and Councillor MacLean

That at this time of the meeting, being 8.41pm, the Lord Mayor, Councillor Esber advised that the meeting would move into Closed Confidential Session to allow consideration of matters in Closed Session in accordance with Section 10A of the *Local Government Act 1993*. Accordingly, members of the press and public are excluded from the closed session and access to the correspondence and reports relating to the items considered during the course of the Closed Session will be withheld.

This action is taken to discuss:

- 16.1 **Tender Exemption - Maintenance, Management of Multi-level Carparks and Cash Collection Services** (Report by Paid Parking and Contracts Manager)

This report is confidential in accordance with section 10A (2) (c) (d) of the Local Government Act 1993 as the report contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting

(or proposes to conduct) business; AND the report contains commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.

16.2 LATE REPORT – ITT10-2023 – Supply and installation of New Multi Level Carparking Technology and Maintenance (Report by Executive Director Finance and Information)

This report is confidential in accordance with section 10A (2) (c) (d) of the Local Government Act 1993 as the report contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND the report contains commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.

Record of Voting:

For the Motion: Unanimous

Note: Council moved into closed session at 8.42pm

16.1 Tender Exemption - Maintenance, Management of Multi-level Carparks and Cash Collection Services

RECOMMENDATION: Councillor MacLean and Councillor Noack

That Council:

- (a) approves the exemption to the tendering requirements for the maintenance, management of multi-level car parks and cash collection services pursuant to section 55(3)(k) of the *Local Government Act 1993*.
- (b) approves an extension of the existing contract with Point Parking (on the same terms and conditions) as the interim provider for a term of 12 months to enable a full tender process to be conducted in late 2024.
- (c) notes that Council is currently developing a Car Parking Strategy to guide decision-making regarding significant car parking matters and/or opportunities and that conducting a tender process at this time without a Strategy could impose a significant risk to Council entering into unsatisfactory or potentially prejudicial car parking agreements.

Record of Voting:

For the Motion: Unanimous

16.2 **LATE REPORT: ITT10-2023 - Supply and Installation Of New Multi-Level Carparking Technology and Maintenance Agreement**

(Report of Executive Director Finance and Information)

RECOMMENDATION: Councillor MacLean and Councillor Noack

That this item will be deferred until such time that further due diligence is undertaken by Council staff to obtain best value for money.

Record of Voting:

For the Motion: Unanimous

**PROCEDURAL MOTION
RETURN TO OPEN SESSION**

RECOMMENDATION: Councillor Noack and Councillor Bradley

That Council move into open session.

Record of Voting:

For the Motion: Unanimous

Note: Council Moved to Open Session at 9.05pm.

15. REPORTS OF RESOLUTIONS PASSED IN CLOSED SESSION

MOTION: Councillor MacLean and Councillor Noack

That the recommendation of the Closed Session in relation to Items:

- 16.1:Tender Exemption - Maintenance, Management of Multi-level Carparks and Cash Collection Services.; and
- 16.2: LATE REPORT: ITT10-2023 - Supply and Installation Of New Multi-Level Carparking Technology and Maintenance Agreement

be received and noted as resolutions of Council without any alteration and amendment thereto.

Record of Voting:

For the Motion:

Against the Motion:

16.1 **Tender Exemption - Maintenance, Management of Multi-level Carparks and Cash Collection Services**

RESOLVED: Councillor MacLean and Councillor Noack

That Council:

- (a) approves the exemption to the tendering requirements for the maintenance, management of multi-level car parks and cash collection services pursuant to section 55(3)(k) of the *Local Government Act 1993*.
- (b) approves an extension of the existing contract with Point Parking (on the same terms and conditions) as the interim provider for a term of 12 months to enable a full tender process to be conducted in late 2024.
- (c) notes that Council is currently developing a Car Parking Strategy to guide decision-making regarding significant car parking matters and/or opportunities and that conducting a tender process at this time without a Strategy could impose a significant risk to Council entering into unsatisfactory or potentially prejudicial car parking agreements.

Record of Voting:

For the Motion: Unanimous

16.2 **LATE REPORT: ITT10-2023 - Supply and Installation Of New Multi-Level Carparking Technology and Maintenance Agreement**

(Report of Executive Director Finance and Information)

RESOLVED: Councillor MacLean and Councillor Noack

That this item will be deferred until such time that further due diligence is undertaken by Council staff to obtain best value for money.

Record of Voting:

For the Motion: Unanimous

Councillors Garrard and Pandey asked questions on Confidential Item 16.2 LATE REPORT: ITT10-2023 - Supply and Installation Of New Multi-Level Carparking Technology and Maintenance Agreement which was taken on notice.

Councillor Prociv asked when will the Online Petition website for Council will be available?

Note: A staff report will be brought back to the Chamber on questions taken on notice for Item 16.2 LATE REPORT: ITT10-2023 - Supply and Installation Of New Multi-Level Carparking Technology and Maintenance Agreement.

18. CONCLUSION OF MEETING

The meeting concluded at 9.07pm.

This page and the preceding 24 pages are the Minutes of the Ordinary Council Meeting held on Monday, 12 February 2024 and will be confirmed on Monday, 26 February 2024.

Chairperson

UNCONFIRMED

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REPORTS TO COUNCIL - FOR NOTATION

26 FEBRUARY 2024

12.1 Investment Report for January 202434

REPORTS TO COUNCIL - FOR NOTATION

ITEM NUMBER	12.1
SUBJECT	Investment Report for January 2024
REFERENCE	F2024/00282 - D09307772
REPORT OF	Tax and Treasury Accountant
CSP THEME:	Fair

WORKSHOP/BRIEFING DATE: Nil

PURPOSE:

The purpose of this report is to inform Council of the investment portfolio performance and compliance for the month of January 2024.

RECOMMENDATION

That Council receive and note the Investment Report for January 2024.

BACKGROUND

1. In accordance with clause 212 of the *Local Government (General) Regulation 2021 (the Regulation)*, a report setting out details of all money invested must be presented to Council monthly.
2. The report must include a certificate as to whether the investments have been made in accordance with the *Local Government Act 1993 (the Act)*, the *Local Government (General) Regulation 2021* and Council's Investment Policy.

ISSUES/OPTIONS/CONSEQUENCES

Investment Portfolio Summary

3. The investment portfolio closing balance as of 31 January 2024 was \$489.9m. The average portfolio holdings held throughout the month was \$485.6m.
4. The majority of Council's investment portfolio is in term deposits (64%). The portfolio also includes liquid floating rate notes (FRNs), cash, and the TCorp Long Term Growth Fund (LTGF).
5. Approximately 9.7% of the portfolio comprises of less conservative long-term investments with exposure to credit markets and domestic and international shares. The investment portfolio is well diversified and weighted towards higher-rated institutions.
6. The table below lists the diversified range of investments held by Council as at 31 January 2024.

Table 1: Summary of investment portfolio

Investment Product	000's	% Held	Monthly Return	Annualised Return
Term Deposits	314,550	0.64	0.35	4.21
Floating Rate Notes	50,297	0.10	0.47	5.66
Bonds	34,219	0.07	0.13	1.59
Cash at Call	43,184	0.09	0.38	4.60
31 Day Notice Funds	170	0.00	0.40	4.80
CFS Global Managed Funds (CFS)	15,440	0.03	0.52	6.30
TCorp Long Term Growth Fund (LTGF)	32,105	0.07	1.42	18.03
Total Investment Funds	489,965	1.00	0.47	5.63
*COPC Internal Benchmark			0.48	5.79
Ausbond Bank Bill Index Benchmark			0.37	4.44
(Underperformance) / Outperformance > Ausbond BBI				1.19

***COPC Internal Benchmark returns** - based on Council's individual benchmarks across the various asset classes it invests within its own portfolio. The following individual benchmarks are the measurements, used for each asset class.

Cash: RBA Cash Rate

Term Deposits: based on Council's weighted average duration using multiple ADIs average monthly rate

FRNs: AusBond Credit FRN Index

CFS Global Credit Income Fund: AusBond Credit Index

NSW TCorpIM Long-Term Growth Fund: NSW TCorpIM Internal Benchmark

Investment performance for the month. The investment portfolio reported a monthly actual return of **0.47%** for January 2024 (or **5.63%** on an annualised basis), outperforming the monthly Ausbond bank bill index **by 119 basis** points annualised. The TCorp Fund actual return of 1.42% was the main contributor to performance, as both domestic shares (S&P ASX 200 Accumulation Index +1.19%) and international shares (MSCI World ex-Australia +1.20%) provided modest gains this month.

7. **Historical investment performance.** The table below provides year-to-date and historical investment performance compared to the Ausbond Bank Bill Index.

Table 2: Historical investment portfolio performance

Past and Present Performance	FYTD	1 Year	2 Year	3 Year
Total Portfolio	4.55	4.19	2.78	2.34
Ausbond Bank Bill Index Benchmark	4.33	4.00	2.75	1.83
Outperformance	0.22	0.19	0.03	0.51

8. **Investment Revenue:** As at the end of January 2024, the cumulative actual interest/income earned, was approximately **\$263k above** the annual budget. This outperformance also includes a reforecast of interest income, which increased by \$517k on the back of strong managed funds performance over the last quarter.

Going forward for 2023-24 Advisors exercise caution and expect volatility from the **TCorp Long-Term** given it has exposure to both domestic and international shares. This fund has a long duration view of 7-10 years and cannot be accurately measured for performance in the short term.

Table 3: Cumulative Interest table

Month-End	Cumulative Budget	Cumulative Investment Revenue	Difference (\$)
Jul 2023	\$1,766,667	\$2,157,596	\$390,929
Aug 2023	\$3,533,333	\$3,384,092	-\$149,241
Sep 2023	\$5,300,000	\$4,137,027	-\$1,162,973
Oct 2023	\$7,066,667	\$4,976,807	-\$2,089,860
Nov 2023	\$8,833,333	\$7,682,940	-\$1,150,393
Dec 2023	\$10,600,000	\$10,367,665	-\$232,335
Jan 2024	\$12,366,667	\$12,629,655	\$262,988
Feb 2024	\$14,133,333		
Mar 2024	\$15,900,000		
Apr 2024	\$17,666,667		
May 2024	\$19,433,333		
Jun 2024	\$21,200,000		

Note: Council values all managed funds, Floating rate notes, and bonds on a mark to market basis each month. Any gain or loss in valuation is capitalised to interest income based on actual monthly statements.

Table 4: Managed Fund Valuations Capitalised

Managed Funds Long-Term Investments	Asset Valuation Dec- 23	Asset Valuation Jan-24	Value Capitalised Net Return	Monthly Interest Return Actual
TCorp Long Term Growth Fund	\$31,655,723	\$32,104,660	\$448,937	1.42%
CFS Global Managed Fund	\$15,359,881	\$15,439,784	\$79,903	0.52%
Total:	\$47,015,604	\$47,544,445	\$528,841	1.13%

9. During January, unrealised capital valuations on Managed funds rose by approximately \$529k. This increase in capital valuation, has been capitalised and is included in the cumulative investment revenue shown in table 3.
10. **The CFS Global Credit fund** accounts for around 3.15% of Council's total investment portfolio. The Fund returned +0.52% (actual) in January, as market valuations in global credit securities increased. With a running yield of 5.50% p.a., advisors recommend Council retains this "grandfathered" Fund given the alternative to invest in cash and deposits are yielding slightly lower.
11. **Maturities and Transactions:** Overall, the portfolio remains well diversified from a maturity perspective, with around 17% of assets directed to medium term (2-5 years).
12. Where liquidity permits, Council advisors recommend new surplus funds be directed towards 1–3-year horizons given this is where the most attractive value can be found.

13. The following Investment transactions occurred during January 2024:

Table 5: Investment Maturities

Type	Issuer	Rating	Principal (\$)	Purchase Date	Maturity Date	Coupon (%)
TD	Auswide Bank	BBB	6,000,000.00	07-Jun-23	04-Jan-24	5.31
TD	Police Bank	BBB	3,000,000.00	07-Jun-23	11-Jan-24	5.35
TD	Australian Unity Bank	BBB+	6,000,000.00	12-Jul-22	18-Jan-24	4.39
TD	NAB	AA-	15,000,000.00	20-Jan-21	25-Jan-24	0.7
TD	Auswide Bank	BBB	4,000,000.00	09-Aug-23	25-Jan-24	5.47
			34,000,000.00			

Table 6: New Investment Purchases

Type	Issuer	Rating	Principal (\$)	Purchase Date	Maturity Date	Coupon (%)	Fossil Fuel- Green
TD	Suncorp	A+	4,000,000.00	12-Jan-24	03-Oct-24	5.17	Yes
TD	Police Credit Union SA	Unrated	4,000,000.00	12-Jan-24	10-Oct-24	5.18	Yes
TD	ING Direct	A	4,000,000.00	12-Jan-24	16-Jan-25	5.26	Yes
TD	Australian Unity Bank	BBB+	4,000,000.00	16-Jan-24	07-Nov-24	5.16	Yes
TD	Police Bank	BBB	4,000,000.00	16-Jan-24	05-Dec-24	5.16	Yes
TD	ING Direct	A	3,500,000.00	17-Jan-24	23-Jan-25	5.26	Yes
TD	ING Direct	A	3,500,000.00	18-Jan-24	30-Jan-25	5.26	Yes
TD	ING Direct	A	4,000,000.00	19-Jan-24	06-Feb-25	5.22	Yes
TD	Suncorp	A+	4,000,000.00	19-Jan-24	22-Jan-26	5.05	Yes
TD	ING Direct	A	4,000,000.00	19-Jan-24	19-Jan-29	5.18	Yes
			39,000,000.00				

14. During the month Council invested \$39m, in Term Deposits, Floating Rate Notes and at call cash. All of which were invested in **environmentally sustainable fossil fuel free investments**.

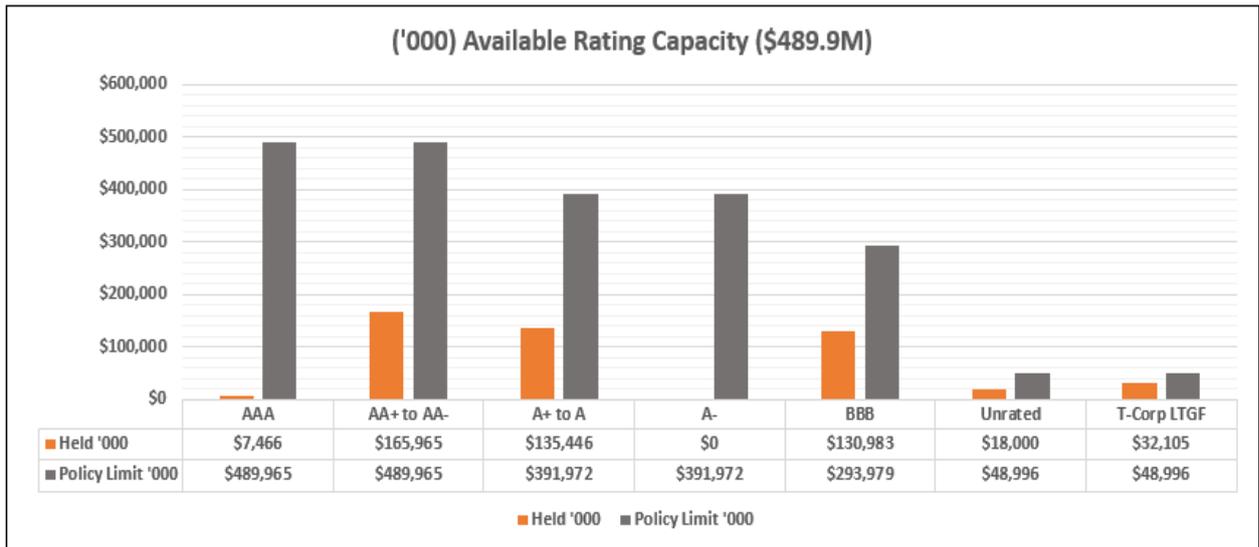
15. Portfolio Maturity Duration

Table 7: Maturity profile

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 365 days	\$314,658,632	64.30%	20%	100%	\$174,695,840
✓	1 – 2 years	\$60,763,649	12.42%	0%	70%	\$281,784,481
✓	2 – 5 years	\$81,827,530	16.72%	0%	60%	\$211,785,153
✓	5 – 10 years	\$32,104,660	6.56%	0%	15%	\$41,298,510
		\$489,354,472	100.00%			

16. The portfolio complies with Council's Investment Policy limits, with ample investment opportunity still available within all institutional rating, duration, and counterparty limits.

Graph 1: Investment Policy rating capacity.



*BBB-/BBB+ limits combined under Council's investment policy.

17. **Counterparty Limits.** All individual counterparty limits comply with council's investment policy, with the following exceptions:

Table 8: Exceptions to counterparty limits

Institution	Policy Limit (\$'000)	Held (\$'000)	Overweight (\$'000)	Reason	Compliance Date
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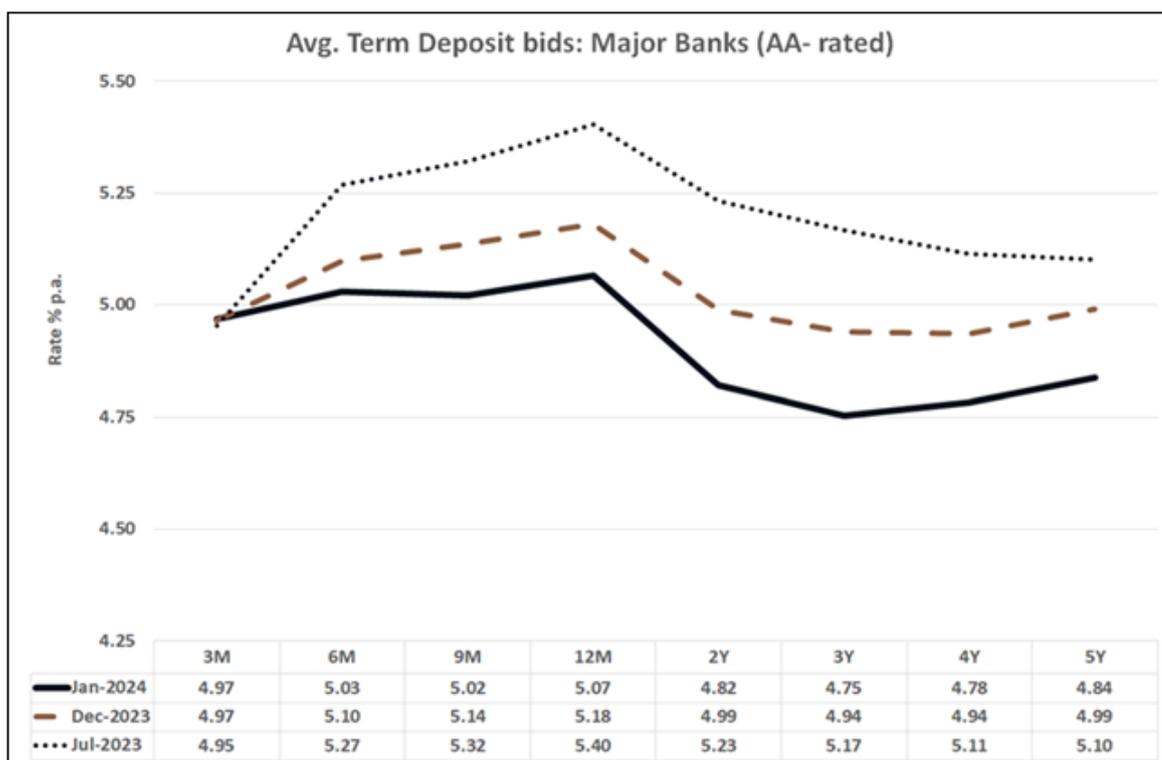
No Exceptions

18. As at the end of January 2024, Council did not have an overweight position to any single ADI. Overall, the portfolio is well diversified across the entire credit spectrum, including some exposure to unrated ADIs.
19. A full list of counterparty holdings is available on page 9 of the Arlo Advisory comprehensive report (attachment 2).
20. **Current Yields** Councils Floating Rate Notes are currently yielding around 5.65% FYTD with unrealised capital gains of approximately \$181k based on current market valuations.
21. **The CFS Global Credit Fund** holds a diverse range of securities across the global credit market. It remains very well diversified by issuer to mitigate default risk. It invests in nearly 600 corporate bonds from issuers in various countries and industry sectors. Any spread contraction going forward allows credit and asset-backed holdings to enjoy significant capital gains. With a running yield of around +5.5% per annum, Council will continue to hold this fund.
22. **Council's term deposit portfolio** (64% of the portfolio) was yielding 4.26% p.a. at month-end, with a weighted average duration of around 243 days or 8 months.

Financial markets continued their rally in January following the shift by central banks indicating that inflationary pressures globally have receded more quickly than they had expected. The market is now clearly focused on the timing of the first interest rate cuts in 2024.

Over January 2024, major bank deposit rates were lower across the board compared to the previous month (December 2023). Major bank deposit rates dropped by as much as 12bp across the shorter-tenors (3-12 months) and by around 15-20bp across the longer-tenors (2-5 years). Interestingly, major bank deposit rates are approximately 20-40bp lower than what they were 6 months ago (July 2023).

Graph 2: Term Deposit Yields



- 23. Council engages Arlo Advisory for assistance in all investment matters relating to advice, risk, and portfolio weighting. Arlo monitor the portfolio daily and conduct a monthly health check review. This confirms that Council’s portfolio is being conducted in accordance with the Act, the Regulation, and the Investment Policy.
- 24. Detailed investment performance commentary in relation to each investment product /type and counterparty, can be found in the Arlo Advisory comprehensive report attached (**Attachment 2**).

Certification of Investments

- 25. I hereby certify the investments for the month of January 2024 have been made in compliance with the Act, the Regulations, Council’s Investment Policy, and the adviser’s recommendations.

John Angilley, Executive Director, Finance & Information

CONSULTATION & TIMINGStakeholder Consultation

26. The following stakeholder consultation has been undertaken in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
31 Jan 2024	Arlo Advisory	All Investments are within Policy guidelines and supported by Councils independent advisor. Refer Arlo Comprehensive Report	All Investments are within Policy limits and reconcile to the General Ledger as at 31 Jan 2024	John Angilley Executive Director, Finance & Information Bruce MacFarlane Treasury & Tax Accountant

Councillor Consultation

27. The following Councillor consultation has been undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
N/A	N/A	N/A	N/A	N/A

LEGAL IMPLICATIONS FOR COUNCIL

28. There are no legal implications resulting from this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

29. As of 31 January 2024, cumulative interest income outperformed the year-to-date budget by approximately **\$263k**.

Overall actual interest is tracking strongly versus budget despite some monthly volatility. The interest forecast was increased at the December 23 quarterly by **\$517k** on the back of strong rallies in equity and credit markets, positively impacting Councils managed fund portfolio.

Bruce MacFarlane
Treasury Tax & Accounts Payable Manager

John Angilley
Executive Director Finance & Information

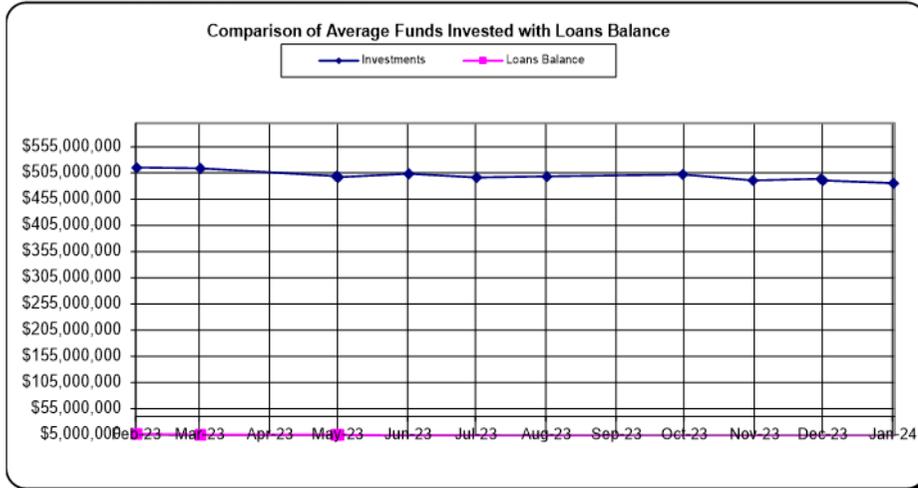
Gail Connolly
Chief Executive Officer

ATTACHMENTS:

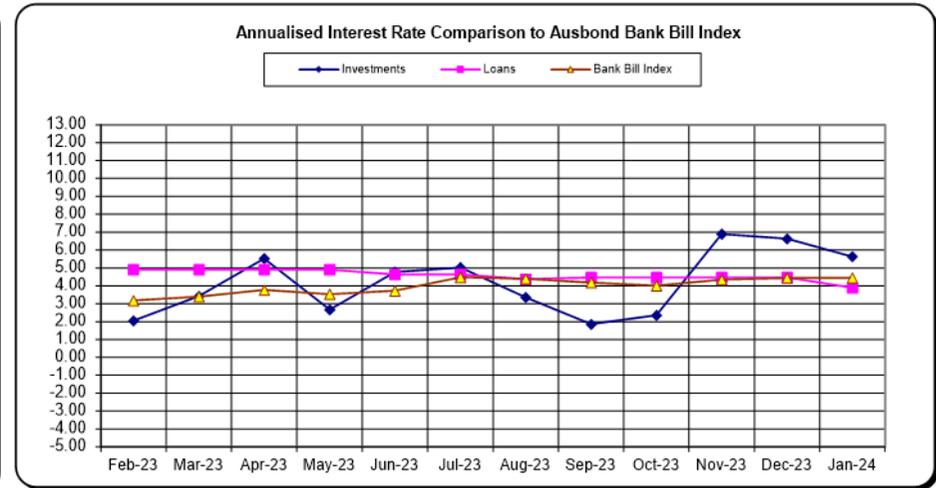
1 	Investment and Loans Performance Graph January 2024.pdf	1 Page
2 	Arlo Advisory Comprehensive Investment Report -January 2024 .pdf	34 Pages
3 	List of Council Investments by maturity January 2024.pdf	8 Pages

REFERENCE MATERIAL

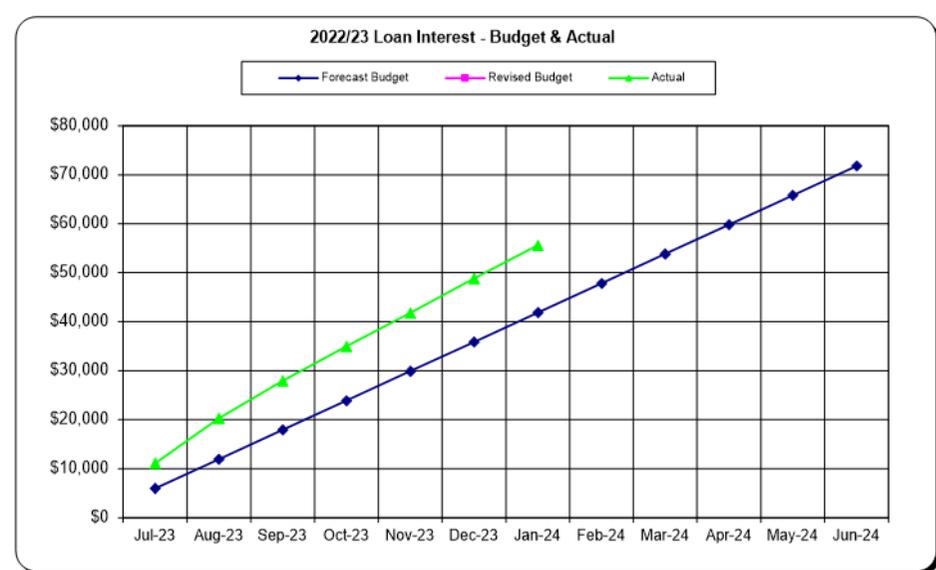
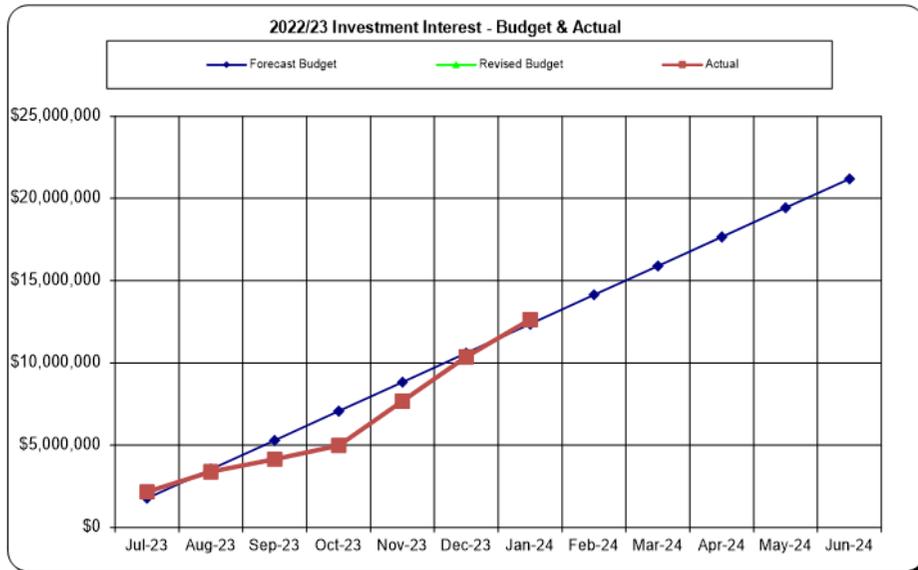
ATTACHMENT 1



CL..... Governance & Corporate



Investments and Loans Interest - Year to Date Budget Performance





Monthly Investment Review



**CITY OF
PARRAMATTA**

January 2024

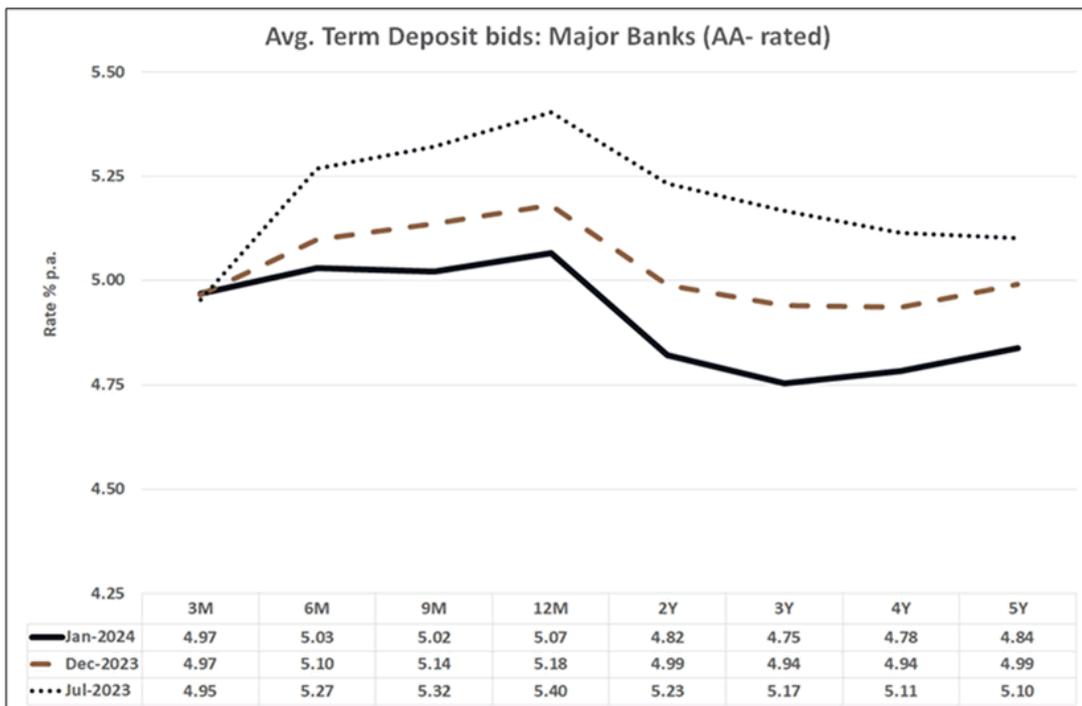
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Market Update Summary

Financial markets continued their rally in January following the shift by central banks indicating that inflationary pressures globally have receded more quickly than they had expected. The market is now clearly focused on the timing of the first interest rate cuts in 2024.

