

NOTICE OF COUNCIL MEETING

PUBLIC SUPPLEMENTARY

AGENDA - A

An Ordinary Meeting of City of Parramatta Council will be held in the Cloister Function Rooms, St Patrick's Cathedral, 1 Marist Place, Parramatta on Monday, 21 February 2022 at 6:30pm.

Brett Newman
CHIEF EXECUTIVE OFFICER

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PUBLIC FORUM

ITEM NUMBER	9.1
SUBJECT	PUBLIC FORUM 1: Item 13.2 - Planning Proposal, draft Development Control Plan and draft Planning Agreement for 195 Church Street, 65-79 Macquarie Street, 38 and 45 Hunter Street, Parramatta (St John's Anglican Church)
REFERENCE FROM	RZ/5/2018 - D08422098 Rev Canon Bruce Morrison, St John's Cathedral

Councillors, thank-you for the opportunity to speak. You may find it helpful to have the map on page 80 turned up as I speak.

You have it within your power this evening, to send this Planning Proposal to exhibition and to meet the timetable set out by the Department of Planning.

Almost 5 years of work has been undertaken by us and by Council. The proposal provides for many hundreds of jobs and real economic benefit for the City of Parramatta. All of this will come to nothing if you do not approve this proposal this evening. That decision would reverse the previous approval by Council back in December 2019 where it was passed with a majority of 10 votes to 3.

Sending this proposal to exhibition provides both sides with options. Stopping it from moving ahead this evening provides none.

I will start with what we agree upon. We have an agreed DCP position. The DCP recognises the evolving nature of Parramatta and the Parish while protecting St John's Cathedral. The DCP enables a planning pathway for two outcomes; Option A - a development with the St John's Hall removed and replaced; Option B - a development with the St John's Hall partially retained.

We appreciate the officers' comments that we have worked collaboratively for this outcome.

Turning to the Voluntary Planning Agreement (VPA). We have consistently agreed on the core elements.

- I. A new civic space appropriate to the front door of a heritage Cathedral,
- II. Public access provided in perpetuity through the site, and
- III. Provision for temporary and permanent vehicular access to 181 Church St., the QLD Arcade.

First, the New Civic Space to the West: This will function as an extension of Parramatta Square towards Marsden St.

Our original plans had vehicular access from Macquarie St. Transport for NSW had other ideas. Vehicular access into the basement must now come off Hunter St. We are happy to reinstate the through site link from Macquarie St. to Hunter St. as originally proposed. The impact to the square in either option is minimal, and the new square remains an excellent urban outcome.

Secondly, deed of access through the new civic space. You may not all be aware that the land around the Cathedral, including the lawns, is private property. It is owned by the Anglican Diocese of Sydney. It has been suggested that we have not come to the party in providing public benefit. On the contrary, we have encouraged public access and use of this space since 1953. This has been achieved through a deed which will expire in less than 20 years.

We are happy to provide certainty of Public Access through the Cathedral grounds in perpetuity, via a Deed of Access. This does not require an easement. Indeed, The Parish of Parramatta has no legal power to provide an easement registered on title. The land is owned by the diocese in trust for the Parish of Parramatta. A change registered on title would require the approval of the Diocesan Synod. Such approval has not happened in 200 years.

We have the opportunity to seize this moment as the next chapter of Parramatta and the Parish is written. It would be a tragedy if in 20 years' time, when existing arrangements come to an end, people look back and say that February 2022 was a missed opportunity.

Thirdly, the provision of vehicular access to Queensland arcade. It was actually Council that first approached St. John's in 2017 regarding this access. We have tried to assist with the provision of access for vehicles to Queensland Arcade. It needs to be born in mind that this is an issue which really has nothing to do with St. John's or our development proposal.

Nevertheless, we are prepared to provide 6m from our property, along the railway line, for a permanent vehicular access to Queensland Arcade. We have also agreed to temporary access for Queensland Arcade over our land. This will encumber the use of our land, while Council seeks to resolve a safety issue that has nothing to do with our proposed development. I reiterate - we will provide temporary vehicular access for third parties across our land. We do however need to put a limit on timing to ensure that this does not permanently encumber our land due to inaction of other parties. Providing access during construction and allowing cars through the new civic space would be untenable for anyone including Council. The permanent access solution will come as part of the redevelopment of 45 Hunter St.

Other matters of landscaping upgrade and maintenance responsibility of the civic space being undertaken by the parish can easily be accommodated as you will note from our correspondence.