Over January 2024, major bank deposit rates were lower across the board compared to the previous month (December 2023). Major bank deposit rates dropped by as much as 12bp across the shorter-tenors (3-12 months) and by around 15-20bp across the longer-tenors (2-5 years). Interestingly, major bank deposit rates are approximately 20-40bp lower than what they were 6 months ago (July 2023).



Source: Imperium Markets

With a global economic downturn and multiple interest rate cuts being priced in coming years, investors should consider taking an ‘insurance policy’ against a potentially lower rate environment by investing across 2-5 year fixed deposits, targeting rates above or close to 4%-5% p.a. (small allocation only).



City of Parramatta Council's Portfolio Summary

Term Deposits

Term Deposits (fixed and floating) account for around 64% of the total investment portfolio at month-end. Council's term deposit portfolio was yielding 4.26% p.a. at month-end, with a weighted average duration of around 243 days or ~8 months. Where liquidity permits, we recommend increasing the overall duration closer to 9-12 months incrementally over the current financial year.

Senior FRNs

Council's senior floating rate notes (FRNs) make up around 10% of the total investment portfolio at month-end. The market valuation of Council's FRNs collectively rose around **+0.05% (actual)** in January (or **+\$26,330 in dollar terms**).

Summary	December 2023	January 2024	Net Flow (\$)	Monthly Change %
Face Value	\$49,700,000	\$49,700,000	\$0	+0.00%
Market Value	\$49,848,142	\$49,874,472	\$26,330	+0.05%

We highlight that Council's FRNs are senior ranked assets and high in the bank capital structure. We expect that, if held to maturity, the FRNs will pay back its original face value (\$100.00), along with its quarterly coupons throughout the life of the security. That is, we do not expect Council to lose any capital or interest payments from its current holding in its senior FRNs given all banks continue to maintain high capital buffers as required by APRA.

At month-end, Council's FRNs are now marked at an **unrealised capital gain of +\$174,576** (noting some were purchased at a slight discount to par in the secondary market).

BBB rated senior FRNs

As per all FRNs, we have no issues with Council's investments in "BBB" rated senior FRNs given all counterparties continue to hold robust balance sheets with high levels of capital. On a mark-to-market basis, collectively they rose around **\$7,103 in dollar terms or +0.06% (actual)** for the month.

Summary	December 2023	January 2024	Net Flow (\$)	Monthly Change %
Face Value	\$11,300,000	\$11,300,000	\$0	+0.00%
Market Value	\$11,323,895	\$11,330,998	\$7,103	+0.06%

At month-end, Council's "BBB" rated FRNs are now marked at an **unrealised capital gain of ~\$31,102**.



Senior Bonds

Since September 2020, Council has an outstanding \$29m placed in Northern Territory Treasury Corporation (NTTC) fixed bonds rated AA- (same as the domestic major banks), locking in yields between 0.90%-1.40% p.a. The weighted average yield on these investments was 1.09% p.a., with a current weighted average duration of 1.77 years.

We believe these investments were sensible at the time of investment given the unprecedented low rate environment and the RBA's forward guidance at the time of investment (no rate rises "until at least 2024"). We reiterate that the NTTC bonds are a 'retail' offering and not 'wholesale' issuances. Given the lack of liquidity and high penalty costs if they were to be sold/redeemed prior to the maturity date, they are considered to be a hold-to-maturity investment and will be marked at par value (\$100.00) throughout the term of investment.

During August 2021, Council purchased \$600k in the ING (AAA) covered fixed bond at a yield of 1.16% p.a. This is likely to be held for at least 3-4 years, with a view to reassess depending on the prevailing market conditions. Given it is now trading at a significant discount to par, we recommend buying additional units if available, to average-in at a more attractive yield. Separately, in recent months, Council purchased fixed bonds with BoQ (BBB+) and Judo (BBB-) Bank at discounted values – these are likely to result in capital gains as they mature and were originally purchased at above +5% and +6% yields respectively.

TCorp Long-Term Growth Fund

The NSW TCorp Fund accounts for ~6% of Council's total investment portfolio. **The Fund returned +1.42% (actual) during January.** Domestic and international shares gained again this month, as well as bonds (modestly), contributing to overall returns of the Fund.

Summary	Dec 2023	Jan 2024	Investment (\$)	Net Return (\$)	Net Return (%)
Market Value	\$31,655,723	\$32,104,660	\$0	+\$448,937	+1.42%

Falling inflation has been the key driver of both market speculation and the change in tone from the US Federal Reserve (Fed), aiding positive returns across equities and bonds in recent months. The biggest surprise to expectations over the past year has been the resilience of economic growth to rapid and substantive monetary tightening. Fiscal policy has played an important role in offsetting the negative drag from higher rates. The steady and continued improvement in global supply chains have worked to reverse much of the negative shocks that reverberated through 2020-2022.

The Fund should be looked at with a long-term view, with a minimum holding period of +7 years. Given the exposure to the volatile asset of shares, Council should expect to see, on average, a negative month once every 3 months over a long-term holding period.



CFS Global Credit Income

The CFS Global Credit Income Fund accounts for around 3% of Council's total investment portfolio. **The Fund returned +0.52% (actual) in January**, as the market valuation of the fund's assets in global credit securities increased during the month.

Summary	Dec 2023	Jan 2024	Difference (\$)	Difference (%)
Market Value	\$15,359,881	\$15,439,784	+\$79,903	+0.52%

The Fund holds a diverse range of securities across the global credit market. It remains very well diversified by issuer in order to mitigate default risk. It invests in nearly 600 corporate bonds from issuers in various countries and industry sectors. Any spread contraction going forward allows credit and asset-backed holdings to enjoy significant capital gains.

With a running yield of around +5½% p.a., we recommend Council retains this "grandfathered" Fund given the alternative to invest in cash and deposits (Council's approval list) are yielding lower.

Cash Accounts

Cash accounts make up around 9% of Council's investment portfolio at month-end. Council's cash accounts are likely to yield up to 0.15% p.a. (at most) above the official cash rate over coming years i.e. yield up to 4.50% p.a. at current yields. Short-dated term deposits will continue to outperform overnight cash accounts in most cases so we recommend keeping cash levels at a bare minimum to meet ongoing liquidity requirements.



Council's Budgeted Income for FY2023-2024

Council's budgeted income for FY2023-2024 has been revised to \$21.2m. Based on an average total investment portfolio size of around \$480m, that equates to a budgeted yield of around 4.42% for the current financial year.

For the financial year to date, the cumulative interest revenue earned was roughly \$262k above the revised budgeted income. In the upcoming financial year, we exercise caution given the volatility from the TCorp Long-Term Growth Fund during any month (fluctuations can be up or down \$1m on any month).

Month-End	Cumulative Budget	Cumulative Investment Revenue	Difference (\$)
Jul 2023	\$1,766,667	\$2,157,596	\$390,929
Aug 2023	\$3,533,333	\$3,384,092	-\$149,241
Sep 2023	\$5,300,000	\$4,137,027	-\$1,162,973
Oct 2023	\$7,066,667	\$4,976,807	-\$2,089,860
Nov 2023	\$8,833,333	\$7,682,940	-\$1,150,393
Dec 2023	\$10,600,000	\$10,367,665	-\$232,335
Jan 2024	\$12,366,667	\$12,629,655	\$262,988
Feb 2024	\$14,133,333		
Mar 2024	\$15,900,000		
Apr 2024	\$17,666,667		
May 2024	\$19,433,333		
Jun 2024	\$21,200,000		

We remain cautious given that risks remain to the downside, particularly if there is another selloff in equities and/or bonds as the market factors in a global economic downturn.



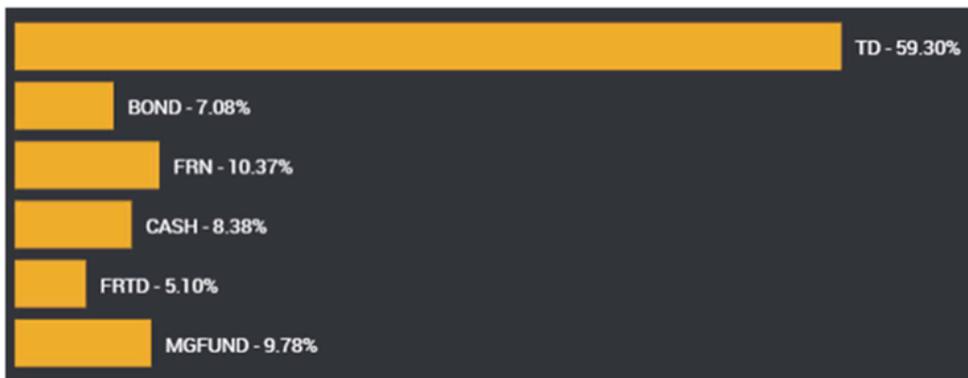
Council's Portfolio & Compliance

Asset Allocation

As at the end of January 2024, the portfolio was mainly directed to fixed and floating rate term deposits (64%). The remaining portfolio is directed to FRNs (10%), overnight cash accounts (8%), bonds (7%), and the managed funds with CFS Global Credit Income Fund and NSW T-Corp Long Term Growth Fund (10%, combined).

Senior FRNs remain relatively attractive as spreads have generally widened over the past 2 years. New issuances may be considered again on a case by case scenario. In the interim, staggering a mix of fixed deposits between 9-12 months to 3 years remains a more optimal strategy to maximise returns over a longer-term cycle.

With multiple rate cuts and a global economic downturn being priced in coming years, investors can choose to allocate a small proportion of longer-term funds and undertake an insurance policy against any potential future rate cuts by investing across 2-5 year fixed deposits, locking in and targeting yields close to or above 4%-5% p.a.





Term to Maturity

Overall, the portfolio remains well diversified from a maturity perspective with around 17% of assets directed to medium-term assets (2-5 years). All minimum and maximum criteria meet within the Policy guidelines:



Where liquidity permits, we recommend new surplus funds be directed to 1-3 year horizons given this is where the most attractive value can be found. We suggest this be allocated to any remaining attractive fixed term deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 365 days	\$314,658,632	64.30%	20%	100%	\$174,695,840
✓	1 - 2 years	\$60,763,649	12.42%	0%	70%	\$281,784,481
✓	2 - 5 years	\$81,827,530	16.72%	0%	60%	\$211,785,153
✓	5 - 10 years	\$32,104,660	6.56%	0%	15%	\$41,298,510
		\$489,354,472	100.00%			



Counterparty

As at the end of January 2024, Council did not have an overweight position to any single ADI. Overall, the portfolio is well diversified across the entire credit spectrum, including some exposure to the unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	BoQ Covered	AAA	\$903,362	0.18%	50.00%	\$243,773,873
✓	Bendigo Covered	AAA	\$5,211,348	1.06%	50.00%	\$239,465,888
✓	Suncorp Covered	AAA	\$549,474	0.11%	50.00%	\$244,127,762
✓	ING Covered	AAA	\$802,114	0.16%	50.00%	\$243,875,122
✓	ANZ	AA-	\$9,059,776	1.85%	40.00%	\$186,682,013
✓	CBA	AA-	\$32,390,821	6.62%	40.00%	\$163,350,968
✓	NAB	AA-	\$69,404,372	14.18%	40.00%	\$126,337,417
✓	Northern Territory	AA-	\$30,000,000	6.13%	40.00%	\$165,741,789
✓	Westpac	AA-	\$24,500,000	5.01%	40.00%	\$171,241,789
✓	Citibank NA	A+	\$1,001,092	0.20%	25.00%	\$121,337,526
✓	Macquarie	A+	\$2,429,374	0.50%	25.00%	\$119,909,244
✓	Suncorp	A+	\$13,752,664	2.81%	25.00%	\$108,585,954
✓	UBS AG	A+	\$5,771,977	1.18%	25.00%	\$116,566,641
✓	CFS Global CI	A	\$15,439,784	3.16%	25.00%	\$106,898,833
✓	ICBC	A	\$78,050,911	15.95%	25.00%	\$44,287,707
✓	ING Bank Aus.	A	\$19,000,000	3.88%	25.00%	\$103,338,618
✓	Aus. Military Bank	BBB+	\$5,000,000	1.02%	15.00%	\$68,403,171
✓	Aus. Unity Bank	BBB+	\$4,000,000	0.82%	15.00%	\$69,403,171
✓	BankVIC	BBB+	\$5,000,000	1.02%	15.00%	\$68,403,171
✓	Bank of Us	BBB+	\$16,000,000	3.27%	15.00%	\$57,403,171
✓	BoQ	BBB+	\$5,987,991	1.22%	15.00%	\$67,415,180
✓	Bendigo-Adelaide	BBB+	\$3,114,349	0.64%	15.00%	\$70,288,822
✓	Hume Bank	BBB+	\$4,500,000	0.92%	15.00%	\$68,903,171
✓	QT Mutual Bank	BBB+	\$998,278	0.20%	15.00%	\$72,404,893
✓	AMP Bank	BBB	\$10,670,047	2.18%	15.00%	\$62,733,124
✓	Auswide Bank	BBB	\$14,000,000	2.86%	15.00%	\$59,403,171
✓	Bank Australia	BBB	\$2,709,151	0.55%	15.00%	\$70,694,020
✓	CUA	BBB	\$2,504,618	0.51%	15.00%	\$70,898,553
✓	G&C Mutual	BBB	\$5,000,000	1.02%	15.00%	\$68,403,171
✓	MyState	BBB	\$3,000,000	0.61%	15.00%	\$70,403,171
✓	P&N Bank	BBB	\$11,500,000	2.35%	15.00%	\$61,903,171
✓	Police Bank	BBB	\$4,000,000	0.82%	15.00%	\$69,403,171
✓	Judo Bank	BBB-	\$19,495,622	3.98%	15.00%	\$53,907,549
✓	QBank	BBB-	\$5,002,688	1.02%	15.00%	\$68,400,483
✓	The Mutual	BBB-	\$8,500,000	1.74%	15.00%	\$64,903,171



Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	Bank of Sydney	Unrated	\$5,000,000	1.02%	1.02%	\$0
✓	Police CU	Unrated	\$4,000,000	0.82%	1.02%	\$1,000,000
✓	Summerland Bank	Unrated	\$3,000,000	0.61%	1.02%	\$2,000,000
✓	Unity Bank	Unrated	\$5,000,000	1.02%	1.02%	\$0
✓	Warwick CU	Unrated	\$1,000,000	0.20%	1.02%	\$4,000,000
✓	TCorpIM LTG	Unrated	\$32,104,660	6.56%	10.00%	\$16,830,787
			\$489,354,472	100.00%		

Domestic versus International

Noting Council's (internationally) demographic ratepayer base, we summarise where its investments are currently placed:

ADI Category by APRA / Country of Region	Amount Invested	Percentage
Australian Owned ADI	\$332,436,573	67.93%
Australia	\$332,436,573	67.93%
Branches of Foreign Bank	\$84,823,980	17.33%
China	\$78,050,911	15.95%
Switzerland	\$5,771,977	1.18%
United States	\$1,001,092	0.20%
Foreign Subsidiary Banks	\$24,549,474	5.02%
Lebanon	\$5,000,000	1.02%
Netherlands	\$19,549,474	3.99%
Global [^]	\$47,544,445	9.72%
International	\$47,544,445	9.72%
Total	\$489,354,472	100.00%

Source: <https://www.apra.gov.au/register-of-authorized-deposit-taking-institutions>

[^]Global: The NSW TCorpIM LTGF and CFS Global Credit Income Fund invests in hundreds of underlying securities globally, from which the portfolio composition is likely to change regularly.

Overall, approximately 68% of Council's total investment portfolio is placed with domestic ADIs, while the remaining 32% is placed with international banks and corporate entities. In response to global financial crisis (GFC), the Financial Stability Board (FSB) came up with a range of financial metrics to ascertain which banks were effectively deemed "too big to fail". A list of Globally Systemic Important Banks (G-SIBs) was developed, in which these banks required to hold much higher levels of capital compared to their smaller peers to ensure their financial stability under various stress test scenarios (e.g. another GFC).

Council's exposure to the international banks are generally with such Globally Systemic Important Banks (G-SIBs), including ICBC (China), ING Bank (Netherlands), UBS (Switzerland) and Citibank (US).

Overall, we have no concerns with Council's exposure to international banks given they are largely considered to be globally systematic important banks that are 'too big to fail'.



Fossil Fuel Investments

What is Council's current exposure to institutions that fund fossil fuels?

Using the following link <http://www.marketforces.org.au/banks/compare>, based on the Council's investment portfolio balance as at 31/01/2024 (\$489.35m), we can roughly estimate that ~51% of the investments have some form of exposure. Council's exposure is summarised as follows:

Counterparty	Credit Rating	Funding Fossil Fuel
BoQ Covered	AAA	Yes
Bendigo Covered	AAA	No
Suncorp Covered	AAA	No
ING Covered	AAA	Yes
ANZ	AA-	Yes
CBA	AA-	Yes
NAB	AA-	Yes
Northern Territory	AA-	Yes
Westpac	AA-	Yes
Citibank NA	A+	Yes
Macquarie	A+	Yes
Suncorp	A+	No
UBS AG	A+	No
CFS Global Credit^^	A	Yes
ICBC	A	No
ING Bank Australia	A	Yes
Aus Military Bank	BBB+	No
Aus Unity Bank	BBB+	No
BOQ	BBB+	No
BankVIC	BBB+	No
Bank of Us	BBB+	No
Bendigo-Adelaide	BBB+	No
Hume Bank	BBB+	No
QT Mutual Bank	BBB+	No
AMP Bank	BBB	Yes
Auswide Bank	BBB	No
Bank Australia	BBB	No
CUA	BBB	No
G&C Mutual	BBB	No
MyState	BBB	No
P&N Bank	BBB	No
Police Bank	BBB	No
QBank	BBB-	No
Judo Bank	BBB-	No
The Mutual Bank	BBB-	No
Bank of Sydney	Unrated	No
Police CU	Unrated	No
Summerland CU	Unrated	No
Unity Bank	Unrated	No
Warwick CU	Unrated	No
T-CorpIM LTG Fund^^	Unrated	Yes

^^The underlying exposure in these managed funds includes the domestic major banks.

Source: <https://www.marketforces.org.au/info/compare-bank-table/>



Summary	Amount	Invested %
Yes	\$247,452,763	51%
No	\$241,901,709	49%
	\$489,354,472	100%

Transition to investments without major exposure to fossil fuels

Council has not made a decision to divest from the current portfolio of investments which have exposure to fossil fuels. To do so would have unfavourable implications to the credit quality, rating and interest income forecasts.

However, where possible, and within the ministerial and policy guidelines, Council will continue to favour newly issued fossil fuel free investment products, providing it does not compromise the risk and return profile.

In time it is Council's intention to move to a more balanced portfolio which has less exposure to fossil fuels, providing it is prudent to do so.

What would be implications on our portfolio credit rating?

By adopting a free fossil fuel policy or an active divestment strategy, this would eliminate the major banks rated "AA-" as well as some other "A" rated banks (Citi, Macquarie and ING). Council would be left with a smaller sub-sector of banks to choose to invest with.

What would be risks and implications on Council's portfolio performance?

Some implications include:

- High concentration risk – limiting Council to a selected number of banks;
- Increased credit/counterparty risk;
- May lead to a reduction in performance (e.g. most of the senior FRN issues are with the higher rated ADIs);
- Underperformance compared to other Councils which could result in a significant loss of income generated – could be in excess of hundreds of thousands of dollars per annum.

It may actually be contrary to Council's primary objective to preserve capital as the investment portfolio's risk would increase (all things being equal). Council may not be maximising its returns – this is one of the primary objectives written in the Investment Policy.



Credit Quality

Following the most recent adopted Policy, all aggregate ratings categories are currently within the Policy limits:

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AAA Category	\$7,466,298	2%	100%	\$481,888,174
✓	AA Range or Major Banks	\$165,354,968	34%	100%	\$323,999,504
✓	A Category	\$135,445,802	28%	80%	\$256,037,776
✓	BBB Category	\$130,982,744	27%	30%	\$15,823,597
✓	Unrated ADI Category	\$18,000,000	4%	10%	\$30,935,447
✓	TCorpIM Funds	\$32,104,660	7%	25%	\$90,233,958
		\$489,354,472	100.00%		

The portfolio remains well diversified across the entire credit spectrum, including some exposure to the unrated ADI sector. There is high capacity to invest in the higher rated ADIs (A or higher), with some capacity to invest in the "BBB" rated category.



Performance

Council's performance (actual returns) for the month ending January 2024 is summarised as follows:

Performance (Actual)	1 month	3 months	6 months	FYTD	1 year	2 years	3 years
Official Cash Rate	0.36%	1.08%	2.11%	2.46%	4.00%	2.77%	1.88%
AusBond Bank Bill Index	0.37%	1.09%	2.15%	2.53%	4.00%	2.75%	1.83%
PCC Internal Benchmark*	0.48%	1.79%	2.61%	3.14%	5.02%	3.53%	2.63%
PCC Cash Portfolio	0.38%	1.12%	2.21%	2.21%	4.14%	2.83%	2.04%
PCC T/D Portfolio	0.35%	0.98%	1.89%	2.18%	3.29%	2.60%	2.16%
PCC FRN Portfolio	0.47%	1.40%	2.82%	3.29%	5.31%	3.99%	3.20%
PCC Bond Portfolio	0.13%	0.36%	0.65%	0.75%	1.21%	1.15%	1.12%
PCC Credit Fund	0.52%	3.35%	4.07%	5.32%	7.22%	4.04%	2.86%
PCC TCorp Growth Fund	1.42%	8.48%	4.18%	6.02%	9.66%	2.95%	5.67%
PCC's Total Portfolio	0.47%	1.57%	2.21%	2.66%	4.19%	2.78%	2.34%
Rel. Perf. (BBI)	0.10%	0.48%	0.07%	0.13%	0.20%	0.03%	0.50%
Rel. Perf. (Int. Bench.)	-0.01%	-0.22%	-0.40%	-0.48%	-0.83%	-0.74%	-0.29%

*The Internal Benchmark returns are based on Council's individual benchmarks across the various asset classes it invests within its own portfolio. The following individual benchmarks are used for each asset class that Council invests in:

Cash: RBA Cash Rate

Term Deposits: Deposit benchmark based on Council's weighted average duration using multiple ADIs average monthly rate

FRNs: AusBond Credit FRN Index

CFS Global Credit Income Fund: AusBond Credit Index

NSW TCorpIM Long-Term Growth Fund: Fund's return itself

For the month of January, the total investment portfolio (including cash) provided a return of +0.47% (actual) or +5.63% p.a. (annualised), outperforming the AusBond Bank Bill Index return of +0.37% (actual) or +4.44% p.a. (annualised), whilst underperforming Council's internal benchmark return of +0.48% (actual) or +5.79% p.a. (annualised).

The longer-term outperformance continues to be anchored by the handful of longer-dated deposits, as well as the FRNs locked in at attractive margins, boosted by the strategic sales implemented over the past few years. This is now reflected in the longer-term returns with the FRN portfolio now ahead of fixed term deposits over 1-3 year time periods (also driven recently during the RBA's rate hike cycle).



The annualised returns as of January 2024 are shown in the following table:

Performance (% p.a.)	1 month	3 months	6 months	FYTD	1 year	2 years	3 years
Official Cash Rate	4.35%	4.35%	4.22%	4.21%	4.00%	2.77%	1.88%
AusBond Bank Bill Index	4.44%	4.41%	4.30%	4.33%	4.00%	2.75%	1.83%
PCC Internal Benchmark*	5.79%	7.28%	5.25%	5.38%	5.02%	3.53%	2.63%
PCC Cash Portfolio	4.60%	4.52%	4.43%	3.78%	4.14%	2.83%	2.04%
PCC T/D Portfolio	4.21%	3.94%	3.77%	3.74%	3.29%	2.60%	2.16%
PCC FRN Portfolio	5.66%	5.67%	5.67%	5.65%	5.31%	3.99%	3.20%
PCC Bond Portfolio	1.59%	1.44%	1.30%	1.27%	1.21%	1.15%	1.12%
PCC Credit Fund	6.30%	13.98%	8.24%	9.20%	7.22%	4.04%	2.86%
PCC TCorp Growth Fund	18.03%	38.10%	8.47%	10.44%	9.66%	2.95%	5.67%
PCC's Total Portfolio	5.63%	6.38%	4.43%	4.55%	4.19%	2.78%	2.34%
Rel. Perf. (BBI)	1.19%	1.97%	0.13%	0.22%	0.20%	0.03%	0.50%
Rel. Perf. (Int. Bench.)	-0.16%	-0.90%	-0.82%	-0.83%	-0.83%	-0.74%	-0.29%



Recommendations for Council

Term Deposits

As at the end of January 2024, Council's **deposit** portfolio was yielding **4.26% p.a.** (up 25bp from the previous month), with a weighted average duration of around 243 days (~8 months).

There is growing belief that multiple interest rate cuts and a global economic downturn maybe delivered as early as mid-2024 and so locking in rates close to or above 4¾-5% p.a. across 1-3 year tenors may provide some income protection against a lower rate environment over coming years.

We recommend Council increases its weighted average duration closer to 9-12 months incrementally over the current financial year.

Please refer to the section below for further details on the Term Deposit market.

Securities

Primary (new) Senior **FRNs** (with maturities between 3-5 years) continue to be appealing (particularly for those investors with portfolios skewed towards fixed assets) and should be considered on a case by case scenario. Please refer to the section below for further details on the FRN market.

Council FRNs – Recommendations for Sale/Switches

We will inform Council when there is an opportunity to sell out of any future sub-optimal FRNs and switch into a higher yielding complying asset. This strategy has worked very well as Council has ultimately boosted the overall returns of the investment portfolio (up to hundreds of thousands of dollars in previous financial years). There will be an opportunity to switch/sell out of the following FRN(s) in coming months:

Issuer	Rating	Maturity Date	ISIN	Face Value	Trading Margin	Capital Price (\$)	~Unrealised Gain (\$)
Citibank	A+	17/11/2024	AU3FN0051561	\$1,000,000	+71.0bp	\$100.109	\$1,092

This strategy has boosted overall returns and will continue to do so going forward. The current financial year's realised gains are shown as follows:

Issuer	Rating	Maturity Date	ISIN	Face Value	Trading Margin	Capital Price (\$)	Realised Gain (\$)
NAB	AA-	21/01/2025	AU3FN0052510	\$2,000,000	+53.0bp	\$100.345	\$6,900
Suncorp	A+	30/07/2024	AU3FN0049144	\$2,000,000	+59.0bp	\$100.192	\$4,800
NAB	AA-	30/05/2025	AU3FN0069373	\$2,000,000	+57.0bp	\$100.548	\$9,316
Suncorp	AAA	24/04/2025	AU3FN0053880	\$700,000	+71.0bp	\$100.498	\$3,486
Bendigo	BBB+	06/09/2024	AU3FN0050019	\$1,750,000	+76.0bp	\$100.151	\$2,642
Total Realised Gains FY2023-2024							\$27,144



Council's Senior Fixed Bonds

Since September 2020, Council placed parcels in NTTC (AA-) fixed bonds as follows:

Investment Date	Maturity Date	Principal	Rate % p.a. [^]	Remaining Term (Yrs)	Interest Paid
24/11/2020	16/12/2024	\$1,000,000	0.90%	0.88	Annually
16/02/2021	16/06/2025	\$1,000,000	0.90%	1.38	Annually
16/02/2021	15/06/2026	\$5,000,000	1.00%	2.37	Annually
12/05/2021	17/06/2024	\$3,000,000	0.80%	0.38	Annually
12/05/2021	16/06/2025	\$3,000,000	1.10%	1.38	Annually
12/05/2021	15/06/2026	\$3,000,000	1.30%	2.37	Annually
20/05/2021	16/06/2025	\$3,500,000	1.10%	1.38	Annually
09/09/2021	16/12/2024	\$2,500,000	0.90%	0.88	Semi-Annually
09/09/2021	15/12/2026	\$5,000,000	1.40%	2.87	Semi-Annually
Totals / Wgt. Avg.		\$27,000,000	1.09%	1.77 yrs	

At the time of investment, these investments were relatively attractive especially after the rate cut delivered in early November 2020 to 0.10% and its subsequent forward guidance on official interest rates (no rate rises "until at least 2024"). The NTTC bonds are a 'retail' offering and not 'wholesale' issuances. Given the lack of liquidity and high penalty costs if they were to be sold/redeemed prior to the maturity date, they are considered to be a hold-to-maturity investment and will be marked at par value (\$100.00) throughout the term of investment.

Separately, Council also purchased into the following fixed bonds. Where attractive, Council may consider purchasing additional units in these securities in the secondary market to 'average-in' a better overall purchase price.

Issuer	Rating	Maturity Date	ISIN	Face Value	Purchase Yield	Current Yield	Unrealised Gain / Loss (\$)
ING	AAA	19/08/2026	AU3CB0282358	\$600,000	1.16%	4.64%	-\$48,780
BoQ	BBB+	06/09/2024	AU3CB0296168	\$1,500,000	5.45%	5.03%	+\$19,842
Judo	BBB-	26/09/2025	AU3CB0292480	\$2,000,000	6.60%	6.52%	+\$2,502



CFS Global Credit Income Fund

For the month of January, the CFS Global Credit Income Fund returned +0.52% (actual), outperforming the AusBond Bank Bill Index return of +0.37% (actual) and the AusBond Credit Index return of +0.41% (actual).

The market priced further rate cuts by the US Fed in 2024 as data showed that inflation is continuing to trend lower. This led to a further rally in rates and risk assets in January.

Although it has been a relatively volatile environment for credit over the past few years, it has been one of Council's best performing assets over the longer-term. The portfolio continues to accumulate high running-income in excess of the benchmark across all corporate and financial sectors. The Fund holds a diverse range of securities across the global credit market. It remains very well diversified by issuer in order to mitigate default risk. It invests in nearly 600 corporate bonds from issuers in various countries and industry sectors. Any spread contraction going forward allows credit and asset-backed holdings to enjoy significant capital gains.

With a running yield of ~5½% p.a., we recommend Council to retain this investment given the alternative investments in complying fixed interest products are largely earning below this rate of return.



NSW T-CorpIM Growth Fund

The Growth Fund returned +1.43% (actual) for the month of January. Both domestic shares (S&P ASX 200 Accumulation Index +1.19%) and international shares (MSCI World ex-Australia +1.20%) provided modest gains this month. Bonds also provided positive returns as yields remained relatively flat (AusBond Composite Bond Index added +0.21%).

Falling inflation has been the key driver of both market speculation and the change in tone from the US Federal Reserve (Fed), aiding positive returns across equities and bonds in recent months. The biggest surprise to expectations over the past year has been the resilience of economic growth to rapid and substantive monetary tightening. Fiscal policy has played an important role in offsetting the negative drag from higher rates. The steady and continued improvement in global supply chains have worked to reverse much of the negative shocks that reverberated through 2020–2022.

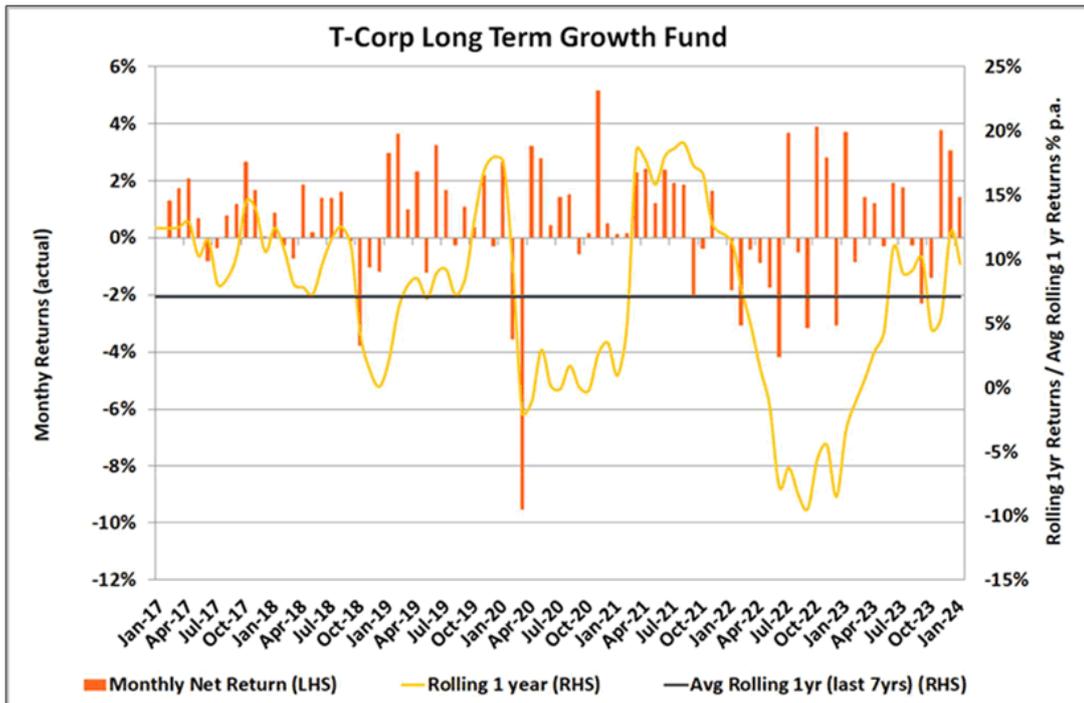
The macroeconomic outlook and general consensus has shifted to a soft landing for the global economy (from a recession), underpinned by expectations of significant central bank easing particularly from the US Fed. The main question for 2024 is will the US Fed cut as much as markets expects if there is no recession? As we have witnessed through the past eighteen months, market expectations and reality can diverge significantly and each realignment causes significant volatility across asset markets.

Overall, we remain cautious on the future performance of the T-Corp Growth Fund given the high volatility associated with a diversified growth fund, which generally allocates a range of 60%–80% in domestic and international shares. Investors are seeking relief from the elevated levels of inflation and remain hopeful that rate cuts will be delivered by the middle of 2024.

The Fund should be looked at with a long-term view, with a minimum holding period of +7 years. Given the exposure to the volatile asset of shares, Council should expect to see, on average, a negative month once every 3 months over a long-term holding period.



Since Inception	T-Corp Long Term Fund
Negative Months	143 (~1 in 3 months)
Positive Months	272
Total Months	415 (34.58 yrs)
Average Monthly Return	+0.65% (actual)
Median Monthly Return	+1.02% (actual)
Lowest 1 year Rolling Return	-21.12% p.a. (Nov 2008)
Highest 1 year Rolling Return	+29.89% p.a. (Jan 1994)





Term Deposit Market Review

Current Term Deposits Rates

As at the end of January, we see value in the following (note rates likely to be at least 5-10bp lower across the board following the lower than expected inflation print on 31st January):

Index	LT Credit Rating	Term	Rate % p.a.
ING	A	5 years	5.13%
ING	A	4 years	5.02%
ING	A	2 years	4.97%
ING	A	3 years	4.95%
BoQ	BBB+	5 years	4.95%
Suncorp	A+	2 years	4.94%
BoQ	BBB+	4 years	4.90%
Suncorp	A+	3 years	4.86%
Westpac	AA-	2 years	4.76%
NAB	AA-	2 years	4.75%

The above deposits are suitable for investors looking to maintain diversification and lock-in a slight premium compared to purely investing short-term.

For terms under 12 months, we believe the strongest value is currently being offered by the following ADIs (we stress that rates are indicative, dependent on daily funding requirements and different for industry segments):



Index	LT Credit Rating	Term	Rate % p.a.
Australian Unity	BBB+	12 months	5.19%
Suncorp	A+	12 months	5.17%
ING	A	12 months	5.17%
NAB	AA-	12 months	5.15%
Suncorp	A+	9 months	5.14%
NAB	AA-	5-9 months	5.10%
Suncorp	A+	6 months	5.10%
Bendigo	BBB+	9 months	5.06%
BoQ	BBB+	9 months	5.05%
NAB	AA-	3-4 months	5.05%
Westpac	AA-	12 months	5.02%

If Council does not require high levels of liquidity and can stagger a proportion of its investments across the longer term horizons (1-5 years), it will be rewarded over a longer-term cycle. Investing a spread of 12 months to 3 year horizons is likely to yield, on average, up to ¼-½% p.a. higher compared to those investors that entirely invest in short-dated deposits (under 6-9 months).

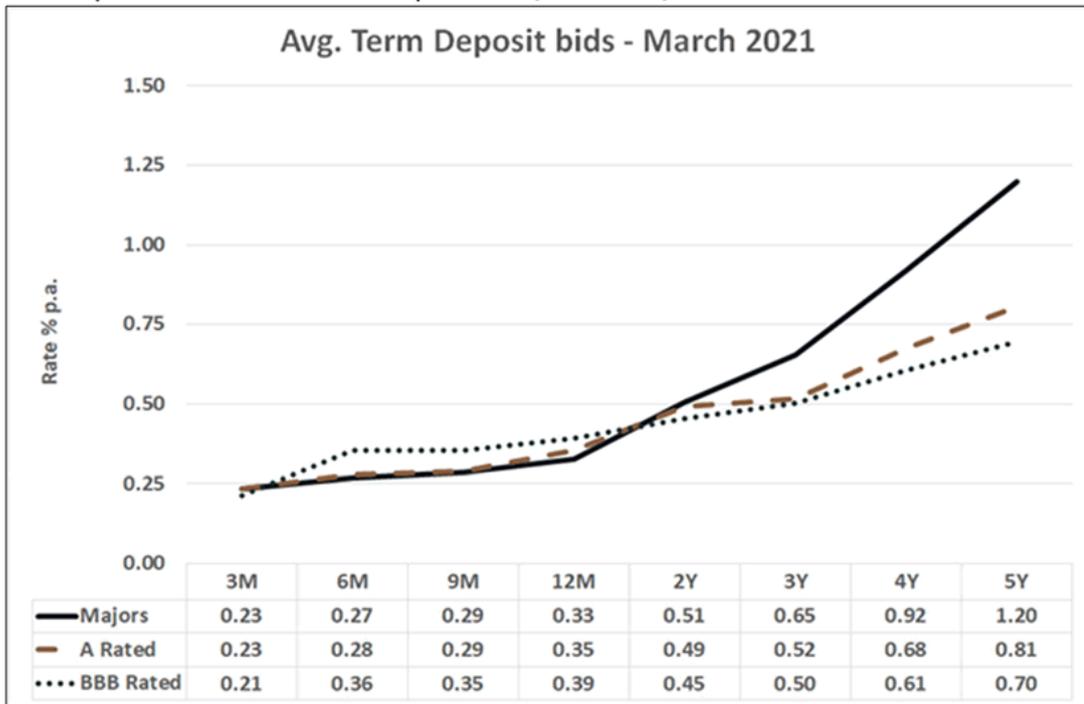
With a global economic slowdown and rate cuts being priced in coming years, investors should strongly consider and allocate some longer term surplus funds to undertake an insurance policy by investing across 2-5 year fixed deposits and locking in rates close to or above 4%-5% p.a. This will provide some income protection with central banks now likely to cut rates at some stage later this year.



Term Deposits Analysis

Pre-pandemic (March 2020), a 'normal' marketplace meant the lower rated ADIs (i.e. BBB category) were offering higher rates on term deposits compared to the higher rated ADIs (i.e. A or AA rated). But due to the cheap funding available provided by the RBA via their Term Funding Facility (TFF) during mid-2020, allowing the ADIs to borrow as low as 0.10% p.a. fixed for 3 years, those lower rated ADIs (BBB rated) did not require deposit funding from the wholesale deposit. Given the higher rated banks had more capacity to lend (as they have a greater pool of mortgage borrowers), they subsequently were offering higher deposit rates. In fact, some of the lower rated banks were not even offering deposit rates at all. As a result, most investors placed a higher proportion of their deposit investments with the higher rated (A or AA) ADIs over the past three years.

Term Deposit Rates – 12 months after pandemic (March 2021)



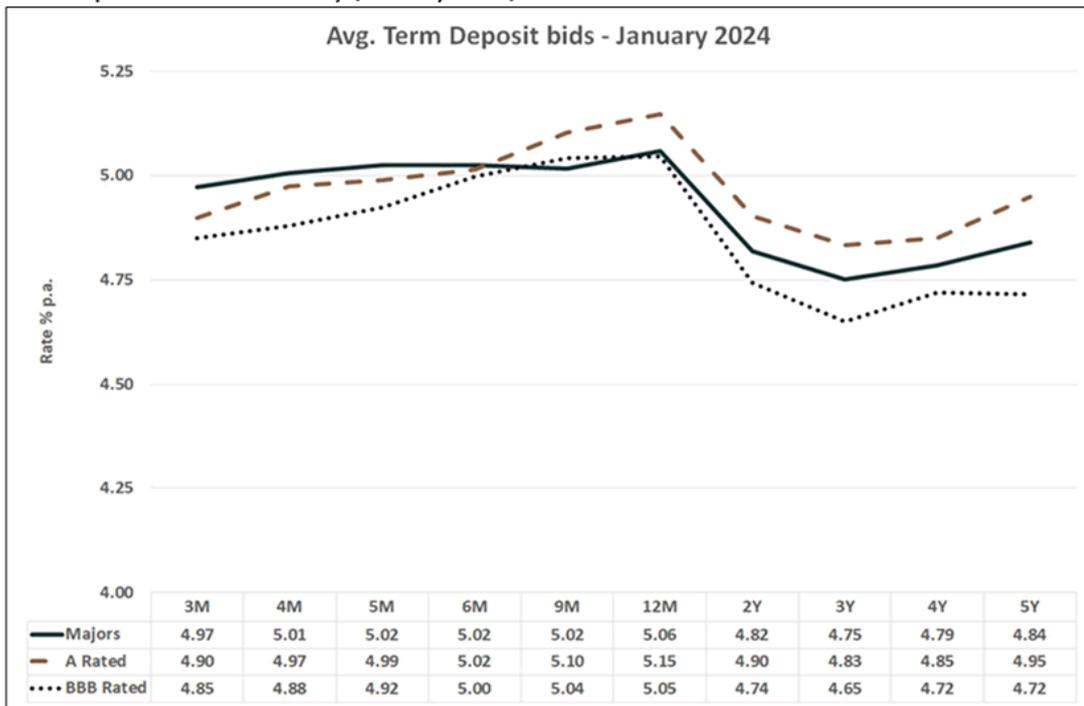
Source: Imperium Markets

The abnormal marketplace experienced during the pandemic is starting to reverse as the competition for deposits slowly increases. In recent months, we have started to periodically see some of the lower rated ADIs (“A” and “BBB” rated) offering slightly higher rates compared to the domestic major banks (“AA” rated) on different parts of the curve (i.e. pre-pandemic environment). Some of this has been attributed to lags in adjusting their deposit rates as some banks (mainly the lower rated ADIs) simply set their rates for the week.



Going forward, Council should have a larger opportunity to invest a higher proportion of its funds with the lower rated institutions (up to Policy limits), from which the majority are not lending to the Fossil Fuel industry. We are slowly seeing this trend emerge, although the past few months have been an exception, with the major banks repricing more rapidly to the movement in the bond market than their lower rated counterparts. This reversed somewhat over the past few months with the lower rated institutions (mainly "A" rated) lagging the major banks in dropping their rates:

Term Deposit Rates – Currently (January 2024)



Source: Imperium Markets

Regional & Unrated ADI Sector

Ratings agency S&P has commented that "mergers remain compelling for mutuals lenders" in providing smaller lenders greater economies of scale and assisting them in being able to price competitively and will see "the banking landscape will settle with a small number of larger mutual players". S&P expects that consolidation to continue over the next two years.

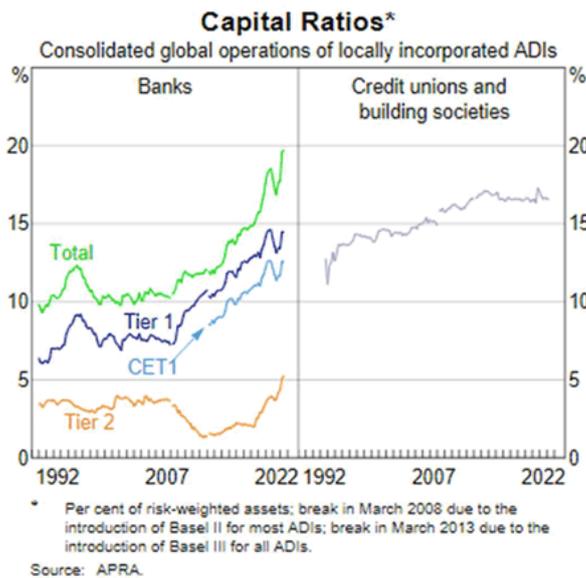
We remain supportive of the regional and unrated ADI sector (and have been even throughout the post-GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.



Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). The financial regulator, APRA has noted that the Common Equity Tier 1 capital of Australian banks now exceeds a quarter of a trillion dollars. It has increased by \$110 billion, or more than 70%, over the past ten years. Over the same time, banks' assets have grown by 44%. Some of the extra capital is supporting growth in the banking system itself but clearly, there has been a strengthening in overall resilience and leverage in the system is lower.

We believe that deposit investments with the lower rated ADIs should be considered going forward, particularly when they offer 'above market' specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio's overall returns. The lower rated entities are generally deemed to be the more 'ethical' ADIs compared to the higher rated ADIs.

In the current environment of high regulation and scrutiny, all domestic (and international) ADIs continue to carry high levels of capital. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC and the pandemic period. APRA's mandate is to "protect depositors" and provide "financial stability".



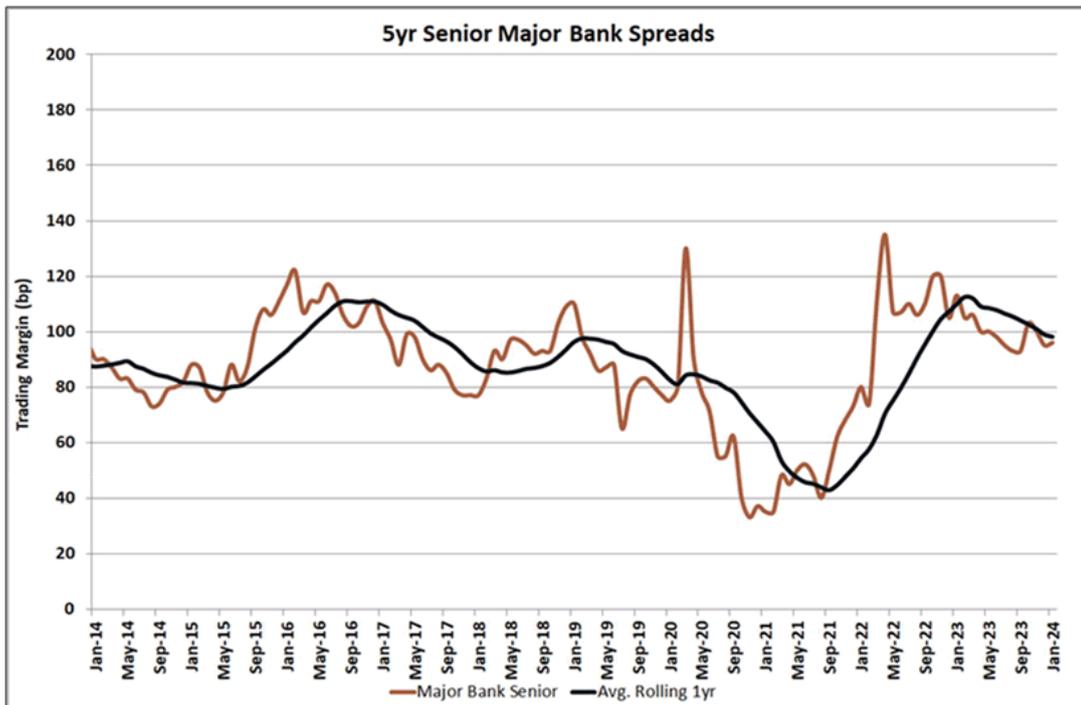


Senior FRNs Market Review

Over January, amongst the senior major bank FRNs, physical credit securities widened up to 9bp at the long-end of the curve. During the month, there were notable new issuances from:

- WBC (AA-) ~3yr & 5yr senior security at +82bp and +100bp respectively
- ANZ (AA-) 3 & 5yr senior security at +80bp and +96bp respectively
- QTC (AA+) 10yr fixed sustainable bond at 4.75% s.a.

Major bank senior securities remain at fair value on a historical basis (5yr margins around +96bp level).



Source: IBS Capital

During the month, the other new notable issuances were as follows:

- Great Southern Bank (BBB) 3yr senior FRN at +160bp
- Mizuho (A) 3yr senior FRN at +88bp
- Heritage (BBB) 3yr senior FRN at +160bp



Amongst the “A” and “BBB” rated sectors, the securities remained relatively flat at the longer-end of the curve. Credit securities are looking much more attractive given the widening of spreads over the past ~2 years. FRNs will continue to play a role in investor’s portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over future years (in a relatively stable credit environment).

Senior FRNs (ADIs)	31/01/2024	31/12/2023
“AA” rated – 5yrs	+96bp	+95bp
“AA” rated – 3yrs	+80bp	+71bp
“A” rated – 5yrs	+125bp	+125bp
“A” rated – 3yrs	+99bp	+97bp
“BBB” rated – 3yrs	+148bp	+148bp

Source: IBS Capital

We now generally recommend switches (‘benchmark’ issues only) into new primary issues, out of the following senior FRNs that are maturing:

- On or before early 2026 for the “AA” rated ADIs (domestic major banks);
- On or before early 2025 for the “A” rated ADIs; and
- Within 6–9 months for the “BBB” rated ADIs (consider case by case).

Investors holding onto the above senior FRNs (‘benchmark’ issues only) in their last few years are now generally holding sub optimal investments and are not maximising returns by foregoing realised capital gains. In the current challenging economic environment, any boost in overall returns should be locked in when it is advantageous to do so, particularly as switch opportunities become available.



Senior Fixed Bonds – ADIs (Secondary Market)

With global inflation still high by historical standards, this has seen a significant lift in longer-term bond yields over the past 2 years (valuations have fallen) as markets have reacted sharply.

This has resulted in some opportunities in the secondary market. We currently see value in the following fixed bond lines, with the majority now being marked at a significant discount to par (please note supply in the secondary market may be limited on any day):

ISIN	Issuer	Rating	Capital Structure	Maturity Date	~Remain. Term (yrs)	Fixed Coupon	Indicative Yield
AU3CB0273407	UBS	A+	Senior	30/07/2025	1.50	1.20%	5.07%
AU3CB0280030	BoQ	BBB+	Senior	06/05/2026	2.27	1.40%	5.14%
AU3CB0299337	Bendigo	BBB+	Senior	15/05/2026	2.29	4.70%	5.10%
AU3CB0296168	BoQ	BBB+	Senior	27/01/2027	2.99	4.70%	5.16%



Economic Commentary

International Market

Financial markets continued their rally in January following the shift by central banks indicating that inflationary pressures globally have receded more quickly than they had expected. With global economic activity and labour markets continuing to gradually cool, investors are becoming more confident of a soft landing, reflected by the fall in bond yields and a rise in equities in recent months.

Across equity markets, the S&P 500 Index gained +1.59%, whilst the NASDAQ added +1.02%. Europe's main indices also experienced further gains, led by France's CAC (+1.51%) and Germany's DAX (+0.91%). UK's FTSE (-1.33%) was the exception, losing ground against global trends.

In the US, the latest core personal consumption expenditures (PCE) index, which is the US central bank's preferred measure of inflation (which excludes volatile food and energy costs), recorded a +0.2% increase for the month of December, taking the annual rate to +2.9%.

The US economy grew at a +3.3% annual rate in the fourth quarter of 2023, which was well above the +2.0% consensus, though down from the +4.9% rate in the third quarter.

As widely expected, the Bank of Japan, European Central Bank (ECB) and Bank of Canada all held their respective interest rates steady at their policy meetings. The commentary accompanying their monetary policy decisions were largely unchanged, with these central banks reaffirming their commitment to fight inflation.

Germany reported that GDP had shrunk -0.3% for the calendar year of 2023 and in Q4 - though the Eurozone's biggest economy has been spared a technical recession in H2 2023 by an upward revision Q3, from -0.1% to 0.0%.

China is sinking deeper into its worst deflation in years. It signals continuing economic distress in China, which could mean weaker sales for Western brands that do business there. China's population also fell by 2 million last year, highlighting the challenges facing the world's second-largest economy.

The World Bank released the latest edition of its Global Economics Prospects. It provided a fairly pessimistic view, with advanced economies GDP growth set to slow, from +1.5% on average in 2023 to +1.2% in 2024.

The MSCI World ex-Aus Index rose +1.20% for the month of January:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+1.59%	+15.54%	+18.86%	+9.27%	+12.37%	+10.52%
MSCI World ex-AUS	+1.20%	+15.71%	+15.51%	+6.51%	+9.72%	+7.36%
S&P ASX 200 Accum. Index	+1.19%	+13.99%	+7.09%	+9.56%	+9.71%	+8.39%

Source: S&P, MSCI



Domestic Market

The consumer price index (CPI) rose +0.6% during Q4 2023, resulting in an annual increase of +4.1%. Inflation has fallen to its lowest level in two years, dampening the chances of a further interest rate rise. The monthly measure of inflation also showed price pressures easing even further. This measure dropped to +3.4% in December from +4.3% in November. The measure of underlying inflation eased to +4.0% from +4.6%.

Employment fell a sharp -65.1k in December, following the upwardly revised +72.6k surge in November and October's +44.2k. The unemployment rate was unchanged at 3.9% (or 3.8820% unrounded). Since October 2022, the unemployment rate has risen by 0.47%, highlighting that whilst the labour market remains tight, the degree of tightness in the labour market is easing.

Retail sales rose +2.0% m/m in November (consensus +1.2%). That reflects the shift towards increased spending at Black Friday rather than a trend acceleration in what remains sluggish consumer spending growth. Consumers delayed spending from October (when retail sales fell -0.4% m/m) to November and likely also pulled forward more spending from December.

Dwelling approvals rose +1.6% m/m in November, as a rise in attached approvals offset a small fall in detached approvals.

The November goods trade surplus rose to \$11.4bn (consensus \$7.3bn), from an upwardly revised \$7.7bn. The large surprise was driven by a fall back in imports (-7.9% m/m or -\$2.99bn).

The Government announced changes to stage three tax cuts. Those earning \$200,000 or more will receive a \$4,529 cut, instead of the legislated \$9,075 they were due to receive from 1 July. Those earning between \$45,000 and \$135,000 will be taxed at 30%, while the 37% tax rate will be reinstated and apply to incomes between \$135,000 and \$190,000, after which the 45% rate will apply.

Iron ore prices tumbled by the most in at least five months on concerns about a weakening economy of top consumer China and heightened tensions in the Taiwan Strait and the Red Sea.

The Australian dollar fell -3.89%, finishing the month at US65.74 cents (from US68.40 cents the previous month).

Credit Market

The global credit indices remained relatively flat over January as risk markets continued their rally. They are now back to their levels in early 2022 (prior to the rate hike cycle from most central banks):

Index	January 2024	December 2023
CDX North American 5yr CDS	55bp	56bp
iTraxx Europe 5yr CDS	60bp	60bp
iTraxx Australia 5yr CDS	68bp	72bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	January 2024	December 2023
Bloomberg AusBond Bank Bill Index (0+YR)	+0.37%	+0.37%
Bloomberg AusBond Composite Bond Index (0+YR)	+0.21%	+2.69%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.44%	+0.51%
Bloomberg AusBond Credit Index (0+YR)	+0.41%	+2.10%
Bloomberg AusBond Treasury Index (0+YR)	+0.16%	+2.77%
Bloomberg AusBond Inflation Gov't Index (0+YR)	-0.69%	+4.65%

Source: Bloomberg

Other Key Rates

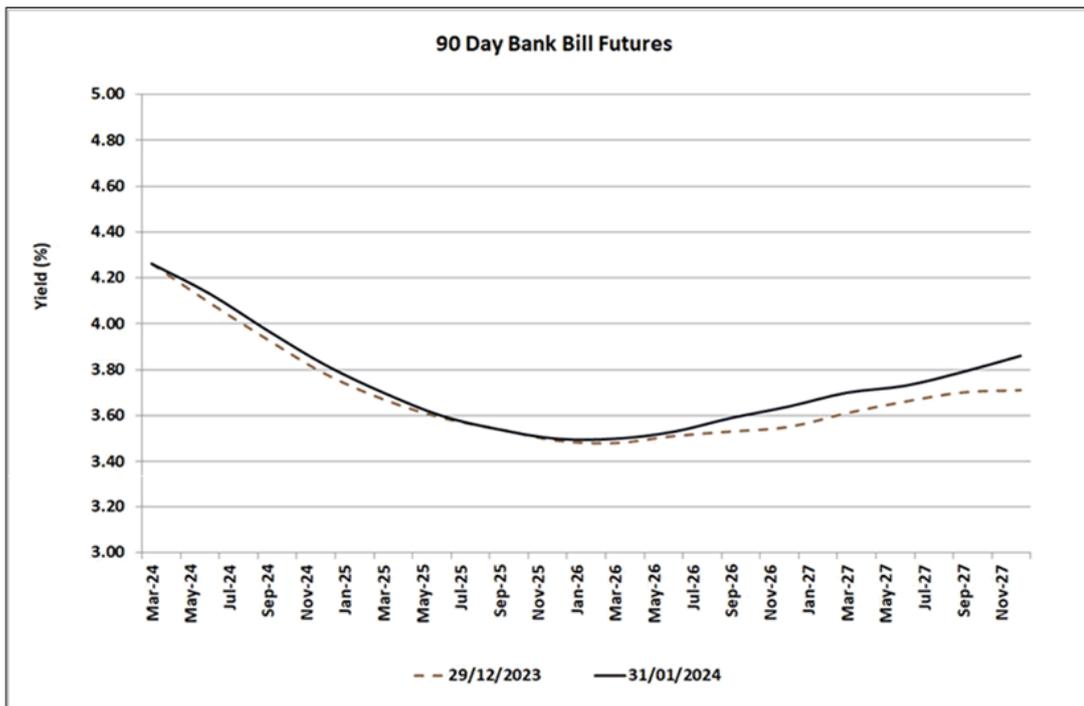
Index	January 2024	December 2023
RBA Official Cash Rate	4.35%	4.35%
90 Day (3 month) BBSW Rate	4.35%	4.36%
3yr Australian Government Bonds	3.45%	3.61%
10yr Australian Government Bonds	4.01%	3.96%
US Fed Funds Rate	5.25%-5.50%	5.25%-5.50%
2yr US Treasury Bonds	4.27%	4.23%
10yr US Treasury Bonds	3.99%	3.88%

Source: RBA, ASX, US Department of Treasury



90 Day Bill Futures

Bill futures marginally rose at the long-end of the curve, following the movement in the global bond market. The focus from the market remains on when the first rate cut will be delivered:



Source: ASX

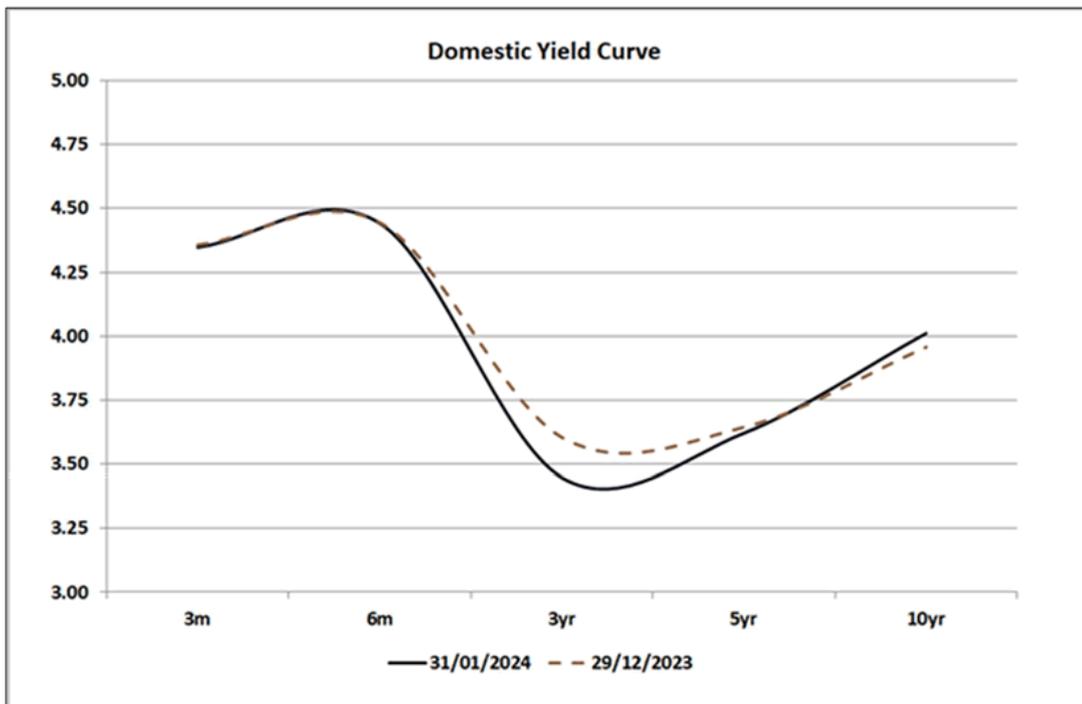


Fixed Interest Outlook

There is uncertainty when central banks will start to cut official rates in 2024. In recent weeks, financial markets have been pricing more and more delays for rate cuts, particularly in the US, suggesting that with the economy seemingly in relatively good health, there is no immediate need to cut rates quickly. This was supported by the stronger than expected US economic growth recorded in the last quarter of 2023 of +3.3% on an annual basis (which was well above the +2.0% forecast). Nevertheless, financial markets continue to price in more than 100bp of US Fed rate cuts in 2024.