Finally, there is a plaque on the wall of the Cathedral which says *"To mark the co-operation of the Church and City in giving Beauty and Rest. 15 November 1953"*. We sincerely hope to continue that co-operation.

Thank you for your time this evening. We would be happy to answer any questions.

STAFF RESPONSE

No staff response provided.

ATTACHMENTS:

There are no attachments for this report.

PUBLIC FORUM

ITEM NUMBER	9.2
SUBJECT	PUBLIC FORUM 2: Item 13.2 - Planning Proposal, draft Development Control Plan and draft Planning Agreement for 195 Church Street, 65-79 Macquarie Street, 38 and 45 Hunter Street, Parramatta (St John's Anglican Church)
REFERENCE FROM	RZ/5/2018 - D08422153 Cheryl Bates, Chair Parramatta Regional Branch, National Trust of Australia (NSW)

I would like to make a number of comments on this Planning Proposal, draft Development Control Plan and draft Planning Agreement for St John's Cathedral. First, I do not understand why it is necessary to have such a complicated and confusing set of recommendations for this item. Surely, the Councillors and the community would be better placed to know what is going to happen with this Planning Proposal if Council consideration was deferred until after the deadline in the report of 28 February 2022.

Second, my reading of the report suggests that the demolition of the heritage item is being balanced against the provision of additional "public purposes" through a Planning Agreement. At present and the reason for the complicated recommendations is that the applicant has not provided sufficient "public purposes" to justify the demolition of the Parish Hall. In my view, this approach is absurd. The demolition of a heritage item should be based on whether the heritage item still maintains its level of significance and not whether a significant historical feature of the City of Parramatta can be traded off for some street art or some other "public purpose" simply because it is convenient for a developer to do so.

I refer to the comments from the Department of Planning when the matter was referred to them - letter dated 8 September 2020: (*page 122 Business Paper*):

"There has been no strong evidence provided to allow the proposed removal of St Johns Parish Church Hall from the heritage schedule of Parramatta Local Environment Plan 2011. Inconsistency between the heritage advice presented within the planning proposal introduced enough uncertainty regarding the merit of delisting these items. The merit of conserving the buildings should be assessed through the development application process when there is greater certainty for the built form and options for a variety of development outcomes can be analysed and considered."

It cannot be accepted that the provision of some "public purposes" by the applicant is a meaningful response to this comment from the Department.

A further letter dated 8 September 2020 also from the Department states (page 124, Business Paper):

1. Prior to public exhibition, Council is to amend the planning proposal and supporting documentation as follows:
 - (b) all references regarding the removal of St John's Parish Hall as an item of local heritage are to be removed.

Third, a "planning agreement" can be entered into to "change an environmental planning instrument" (s 7.4(1)(a) Environmental Planning and Assessment Act 1979 (EPA Act)). A Planning Agreement is generally used for amendments to

development standards such as height and floor space ratio. It is also my understanding that the removal of a heritage item from Schedule 5 of LEP 2011 requires the same process as including a heritage item in Schedule 5. The Parramatta Regional Branch, and many others would certainly respond negatively to any advertising to remove the heritage listing for St John's Parish Hall. It is simply not good enough to say "delist" a heritage item without the proper heritage consideration being given to its removal from Schedule 5.

Fourth, Section 7.5(1) of the EPA Act requires a planning agreement to be advertised. Recommendation 1 means that the advertising will raise no concerns that would prevent the progression of the Planning Agreement. I would hope that the elected councillors would have some say in the progress of the Planning Agreement based on the community response to the advertising rather than leave that decision to council staff.

Fifth, and given that this matter has had sufficient time to reach a final conclusion, the Council should simply accept that no agreement has been reached and that the Planning Proposal should not proceed, as per Recommendation 3.

In summary, and in the words of the Department in their letter to Council dated 8 September 2020, "There still remains no strong evidence to allow the removal of St John's Parish Hall from the heritage schedule of Parramatta Local Environmental Plan".

STAFF RESPONSE

No staff response provided.

ATTACHMENTS:

There are no attachments for this report.

NOTICE OF MOTION

ITEM NUMBER 14.1
SUBJECT Workforce Diversity
REFERENCE F2022/00105 - D08411342
FROM Deputy Lord Mayor

MOTION

- (a) **That** Council note:
- i) The diversity within the City of Parramatta and opportunities for employment.
 - ii) The growth and development opportunities in the LGA.
- (b) **Further, that** Council report on:
- i) Current known workforce diversity profile of Council workforce against current diversity profile within the LGA.
 - ii) Current Traineeship and