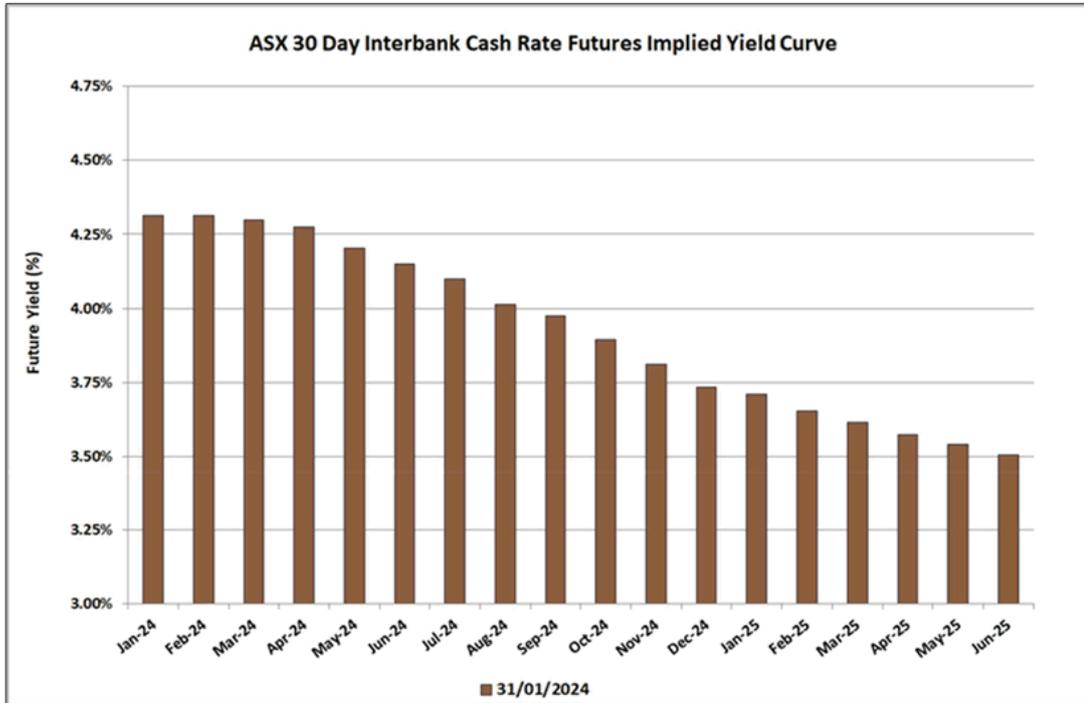
The Fed's pivot in monetary policy stance (easing bias) has reduced the risk of the RBA needing to raise rates in the immediate future. The RBA remains on a mild tightening bias, with the Board commenting that whilst the trend in global inflation has been favourable, it was heavily caveated, consistent with them waiting for the Q4 CPI (on 31st January). Inflation did print lower than expected, so this may allow the RBA to remove its mild tightening bias for its meeting on the 6th February.

Over the month, longer-term yields rose by 5bp at the very long end of the curve:



Source: ASX, RBA

The consensus from the broader market is that we have reached the peak of the interest rate cycle. Financial markets have pushed forward their rate cut expectations, with the first rate cut fully priced in by July 2024 following the lower than anticipated inflation number.



Source: ASX

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Investment Report

01/01/2024 to 31/01/2024



Portfolio Valuation as at 31/01/2024

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
JUDO BANK	BBB-	TD	GENERAL	At Maturity	30/06/2023	01/02/2024	5.7500	4,500,000.00	4,500,000.00	153,123.29	21,976.03
The Mutual Bank	BBB-	TD	GENERAL	At Maturity	04/07/2023	08/02/2024	5.8200	2,500,000.00	2,500,000.00	84,509.59	12,357.53
JUDO BANK	BBB-	TD	GENERAL	At Maturity	30/06/2023	08/02/2024	5.7500	4,500,000.00	4,500,000.00	153,123.29	21,976.03
JUDO BANK	BBB-	TD	GENERAL	At Maturity	30/06/2023	15/02/2024	5.7500	4,500,000.00	4,500,000.00	153,123.29	21,976.03
G&C Mutual Bank	BBB	TD	GENERAL	At Maturity	14/08/2023	07/03/2024	5.2500	5,000,000.00	5,000,000.00	122,979.45	22,294.52
JUDO BANK	BBB-	TD	GENERAL	At Maturity	18/09/2023	14/03/2024	5.0700	4,000,000.00	4,000,000.00	75,563.84	17,224.11
Summerland Bank	Unrated	TD	GENERAL	At Maturity	20/03/2023	21/03/2024	5.0600	3,000,000.00	3,000,000.00	132,253.15	12,892.60
Warwick Credit Union	Unrated	TD	GENERAL	At Maturity	26/09/2023	28/03/2024	5.2600	1,000,000.00	1,000,000.00	18,446.03	4,467.40
Auswide Bank	BBB	TD	GENERAL	At Maturity	09/08/2023	28/03/2024	5.4700	4,000,000.00	4,000,000.00	105,503.56	18,583.01
Auswide Bank	BBB	TD	GENERAL	At Maturity	09/08/2023	04/04/2024	5.4700	4,000,000.00	4,000,000.00	105,503.56	18,583.01
Westpac	AA-	FRTD	GENERAL	Quarterly	05/04/2019	05/04/2024	5.3617	12,000,000.00	12,000,000.00	47,594.27	47,594.27
Westpac	AA-	FRTD	GENERAL	Quarterly	08/04/2019	08/04/2024	5.3629	3,000,000.00	3,000,000.00	10,578.87	10,578.87
Australian Military Bank	BBB+	TD	GENERAL	Annual	13/04/2021	17/04/2024	0.7600	5,000,000.00	5,000,000.00	30,608.22	3,227.40
NAB	AA-	TD	GENERAL	Annual	13/04/2021	18/04/2024	0.7700	5,000,000.00	5,000,000.00	31,010.96	3,269.86
AMP Bank	BBB	TD	GENERAL	At Maturity	20/04/2023	22/04/2024	5.0000	2,000,000.00	2,000,000.00	78,630.14	8,493.15
Hume Bank	BBB+	TD	GENERAL	At Maturity	28/04/2023	29/04/2024	4.8000	4,500,000.00	4,500,000.00	165,106.85	18,345.21
ICBC Sydney Branch	A	TD	GENERAL	Annual	22/04/2022	02/05/2024	3.3400	25,000,000.00	25,000,000.00	647,410.96	70,917.81
Commonwealth Bank	AA-	TD	GENERAL	Semi-Annual	22/04/2022	02/05/2024	3.2600	21,000,000.00	21,000,000.00	58,144.11	58,144.11





Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
BOQ	BBB+	TD	GENERAL	Annual	03/05/2019	03/05/2024	2.8000	3,500,000.00	3,500,000.00	73,567.12	8,323.29
NAB	AA-	TD	GENERAL	At Maturity	12/05/2021	16/05/2024	0.7600	3,000,000.00	3,000,000.00	62,153.42	1,936.44
ICBC Sydney Branch	A	TD	GENERAL	Annual	20/05/2022	20/05/2024	3.7000	6,000,000.00	6,000,000.00	155,095.89	18,854.79
The Mutual Bank	BBB-	TD	GENERAL	At Maturity	26/05/2023	23/05/2024	5.1700	3,000,000.00	3,000,000.00	106,657.81	13,172.88
BankV/c	BBB+	TD	GENERAL	At Maturity	24/05/2023	23/05/2024	5.1400	5,000,000.00	5,000,000.00	178,139.73	21,827.40
The Mutual Bank	BBB-	TD	GENERAL	At Maturity	29/06/2023	30/05/2024	5.8100	3,000,000.00	3,000,000.00	103,624.93	14,803.56
P&N Bank	BBB	TD	GENERAL	At Maturity	30/05/2023	30/05/2024	5.1500	4,000,000.00	4,000,000.00	139,402.74	17,495.89
Westpac	AA-	FRTD	GENERAL	Quarterly	30/05/2019	30/05/2024	5.3274	6,000,000.00	6,000,000.00	55,171.43	27,147.85
Westpac	AA-	FRTD	GENERAL	Quarterly	06/06/2019	06/06/2024	5.3448	3,500,000.00	3,500,000.00	29,213.36	15,887.97
Suncorp	A+	TD	GENERAL	At Maturity	19/09/2023	13/06/2024	5.2000	4,000,000.00	4,000,000.00	76,931.51	17,665.75
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	12/05/2021	17/06/2024	0.8000	3,000,000.00	3,000,000.00	15,189.04	2,038.36
Unity Bank	Unrated	TD	GENERAL	At Maturity	21/11/2023	20/06/2024	5.4500	2,500,000.00	2,500,000.00	26,876.71	11,571.92
Unity Bank	Unrated	TD	GENERAL	At Maturity	21/11/2023	27/06/2024	5.4500	2,500,000.00	2,500,000.00	26,876.71	11,571.92
Bank of Us	BBB+	TD	GENERAL	At Maturity	05/12/2023	04/07/2024	5.4500	4,000,000.00	4,000,000.00	34,641.10	18,515.07
Bank of Us	BBB+	TD	GENERAL	At Maturity	05/12/2023	11/07/2024	5.4500	4,000,000.00	4,000,000.00	34,641.10	18,515.07
Bank of Us	BBB+	TD	GENERAL	At Maturity	05/12/2023	18/07/2024	5.4500	4,000,000.00	4,000,000.00	34,641.10	18,515.07
Bank of Us	BBB+	TD	GENERAL	At Maturity	05/12/2023	25/07/2024	5.4700	4,000,000.00	4,000,000.00	34,768.22	18,583.01
Auswide Bank	BBB	TD	GENERAL	At Maturity	14/12/2023	01/08/2024	5.4600	3,000,000.00	3,000,000.00	21,989.59	13,911.78
Auswide Bank	BBB	TD	GENERAL	At Maturity	14/12/2023	08/08/2024	5.4600	3,000,000.00	3,000,000.00	21,989.59	13,911.78
Commonwealth Bank	AA-	TD	GENERAL	Semi-Annual	11/08/2023	15/08/2024	5.5000	4,000,000.00	4,000,000.00	18,684.93	18,684.93





Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
Commonwealth Bank	AA-	TD	GENERAL	Semi-Annual	16/08/2023	22/08/2024	5.5000	3,000,000.00	3,000,000.00	14,013.70	14,013.70
AMP Bank	BBB	TD	GENERAL	At Maturity	15/12/2023	05/09/2024	5.2500	2,000,000.00	2,000,000.00	13,808.22	8,917.81
ICBC Sydney Branch	A	TD	GENERAL	Annual	13/09/2022	12/09/2024	4.4000	2,300,000.00	2,300,000.00	39,093.70	8,595.07
Bank of Sydney	Unrated	TD	GENERAL	At Maturity	19/12/2023	19/09/2024	5.4700	3,000,000.00	3,000,000.00	19,781.92	13,937.26
Bank of Sydney	Unrated	TD	GENERAL	At Maturity	19/12/2023	26/09/2024	5.4700	2,000,000.00	2,000,000.00	13,187.95	9,291.51
Suncorp	A+	TD	GENERAL	At Maturity	12/01/2024	03/10/2024	5.1700	4,000,000.00	4,000,000.00	11,331.51	11,331.51
Police Credit Union SA	Unrated	TD	GENERAL	At Maturity	12/01/2024	10/10/2024	5.1800	4,000,000.00	4,000,000.00	11,353.42	11,353.42
AMP Bank	BBB	TD	GENERAL	Annual	13/10/2022	17/10/2024	4.7500	2,000,000.00	2,000,000.00	28,890.41	8,068.49
ICBC Sydney Branch	A	TD	GENERAL	Annual	21/10/2021	21/10/2024	1.3000	4,000,000.00	4,000,000.00	14,389.04	4,416.44
AMP Bank	BBB	TD	GENERAL	At Maturity	21/12/2023	24/10/2024	5.1000	1,500,000.00	1,500,000.00	8,802.74	6,497.26
Great Southern Bank	BBB	FRN	GENERAL	Quarterly	24/10/2019	24/10/2024	5.4701	1,751,244.25	1,750,000.00	2,098.12	2,098.12
ICBC Sydney Branch	A	TD	GENERAL	Annual	29/10/2021	29/10/2024	1.6500	1,000,000.00	1,000,000.00	4,249.32	1,401.37
BOQ	BBB+	FRN	GENERAL	Quarterly	30/10/2019	30/10/2024	5.4443	1,001,914.00	1,000,000.00	298.32	298.32
Australian Unity Bank	BBB+	TD	GENERAL	At Maturity	16/01/2024	07/11/2024	5.1600	4,000,000.00	4,000,000.00	9,047.67	9,047.67
MyState Bank	BBB	TD	GENERAL	At Maturity	09/11/2023	14/11/2024	5.5600	3,000,000.00	3,000,000.00	38,386.85	14,166.58
ICBC Sydney Branch	A	TD	GENERAL	Annual	15/11/2021	14/11/2024	1.7900	3,000,000.00	3,000,000.00	11,475.62	4,560.82
ICBC Sydney Branch	A	TD	GENERAL	Annual	09/11/2021	14/11/2024	1.6800	3,000,000.00	3,000,000.00	11,598.90	4,280.55
Citibank, N.A.	A+	FRN	GENERAL	Quarterly	15/11/2019	14/11/2024	5.2916	1,001,092.00	1,000,000.00	11,453.05	4,494.24
ICBC Sydney Branch	A	TD	GENERAL	Annual	19/11/2021	21/11/2024	1.7500	4,750,000.00	4,750,000.00	16,625.00	7,059.93
Police Bank	BBB	TD	GENERAL	At Maturity	16/01/2024	05/12/2024	5.1600	4,000,000.00	4,000,000.00	9,047.67	9,047.67





Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
ICBC Sydney Branch	A	TD	GENERAL	Annual	13/12/2021	12/12/2024	1.8600	3,000,000.00	3,000,000.00	7,643.84	4,739.18
ICBC Sydney Branch	A	TD	GENERAL	Annual	10/12/2021	12/12/2024	1.8200	4,000,000.00	4,000,000.00	10,371.51	6,183.01
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	01/10/2021	16/12/2024	1.0000	3,000,000.00	3,000,000.00	3,945.21	2,547.95
Northern Territory Treasury	AA-	BOND	GENERAL	Semi-Annual	09/09/2021	16/12/2024	0.9000	2,500,000.00	2,500,000.00	2,958.90	1,910.96
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	24/11/2020	16/12/2024	0.9000	1,000,000.00	1,000,000.00	1,183.56	764.38
AMP Bank	BBB	TD	GENERAL	At Maturity	20/12/2023	19/12/2024	5.2500	3,000,000.00	3,000,000.00	18,554.79	13,376.71
ING Direct	A	TD	GENERAL	At Maturity	12/01/2024	16/01/2025	5.2600	4,000,000.00	4,000,000.00	11,528.77	11,528.77
ING Direct	A	TD	GENERAL	At Maturity	17/01/2024	23/01/2025	5.2600	3,500,000.00	3,500,000.00	7,565.75	7,565.75
ING Direct	A	TD	GENERAL	At Maturity	18/01/2024	30/01/2025	5.2600	3,500,000.00	3,500,000.00	7,061.37	7,061.37
ING Direct	A	TD	GENERAL	At Maturity	19/01/2024	06/02/2025	5.2200	4,000,000.00	4,000,000.00	7,436.71	7,436.71
ICBC Sydney Branch	A	TD	GENERAL	Annual	22/04/2022	24/04/2025	3.6800	15,000,000.00	15,000,000.00	427,989.04	46,882.19
BOQ	AAA	FRN	GENERAL	Quarterly	14/05/2020	14/05/2025	5.4816	903,362.40	900,000.00	10,677.86	4,190.04
NAB	AA-	TD	GENERAL	Annual	12/05/2021	15/05/2025	1.0500	3,000,000.00	3,000,000.00	22,869.86	2,675.34
RACQ Bank	BBB+	FRN	GENERAL	Quarterly	23/05/2022	23/05/2025	5.6482	998,278.00	1,000,000.00	10,832.16	4,797.10
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	20/05/2021	16/06/2025	1.1000	3,500,000.00	3,500,000.00	24,365.75	3,269.86
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	12/05/2021	16/06/2025	1.1000	3,000,000.00	3,000,000.00	20,884.93	2,802.74
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	16/02/2021	16/06/2025	0.9000	1,000,000.00	1,000,000.00	5,695.89	764.38
UBS AG	A+	FRN	GENERAL	Quarterly	30/07/2020	30/07/2025	5.2143	3,249,174.50	3,250,000.00	928.57	928.57
QBANK	BBB-	TD	GENERAL	Annual	26/07/2023	31/07/2025	5.8200	2,000,000.00	2,000,000.00	60,591.78	9,886.03
P&N Bank	BBB	TD	GENERAL	At Maturity	11/08/2023	14/08/2025	5.3000	3,000,000.00	3,000,000.00	75,797.26	13,504.11



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
QBANK	BBB-	TD	GENERAL	Annual	21/08/2023	21/08/2025	5.4100	2,000,000.00	2,000,000.00	48,615.89	9,189.59
ICBC Sydney Branch	A	TD	GENERAL	Annual	24/08/2022	25/08/2025	4.7500	2,000,000.00	2,000,000.00	41,904.11	8,068.49
ICBC Sydney Branch	A	TD	GENERAL	Annual	09/09/2022	11/09/2025	4.5200	3,500,000.00	3,500,000.00	61,979.73	13,436.16
JUDO BANK	BBB-	BOND	GENERAL	Semi-Annual	14/12/2023	26/09/2025	6.4000	1,995,622.00	2,000,000.00	44,887.67	10,871.23
Suncorp	AAA	FRN	GENERAL	Quarterly	17/10/2022	17/10/2025	5.2302	802,113.60	800,000.00	1,719.52	1,719.52
Bendigo and Adelaide	AAA	FRN	GENERAL	Quarterly	11/11/2022	11/11/2025	5.3686	4,009,412.00	4,000,000.00	47,067.18	18,238.53
Bank Australia	BBB	FRN	GENERAL	Quarterly	22/12/2022	24/11/2025	5.9786	1,304,776.20	1,300,000.00	14,692.61	6,601.03
ICBC Sydney Branch	A	FRN	GENERAL	Quarterly	19/01/2023	19/01/2026	5.3689	1,500,910.50	1,500,000.00	2,868.32	2,868.32
Suncorp	A+	TD	GENERAL	Annual	19/01/2024	22/01/2026	5.0500	4,000,000.00	4,000,000.00	7,194.52	7,194.52
NAB	AA-	TD	GENERAL	At Maturity	04/03/2021	05/03/2026	1.3400	3,000,000.00	3,000,000.00	117,185.75	3,414.25
P&N Bank	BBB	TD	GENERAL	Annual	28/04/2023	28/04/2026	4.8000	4,500,000.00	4,500,000.00	165,106.85	18,345.21
NAB	AA-	TD	GENERAL	Annual	12/05/2021	14/05/2026	1.3000	3,000,000.00	3,000,000.00	28,315.07	3,312.33
Bendigo and Adelaide	BBB+	FRN	GENERAL	Quarterly	15/05/2023	15/05/2026	5.6474	2,008,012.00	2,000,000.00	24,136.83	9,592.84
NAB	AA-	TD	GENERAL	Annual	20/05/2021	21/05/2026	1.3000	3,500,000.00	3,500,000.00	31,787.67	3,864.38
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	12/05/2021	15/06/2026	1.3000	3,000,000.00	3,000,000.00	24,682.19	3,312.33
Northern Territory Treasury	AA-	BOND	GENERAL	Annual	16/02/2021	15/06/2026	1.0000	5,000,000.00	5,000,000.00	31,643.84	4,246.58
ING Direct	AAA	BOND	GENERAL	Semi-Annual	19/08/2021	19/08/2026	1.1000	549,474.00	600,000.00	2,965.48	560.55
Macquarie Bank	A+	FRN	GENERAL	Quarterly	14/09/2023	14/09/2026	5.2041	2,399,445.60	2,400,000.00	16,767.18	10,607.81
QBANK	BBB-	FRN	GENERAL	Quarterly	01/12/2023	01/12/2026	6.0196	1,002,688.00	1,000,000.00	10,225.07	5,112.54
Northern Territory Treasury	AA-	BOND	GENERAL	Semi-Annual	09/09/2021	15/12/2026	1.4000	5,000,000.00	5,000,000.00	9,205.48	5,945.21





Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
Commonwealth Bank	AA-	FRN	GENERAL	Quarterly	14/01/2022	14/01/2027	5.0502	1,297,013.90	1,300,000.00	3,057.79	3,057.79
BOQ	BBB+	BOND	GENERAL	Semi-Annual	05/10/2023	27/01/2027	4.7000	1,486,077.00	1,500,000.00	579.45	579.45
Bendigo and Adelaide	BBB+	FRN	GENERAL	Quarterly	27/01/2023	27/01/2027	5.7064	1,106,337.10	1,100,000.00	515.92	515.92
Great Southern Bank	BBB	FRN	GENERAL	Quarterly	09/02/2023	09/02/2027	6.0529	753,373.50	750,000.00	10,447.47	3,855.61
Bank Australia	BBB	FRN	GENERAL	Quarterly	22/02/2023	22/02/2027	5.9158	1,404,375.00	1,400,000.00	16,110.43	7,034.13
Suncorp	A+	FRN	GENERAL	Quarterly	24/11/2023	24/05/2027	5.4786	1,752,663.50	1,750,000.00	18,124.41	8,142.85
ANZ Bank	AA-	FRN	GENERAL	Quarterly	04/11/2022	04/11/2027	5.5472	4,047,072.00	4,000,000.00	52,888.37	18,845.28
NAB	AA-	FRN	GENERAL	Quarterly	25/11/2022	25/11/2027	5.5775	1,719,830.50	1,700,000.00	17,145.08	8,052.99
ANZ Bank	AA-	FRN	GENERAL	Quarterly	31/03/2023	31/03/2028	5.4175	1,509,889.50	1,500,000.00	7,569.66	6,901.75
Bendigo and Adelaide	AAA	FRN	GENERAL	Quarterly	16/06/2023	16/06/2028	5.5125	1,201,935.60	1,200,000.00	8,155.48	5,618.22
Commonwealth Bank	AA-	FRN	GENERAL	Quarterly	17/08/2023	17/08/2028	5.3305	3,005,664.00	3,000,000.00	33,297.37	13,581.82
ANZ Bank	AA-	FRN	GENERAL	Quarterly	11/09/2023	11/09/2028	5.2902	3,502,814.00	3,500,000.00	26,378.53	15,725.66
NAB	AA-	FRN	GENERAL	Quarterly	16/11/2023	16/11/2028	5.4180	4,118,277.80	4,100,000.00	46,861.99	18,866.52
UBS AG	A+	FRN	GENERAL	Quarterly	24/11/2023	24/11/2028	5.8286	2,522,802.50	2,500,000.00	27,546.12	12,375.79
ING Direct	A	TD	GENERAL	Annual	19/01/2024	19/01/2029	5.1800	4,000,000.00	4,000,000.00	7,379.73	7,379.73
Macquarie Bank	A+	CASH	GENERAL	Monthly	31/01/2024	31/01/2024	4.1500	29,928.41	29,928.41	116.07	116.07
NAB	AA-	CASH	GENERAL	Monthly	31/01/2024	31/01/2024	4.6000	43,066,263.54	43,066,263.54	145,708.34	145,708.34
CFS WGCIF	A	FUND	GENERAL	Monthly	30/06/2016	04/02/2027	0.0000	15,439,784.49	15,439,784.49	-	-
NSWTC IM LTGF	Unrated	FUND	GENERAL	Annual	31/10/2017	04/02/2029	0.0000	32,104,660.38	32,104,660.38	-	-
AMP Bank	BBB	CASH	GENERAL	Monthly	31/01/2024	31/01/2024	4.8500	170,047.14	170,047.14	690.74	690.74



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Capital Value	Face Value	Accrued	Accrued MTD
Commonwealth Bank	AA-	CASH	GENERAL	Monthly	31/01/2024	31/01/2024	4.6000	88,142.84	88,142.84	328.58	328.58
TOTALS								489,354,471.75	489,248,826.80	5,607,138.59	1,425,407.24



REPORTS TO COUNCIL - FOR COUNCIL DECISION

26 FEBRUARY 2024

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REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER 13.1
SUBJECT Quarterly Budget Review - December 2023
REFERENCE F2022/03176 - D09303264
REPORT OF Chief Financial Officer

CSP THEME: FAIR

WORKSHOP/BRIEFING DATE: SEE CONSULTATION SECTION

PURPOSE:

To present for adoption of the December 2023 Quarterly Budget Review Statement (QBRS).

RECOMMENDATION

- (a) That Council adopt the December 2023 Quarterly Budget Review Statement (QBRS) and the Responsible Accounting Officer's report on the financial position of the Council (Attachment 1).
- (b) That Council approves the revised budget for the 2023/24 financial year:
 - i) Net operating result (including capital) of \$109.9 million surplus.
 - ii) Net operating result (excluding capital) of \$0.8 million surplus.
 - iii) Capital revenue of \$112.7 million.
 - iv) Capital expenditure of \$219.2 million.

BACKGROUND

1. Clause 203 of the Local Government (General) Regulation 2021 requires the Responsible Accounting Officer (Chief Finance and Information Officer) to prepare and submit to the Council a Quarterly Budget Review Statement that shows by reference to the estimates of income and expenditure set out in the Operational Plan, a revised estimate of the income and expenditure for the full financial year.
2. The Responsible Accounting Officer is also required to report whether the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure.

ISSUES/OPTIONS/CONSEQUENCES

3. The attached December 2023 Quarterly Budget Review Statement (QBRS) includes an analysis of the reasons for the major variances from the previously adopted budget. Explanations for major variances are in line with the parameters previously agreed by Council i.e. Budget variations greater than +/- 10% of the current budget or greater than +/- \$100,000 of the current budget. Below is a summary of key variances.

4. Underlying Net Operating Result (excl Capital & Asset Disposals) of \$0.8m is \$3.2 above the September Forecast
5. The Net Operating result (after capital revenue & asset disposal) is forecasted at a Net Surplus of \$109.9m, which is \$0.2m above the September Forecast, with the key movements being:
 - i. Favourable movements to the Budget:
 - Interest Income \$2m - strong performance by funds managers, and higher yields in term deposits.
 - Materials & Contracts \$10.4m – lower spend in line with the decline in receipts of grants.
 - Employee Expenses \$2m – savings from BAU vacancies and attrition.
 - ii. Unfavourable movements to the Budget:
 - Other Revenue (\$0.8m) – Lower fines revenue as there has been significant reduction in cash receipt on fines issued due to macro-economic conditions.
 - Rates & Annual Charges (\$0.7m) - due to recognition of prior year rates adjustments.
 - User Charges & Fees (\$0.4m) - due to lower volume of road opening & hoarding fees driven by construction activity and impact of a cancelled Riverside show “Menopause”.
 - Depreciation (\$4.9m) – completion of Town Hall & PAC and other major projects expecting completion by June 24.
 - Operating grants & contributions (\$3.3m) – non-materialisation of operating grants and subdued road restorations contributions (\$0.3m)
 - Other Operating Expenses (\$1.1m) – higher utilities charges from PAC (\$0.5m), reinstatement of Valuer General fees from Q1 (\$0.3m) and higher IT hardware costs (\$0.3m).
 - Capital grants & contributions (\$4.9m) – rephasing of WestInvest projects in line with the funding deed agreements (Doyle playground \$6.6m and Somerville sports facility \$3.6m to be recognised across FY25 & FY26).
6. Capex : Reductions of \$91.1m from the \$310.2m in September Forecast to \$219.2m, is primarily driven by rephasing of various projects such as Riverside Redevelopment, Epping Pool, Granville Town Sq, Epping Town Centre, Hunts Creek Culvert, Alfred St Cycleway Stage-2, Newington Reserve upgrade and Robin Thomas Reserve Improvements.

CONSULTATION & TIMING

Stakeholder Consultation

7. The following stakeholder consultation has been undertaken in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
Dec23 - Feb23	Business managers and Executives	Feedback has been incorporated in the development of the QBRS document	Report and budgets updated as agreed	Finance

Councilor Consultation

8. The following Councilor consultation has been undertaken in relation to this matter:

Date	Councilor	Councilor Comment	Council Officer Response	Responsibility
NA	NA	NA	NA	NA

LEGAL IMPLICATIONS FOR COUNCIL

9. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

10. If Council resolves to approve this report in accordance with the proposed resolution, the financial impacts on the budget are summarized above and detailed in the attached QBRS.

Amit Sharma
Chief Financial Officer

John Angilley
Executive Director Finance & Information

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

1   Attachment 1 - QBRS Dec 2023 15 Pages

REFERENCE MATERIAL



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Executive Summary

RECOMMENDATIONS

That Council adopt the December 2023 Quarterly Budget Review Statement and the Responsible Accounting Officer's report on the financial position of the Council.

Underlying Net Operating Surplus (Before Operating Grants) of \$0.8m, is \$3.2m above the September Forecast.

The Net Operating result (after Capital Grants & Asset disposal) is forecasted at a Net Surplus of \$109.9m, is \$0.2m above the September Forecast.

Key Highlights:

- Improvements to the P&L:
 - Lower Materials & Contracts +\$10.4m – mainly driven by lower spend in line with the decline in receipts of grants.
 - Employee Expenses +\$2m – driven by expected savings through BAU vacancies and attrition.
 - Interest income +\$2m – due to strong performance by funds managers, and higher yields in term deposits.

- Reductions to the P&L:
 - Depreciation (\$4.9m) – completion of Town Hall & PAC and other major projects expecting completion by June 24
 - Capital grants & contributions (\$4.9m) – rephasing of WestInvest projects in line with the funding deed agreements (Doyle playground \$6.6m and Somerville sports facility \$3.6m to be recognised across FY25 & FY26)
 - Operating grants & contributions (\$3.3m) – non materialisation of operating grants and subdued road restorations contributions (\$0.3m)
 - Other Operating Expenses (\$1.1m) – higher utilities charges from PAC (\$0.5m), reinstatement of Valuer General fees from Q1 (\$0.3m) and higher IT hardware costs (\$0.3m)
 - Other Revenue (\$0.8m) – Lower fines revenue as there has been significant reduction in cash receipt on fines issued due to macro-economic conditions.
 - Rates & Annual Charges (\$0.7m) - recognition of prior yr. rates adjustment
 - User Charges & Fees (\$0.4m) - lower volume of road opening & hoarding fees driven by construction activity and impact of a cancelled Riverside show "Menopause".

DECEMBER 2023 FINANCIAL STATEMENTS & MOVEMENTS

The City of Parramatta's financial position is reflected in the following pages of the 2023-24 December Quarterly Review.

\$'000s	2023/24 Original Budget	Approved Sept Adjustments	Current Budget	Proposed Adjustments	December QR	YTD Dec Actuals
Income						
Rates & Annual Charges	\$220,614	\$2,100	\$222,713	(\$705)	\$222,009	\$220,334
User Charges & Fees	\$42,962	\$2,470	\$45,432	(\$424)	\$45,008	\$20,166
Interest	\$19,910	\$2,094	\$22,004	\$2,029	\$24,033	\$10,968
Other Revenue	\$21,890	(\$2,731)	\$19,158	(\$828)	\$18,331	\$8,230
Operating Grants & Contributions	\$24,412	(\$1,004)	\$23,407	(\$3,284)	\$20,123	\$3,190
Capital Grants & Contributions	\$125,346	(\$7,682)	\$117,664	(\$4,944)	\$112,720	\$50,580
Internal Revenue	\$15,073	(\$1,845)	\$13,228	(\$790)	\$12,438	\$5,491
Gain on Share in Joint Venture	\$500	\$100	\$600	\$0	\$600	\$0
Total Income	\$470,706	(\$6,500)	\$464,206	(\$8,945)	\$455,261	\$318,959
Expense						
Employee Costs	\$147,487	\$1,462	\$146,025	\$2,033	\$143,992	\$72,107
Borrowing Costs	\$109	(\$0)	\$109	\$4	\$105	\$76
Materials & Contracts	\$71,657	(\$8,865)	\$80,522	\$10,402	\$70,120	\$33,776
Depreciation & Amortisation	\$58,497	\$0	\$58,497	(\$4,889)	\$63,387	\$26,935
Other Operating Expenses	\$49,974	(\$581)	\$50,556	(\$1,115)	\$51,670	\$25,972
Internal Expenses	\$14,658	\$1,345	\$13,313	\$875	\$12,438	\$5,233
Total Expenses	\$342,383	(\$6,639)	\$349,022	\$7,311	\$341,711	\$164,098
Loss/(gain) on asset disposal	\$5,834	\$376	\$5,458	\$1,798	\$3,660	(\$273)
Net Operating Surplus/(Deficit) Before Funding	(\$21,849)	(\$3,953)	(\$25,802)	\$6,508	(\$19,293)	\$100,832
Net Operating Surplus/(Deficit) After Operating Grants	\$2,563	(\$4,957)	(\$2,394)	\$3,224	\$830	\$104,022
Net Operating Surplus/(Deficit) After Capital & Asset Dispo	\$122,489	(\$12,762)	\$109,726	\$163	\$109,890	\$155,134

Directorate P&L Summary

Table 1.2: Operating Result summarises the key movements by revenue & operating expense for each directorate.

\$'000s	2023/24 Original Budget	Approved Sept Adjustments	Current Budget	Proposed Adjustments	December QR	YTD Dec Actuals
Income						
Corporate Services & Executive Office	\$206,545	\$1,699	\$208,244	\$1,270	\$209,514	\$183,169
City Engagement & Experience	\$147	\$148	\$295	\$1	\$295	\$181
Property & Place	\$84,875	(\$9,173)	\$75,701	(\$8,490)	\$67,212	\$28,175
City Assets & Operations	\$122,321	(\$1,034)	\$121,287	(\$11,065)	\$110,223	\$73,078
Community Services	\$21,957	\$1,211	\$23,168	(\$237)	\$22,931	\$11,620
City Planning & Design	\$34,862	\$649	\$35,511	\$9,575	\$45,086	\$22,737
Total Income	\$470,706	(\$6,500)	\$464,206	(\$8,945)	\$455,261	\$318,959
Expense						
Corporate Services & Executive Office	\$57,640	(\$1,085)	\$58,726	\$1,777	\$56,948	\$28,411
City Engagement & Experience	\$21,208	(\$435)	\$21,643	\$16	\$21,628	\$9,673
Property & Place	\$31,931	(\$1,248)	\$33,179	(\$3,094)	\$36,273	\$15,824
City Assets & Operations	\$142,539	(\$5,285)	\$147,824	\$5,421	\$142,402	\$72,088
Community Services	\$53,025	\$366	\$52,658	\$157	\$52,501	\$23,922
City Planning & Design	\$36,040	\$1,048	\$34,992	\$3,033	\$31,959	\$14,173
Total Expenses	\$342,383	(\$6,639)	\$349,022	\$7,311	\$341,711	\$164,093
Loss/(gain) on asset disposal	\$5,834	\$376	\$5,458	\$1,798	\$3,660	(\$273)
Net Operating Surplus/(Deficit) Before Funding	(\$21,849)	(\$3,953)	(\$25,802)	\$6,508	(\$19,293)	\$100,832
Net Operating Surplus/(Deficit) After Operating Grants	\$2,563	(\$4,957)	(\$2,394)	\$3,224	\$830	\$104,022
Net Operating Surplus/(Deficit) After Capital & Asset Dispo	\$122,489	(\$12,762)	\$109,726	\$163	\$109,890	\$155,134

KEY MOVEMENTS BY DIRECTORATE

Favourable movements:

- City Planning \$12.7m: additional \$10.6m Capital Grant for Civic Link project from AIF stage 3 and \$1.7m higher Development contribution income.
- Corporate Services / Exec Office \$3m: mainly due to higher Interest income \$2m and adjustment to the employee capitalisation estimates.
- Community Services & City Engagement & Experience is in line with the September forecast.

Unfavourable movements:

- Property & Place (\$11.6m): rephasing of WestInvest grants (Don Moore (\$5.7m), Rydalmere Park (\$5.6m).
- CA&O's (\$5.6m): rephasing of WestInvest grants (Doyle playground (\$6.6m) and Somerville sports facility (\$3.6m)). These are partly offset by lower materials & contract costs and BAU attrition savings.

Capital Expenditure Statement

Table 1.3: Summarises the key movements in Capital expenditure by directorate, with corresponding funding source movements.

\$'000s	2023/24 Original Budget	Approved Sept Adjustments	Current Budget	Proposed Adjustments	Dec QR	Dec YTD Actuals
Directorates						
Chief Finance and Information Office	8,746	-596	9,342	718	8,624	1,496
People Culture and Workplace	36,789	1,687	35,101	0	35,101	995
Property & Place	150,193	10,011	140,182	65,033	75,149	29,102
City Assets and Operations	81,071	-32,021	113,092	24,158	88,934	27,085
Community Services	2,319	-4,622	6,941	12	6,929	2,353
City Planning and Design	7,809	2,222	5,587	1,153	4,434	1,146
TOTAL	286,927	-23,318	310,245	91,074	219,171	62,177
Capex Funding Source						
Transfer from Internally Restricted Reserves	109,164	11,808	97,357	30,335	67,022	28,264
Transfer From Grants & Contributions Reserves	93,381	11,914	81,467	27,188	54,279	11,200
General Reserve Funded	50,712	-12,532	63,244	13,170	50,074	7,589
Transfer from Section 94/7.11	29,305	-23,877	53,182	20,454	32,728	7,511
Transfer From Domestic Waste Reserve	2,160	-10,314	12,474	136	12,338	7,351
Transfer From Stormwater Levy Reserve	1,505	46	1,459	-178	1,637	224
Transfer From Special Rates Reserve	700	-364	1,064	-30	1,094	39
TOTAL	286,927	-23,318	310,245	91,074	219,171	62,177

Capital Major Works

Key Capital works with Total project cost more than \$10m.

\$'000s Project	Funding	2023/24 Original Budget	Current Budget (Q1 Fcst)	Proposed Adjustments	Dec QR	Dec YTD Actuals	Project Status	Comment
9 Wentworth St - Bldg Works	Property Reserve	23,258	21,633	0	21,633	717	On Track	Future workplace is expected to be completed by Jun-24
Fitout 9 Wentworth	Property Reserve	13,531	13,469	0	13,469	278	On Track	Future workplace is expected to be completed in Jun-24
Community Recycling Facility	Domestic Waste Management Reserve	1,960	12,237	200	12,037	7,286	On Track	The project is on track for the facility to be operational on 01st July 2024
Pruaip - Fs Garside	Grant (s94/s7.11)	8,068	11,259	0	11,259	4,923	On Track	Remediation work now completed. Currently undertaking works at the playground, landscaping, constructing new kerb and gutter and storm water drainage works.

Capital Variances

Variance to Quarter 1 forecast in excess of \$500k.

Project	2023/24 Original Budget	Current Budget (Q1 Fcst)	Proposed Adjustments	Dec QR	Dec YTD Actuals	Project Status	Comment
Roads Renewal Program	10,000	10,000	-535	9,465	1,002	Delayed	Resources were occupied to deliver the additional \$7M of RLRRP (grant funded works). The RLRRP will be completed in first week of Feb. once this is finished we'll start catching up on the RRP program.
Norwest T-Way Shared Path	7,968	7,962	674	8,636	65	On Track	The project is on track to be completed by June 2024.
Acquisition of 13 Wentworth St Parramatta	0	0	7,020	7,020	7,020	Completed	Acquired 13 Wentworth St, Parramatta
Alfred Street Cycleway Stage Two	9,838	10,138	-4,826	5,312	44	On Track	Construction to start in March/ April. Expected to be completed by August/ September 2024.
myWorkplace ICT Workstream	4,590	6,049	-1,750	4,299	52	On Track	\$1.7m of this project budget is expected to be carried over to FY25, hence reduced from FY24 in Q2
Regional and Local Roads Repair Program	0	607	2,794	3,401	4,727	On Track	On track
WICR305 Riverside Theatres Redevelopment	23,000	19,220	-15,848	3,373	202	Delayed	Shortlist proponents for design excellence competition has been selected and stage two for response to design brief to be issued to shortlist by 2 February 2024, with an 8 week response time.
Hunts Creek Culvert	2,779	12,526	-9,526	3,000	100	Not yet started	This project will be starting late February and expected to be completed by April 2025
Integrated Parking Solutions Program	6,380	7,263	-4,403	2,860	44	On Track	Contract for multi-level carparks has been awarded. On street tender under assessment. Budget rephased to accommodate scheduled contract payments as contracts are awarded and signed
2-way conversion of Valentine Av & Wentworth St streetscape	0	3,641	-985	2,656	0	Progressing - behind schedule	Project delayed due to TfNSW on approval of TCS plan. Required information has been provided.
Phillip Street Smart St Stage 2	4,097	4,093	-1,500	2,593	65	On Track	Tender procurement has commenced. Budget rephased to align with anticipated length of construction period
Newington Reserve Upgrade	0	9,043	-7,255	1,787	4	Delayed	Delayed till FY25
9 Wentworth St Ground Floor	0	0	1,500	1,500	0	Not yet started	Deliver Council's future workplace the project involves the renovation and expansion of an existing office building, with the aim of creating a modern and sustainable workspace that meets Council's needs and expectations.

Project	2023/24 Original Budget	Current Budget (Q1 Fcst)	Proposed Adjustments	Dec QR	Dec YTD Actuals	Project Status	Comment
Af1 Dence Park Pool	14,240	13,154	-11,744	1,410	260	On Track	DA lodged in December, Tender EOI has been completed
PHIVE Cafe - Fitout	0	314	956	1,270	1,270	Completed	Opening on 30th Jan. 24
WILGA206 Doyle Ground Sports Facility Improvements	8,748	2,072	-855	1,217	0	Not yet started	Only starting project development now and is at project brief stage.
Client Technology & Computer Renewal Program	980	171	1,032	1,203	1,270	On Track	These are on-going purchases of ICT equipment and data-network related items.
Civic Link Program (Capital)	1,866	1,866	-666	1,200	350	On Track	Later start to design due to procurement delays, with some site investigations now occurring after June 24.
Motor Vehicle Replacement Program	2,000	1,791	-750	1,041	0	Delayed	Due to supply chain issues
SES Facility	0	0	1,000	1,000	0	On Track	Commenced a RFQ for a Principle Design Consultant
Southern Precinct Renewal Project	3,221	0	985	985	1,409	Closed	Program budget split into individual projects
Major Council Plant & Other Equipment Replacement Program	1,700	1,700	-750	950	0	On Track	Heavy plan on order for cleansing budget will be utilised prior to June 2024
WILGA207 Max Ruddock Reserve Amenities	4,843	2,221	-1,452	769	75	On Track	Funding deed now signed. Project progressing on track as per funding deed. Budget rephased as per funding deed
WILGA208 Rydalmere Park Stage 4	6,470	1,769	-1,269	500	0	On Track	Funding deed now signed. Project progressing on track as per funding deed. Budget rephased as per funding deed
WICR329 Don Moore Community Hub	10,689	1,741	-1,295	446	0	On Track	Funding deed now signed. Project progressing on track as per funding deed. Budget rephased as per funding deed
Bnp - Epping Town Centre High Streets Upgrade	209	995	-645	350	51	On Track	Budget rephased to align with AIF funding deed milestones
Granville Town Square	3,332	3,332	-2,991	341	0	Not yet started	Final Project Plan due early 2024. Project to commence following approval of Project Plan.
Robin Thomas Reserve Improvements	0	1,541	-1,287	254	4	Delayed	Design and development work done. Delays due budget creep, Aboriginal Heritage approval and TFNSW commencing the pavilion rebuild
WICR342 Epping Town Centre Oxford St	357	1,379	-1,215	164	0	Not yet started	Funding deed not yet signed. Budget rephased as per amended funding deed
Rydalmere Park Masterplan stage 3	460	760	-630	130	0	Not yet started	Tree planting to be undertaken early 2024. Playground upgrade and green oasis not fully funded and works have not commenced
Wl North Granville Open Space Upgrade	1,693	1,693	-1,693	0	0	Closed	Project is not going ahead
Wentworth St and Woodhouse Laneway streetscape upgrade	0	5,000	-5,000	0	0	Not yet started	Budget moved to FY25 to accommodate 9 Wentworth Street construction
Acquisition of an Investment Asset	25,000	25,000	-25,000	0	0	Closed	Project is not going ahead

Reserve Balance Summary

The following table provides a forecast of Councils restricted cash (internally and externally restricted reserves) and the forecast movements to and from reserves for the 2023/24 December Forecast.

\$'000	2023/24 Original Budget	Q1 Adjustments	Current Budget	Q2 Proposed Adjustments	December Qtr
Externally Restricted Reserves:					
Domestic Waste Management	46,092	(2,266)	43,826	(6,075)	37,751
Grants and Contributions	26,432	38,097	64,529	18,734	83,263
Developer Contributions	108,153	(1,940)	106,213	27,471	133,684
Special Rates	5,934	(873)	5,061	(126)	4,935
Stormwater Levy	0	1,428	1,428	(501)	927
Cultural Reserve	35,464	(1,410)	34,054	(638)	33,415
Total Externally Restricted Reserves	222,075	33,035	255,110	38,864	293,974
Internally Restricted Reserves:					
Employee Leave Entitlements	6,400	(0)	6,400	0	6,400
Parking Meters	559	(157)	402	647	1,049
Property Development Reserve	104,639	5,841	110,480	15,478	125,959
CBD Infrastructure	0	32	32	(0)	32
Ward Works	219	(219)	0	0	0
Total Internally Restricted Reserves	111,817	5,497	117,314	16,126	133,440
Total Restricted reserves	333,892	38,533	372,425	54,990	427,414
Unrestricted cash and investments	83,911	29,664	113,575	(24,990)	88,586
Total cash and investments	417,803	68,197	486,000	30,000	516,000

Council's cash position estimates an unrestricted balance of \$88.6m as of end of June 2024, against the current budget of \$113.6 million. The unrestricted cash & investments balance will continue to diminish as Council expends it on operational expenses and capital projects. during the financial year. The funds have been invested in accordance with Council's investment policy.

Tender Contracts Awarded

The following table provides a list of tender contracts for specific works for the period 1st October to 31st December 2023.

Council Meeting Approval Date	Term	Contractor	Description	Tender Number	Contract Amount (excl GST)
6-Nov-23	3 years + 2 x 1 year options	Premium Media Pty Ltd ABN: 22 614 077 075	Event Mangement and Production Services	18/2023	Schedule of Rates
6-Nov-23	3 years + 2 x 1 year options	Wonder Communications Pty Ltd ABN: 26 140 291 434	Event Mangement and Production Services	18/2023	Schedule of Rates
6-Nov-23	3 years + 2 x 1 year options	DPLR Pty Ltd ABN: 42 628 377 300	Event Mangement and Production Services	18/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	Neverstop Water Pty Ltd	Splash Parks - Operation and Maintenance (including water quality)	04/2023	\$ 680,479
20-Nov-23	3 years + 2 x 1 year options	Access All Areas Pty Ltd 75 765 336 988	Electrical Services - Outdoor Events	19/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	Aushire Equipment Pty Ltd ABN 67 606 788 541	Electrical Services - Outdoor Events	19/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	Kennards Hire Pty Ltd	Electrical Services - Outdoor Events	19/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	PremiAir Services Pty Ltd ABN 31 074 651 951	Electrical Services - Outdoor Events	19/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	Sydney Wide Party Hire Pty Ltd ABN 36 097 077 202	Structures and Furniture for hire	19/2023	Schedule of Rates
20-Nov-23	3 years + 2 x 1 year options	Pillingers Hiring Services Pty Ltd ABN 86 000 974 112	Structures and Furniture for hire	19/2023	Schedule of Rates
20-Nov-23	Extent of work	Abergeldie Contractors Pty Ltd	Construction of a bridge over Hunts Creek at North Rocks Road, North Parramatta	9/2023	\$ 11,523,216
4-Dec-23	Extent of work	Mack Civil Pty Ltd	Construction of the Alfred Street Cycleway Stage 2 between Eleanor Street, Rosehill and Gregory Place (Clay Cliff Creek), Parramatta	12/2023	\$ 6,646,936

External Legal & Consultancy Fees

The following table provides a total of Legal & Consultancy services to 31st December 2023.

Expenses \$000	Actual YTD Dec	Budget YTD Dec	Budgeted (Y/N)
External Legal Fees	550	840	Y
Consultancy Fees	71	124	Y

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

Where any expenses for Consultancy or Legal Fees (including Code of Conduct expenses) have not been budgeted for, an explanation is to be given. Report on external expenses only (not internal expenses).

RESPONSIBLE ACCOUNTING OFFICERS REPORT

Responsible Accounting Officer's Statement

Quarterly Budget Review

For the period 1 October to 31 December 2023

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review statement for the City of Parramatta Council for the quarter ended 31/12/2023 indicates that Council's projected financial position at 30/6/2024 will be satisfactory at year-end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

John Angilley
Responsible Accounting Officer

FOR FURTHER INFORMATION

CUSTOMER CONTACT CENTRE

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Website: www.cityofparramatta.nsw.gov.au

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.2
SUBJECT	Status Update on Report - Sponsorships, Corporate Memberships and Memorandum of Understanding
REFERENCE	F2024/00282 - D09306348
REPORT OF	Executive Director City Planning and Design

CSP THEME: Thriving

WORKSHOP/BRIEFING DATE: NIL

PURPOSE:

This report is to seek an extension to the due date for a report to Council which will provide a detailed list of current and planned sponsorships, corporate memberships, and Memorandums of Understanding (MoU) of Council.

RECOMMENDATION

That the report detailing the current and planned sponsorships, corporate memberships and Memorandums of Understanding be provided to a Council meeting in March 2024.

BACKGROUND

1. In July 2023, Council resolved that a report be provided detailing the current and planned sponsorships, corporate memberships, and Memorandums of Understanding of Council including their financials.
2. The work and research required to respond to the resolution is more intensive than originally anticipated. Further, external parties have recently approached the CEO for potential partnership opportunities with Council. There is merit in examining the value and nature of these potential partnerships, and others. In consultation with the relevant Councillor who moved the motion, and there was in principle support to report the matter to Council in March 2024.
3. As a result, this report seeks endorsement for the report referred to in paragraph 1 to be provided to Council in March 2024.

CONSULTATION & TIMING

Councillor Consultation

4. The following Councillor consultation has been undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
11/09/2023	Lord Mayor	Minor feedback provided on list.	Noted	City Strategy

12/09/2023	Cr Garrard	Feedback provided on the list and in principle agreement to defer the report to November.	Noted	City Strategy
08/11/2023	Cr Garrard	Feedback provided on the list and in principle agreement to defer the report to February.	Noted	Executive Director City Planning and Design/ Executive Director City Engagement and Experience
31/12/2024	Cr Garrard	Feedback provided on the list and in principle agreement to defer the report to March.	Noted	Executive Director City Planning and Design/ Executive Director City Engagement and Experience

LEGAL IMPLICATIONS FOR COUNCIL

5. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

6. There are no financial implications for Council associated with this report.

Jennifer Concato

Executive Director City Planning and Design

Angela Jones-Blayney

Executive Director City Engagement & Experience

Gail Connolly

Chief Executive Officer

ATTACHMENTS:

REFERENCE MATERIAL

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.3
SUBJECT	Public Exhibition of Amendment to the Parramatta City Centre Local Infrastructure Contributions Plan - Church Street North Precinct
REFERENCE	F2022/03176 - D09293126
REPORT OF	Land Use Planning Manager

CSP THEME: INNOVATIVE

WORKSHOP/BRIEFING DATE: Monday, 19 February 2024

PURPOSE:

To seek Council endorsement to amend the Parramatta City Centre Local Infrastructure Contributions Plan to make land parcels within the “Church Street North Precinct” (the precinct) subject to amended contribution percentage rates for the purposes of public exhibition.

(The proposed amendment arises due to the recent finalisation of a State-led rezoning for the precinct that resulted in increases to floor space ratios and height of buildings controls to facilitate the delivery of approximately 1,800 additional dwellings).

RECOMMENDATION

- (a) That Council approve an amendment to the Parramatta City Centre Local Infrastructure Contributions Plan, for the purposes of public exhibition, that proposes an increase of the residential development contribution rate for the Church Street North precinct from 3% to 4% while retaining the 3% rate for development which does not include residential accommodation (Option 3 in the report).
- (b) That Council authorises the Chief Executive Officer to amend and publicly exhibit draft Parramatta City Centre Local Infrastructure Contributions Plan (Amendment No 3) in accordance with the Option 3 details contained in this report.
- (c) Further, that the results of the public exhibition and the final plan be reported to Council.

BACKGROUND

- 1. The Parramatta City Centre Local Infrastructure Contributions Plan (the “Contributions Plan”) is a key funding mechanism to enable delivery of local infrastructure within the Parramatta City Centre. The Contributions Plan allows Council to apply a condition of consent to development within the City Centre that requires monetary contributions that will be committed towards funding the items specified in the Works Schedule.
- 2. Currently, the Contributions Plan applies different percentage rates to parts of the City Centre, as set out in the **Table 1** and **Figure A** below. These

percentage rates reflect Council’s original intention to apply higher rates to those areas that received some form of increase in development yield under the Parramatta CBD Planning Proposal (“CBD Planning Proposal”).

	Maximum percentage rate* for development exceeding \$250,000
If the land is in “Area A” (including the Church Street North Precinct)	3% of the development cost for all development
If the land is not in “Area A”	<p>5% of the development cost for residential accommodation</p> <p>5% of the development cost for mixed-use development (being development including residential accommodation and other land uses)</p> <p>4% of the development cost for other development (excluding residential accommodation).</p>

* Rates enabled through Section 209 of the *Environmental Planning and Assessment Regulation 2021*.

Table 1: Current s7.12 contribution rates in the Parramatta City Centre Local Infrastructure Contributions Plan

3. Land within the Church Street North precinct (outlined in blue in **Figure A**, below) was:
 - a. originally part of the post-exhibition CBD Planning Proposal endorsed by Council on 15 June 2021 and sent to the Department of Planning, Housing and Infrastructure (“the Department”) to finalise; and
 - b. part of the supporting post-exhibition Contributions Plan endorsed by Council on 25 October 2021 and sent to the Department for Ministerial approval to amend the Regulation to enable application of the higher percentage rates to the area subject to the CBD Planning Proposal, being 5% for residential or mixed-use development and 4% for other development that excludes residential development.

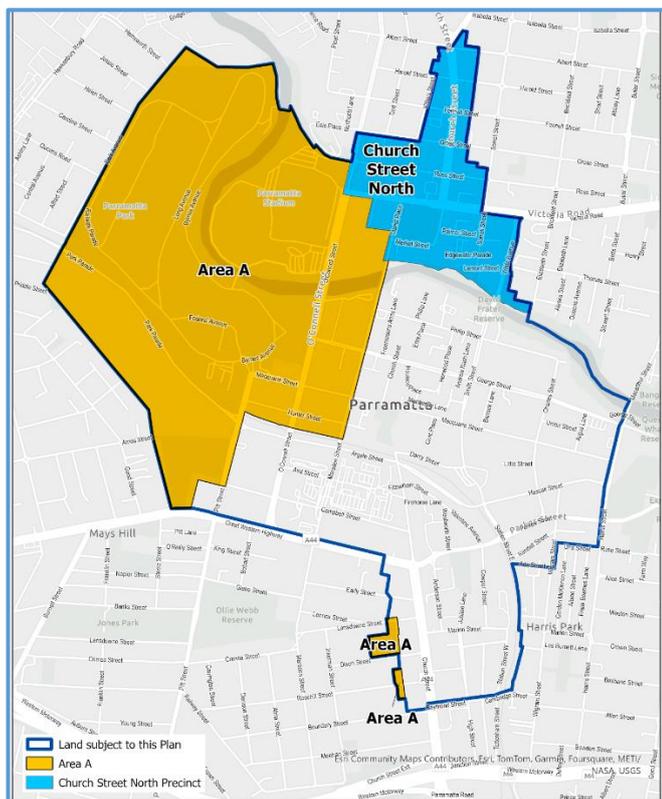


Figure A – Parramatta City Centre Local Infrastructure Contributions Plan 2022 Land Application Map, including the land within the Church Street North Precinct coloured blue.

Finalisation of the CBD Planning Proposal, further State-led changes and implications for the Contributions Plan

4. A brief timeline of key events involving the finalisation of the CBD Planning Proposal and its relationship with the City Centre contributions plan, as well as further amendments initiated resulting from State-led rezonings is set out in Table 2, below.

Date	Action
6 May 2022	The Department approved the CBD Planning Proposal for finalisation, subject to removal of Phillip Street Block (land bounded by Phillip Street, Smith Street, the Parramatta River, and Charles Street) and Church Street North Precinct shown in Figure A with deferred commencement to come into effect on 14 October 2022.
early May 2022	Minister for Planning wrote to Council asking it to reconsider the contribution rate to be applied to the areas that were deferred from the CBD PP.
14 June 2022	Council approves revisions to the contributions plan to retain the 3% levy to land in the Phillip Street block and Church Street North precinct. The approved plan is re-submitted to the Department to progress their approvals and amendment to the Regulation. Retention of the 3% rates to the removed areas was a holding position, pending future changes to the planning controls in the Phillip Street block or Church Street North by way of a Council-led or State-led rezoning process.
14 October 2022	The contributions plan comes into effect at the same time as Amendment 56. The request to amend the Regulation was approved and came into effect on the same day.

Between 16 December 2022 and 30 June 2023	During this period the Department reinstated new controls for the Phillip Street block and Council progressed an amendment to apply the new rates (4% and 5%) to land in the Phillip Street block
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Table 2: *Timeline of events in the finalisation and commencement of Amendment 56 and the City Centre contributions plan and its amendments.*

Finalisation of the Church Street North precinct controls

5. The Department undertook a state-led rezoning of controls in the Church Street North precinct. This review was completed and published in the *State Environmental Planning Policy (Church Street North Precinct) 2023* on 15 December 2023 (included at **Attachment 1**). The changes will come into effect on 1 July 2024.
6. The changes prepared in the rezoning include, in summary:
 - a. Increases to floor space ratio (FSR) controls – with the increased FSRs in the precinct ranging from 4:1 to 5:1.
 - b. Increases to height controls – with heights ranging between 28m (8 storeys) and 63m (20 storeys).
 - c. A 15% Design Excellence (DEX) bonus applied to both FSR and height controls where the development has successfully completed a competitive design competition process under clause 7.14 of Parramatta LEP 2023, consistent with controls applying to land elsewhere in the City Centre.
 - d. Further bonuses (on top of the 15% available in part c above), to height and FSR only on sites greater than 2,400sqm in area, which would increase FSRs by another 10% and heights of up to 15.5m
7. The changes to the planning controls for the Church Street North Precinct are lower than those proposed by the original CBD Planning Proposal, as summarised in Table 3, below. Not all sites will be able to achieve the maximums set out below due to individual site limitations or constraints and relationship to adjoining sites. Additionally, residential development on land within the Church Street North precinct will not be eligible for the High Performing Buildings bonus (per clause 7.25 in PLEP 2023) as none of the land has a maximum permissible FSR of 6:1 or greater.

Controls, including applicable bonuses	State-led Church Street North Precinct rezoning	Previous CBD Planning Proposal (rejected by the Department)
Maximum possible height	88m (28 storeys) (inc DEX and amalgamation)	92m (30 storeys) (inc DEX)
Maximum possible FSR	6.25:1 (inc DEX and amalgamation)	7.2:1 (inc DEX and High Performing Buildings)
Estimated gross floor area (GFA) at 2/3 take-up	222,070 sqm	280,840 sqm
Estimated additional dwellings	1,800	2,500

Table 3: *Comparison of planning controls for the Church Street North Precinct*

8. The changes between the controls represent approximately a 20% reduction in development potential when comparing differences in gross floor area based on

estimates between the CBD Planning Proposal and the finalised Church Street North Precinct controls prepared by the Department, as set out in Table 3, above.

9. The Department's finalisation report (direct link: [https://shared-drupal-s3fs.s3.ap-southeast-2.amazonaws.com/master-test/fapub_pdf/Finalisation+Report+\(3\).pdf](https://shared-drupal-s3fs.s3.ap-southeast-2.amazonaws.com/master-test/fapub_pdf/Finalisation+Report+(3).pdf)) indicated that Council would undertake a review of the City Centre contributions plan to take account of the changes from the rezoning and the demand for local infrastructure. As the changes are due to come into effect on 1 July 2024, any amendment of the Contributions Plan and Regulation needs to be completed and in effect on the same day to minimise income foregone from development applications lodged shortly after the commencement of the new controls. This is because the contribution plan in place at the time of lodging the Development Application is the plan that will be conditioned.

ISSUES/OPTIONS/CONSEQUENCES

Rationale for the amendment

10. The rationale for the proposed amendments to the Contributions Plan to apply increased contribution levies to the Church Street North precinct are, mainly:
 - a. To ensure consistency with the expressed position from the Council report of 14 June 2022 that contributions rates should be reviewed if planning controls from the areas originally deferred from the Parramatta CBD Planning Proposal are amended to increase the development potential. The increase in development capability in the Church Street North precinct warrants an increase from the 3% s7.12 levies currently applying to that area. This approach is principally consistent with the previous amendments to the Phillip Street block undertaken in early 2023.
 - b. The mooted increase of 1,800 additional dwellings in Church Street North, while less than that originally proposed under the Parramatta CBD Planning Proposal, will create additional demands for Council provision of local infrastructure.
11. A separate amendment to the City Centre Contributions Plan (Amendment No 2) is currently in progress, having commenced public exhibition on Monday 29 January 2024. This amendment changes some operational matters pertaining to the contributions plan, in summary:
 - a. changes to the timing of payment of the development contributions levy;
 - b. improved guidance to ensure that registered certifiers meet their legislative obligations when issuing relevant certificates in relation to development contributions;
 - c. clarification that Council determines the contribution amount payable; and
 - d. other minor housekeeping amendments of an administrative nature.
12. This amendment will not impact those proposed housekeeping changes (in Amendment No 2), and the draft document to be publicly exhibited will include those changes on the presumption that Amendment 2 is adopted in full. If

Amendment 2 has changes made as part of its finalisation process, this draft document will also be amended to ensure synchronicity.

13. The Regulation also needs to be amended as it identifies the land to which the increased rates can be imposed. If the Regulation is not also amended then Council cannot charge the higher rates to future development within the Church Street North precinct despite removing it from “Area A” in this draft Plan. The amendment to the Regulation, which is subject to Ministerial approval, would be requested following the exhibition if endorsed by Council.

Establishing Contributions Rates for the Church Street North Precinct

14. Establishing the s7.12 levies for the Parramatta City Centre were initially informed by independent development feasibility testing in 2021. Before the Department removed land from the CBD Planning Proposal, the Church Street North precinct was originally included within the draft City Centre Contributions Plan to apply s7.12 levies of 5% for development that included residential accommodation and 4% for other development that did not include residential accommodation. The feasibility analysis was based on the CBD Planning Proposal controls, which at that time proposed FSRs of up to 7.2:1 for the Church Street North precinct, including all incentives applicable to the area. The feasibility analysis at that time advised that the 5% and 4% levies were viable, albeit at the bottom end of the viability benchmarking.
15. In contrast, none of the FSRs for the Church Street North precinct are greater than 7.2:1 including all bonuses following the finalisation of the Department-led rezoning. In that regard, attempting to apply the full 5% and 4% contributions rates could compromise development viability benchmarking based on the independent study previously undertaken.
16. Consequently, Council officers considered three options for the Church Street North Precinct set out in Table 4 below.

Development	Option 1 No change to current contribution rates	Option 2 Apply s7.12 levies as per City Centre Contributions Plan 2022 for land not in Area A	Option 3 (Recommended) Levies adjusted downwards by 20% based on reduction in GFA (rounded to whole number)
Residential accommodation where the total development cost is over \$250,000	3%	5%	4%
Mixed-Use development (development including residential accommodation and other land uses) where the total development cost is over \$250,000	3%	5%	4%
Other development (excluding residential accommodation) where the total development cost is over \$250,000	3%	4%	3%

Any development where the development cost is \$250,000 or less	Nil	Nil	Nil
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Table 4 – Options

17. Option 1 proposes no change to the contributions plan, and retain the current 3% rates to the Church Street North Precinct; and has the following advantages and disadvantages:

Option 1: Retain the current contributions rates for the Church Street North precinct (status quo)	
Advantages	Disadvantages
<ul style="list-style-type: none"> No amendment to the contributions plan or Regulation will be required. 	<ul style="list-style-type: none"> Inconsistent with the policy position to review contributions rates as a result of changes to planning controls that result in increases in development capability within the City Centre
	<ul style="list-style-type: none"> Retention of the current rates does not address additional demands for local infrastructure from the anticipated 1800 extra dwellings anticipated in the Church Street North precinct.
	<ul style="list-style-type: none"> No additional income will be received compared to Options 2 or 3 where higher percentage rates are applied.

Table 5: Advantages and Disadvantages of reinstating the 5% and 4% percentage rates to the Church Street North precinct

18. ‘Option 2’ proposes applying the rates which currently apply to land not in Area A within the City Centre to land within the Church Street North Precinct – being 5% for development that contains residential accommodation or mixed-use development, and 4% for any development that does not include residential accommodation. This option is consistent with the original contributions plan for the City Centre; and has the following advantages and disadvantages:

Option 2: Apply s7.12 levies as per City Centre Contributions Plan 2022 for land not in Area A	
Advantages	Disadvantages
<ul style="list-style-type: none"> Consistent rates with the remainder of the City Centre and will be easier to administer 	<ul style="list-style-type: none"> These rates have not been tested in terms of development feasibility for the new controls. Based on work previously undertaken, reinstating the levies is likely to be marginal or potentially unviable based on the reductions in development potential from the Church Street North controls as the maximum FSR achievable in this precinct is lower than 7.2:1 FSR that was tested previously.
<ul style="list-style-type: none"> Amendment to the Regulation should be more straightforward as contributions rates already applied 	<ul style="list-style-type: none"> Perception that adopting these rates may slow down delivery of development in the area, despite

under Section 209 to the City Centre are being expanded to the Church Street North precinct	being consistent with the remainder of the City Centre.
<ul style="list-style-type: none"> Consistent with the policy position to review contributions rates as a result of changes to planning controls that result in increases in development capability within the City Centre 	<ul style="list-style-type: none"> Further work will be needed to commission a development feasibility analysis to support applying these rates, having regard to the reduction in development capacity within the precinct. This risks delaying the implementation of the plan which could forego additional income to funding local infrastructure if a development application was lodged before the plan amendment comes into force.
<ul style="list-style-type: none"> Maximises income through contributions to fund local infrastructure, and reduces the funding gap between income and infrastructure identified for provision in the City Centre. 	

Table 6: Advantages and Disadvantages of reinstating the 5% and 4% percentage rates to the Church Street North precinct

19. 'Option 3 (recommended)' proposes an increase to the s7.12 contribution rates for the Church Street North Precinct, but less than the rates which currently apply to City Centre Contributions Plan 2022 for land not in Area A. The controls developed by the Department in their state-led rezoning (see **Attachment 1**) theoretically reduce gross floor area within the precinct by approximately 20% compared to the original CBD Planning Proposal.
20. 'Option 3– Adopting a reduced rate of 4% for development that has residential accommodation, including mixed-use development, and retaining the 3% levy for other development – has the following advantages and disadvantages:

Recommended option: Levies adjusted downwards by 20% based on reduction in GFA	
Advantages	Disadvantages
<ul style="list-style-type: none"> Reflective of the approximately 13% reduction in development capability of the new controls applying to the Church Street Precinct compared to those under the Parramatta CBD Planning Proposal. Potentially more acceptable to the development industry as adjustments are comparable. 	<ul style="list-style-type: none"> Application of these rates have not been tested in terms of development feasibility for the new controls however, they are reflective of the approximate 20% reduction in GFA
<ul style="list-style-type: none"> Consistent with the policy position to review contributions rates as a result of changes to planning controls that result in increases in development capability within the City Centre 	<ul style="list-style-type: none"> Amendment of the Regulation will be complicated slightly by introducing a new "Area" control and percentage rates for the Church Street North precinct.
<ul style="list-style-type: none"> Increases income through contributions to fund local infrastructure, although by not as much as the alternate option and reduces the funding gap between 	<ul style="list-style-type: none"> The recommended option will introduce a new (third) set of percentage rates for the City Centre, thereby increasing complexity for the plan's administration.

income and infrastructure identified for provision in the City Centre.	
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Table 7: Advantages and Disadvantages of adopting a reduced 4% and 3% rates to the Church Street North precinct

Theoretical income

21. Given the spatial location of the Church Street North precinct in relation to other parts of the City Centre, the predominant development type is anticipated to be residential, with small amounts of commercial generally on the ground floor of a mixed-used building. Development of a wholly commercial building is not anticipated in this area as, compared to other parts of the City Centre, there are no incentives in terms of bonuses for the provision of wholly commercial or office buildings.
22. Based on a theoretical development capacity of potential sites, a gross floor area is estimated at 23,600sqm of commercial floor space and 198,400sqm of residential floor space. The assumptions for this floor space are based on yield modelling approaches consistent with those undertaken by the CBD Planning Proposal to identify developable sites and apply a 2/3 take-up rate of the overall yields across the precinct. Based on this modelling, development potential within the precinct would be approximately 980 additional jobs and 1,980 additional dwellings, which, in turn, is close to the 1,800 additional dwellings cited by the Department in their finalisation report.
23. An estimated development cost on this yield is around \$95M commercial and \$892M residential allocation, for a total of \$987M development cost.
24. Table 8, below, compares estimates in income for the three options. These assume that development in the Church Street North precinct will be predominantly residential or mixed-use development.

	Commercial development	Mixed Use and Residential Development	Increase in Income Compared to Existing 3% rates
Option 1 - 3% for all development (No change)	Nil	\$29.61M	Nil
Option 2 – 5% residential and mixed use, 4% commercial	Nil	\$49.35M	\$19.74M
Option 3 – 4% residential and 3% commercial	Nil	\$39.48M	\$9.87M

Table 8 – Estimated income comparison based on application of percentage rates for each option.

25. Implementation of the 'Option 2' achieves the greatest estimated income for the precinct, of nearly \$50M. There is approximately a \$10 million difference in income estimates between each of the options.

26. When considering the difference (gap) between the apportionable component to new development of \$1.198B and the income estimated in the City Centre Contribution Plan Amendment 1 of \$582M over the 40-year planning period, at that time the funding gap was estimated at \$616M. Depending on the option chosen by Council, the overall funding gap will be reduced further, by between \$10M and \$20M. If any option is chosen, including the status quo, a significant funding shortfall will still occur between the income anticipated and the apportionable component to new development.

CONSULTATION & TIMING

Stakeholder Consultation

27. The changes to the Contributions Plan are proposed to be publicly exhibited for a period of 28 days. As required by *Section 213 of the Environmental Planning and Assessment Regulation 2021*, details of the exhibition including the draft Contribution Plan will be made available on Council's website through the Participate Parramatta portal. Copies of the draft Plan will be made available at the Customer Service Centre and central library branch at Phive.
28. Additionally, landowners within the Church Street North precinct (as identified in Figure B of this report) will be notified by mail advising of the public exhibition. As this proposed amendment does not alter other operational aspects of the Contributions Plan, nor does it seek to change the Works Schedule, wider consultation is not recommended given the nature and time-sensitivity of this amendment to have it in place by 1 July 2024.

Councillor Consultation

29. The following Councillor consultation will be undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
19 February 2024	Standard briefing session prior to Council meeting	Report finalised prior to briefing session	Report finalised prior to briefing session	Group Manager – City Strategic Planning

30. A further report will be brought to Council following the exhibition of the draft Plan.

LEGAL IMPLICATIONS FOR COUNCIL

31. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

32. If Council resolves to approve this report in accordance with the recommendation, there are no unbudgeted financial implications for Council's

budget. Costs associated with the public exhibition of the contributions plan will be funded from existing Strategic Land Use Planning budget allocations.

33. It should be noted that if the Contributions Plan comes into effect along with the changes to the Regulation, an estimated increase in contributions income of an additional \$9.87M if Option 3 (Recommended) is chosen; an additional \$19.74M if Option 2 is chosen. If Option 1 is chosen (i.e. the status quo), there will be no increase to the income anticipated above the approximately \$30M estimated by applying the current 3% rates to future development in the precinct.
34. The table below summarises the financial impacts on the budget arising from approval of this report.

	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Revenue				
Internal Revenue				
External Revenue				
Total Revenue	NIL	NIL	NIL	NIL
Funding Source	NIL	NIL	NIL	NIL
Operating Result				
External Costs				
Internal Costs				
Depreciation				
Other				
Total Operating Result	NIL	NIL	NIL	NIL
Funding Source	NIL	NIL	NIL	NIL
CAPEX				
CAPEX				
External				
Internal				
Other				
Total CAPEX	NIL	NIL	NIL	NIL

Janelle Scully
Land Use Planning Manager

Robert Cologna
Group Manager, Strategic Land Use Planning

Jennifer Concato
Executive Director City Planning and Design

John Angilley
Executive Director Finance & Information

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

- 1  State Environmental Planning Policy Amendment (Church Street
 North Precinct) 2023

5
Pages

REFERENCE MATERIAL



State Environmental Planning Policy Amendment (Church Street North Precinct) 2023

under the

Environmental Planning and Assessment Act 1979

Her Excellency the Governor, with the advice of the Executive Council, has made the following State environmental planning policy under the *Environmental Planning and Assessment Act 1979*.

PAUL SCULLY, MP
Minister for Planning and Public Spaces

State Environmental Planning Policy Amendment (Church Street North Precinct) 2023 [NSW]

State Environmental Planning Policy Amendment (Church Street North Precinct) 2023

under the

Environmental Planning and Assessment Act 1979

1 Name of policy

This policy is *State Environmental Planning Policy Amendment (Church Street North Precinct) 2023*.

2 Commencement

This policy commences on 1 July 2024 and is required to be published on the NSW legislation website.

3 Repeal of policy

This policy is repealed at the beginning of the day following the day on which this policy commences.

4 Maps

The maps adopted by *Parramatta Local Environmental Plan 2023* are amended or replaced, as the case requires, by the maps approved by the Minister on the making of this policy.

State Environmental Planning Policy Amendment (Church Street North Precinct) 2023 [NSW]
Schedule 1 Amendment of Parramatta Local Environmental Plan 2023

Schedule 1 Amendment of Parramatta Local Environmental Plan 2023

[1] Clause 5.1 Relevant acquisition authority

Insert at the end of clause 5.1(2), table—

Zone E2 Commercial Centre and marked “Regional cycleway”	Council
Zone MU1 Mixed Use and marked “Regional cycleway”	Council

[2] Clause 7.3 Floor space ratio

Omit “, “Area 8”” from clause 7.3(1).

[3] Clause 7.3(2), table

Insert in appropriate order—

4.5:1	3.25:1	(3.25 + 1.25X):1
5:1	3.5:1	(3.5 + 1.5X):1

[4] Clause 7.4 Floor space ratio—Parramatta Park and Park Edge Highly Sensitive Area

Omit “, other than land identified as “Area 11” on the Special Provisions Area Map” from clause 7.4(2).

[5] Clause 7.5 Additional floor space ratio—“Area 3” and “Area 5”

Omit “has a footprint of” from clause 7.5(4)(b). Insert instead “is”.

[6] Clause 7.5(4)(c)

Omit the paragraph. Insert instead—

- (c) each floor that is more than 105m above ground level (existing) is less than 40m by 40m, as measured to the external face of the external walls and including balconies, and

[7] Clause 7.7 Sun access

Omit “and Jubilee Park” from clause 7.7(1)(a).

Insert instead “, Jubilee Park, Prince Alfred Square and the Parramatta River foreshore”.

[8] Clause 7.7(3)(e) and (f)

Insert after clause 7.7(3)(d)—

- (e) for Prince Alfred Square—between 11am and 2pm,
(f) for the Parramatta River foreshore—between 11am and 2pm.

[9] Clause 7.7(4)

Omit “in Parramatta Square, between 1pm and 2pm on 21 March and 23 September in any year (the *relevant period*), on the land”.

Insert instead “, between 1pm and 2pm on 21 March and 23 September in any year (the *relevant period*), on the land in Parramatta Square”.

State Environmental Planning Policy Amendment (Church Street North Precinct) 2023 [NSW]
Schedule 1 Amendment of Parramatta Local Environmental Plan 2023

[10] Clause 7.7(6A)

Insert after clause 7.7(6)—

- (6A) This clause prevails over another provision of this part to the extent of an inconsistency.

[11] Clause 7.22 Managing heritage impacts

Insert after clause 7.22(2)(c)—

- (d) land identified as “Area C” or “Area D” on the Special Provisions Area Map.

[12] Clause 7.22(3)(d)

Omit “heritage item or heritage conservation area on, or adjacent to, the land”.

Insert instead “relevant heritage item or heritage conservation area”.

[13] Clause 7.22

Insert at the end of the clause, with appropriate subclause numbering—

A reference to a heritage conservation area in subclause (3) is taken, in relation to land referred to in subclause (2)(d), to include the North Parramatta Conservation Area and Sorrell Street Conservation Area.

[14] Clause 7.42 5 Aird Street and 12 Hassall Street, Parramatta

Omit “Key Sites Map” wherever occurring. Insert instead “Special Provisions Area Map”.

[15] Part 7, Division 6

Insert at the end of the division, with appropriate clause numbering—

Church Street North Precinct

- (1) This clause applies to the erection of a building on land identified as “Area C” on the Special Provisions Area Map that—
 - (a) has a site area of at least 2,400m², and
 - (b) uses the additional height and floor space ratio permitted under clause 7.15(2).
- (2) The building may exceed the applicable FSR by up to 10% if the consent authority is satisfied of the following—
 - (a) each floor that is more than 60m above ground level (existing) will not exceed 35m by 35m, as measured to the external face of the external walls and including balconies,
 - (b) all heritage items on the site will be repaired, restored or reconstructed as part of the development,
 - (c) there will be an appropriate transition in bulk and scale to neighbouring heritage items and heritage conservation areas and the Parramatta River foreshore,
 - (d) the development minimises adverse impacts on significant view corridors, including to Church Street and Prince Alfred Square.
- (3) A building that exceeds the applicable FSR in accordance with subclause (2) may exceed the maximum height permitted under clause 7.15(2) by up to 15.5m.

State Environmental Planning Policy Amendment (Church Street North Precinct) 2023 [NSW]
Schedule 1 Amendment of Parramatta Local Environmental Plan 2023

- (4) If the building includes above ground car parking, the amount of gross floor area by which the development exceeds the applicable FSR must not be included in calculating the maximum number of car parking spaces permitted under Division 4.

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.4
SUBJECT	Public Exhibition of Civic Link Block 3 Concept Design
REFERENCE	F2022/03176 - D09289388
REPORT OF	Senior Design Manager

CSP THEME: Thriving

WORKSHOP/BRIEFING DATE: 6 December 2023

PURPOSE:

This report seeks Council endorsement for the public exhibition of the draft concept design for Civic Link Block 3 (Horwood Place). The report describes the basis and key elements of the design and how initial consultation has influenced the draft design.

RECOMMENDATION

- (a) That Council approve the draft concept plans for Civic Link Block 3 (at **Attachment A**) for public exhibition for a minimum period of 28 days to allow for community consideration and feedback on the design.
- (b) Further, that any community feedback and the final concept plan be reported to Council for adoption.

BACKGROUND

1. Civic Link is a long-held aspiration for the City of Parramatta, established through strategic studies and statutory planning including the 2017 Civic Link Framework Plan, the 2017 Parramatta CBD Public Domain Plan, and the 2021 Parramatta City Development Control Plan.
2. The vision for Civic Link is the creation of a green, culturally activated pedestrian spine across four central city blocks, linking Parramatta Square to the River, and comprising:
 - Block 1 - Parramatta Square, completed 2022 by Council
 - Block 2 – Sydney Metro West, expected delivery by NSW Government 2030
 - Block 3 – (the Project site) delivery by Council in 2026
 - Block 4 – Powerhouse Parramatta, expected delivery by NSW Government in 2025
3. This project focuses on Block 3, which runs south/north along Horwood Place from George Street to Phillip Street. In line with the 'garden square' theme for this block as described in the framework plan, the aim is to create a calm, comfortable and social place for the community to enjoy in the heart of the city.
4. The Civic Link corridor works in partnership with the other parts of the city's network of existing and planned public spaces, notably the major public spaces of Parramatta Square and proposed Sydney Metro 'Welcome Square' to the south,

and the entry forecourt and river square of the Powerhouse Museum to the north. Block 3 of Civic Link connects these larger civic spaces of the city.

5. However, unlike these major nearby NSW Government projects, Block 3 will be implemented without redevelopment of adjacent properties, and essential and emergency access arrangements need to be maintained. As a result, full closure of Horwood Place to traffic will only be implemented at Phillip Street and in the northern section of the block, while vehicular access is to be maintained in the southern section to private properties on Auctioneer Lane and to the Eat Street car park. The design integrates these traffic movements safely into an enhanced pedestrian thoroughfare and is configured for easier conversion into the future when full pedestrianisation is possible.
6. Incorporating initial input and feedback from local businesses, Councillors, Dharug Cultural Custodians and Council staff, the draft concept design has been developed to exhibit for public feedback.

ISSUES/OPTIONS/CONSEQUENCES

7. The Civic Link Block 3 Draft Concept Design is provided at **Attachment A**. The draft design provides a distinctive and generous pedestrian and cyclable route within the city, with wide pedestrian boulevards, sitting under a tree canopy. The design also incorporates places of pause and respite, where people linger, gather and soak up the public life of the city within a green garden setting. Key aspects of the design are further described below:

The Green Spine

- a) To the north, a strong canopy of trees is established centrally within the former carriageway, with significant shrub understorey plantings to create a place to explore and occupy, as well as frame or backdrop to the pedestrian journey between the river and the square. Comprising predominantly native species, some deciduous species are included to allow solar access, seasonal colour and texture. To implement this new landscape four (4) of the eight (8) existing mature street trees (3 x London Plane and 1 x Liquidamber) are proposed for removal. Removal will allow access at height to the specialist Fire Appliance boom platform, and also allow for laying of new footpath, thereby removing the existing significant uplifting and trip hazards.
- b) To the south, new kerbside tree planting is located alongside the widened western pedestrian boulevard, achieved through a narrowing of the road carriageway to one travel lane in each direction. New planting is located so it can be retained and incorporated into a future expanded green spine in future when full pedestrianization is possible. As above, four (4) of the eight (8) existing mature street trees are proposed to be retained along the eastern side until full pedestrianisation occurs, in order to maintain canopy cover where the section of road carriageway remains. These four trees do not have uplift at their base.

The Ribbon

- c) Complementing the green spine is the 'ribbon' of customised furniture that threads through the understorey of the green spine, enhancing its distinct visual identity and offering settings for pausing and spending time in Civic Link. The ribbon design changes along its length to incorporate a diversity of seating and interactive edges through the space and an opportunity for showcasing artistic and interpretive elements.

The Water Story

- d) The design incorporates elements which highlight the water story of the locale and its links to the wider river story of our city. The design directs and harvests local run off to treatment areas integrated into the gardens to improve water quality and to express the movement of water down to the river. The east-west cross links through the green spine, as they pass over the swale become elevated boardwalks to heighten connection to the landscape and hydrology of the site.
- e) To be further developed in the next stage of design, this overlay will support cultural and environmental interpretation that evokes connection with earlier landscapes of the city and contemporary concerns around catchment management, ecological health, and water conservation.
- f) Subject to budget considerations, there is an opportunity to commission a public artist to add further dimensions to the design, enhancing its themes and emerging stories, and to make the water story more visible. This work would be curated in the context of works within Parramatta Square, and potential and planned works in Block 2 and at Powerhouse Parramatta. A recommendation in relation to the inclusion of artwork in the project scope will be included in the further report to Council, after public exhibition.

The Pedestrian Boulevards

- g) Existing pedestrian footpaths will be widened to accommodate increased anticipated foot-traffic along Civic Link between the transport hubs of Rail, Light Rail and future Metro to the Powerhouse and Parramatta River. The western side will become the main pedestrian route due to the natural alignment of the proposed future pedestrian crossing on George St and Civic Link Block 2 to the south.
- h) The widened footpaths are designed to accommodate emergency service vehicles now and, in a future, fully-pedestrianised environment, with access controlled to allow for maintenance and emergency access while protecting from unauthorised vehicles.
- i) New pavements will be constructed of high-quality granite consistent with Parramatta's key squares and gathering spaces; and furnished with a suite of ICT/ SMART features, utilising multifunctional poles to integrate lighting, CCTV, data capture and community and event messaging. Static and dynamic wayfinding will add to the legibility and ease of navigation through the city.

Parking and Loading

- j) To implement the vision for Civic Link, existing parking spaces (30) and loading spaces (2, paired) within Horwood Place will be removed. Alternative parking provision is provided by the Erby Place Car Park, located adjacent to the project. To address the loss of the loading zone, a new paired loading zone is proposed nearby on Phillip Street, utilising new kerbside space freed up from the closure of Horwood Place/ Phillips St intersection and relocation of the existing pedestrian crossing.

Public Amenities

- k) As part of concept design investigations, the project explored the potential location and design for public amenities within Block 3. It is not recommended this be included in the scope for delivery at this stage, pending identification of amenity inclusions in the Sydney Metro West project (Block 2) where there is more spatial opportunity and co-location with larger civic spaces. However, the design for Block 3 will ensure opportunity for a future installation is not prohibited, to maintain some flexibility whilst coordination and advocacy with Metro West continues.

CONSULTATION & TIMING

Stakeholder Consultation

8. The following initial stakeholder consultation has been undertaken in relation to this matter:
 - a. Council's Project Team mailed letters to more than 300 local residents, property owners and businesses in the immediate Block 3 vicinity and followed with a door-knock visit to 22 local businesses in June 2023 to introduce the project and impart the project timeline, followed by a second visit in November 2023 where an early draft concept plan was tabled. The summary of comments and Council's design response is described in **Attachment B**.
 - b. Council's Project Team meets regularly with Powerhouse Management and their delivery partners to ensure integration of design and program at the Phillip St interface. Coordination will continue through the detailed design phase and delivery.
 - c. Council's Project Team have met on six (6) occasions with the Sydney Metro West project design team during the development of the concept design. Coordination will continue through the detailed design phase and delivery to maximise the opportunity for design coherence and coordination with Civic Link Block 2, to be delivered by the Sydney MetroWest project after completion of Block 3.
 - d. Through an EOI process Council's Project Team have engaged a Dharug Cultural Consultative Panel and workshopped the draft design proposals with view to incorporating both design input and interpretation planning which will

inform detailed design elements. This is an ongoing process with a further three (3) workshops planned.

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
20 June and 29 November 2023	Business Operators, Commercial and Residential Property Owners and Occupiers	Stakeholders generally supportive, with comments from Businesses focused on construction impacts, deliveries and loading zones, accessible parking, drop-off and pick up, project timeline, litter bins and on-street parking loss.	Refer Attachment B – for more detail and officer response	City Planning and Design
Workshops 1 and 2, held 9 November and December 2023	Dharug Cultural Custodian Panel	Dharug supportive of draft design concepts as developing, and Green Spine and Water Story themes. Request design feature native trees and vegetation, and not feature sandstone.	Consultation ongoing and feedback to be reflected in embedded interpretation elements. Three (3) workshops to follow.	City Planning and Design
Ongoing Meetings	Sydney Metro West	Coordination items include: Green spine, materials selection, George St crossing, stormwater coordination	Feedback reflected in: <ul style="list-style-type: none"> • Stormwater design coordination (ongoing) • George Street raised pedestrian coordination and implementation timing (ongoing). 	City Planning and Design
Ongoing Meetings	Powerhouse Museum	Coordination items include: Phillip St crossing and interface, trees and planting, cycle pathway, materials, stormwater coordination, location of loading zones and coach set down	Feedback reflected in: <ul style="list-style-type: none"> • Early works proposed for Phillip Street to allow completion prior to Museum opening. • Pedestrian crossing aligned to new entry. • Loading zone located west of pedestrian crossing. • Kerbside plantings incorporated into street works, • Cycle crossing facility adjusted to be offset from Museum entry 	City Planning and Design

9. Upon approval of this report, Council will mount a comprehensive public exhibition of the Draft Concept Design consistent with Council's adopted Community Engagement Strategy. Council's digital community engagement platform, Participate Parramatta will host the exhibition, supported by promotion in Council's library, community centres, letter box drops, media and social media channels. Feedback will be encouraged through the platform, at pop-ups sessions in the city, and at focus sessions with students and youths. This exhibition will also satisfy statutory public exhibition requirements under the NSW Roads Act for the proposed road closure of Horwood Place at Phillip Street.
10. A further opportunity for the community and stakeholders to provide feedback will be during the exhibition of the developed design and Review of Environmental Factors later in 2024.

Councillor Consultation

11. The following Councillor consultation has been undertaken in relation to the project with a summary of key Councillor concerns of 6 December briefing workshop and subsequent project response further described in **Attachment B**:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
2 May 2022 Briefing workshop advising Civic Link update	All Councillors	NIL	NIL	City Planning and Design
7 December 2022 Briefing workshop advising update overview, Metro advocacy, delivery timeframes	All Councillors	NIL	NIL	City Planning and Design
5 May 2023 Briefing note advising update of progress of Civic Link Block 3 Project	All Councillors	NIL	NIL	City Planning and Design
7 June 2023 Briefing note advising commencement of property owner, resident and business engagement	All Councillors	NIL	NIL	City Planning and Design
26 June 2023 Council Tender Report	All Councillors	NIL	NIL	City Planning and Design, Procurement Contracts and Compliance
6 December 2023 Briefing workshop advising concept design development	All Councillors	Refer Attachment B –for more detail and officer response. Key concerns included Loading Zone, tree planting and sustainability, toilet	Refer Attachment B –for more detail and officer response	City Planning and Design

		amenity, heritage, archaeology and interpretation	
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12. A key business stakeholder concern raised at the 6 December Councillor briefing was the loss of the existing loading zones located adjacent to 69 Phillip Street. In response, the extent of works has been extended into Phillip Street, just west of Civic Link, to include the creation of an equivalently sized, paired loading zone. This is the closest alternative location (approximately 20m from existing) for this provision and preferable to a location east of Civic Link.

Program

13. The key project milestones and target dates are tabled below. An early works package has been developed in the project delivery plan to enable early completion of works in Phillip Street to minimise the impacts of the project's construction and to facilitate access to Powerhouse Parramatta, forecast to open in Spring 2025.

Milestone	Target Completion
Concept Design Verification	April-24
Stormwater and Flooding Investigations	May-24
Design Development	Jun-24
Early Works Doc and Procurement	Oct-24
Detailed Design Documentation	Dec-24
Early Works Construction	Jul-25
Tender for main works construction	May-25
Main works construction	Mar-26

LEGAL IMPLICATIONS FOR COUNCIL

14. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

15. Civic Link Block 3 has total project funding of \$21,163,007 for delivery, with \$10,563,007 of funding provided by the NSW Government through a grant under the Accelerated Infrastructure Fund, Tranche 3(AIF3). The remaining funding is internally sourced from Development Contributions.

16. The current forecast total capital cost for the delivery of the project is within the approved budget.

17. There are no financial impacts arising from the report's recommendation to publicly exhibit the design, as the cost for the exhibition is accommodated within the project budget. The table below summarises the financial impacts on the budget arising from implementation of the project as described in this report, which include:

- a. A change to the funding source mix for the existing budget, arising from the execution of a funding agreement with the NSW Government, as noted above.
- b. A loss of revenue of approximately \$120,000 per year, from the removal of 30 metered parking spaces in Horwood Place
- c. The write-down of residual assets to be demolished within the project area, and
- d. Operational costs, including depreciation, commencing from the project's completion.

18. These financial impacts to the budget, as set out in this section, will be included in the next quarterly report/ financial year's budget report for endorsement by Council.

	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Revenue				
Internal Revenue	-	-	-	-
	\$10,563,007			
External Revenue	\$10,563,007	-	-	-
Total Revenue	\$0	0	0	0
Funding Source	AIF3			
Operating Result				
Reduction in parking meter revenue		\$60,000	\$120,000	\$124,200
External Costs	-	-	\$16,750	\$67,000
Internal Costs	-	-	\$10,750	\$43,000
Depreciation	-	-	\$127,097	\$508,389
Asset Disposal	-	\$301,794	-	-
Total Operating Result	Nil	\$361,794	\$274,597	\$742,589
Funding Source			*note	
			General Revenue	
CAPEX				
CAPEX				
External				
Internal				
Other				
Total CAPEX	Nil	Nil	Nil	Nil

*note – OpEx costs calculated from Q4 FY26 only, based on target completion of March 2026.

Emily Forrest
Senior Design Manager

Anthony Newland
Group Manager Infrastructure Planning & Design

Jennifer Concato
Executive Director City Planning and Design

George Bounassif
Executive Director City Assets and Operations

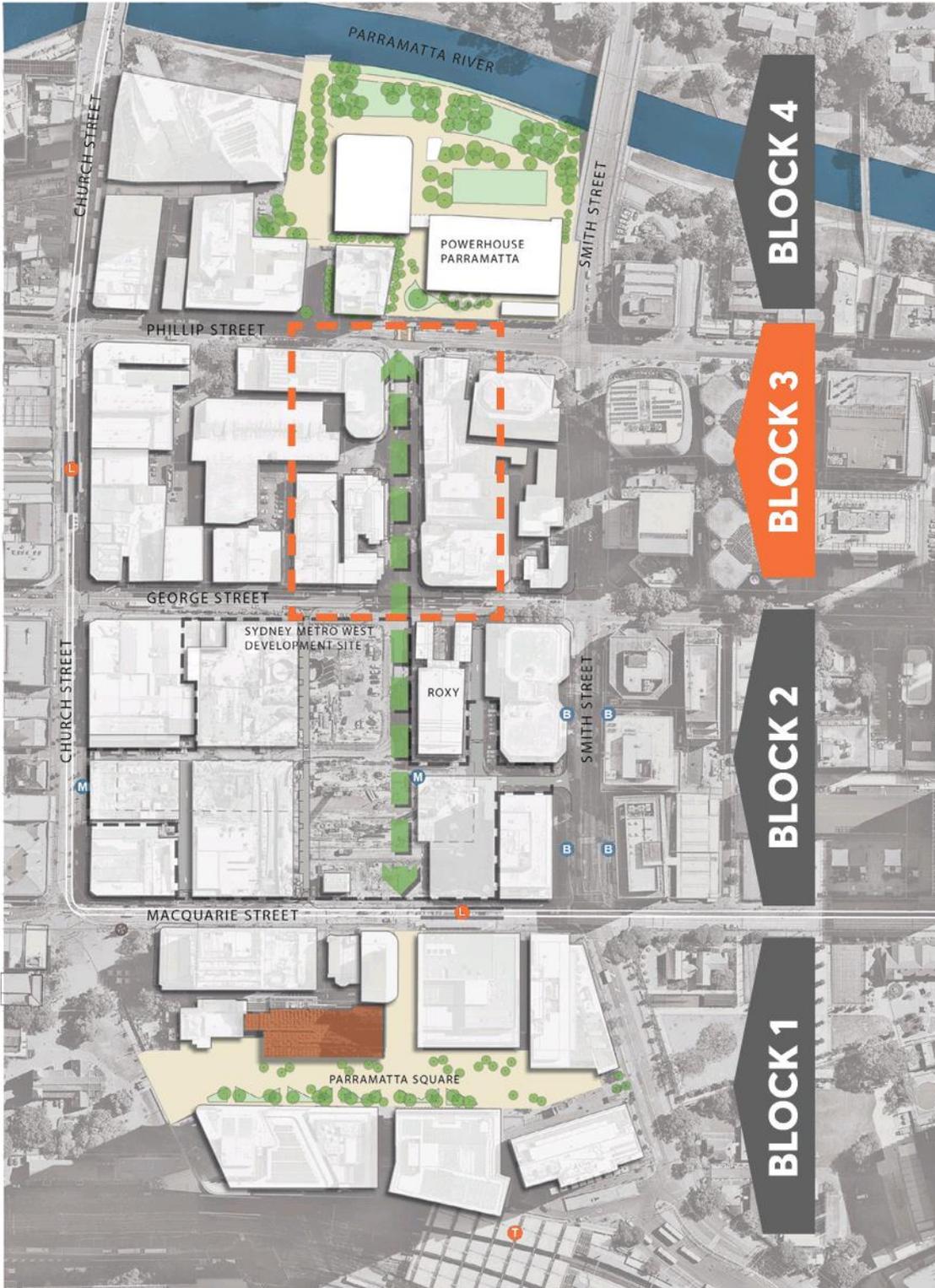
Gail Connolly
Chief Executive Officer

ATTACHMENTS:

- 1   Attachment A - Civic Link Block 3 Concept Design 6 Pages
- 2   Attachment B - Detailed Feedback Summaries 3 Pages

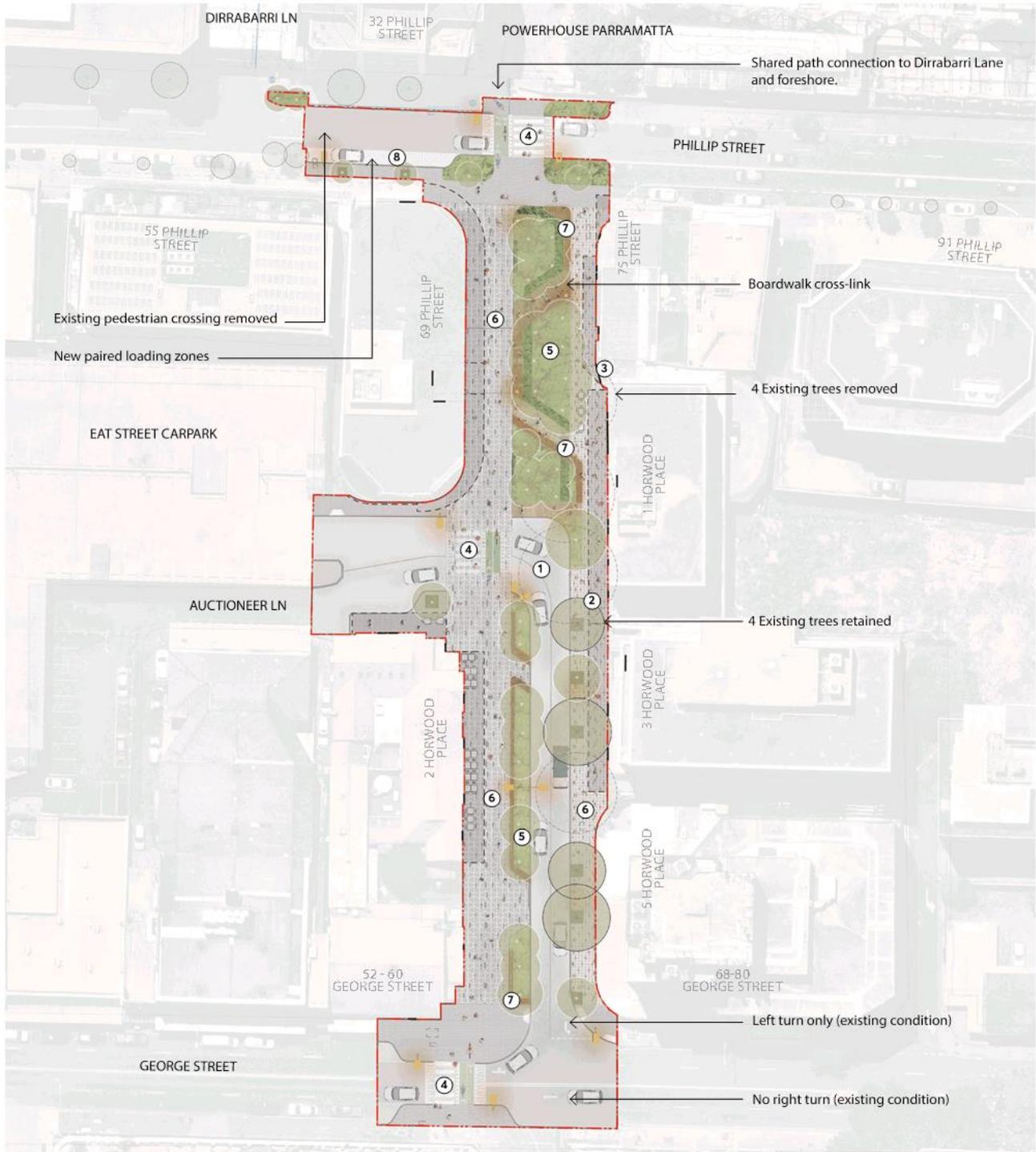
REFERENCE MATERIAL

Civic Link Block 3 Concept Design - Context Plan



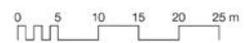
REPORT TO COUNCIL - FOR COUNCIL DECISION
Civic Link Block 3 - Public exhibition for concept design
Attachment A - 26th February 2024

Civic Link Block 3 Concept Design - Illustrative Plan



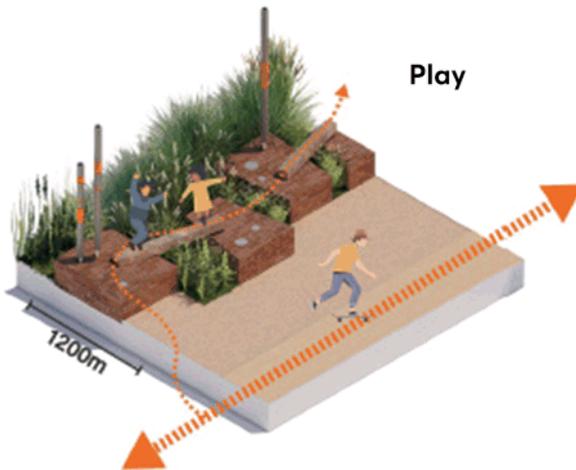
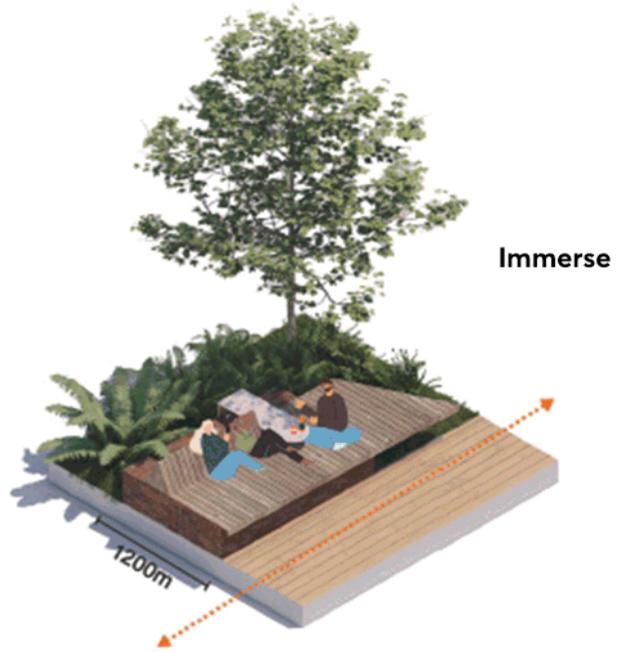
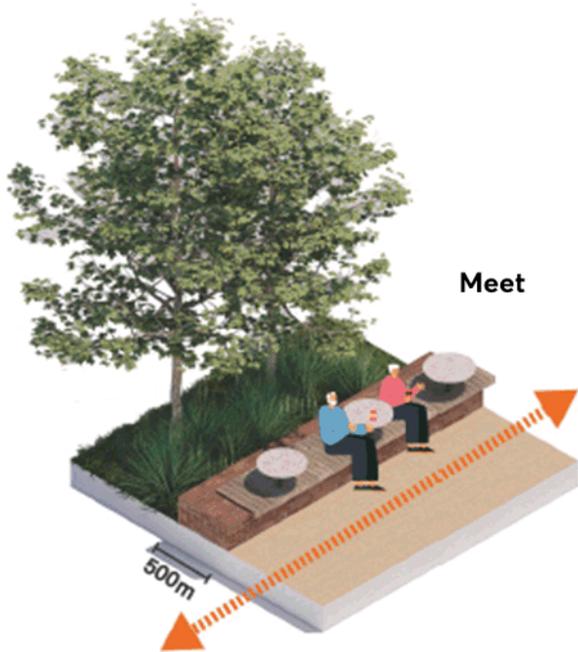
Civic Link Block 3

- 1 Carriageway to Eat St Carpark/Auctioneer Ln
- 2 Existing trees
- 3 Existing trees removed
- 4 The new pedestrian/cycle crossing
- 5 The Green Spine, trees and understory planting
- 6 Pedestrian Boulevard
- 7 Customised furniture 'The Ribbon'
- 8 New paired loading zone



REPORT TO COUNCIL - FOR COUNCIL DECISION
 Civic Link Block 3 - Public exhibition for concept design
 Attachment A - 26th February 2024

Civic Link Block 3 Concept Design - "The Ribbon" Customised Furniture

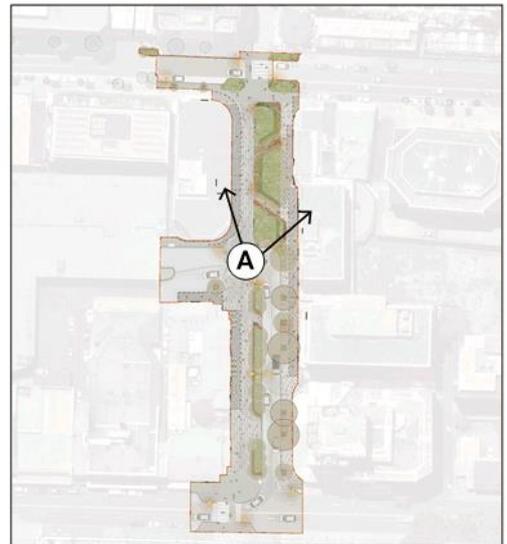


REPORT TO COUNCIL - FOR COUNCIL DECISION
Civic Link Block 3 - Public exhibition for concept design
Attachment A - 26th February 2024

Civic Link Block 3 Concept Design - Artist Impression A



Civic Link Block 3 looking north towards Phillip Street intersection



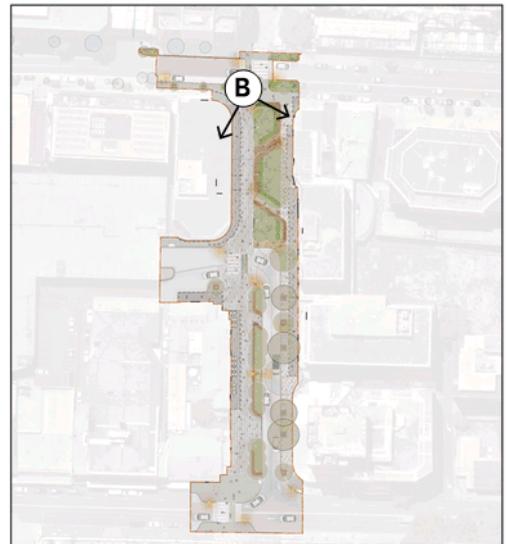
Key map

REPORT TO COUNCIL - FOR COUNCIL DECISION
Civic Link Block 3 - Public exhibition for concept design
Attachment A - 26th February 2024

Civic Link Block 3 Concept Design - Artist Impression B



Civic Link Block 3 looking south



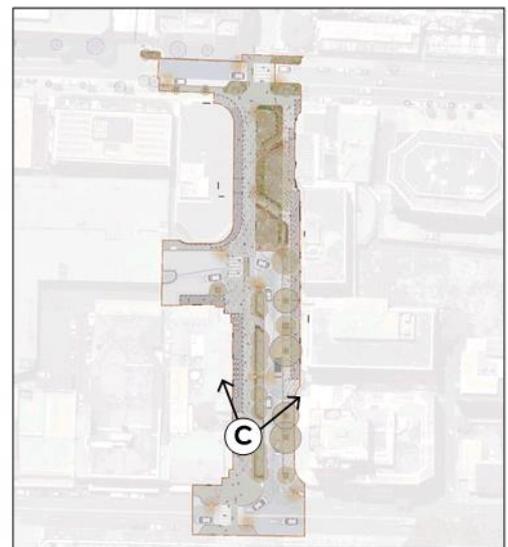
Key map

REPORT TO COUNCIL - FOR COUNCIL DECISION
Civic Link Block 3 - Public exhibition for concept design
Attachment A - 26th February 2024

Civic Link Block 3 Concept Design - Artist Impression C



Civic Link Block 3 looking north



Key map

REPORT TO COUNCIL - FOR COUNCIL DECISION
Civic Link Block 3 - Public exhibition for concept design
Attachment A - 26th February 2024

Attachment B: Detailed Feedback Summary Tables

1. BUSINESS PROPRIETOR COMMENTS AND PROJECT RESPONSES

	Key Business Proprietor Comments and Project Manager (PM) Response
1.General Positive Support	Nineteen (19) Businesses expressed positive or neutral sentiment in relation to the project, particularly the cultural and greenery aspects, seeing it as a quality investment in public infrastructure, with a predicted increase in pedestrian traffic. Of these, one (1) was expressly supportive of the project and excited to see its delivery, stating "Exciting! Very good!" .
Project Manager Response	Awareness of the broader Civic Link concept was high amongst businesses when first canvassed or was recalled when staff introduced the current project. Many businesses expressed support overall and positive sentiment when project was described in full.
2.Construction Impacts	Three (3) Businesses expressed concern regarding the impact of construction on business, particularly on the outdoor dining elements and the potential loss of customer parking and the potential loss of customers during the construction period. Of these, one (1) Business held a high level of concern regarding prolonged construction timing
Project Manager Response	Current business operations, deliveries, waste management, and access have been noted and these were considered during development of the draft design to ensure they could continue post-project delivery. Prior to construction Council will engage with all impacted businesses to understand business operations and mitigate negative impacts.
3.Deliveries and Loading Zone	Three (3) Businesses expressed concern regarding the impact to deliveries received in Horwood Place. There is a 12m Loading Zone at Horwood Place currently used for deliveries, however it was noted that this space is often illegally parked in. One (1) Business has deliveries that include large amounts of heavy loads in large trucks that are tricky to squeeze into small streets.
Project Manager Response	Alternative locations to relocate the Loading Zone were tested. While Auctioneer Lane has a single 'No Parking' space, there is insufficient length for a truck which would affect/ block access into Auctioneer Lane, and overhead conflicts with an existing awning. Creation of a new loading zone to Phillip St west of the proposed crossing is proposed in the draft design. It includes sufficient space for a double Loading Zone on a level street, no additional loss of parking (due to relocation of existing crossing), and is a short distance (approx 20m) from existing Loading Zone.
4.Project Timeline	Two (2) Businesses enquired generally about the timeline of the project, and the timing of upcoming community engagement
Project Manager Response	The project timelines were provided to the Businesses, with directions on how to locate information on Council's webpage 'Participate Parramatta'
5.Rubbish Bins/ Litter	Two (2) Businesses advocated for the provision of more litter bins
Project Manager Response	Noted the request and will address at Detailed Design stage
6.Accessible Parking and Pick-Up/ Drop-off	One (1) Business expressed concerns regarding a lack of Accessible Parking, and difficulties with drop-off and pick-up in front of their business facing George St which currently has a 'No Parking' space facing George St.
Project Manager Response	'No Parking' is maintained on George St and at Auctioneer Lane entry which provide capacity for motorists to stand whilst remaining within 3m of car, and reduced likelihood of mis-use by motorists illegally parking. Maintaining existing ½ hour spaces on George

	and Phillip Streets ensures parking turn-over and reduces overstay and all-day parking of motorists.
7. Parking Loss/ Parking Changes	Three (3) Business noted that their customers drive in to Parramatta CBD generally park in the Eat St carpark or at Westfield, and were generally supportive providing parking remained available in Eat St carpark. One (1) Business stated that their Customers do not use Horwood Place as they sell business to business and walk-ins are unlikely, and the café businesses generally serviced local workers and weekend visitors. The second canvassing resulted in more Businesses expressing concern to likely impacts on the loss of on-street parking. Six (6) Businesses raised concerns about lack of accessible parking, 'loss of carparking means loss of trade', parking for patient pick-up, loss of parking in Parramatta generally, and ½ hour parking being insufficient.
Project Manager Response	PM: The second canvassing included draft concepts showing removal of parking from both the north end of Horwood where complete pedestrianization is proposed, and the south end where the carriageway is reduced to a single lane each way with parking removed from both sides. A total loss of 30 parking spaces is proposed, and relocation of a 2-car length Loading Zone into Phillip St. The capacity to circle the block is eliminated. This is a necessary impact to implement the intent of the Civic Link project, with parking available in adjacent streets and Erby Place Car Park. Critical business servicing operations are provided for with creation of a new Loading Zone on Phillip Street.
8. Tree Canopy	Four (4) Businesses expressed positive comments about the existing trees. One (1) Business expressed concern about the removal of the tree outside their shop as the shade is important and protects the products displayed in the store
Project Manager Response	PM: The concept design proposes maintaining four (4) of the eight (8) existing mature trees on the eastern side to maintain canopy while the new trees establish within the green spine, and there will be a loss of one of two mature trees outside the Business expressing concern. The Project aims to re-establish a mix of trees to balance solar access and microclimate, differing height and forms to allow fire appliance access, sightlines, colour, texture and shade. Approximately 30 trees will be planted.

2. COUNCILLOR COMMENTS RAISED AT 6 DECEMBER 2023 BRIEFING, AND PROJECT RESPONSES:

	Key Councillor (Clr) Comment and Project Manager (PM) Response
Comment 1 Canopy	Clr: Emphasised the importance of trees located on the western side to maximise shade and noted challenges with natural sand/ clay materials, and WSUD
Project Manager Response	Trees will be installed along the western alignment and there will be a diverse approach to canopy species to best address conditions of significant high rise in the future. Water treatment, groundwater recharge and WSUD are being incorporated into the design concept.
Comment 2 Loading Zone	Clr: Noted concern for Snap Printing, with loading zones/ materials pick up an existing challenge.
Project Manager Response	The Project is proposing a relocation of these paired loading zones to a new location on Phillip Street, just west of Civic Link. This is the closest possible alternative location (approximately 20m from existing) for this business and preferable to a location east of Civic Link. Some adjustment to Snap Printing (and other business) current pick up/delivery operations are acknowledged.
Comment 3 Heritage and Interpretation	Clr: Suggested artefacts if found may be best displayed on-site similar to the Meriton display/ glass cabinets).

Project Manager Response	On-site Interpretation is part of project scope, and detailed proposals will be developed during detailed design and in response to research findings, consultation and Heritage NSW requirements.
Comment 4 Powerhouse integration	Clr: Queried what happens at Phillip St interface and view corridor, and whether discussions are being held with Powerhouse.
Project Manager Response	Ongoing coordination with Powerhouse is informing view corridors, stormwater upgrades, materials, planting positioning of new pedestrian crossing, and timing for works.
Comment 5 Public Amenity	Clr: Questioned provision of a public toilet and whether this would spoil this section of Civic Link.
Project Manager Response	Toilet provision has been investigated and a nominal location identified mid-block. However, there are some challenges to locating the building within the Block 3 project area. Inclusion of toilets in the Project is not currently proposed. The preference is to provision toilets within Block 2 subject to Sydney Metrowest agreeance (noting that it is not within their current scope). Block 3 to be future-proofed to accommodate for future provision if required.
Comment 6 Archaeology Cost Impacts	Clr: Concerned about archaeological issues and how much cost impact that may have.
Project Manager Response	Heritage and Archaeological assessment and management is anticipated in the project delivery plan, requiring multiple approval. Historic and Aboriginal archaeological Test and Salvage excavations are assumed in the program and budget. Consultation with Heritage NSW commenced.
Comment 7 Pedestrian Safety	Clr: Queried traffic flow in precinct and pedestrian safety
Project Manager Response	<p>Horwood Place will be narrowed to one lane in and one lane out of Auctioneer Lane and Erby St Carpark to facilitate access while expanding the pedestrian capacity and streetscape amenity. Three (3) new pedestrian and cycling crossings are proposed: at Phillip St, at Auctioneer Lane/ Erby St Carpark access and at George St. Implementation of the George Street crossing will occur later closer to the completion of Metrowest works in Block 2.</p> <p>Pedestrian access to the Powerhouse will be along Smith St initially, and then can be diverted through Civic Link Block 3 as the works complete. The removal of cars and potential significant redevelopment of the block will follow in time.</p>
Comment 8 Pedestrian Safety	Clr: Incorporation of sustainable infrastructure such as permeable paving materials embedded into design.
Project Manager Response	Water treatment and groundwater recharge are incorporated into the draft design concept. The project aims to retain four (4) of the existing plane trees in the Interim State.
Comment 9 Willow Grove artefacts	Clr: Further to heritage interpretation, noting the potential incorporation of Willow Grove gates into the precinct design.
Project Manager Response	Councillor and officer Ideas identified to enhance Willow Grove interpretation have been tabled with the Powerhouse Parramatta project and discussion is ongoing. Final site interpretation for Civic Link Block 3 will be informed by site interpretation proposals of adjacent sites, to ensure coordinated outcomes.

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.5
SUBJECT	Submission on the NSW Government's Low and Mid-Rise Housing Reforms
REFERENCE	F2024/00282 - D09277883
REPORT OF	Group Manager, Strategic Land Use Planning

CSP THEME: Innovative

WORKSHOP/BRIEFING DATE: 5 FEBRUARY 2023

PURPOSE:

The purpose of this report is to seek Council's endorsement to make a submission to the Department of Planning, Housing and Infrastructure (DPHI) on the public exhibition of the 'Explanation of Intended Effect: Changes to create low-and mid-rise housing'.

RECOMMENDATION

- (a) That Council approve the submission at **Attachment 1** (provided under separate cover) to the Department of Planning, Housing and Infrastructure (the Department) in response to the public exhibition of the 'Explanation of Intended Effect: Changes to create low-and mid-rise housing' (reforms) requesting:
- A. A two-year deferred commencement to enable Council to pursue programmed solutions. Council's justification for this exemption includes:
 - i. Council acknowledging the need to deliver greater housing diversity to assist in addressing national housing supply and affordability issues and Council's strong leadership and collaborative partnerships are critical to meet this challenge.
 - ii. Council has a compelling performance record for determining rezoning applications exceeding the housing target of 23,660 by 1,800 dwellings within the first two-and-a-half years of the 2021-2026 period; and Council is on track to rezone land to permit another 48,000 dwellings (almost 8,000 above the 2026-2036 target).
 - iii. Council planning for further strong housing growth with a number of precinct-scale proposals being considered and has brought forward the programmed 'missing middle' investigations and rezonings of suitable areas to deliver medium density housing proximate to rapid transport and services, adding this will assist the State Government's to meet the 5-year housing target set by the Federal Government.
 - iv. Council has a strong track record for delivering housing is based on quality local planning and design controls that are responsive to the local context that would be strengthened with alternate governance arrangements that increase the City's planning powers to influence city shaping policy changes for both high density precinct-scale developments and infill missing middle housing.
 - B. Changes to the reforms, to address the following concerns:

- i. The reforms are not reflective of best practice strategic planning that consider changes to planning controls at the precinct level, informed by studies and analysis with community and relevant statutory authority input. These broad-brush reforms are predicated on a 'one-size-fits-all' development assessment-led approach and will destabilise long standing local planning frameworks, particularly where local planning controls will be overridden because they are less permissive than the proposed State controls. Under the reforms, planning controls for a site will now be contained in various state and local statutory instruments and local guidelines, increasing the complexity and confusion for landowners.
 - ii. The reforms are intended to address housing supply, however no research or evidence has been presented demonstrating that this approach is an effective method to deliver affordable, low and mid-rise housing types within infill settings, that are appropriate for a range of contexts and environmental constraints.
 - iii. The standardised approach to planning controls coupled with the non-refusal development standards do not consider local character or conditions, all of which are necessary to ensure good amenity and design outcomes for both individual dwellings and localities.
 - iv. The mismatch between the proposed FSR and height of building controls will result in buildings that are bulky, setbacks to boundaries insufficient for the scale, and significant impacts upon deep soil and tree canopy loss contributing to reduced amenity and heat island effects.
 - v. Overriding existing local heritage protections for heritage conservation areas and special character areas by allowing new housing types and greater densities within these precincts will significantly compromise their special character and heritage values and integrity.
 - vi. E1 Local Centres and MU1 Mixed Use zoned centres included in the 800 metres walking distance be restricted to those containing a full line supermarket of approximately 4,000-4,500m² accompanied by population-serving retail and commercial space, and have access to rapid transport services and adequately serviced by public transport.
 - vii. The reforms exacerbate existing infrastructure shortfalls particularly community infrastructure and open space; and a holistic review of local infrastructure provision is required to enable the real cost increases in providing infrastructure to be recognised including the development contribution caps and rates, and stormwater management service levies.
 - viii. Region shaping strategic plans should be released prior to these housing reforms taking effect to enable an examination of the intended outcomes of the reforms in the context of housing and job targets, environmental and liveability directions, and infrastructure and services delivery.
- (b) That in response to the reforms, Council accelerate the Dual Occupancy Codes SEPP Advocacy Project required by parts (d) and (e) of Council's resolution of 22 May 2023 (Minute 4318) by conducting the following in its place:
- ix. The preparation of a submission by the CEO and sent on behalf of Council to the Minister for Planning, the Minister for Fair Trading and NSW Building Commissioner and Government Architects that includes:

1. Requested changes to the Codes SEPP in accordance with the design principles set out in **Attachment 1** (provided under separate cover) that were presented to Council as part of the review of dual occupancy developments during the preparation of the Harmonisation DCP process.
 2. Concerns Council has with the Complying Development process.
- (c) Further, that Council seeks a meeting with the Minister for Planning and Minister for Local Government to discuss the two-year deferred commencement request and governance measures that could be put in place to permit Council to work towards making a contribution to the housing capacity required to meet the National Blueprint target in an efficient manner.

BACKGROUND

1. The NSW Government is calling for submissions on new planning controls for low-and mid-rise housing to increase housing supply and affordability to address the 'housing crisis'.
2. Low-and mid-rise housing is often referred to as 'the missing middle' - essentially the gap in housing types between detached homes and high-rise apartments.
 - i. **Low-rise housing is:** two storey development for dual occupancies, terraces, townhouses and manor hoses (two storey residential flat buildings).
 - ii. **Mid-rise housing is:** three to six storey development for residential flat buildings and shop top housing.
3. NSW has a target to deliver between 314,000 to 377,000 homes by 2029 to the meet the target in the August 2023 National Blueprint. This is the NSW contribution to a national target of 1.2 million homes in the next 5-years.
4. The new planning controls are set out in the ['Explanation of Intended Effect: Changes to create low-and mid-rise housing'](#) (reforms) dated December 2023, and additional information including Frequently Asked Questions, and a summary of the proposed reforms is available on the NSW Government website [here](#). New controls are expected to come into force mid this year.
5. Council officers prepared a Fact Sheet for the community to consolidate and summarise the information available on the Department's webpages into one document and illustrate what the changes may mean for the City of Parramatta. The Fact Sheet was uploaded to Council's website [here](#) and posted to Council's social media platforms.
6. A Council officer submission on the exhibited reforms was provided to the Department by the deadline of 23 February 2024 (refer **Attachment 1**- provided under separate cover). The submission was provided with the understanding that due to the timing of the Council reporting cycle the report would be presented at the Council Meeting on 26 February 2023; and the final Council endorsed submission would then be submitted.

CENTRAL ELEMENTS OF THE REFORMS

7. **LGA-wide changes:** Dual occupancy development is proposed to be *allowed on all land zoned* R2 Low Density Residential in the LGA including within heritage conservation areas and where it is currently prohibited by Parramatta LEP 2023 (PLEP 2023).
8. **800-metre walking catchments:** New development standards (most importantly FSR and height controls) for terraces, townhouses, manor houses, residential flat buildings and shop top housing are proposed, and will apply to land within an 800 metre walking catchment of a transport node or well-serviced centre. This will also mean that some of these forms of development would be permitted in R2 zones located with the 800m walking catchments even if they are not currently permitted under Council's controls. The Department is also seeking input from councils to determine which centres zoned E1 Local Centre and MU1 Mixed Use contain an appropriate services, amenities and facilities. The criteria suggested by Council officers is summarised in this report below and detailed in Part 4 of the Submission at **Attachment 1**.
9. **'Non-refusal standards'** are a legal condition in the Environmental Planning and Assessment Act 1979 and under these reforms will apply where the controls in PLEP 2023 are *more restrictive*. However, when the existing development standards in PLEP 2023 are *more permissive* than the proposed non-refusal standards, the standards in PLEP 2023 will continue to apply (see examples below and in **Attachment 1**). Council cannot refuse a DA if it is consistent with the non-refusal standards, which are proposed to include: site area, site frontage, maximum height, maximum floor space ratio (FSR) and minimum car parking requirements.
 - i. **Example 1:** The FSR of 0.5:1 in PLEP 2023 for a dual occupancy is less permissive than the 0.6:1 FSR permitted by the reforms. In this case, the 0.6:1 FSR is the relevant control.
 - ii. **Example 2:** The FSR of 4:1 in PLEP 2023 for an RFB is *more permissive* than the 3:1 FSR permitted by the reforms. In this case, the 4:1 FSR is the relevant control.
10. A comparison of the proposed development standards and provisions for low- and mid-rise housing types with the current controls in PLEP 2023, and other relevant controls, is outlined in **Attachment 1**.

KEY CONSIDERATIONS OF THE REFORMS

11. Council officers acknowledge the housing crisis and its widespread impacts as justification for action; however,
 - i. a standardised approach across the 6-Cities Region does not adequately consider local character, context, or lot configuration, all of which are necessary to ensure good amenity and design outcomes for both individual dwellings and locality; and
 - ii. no research or evidence is presented to demonstrate that the approach contained in the Governments reforms is the best - or even an effective method to deliver affordable, low- and mid-rise housing types within infill settings.

12. Best practice reforms are,
 - i. strategic in nature, as precinct considerations based on local spatial conditions,
 - ii. based on well-modelled and well-considered planning controls, and
 - iii. supported by effective infrastructure planning and delivery to support additional growth.
13. Under these proposed reforms, the total potential dwelling capacity created from both low- and mid-rise development across the LGA is nearly 80,000 dwellings. This theoretical capacity equates to 21% of the 376,000 dwellings the State Government is committed to delivering by 2029.
14. Based on an occupancy rate of 2.62 persons per dwelling, the net increase in dwellings of 79,965 would result in an additional 209,508 residents. If 10% of this capacity was then built, it would result in an additional 20,950 residents. Council is already making a strong contribution to housing capacity for the Central City District, having already exceeded the housing capacity target of 23,660 by 1,800 dwellings within the first two-and-a-half years of the 2021-2026 period; and has programmed a 'missing middle' investigation and rezoning of suitable areas to deliver additional medium density housing as local infill development to support housing diversity (see further discussion below).
15. Council officers consider these reforms a missed opportunity to support the City of Parramatta's strong track record for delivering housing based on quality local planning and design controls that are responsive to the local context, and more broadly to increase the supply of low-and mid-rise housing within the 6 Cities Region based on sustainable, balanced and well-considered changes.
16. The reforms on exhibition are generally not strategic and therefore present the following concerns:
17. **Planning approach:** Best practice strategic planning considers changes to planning controls at the precinct level, informed by studies and analysis with community and relevant statutory authority input. These broad-brush reforms are predicated on a 'one-size-fits-all' development assessment-led approach and will destabilise long standing local planning frameworks, particularly where local planning controls will be overridden because they are less permissive than the proposed State controls. Under the reforms, planning controls for a site will now be contained in various state and local statutory instruments and local guidelines, increasing the complexity and confusion for landowners. Refer to the comparison of controls at **Attachment 1**.
18. **Housing affordability:** The reforms do not adequately address the critical issue of housing affordability. Housing affordability is a key challenge in Parramatta with 26% of rental households and 19% of mortgage households experiencing housing stress in 2021; and between 2016 and 2021, 9 per cent of key workers left Parramatta for more affordable areas, which was one of the highest rates nationally. Affordability may increase with development intensity when achieved at-scale, but only when considered alongside broader policy interventions and macroeconomic conditions, consideration of which is not evident in the Department's proposed reforms; and because the reforms rely heavily on small private landowners undertaking redevelopment of their lots, this could result in

piecemeal redevelopment, diminishing the policy's original intent of addressing immediate housing supply and affordability issues.

19. **Design, amenity and landscape:** No built form testing has been presented as evidence that the standardised planning controls for the dwelling types are appropriate for a range of contexts and environmental constraints. This includes the additional 30% bonus height and FSR for affordable housing. Council officer testing shows there is a significant mismatch between the proposed FSRs and height controls, and site area and frontage controls:
- i. The 3:1 and 2:1 FSRs for mid-rise housing (residential flat buildings) are too high to achieve the proposed respective heights of 21m and 16m.
 - ii. For all dwelling types, the overly high FSRs coupled with the reduced minimum site area and frontage widths will push buildings to the boundaries creating deep floor plates and bulky forms, reduced tree canopy and deep soil outcomes, and comprise neighbour privacy and amenity.
 - iii. The proposed minimum site area and frontage width for low-rise forms are not considered adequate to ensure high amenity and design outcomes for both individual dwellings and the wider streetscape. Buildings will be bulky and have to be longer or taller and narrow forms, car parking and services will dominant the streetscape, and the amount of space for landscaping and trees (including on the street verge) will be compromised.
 - iv. The proposed deep soil provisions are too small to meet tree canopy targets.
20. **Stormwater, urban heat and flooding risks:** Greater density on smaller sites and the inadequate deep soil and canopy targets will increase impervious surfaces and reduce green infrastructure (including tree canopy cover) resulting in worsening stormwater quantities and quality affecting natural areas and increasing the flood risk, loss of biodiversity and an increase in urban heat which disproportionately impacts populations in Western Sydney.
21. **Infrastructure pressures:** The expected extra dwellings to be delivered by each council has not been provided by the State Government; and unanticipated population growth will place additional pressure on already constrained infrastructure including schools, and compound existing shortfalls particularly community infrastructure and open space.
22. **Growth of centres for housing, jobs and provision of services:** The opportunity for higher yielding development may be sterilised or deferred further into the future particularly existing and future precincts by the proposed one-size-fits-all approach without regard for critical place-based considerations that are required to ensure effective planning.

COUNCIL PROGRAMMED WORK IMPACTED BY THE REFORMSMissing Middle Investigations and Rezoning

23. A diversity of housing to meet people's needs throughout all stages of life, circumstance, and socioeconomic status is strongly supported by Council with actions to address this in Council's Local Strategic Planning Statement (LSPS) and Local Housing Strategy (LHS). Council has programmed a 'missing middle' investigation into suitable areas to deliver medium density housing as local infill development to support housing diversity.
24. On 20 November 2023, Council resolved to bring forward the above LSPS and LHS actions if a commitment on Parramatta Light Rail Stage 2 was made by the State Government. This resolution was made in response to the Minister for Planning and Public Spaces letter dated 30 October 2023 regarding the need for councils to deliver more low and mid-rise housing. The Lord Mayor wrote to the Minister with this position on 21 December 2023 and this work would ensure that greater density is located in accessible areas around transport. This is in keeping with the State Government's policy position on Transit Orientated Development.
25. The 'missing middle' investigation would consider the local context of the City and the unique opportunity to deliver tailored precinct planning and rezonings around current and planned infrastructure. Applying the 'blanket' changes proposed under the reform's risks sterilising these precincts should new development commence under the reforms. This would result in the lost opportunity to deliver a localised planning response aimed at achieving the same outcome – greater housing diversity.

Dual Occupancy Code SEPP Advocacy Program

26. During the finalisation of the Harmonisation Planning Proposal (i.e. the making of the Parramatta LEP 2023), the State Government did not support Council's expanded dual occupancy prohibition area to protect the established, low-density character and built form of neighbourhoods from further redevelopment for the purposes of dual occupancy.
27. Council has identified a number of issues with dual occupancies approved by both the Complying Development Certificate (CDC) process and Development Applications being: excessive bulk and scale, dominant garages and driveway, insufficient landscaping tree planting, and deep soil, poor street frontage design, and poor guidance for sloping sites and corner sites. Council reviewed and updated its design controls for dual occupancy development as part of its Harmonisation DCP. However, to ensure good design for dual occupancy development approved via the CDC process, changes are needed to the Codes SEPP. In response, Council resolved on 22 May 2023 to lead an advocacy program to make changes to the Codes SEPP and to address deficiencies in the CDC process that lead to the poor design outcomes, loss of significant trees and other procedural problems.
28. The reforms are expanding the permissibility of dual occupancy development to an additional 8,000 lots within the LGA. It is anticipated that there will also be an increase in CDC approvals for dual occupancy development. This further supports the need to ensure the development standards and design controls within the Code SEPP are suitable and support good design outcomes.

Recommended amendments to the Dual Occupancy Codes SEPP Advocacy Program

29. Council resolved in relation to parts (d) and (e) of its 22 May 2023 resolution (Minute 4318) to pursue an advocacy program to address concerns with the design of dual occupancy developments that are approved via the complying development certification process under the provisions of the Codes SEPP. Council's concerns related to the design controls in the Codes SEPP and problems with the complying development process which are resulting in poor outcomes. Council resolved (in part) as follows:

*(d) **That** Council request LGNSW to lead an advocacy program with representations to be made to the Minister for Planning and the Minister for Fair Trading and other interested councils seeking:*

1. To make changes to the Codes SEPP to improve dual occupancy development design; and

2. Additional measures to make private certifiers more accountable to ensure the design controls and notification/certification processes are properly implemented by all certifiers including consideration of the following measures:

i. establishment of a team at the Department of Fair Trading to assist the community with enquiries on the complying development certificate process;

ii. upgrade of the Planning Portal to increase visibility of key documents on the portal and to allow the community to make complaints via the portal;

iii. amendments to the legislation to authorise councils to penalise/fine certifiers with potential introduction of new penalty categories to ensure certifiers are accountable during all parts of the process.

*(e) **Further, that** Council contribute to this advocacy program by pursuing the following steps:-*

i. Prepare a Preliminary Discussion Paper on changes that should be made to the Codes SEPP to improve design outcomes for dual occupancy development approved via the complying development process and consult with Councillors in the preparation of the Paper.

ii. Provide the Preliminary Discussion Paper to LGNSW.

iii. Council be provided with updates on the progress of the advocacy program.

30. The Department have advised that no changes are proposed to the Code SEPP under the current reforms. However, Council officers are aware that the NSW Government Architect is also proceeding with a Pattern Book to provide building designs for low and mid-rise housing typologies to support the reforms, with low-rise proposals consistent with the Pattern Book design able to be approved via the Complying Development process to accelerate housing delivery. Draft

designs are expected to be on exhibition in mid-2024, and the Pattern Book will be available for use in late 2024 to early 2025.

31. Given these reforms are expected to come into force mid this year and the upcoming Pattern Book, it has become more urgent to communicate Council's position, and therefore it is proposed to accelerate this work and forward a submission to the Minister for Planning, Minister for Fair Trading, NSW Building Commissioner and Government Architect which:
- i. identifies the changes Council recommends be made to the Codes SEPP in accordance with the design issues detailed in **Attachment 1** (provided under separate cover) that were presented to Council as part of the review of dual occupancy developments during the preparation of the Harmonisation DCP (i.e. Parramatta DCP 2023).
 - ii. requests that deficiencies in the operation of the Complying Development process be addressed by the State Government to ensure that poor development outcomes resulting from these processes are avoided. The scope of this will be based on complaints received by Council, experience of Council Officers, and feedback received from Councillors.
32. The submission should make it clear that Council is seeking amendment to the Codes SEPP, improvements to the Complying Development Certification process and it inform any future Pattern Book or alternate controls for dual occupancy development.

CONCLUSION

33. The City has a strong record for approving rezonings to create housing capacity is planning for further strong housing growth with a number of precinct-scale proposals being considered and has brought forward the programmed 'missing middle' investigations and rezonings to deliver medium density housing proximate to existing and planned infrastructure. To enable this strategic work to occur, a two-year deferred commencement, is sought from the Department to enable Council to complete the programmed work.

CONSULTATION & TIMING

Stakeholder Consultation

34. The following stakeholder consultation has been undertaken in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
Nil	Nil	Nil	Nil	Nil

Councillor Consultation

35. The following Councillor consultation has been undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
5 February 2024	Councillor Workshop	Prepare a fact sheet on the proposed reforms, and upload to Council's website to assist the community to understand the reforms, where to find further information and how to make a submission.	Fact Sheet prepared and uploaded to Council's website and posted to Council's Social Media Platforms on 9 February 2024.	Executive Director – City Planning & Design

LEGAL IMPLICATIONS FOR COUNCIL

36. There are no legal implications in the making of the submission as recommended.

FINANCIAL IMPLICATIONS FOR COUNCIL

37. If Council resolves to approve this report in accordance with the recommendation there are no unbudgeted financial implications for Council's budget.

	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Revenue				
Internal Revenue				
External Revenue				
Total Revenue	N/A	N/A	N/A	N/A
Funding Source				
Operating Result				
External Costs				
Internal Costs				
Depreciation				
Other				
Total Operating Result	N/A	N/A	N/A	N/A
Funding Source				
CAPEX				
CAPEX				
External				
Internal				
Other				

Total CAPEX	N/A	N/A	N/A	N/A
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Robert Cologna
Group Manager, Strategic Land Use Planning

Jennifer Concato
Executive Director City Planning and Design

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

There are no attachments for this report.

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NOTICES OF MOTION

26 FEBRUARY 2024

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NOTICE OF MOTION

ITEM NUMBER	14.1
SUBJECT	Reporting on the Status of Council Resolutions
REFERENCE	F2024/00282 - D09319537
FROM	Councillor Kellie Darley

MOTION

- (a) That the CEO provide Council with a report by 25 March 2024 on the status of each resolution made during this term of Council, including a summary totalling the resolutions by status (i.e. new, completed, in progress, overdue), clear identification of the overdue resolutions with what action has been taken and what is still to be done as well as an updated timeline for when the resolutions will be completed.
- (b) That the CEO also provide Council with a report of outstanding resolutions from the last term of Council, with their current status.
- (c) That a standing progress report be provided monthly on Council's website with the resolutions still to be completed and their status.
- (d) Further, that any additional resources required to monitor and action Council resolutions be reported back to Council and incorporated into the budget and DPOP process for 2024/2025.

BACKGROUND

1. Council makes about 400 to 500 resolutions annually, most with multiple actions.
2. It is important that our community are kept up to date on the progress of the resolutions of Council – matters which have the potential to impact on residents, businesses and visitors and demonstrate the work being done by Council for the Parramatta LGA.
3. Currently there is a resolutions register available only to Councillors and staff. A simplified, publicly available report would assist with monitoring of progress as well as re-prioritisation as required. Clarity is also required on the process for adjusting completion dates.
4. One example of another Local Council providing a resolutions report to the public is Inner West Council - <https://www.innerwest.nsw.gov.au/about/reports-and-registers/summary-of-resolutions>.

STAFF RESPONSE

It is the recommendation of Council officers that a report on each resolution made during this term of Council should be provided to Council as part of the Council's usual End of Term report. Council's End of term report has recently been reframed as 'State of our City' and is due to be presented to Council at the second meeting after the September 2024 local government election.

If Council resolves for a current Council term resolutions report to be produced prior to its inclusion in the 'State of our City' report, it will have additional resourcing implications.

Councillors are currently provided with an Outstanding Council Resolutions Report which is published on the Councillor Portal and circulated weekly to all Councillors on the Councillor Support Newsletter. This report includes any outstanding resolutions of previous terms of Council but is currently not publicly available.

If Council resolves to publicly report on Outstanding Council Resolutions on a monthly basis (to be produced with additional and/or revised content), given the amount of work required to provide this level of detail and to ensure accuracy, it is the recommendation of staff that this report should be provided quarterly (rather than monthly).

FINANCIAL AND RESOURCE IMPLICATIONS

If Council resolve for:

- A current Council term resolutions report to be produced prior to its inclusion in the 'State of our City' report; and/or
- immediate change to the frequency, content and/or audience of the Outstanding Council Resolutions Report,

it will have resourcing implications.

Notwithstanding, this request can be accommodated should Council resolve to adopt the Chief Executive Officer's recommendations in regard to the current review of the senior staff structure and the resultant changes to the organisational structure, (including the proposal to increase resources for Councillor support and Council governance functions).

Kellie Darley
Councillor

Roxanne Thornton
Chief Governance & Risk Officer

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

There are no attachments for this report.

NOTICE OF MOTION

ITEM NUMBER	14.2
SUBJECT	Report on Council's Domestic Waste Reserve
REFERENCE	F2024/00282 - D09320327
FROM	Councillor Kellie Darley

MOTION

- (a) That the CEO prepare a report outlining the plan for Council's Domestic Waste Reserve, including but not limited to funding for:
- the roll out of FOGO;
 - the opening and future expansion of the Community Recycling Centre;
 - expanded waste education programs;
 - additional Christmas recycling collection;
 - additional council clean-ups and resource recovery;
 - rebates.
- (b) That this report contains a comparison of Council's domestic waste charges with similar Sydney Councils as well as outline current levels of waste collection, resource recovery, contamination and community satisfaction with waste services in the Parramatta LGA.

BACKGROUND

1. Council's Domestic Waste Reserve was \$45,048,000 at the end of 2022/23 financial year.
2. Council is forecast to finish the 2023/24 financial year with a Domestic Waste Reserve of \$43,826,000, based on the 2023/24 Quarterly Budget Review for Q1 published on 20th November 2023.

STAFF RESPONSE

Council officers have scheduled a Councillor workshop to provide updates on the Community Recycling Centre (CRC) and FOGO initiatives in March-April 2024. The timing of this workshop aligns with planning advice and any proposed work at the CRC.

At this workshop, Councillors will be provided with the latest insights into waste education, clean-up efforts, resource recovery initiatives, and an overview of potential rebates and incentives as previously foreshadowed by the CEO at the Councillor Strategic Planning Day and Budget Workshop in late 2023.

Following the upcoming Councillor DPOP (Budget) and Waste Workshops in March - April, it is intended to prepare an update report to Council regarding waste reserve initiatives and other related matters.

(It is noted that WSROC typically releases waste comparative data on an annual basis, usually in August or September for Sydney councils and Council, as a

member of the Resilient Sydney Committee, also has access to significant data sets).

FINANCIAL AND RESOURCE IMPLICATIONS

3. If Council resolves to approve this Motion there will be no financial impact on the budget as internal staff resources will be used to prepare the report.

Kellie Darley
Councillor

George Bounassif
Executive Director City Assets and Operations

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

There are no attachments for this report.

NOTICE OF MOTION

ITEM NUMBER	14.3
SUBJECT	Recognition of Service to Council
REFERENCE	F2024/00282 - D09321185
FROM	Councillor Kellie Darley

MOTION

- (a) That Council acknowledge and thank Mr Bruce Mills, former Acting Executive Director of Property and Place and Group Manager of Place Services, for his 15 years of service to Council.
- (b) Further, that Council acknowledge and thank Ms Nicole Carnegie, Director City Strategy, for her 13 years of service to Council.

BACKGROUND

Mr Bruce Mills joined Council in 2009 as City Marketing Manager before moving into the Places Service team, where he lead the team for 10 years. He was also Chief of Staff for the Lord Mayor and Director Community Services during his time at Council. Key achievements and contributions that Bruce has made to Council and the Parramatta LGA include:

- Leading one of the largest place-making teams in a NSW Local Council
- Winning the 'Place Leadership' and 'Place Governance' Awards at the 2022 Place Leaders Asia-Pacific Awards, numerous other Awards, and eight finalist projects in the 2021 NSW Local Government Excellence Awards
- Led \$6.5 million multi-award winning Centenary Square infrastructure rejuvenation project
- Led development of the 'Parramatta Heart of Play Masterplan', a blueprint for an outdoor sporting and recreation network across 7 open spaces in North Parramatta, which won the 2022 'Strategic and Master Planning' Award from Parks and Leisure Australia NSW & ACT.

Ms Nicole Carnegie joined Council in 2011 as Recreation Development Officer. She then moved into the Place Services team for a number of years before becoming Council's Economic Development Manager and Director of City Strategy. Amongst Nicole's key achievements and contributions to Council and the Parramatta LGA are:

- Imagine Ermington, which invited the Ermington community to work with Council to re-imagine itself and saw the introduction of the popular Markets by the River and the Ermington Community Garden. Information gathered during this project was successfully used to secure millions of dollars of grants, including the separation of the cycleway along Parramatta River.
- Developing the Celebrating Girls in Sport Festival, now an annual year that's been running for over a decade
- Delivering millions of dollars of place services capital projects across the LGA
- Leading the City Strategy Directorate, almost tripling staff engagement over 2 years as well as developing the community strategic plan, securing the purple flag accreditation, creating the Parramatta River Vision, refreshing Councils top-tier strategies (for environment, smart city, economic development and social) and overseeing the affordable housing action plan.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil financial impacts arise should Council resolve to adopt this Motion.

Kellie Darley
Councillor

Roxanne Thornton
Chief Governance & Risk Officer

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

There are no attachments for this report.

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QUESTIONS WITH NOTICE

26 FEBRUARY 2024

15.1	Council's Customer Service and Call Centre Statistics	162
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15.4	LATE REPORT: Questions Taken on Notice at the Ordinary Council Meeting on 12 February 2024	165

QUESTIONS WITH NOTICE

ITEM NUMBER	15.1
SUBJECT	Council's Customer Service and Call Centre Statistics
REFERENCE	F2024/00282 - D09319065
REPORT OF	Councillor Kellie Darley

QUESTIONS WITH NOTICE

- (a) How many enquiries did Council's customer service centre receive in 2023, breakdown down by the method of contact (i.e. phone, email, walk-in, online portal, snap send solve, social media)
- (b) What was the closure rate, including how many enquiries/requests were closed on first contact as well as other specific/relevant timeframes (e.g. a week, month, 90 days etc)?

STAFF RESPONSE

A staff response will be provided in a Supplimentary Agenda.

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

QUESTIONS WITH NOTICE

ITEM NUMBER	15.2
SUBJECT	Parramatta Light Rail Stage 2 Bridge Community Reference Group
REFERENCE	F2024/00282 - D09319880
REPORT OF	Councillor Kellie Darley

QUESTIONS WITH NOTICE

- (a) What is the purpose of the PLR2 bridge community reference group and what is Council's role with the group?
- (b) When and how was the group established?
- (c) Who are the current members?

STAFF RESPONSE

A staff response will be provided in a Supplementary Agenda.

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

QUESTIONS WITH NOTICE

ITEM NUMBER	15.3
SUBJECT	Response to Community Pantry Initiative - Donations as at February 2024
REFERENCE	F2024/00282 - D09319901
REPORT OF	Councillor Kellie Darley

QUESTIONS WITH NOTICE

On 4th December 2023, Council resolved “that each Councillor distribute their share of the \$16,500 savings (obtained from not progressing with the increase in the annual Councillor allowance) to a local not-for-profits, to support the provision of food, material aid and petrol vouchers.”

- How much money has been donated so far and to which emergency relief organisations?
- Which Councillors are yet to nominate one of the emergency relief organisations to donate their proportion of the savings to?
- What will happen to any unspent funds?

STAFF RESPONSE

A staff response will be provided in a Supplementary Agenda.

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

QUESTIONS WITH NOTICE

ITEM NUMBER	15.4
SUBJECT	LATE REPORT: Questions Taken on Notice at the Ordinary Council Meeting on 12 February 2024
REFERENCE	F2024/00282 - D09325956
REPORT OF	Council Secretariat & Policy Officer

Questions and Answers will be provided in Supplementary Agenda.

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL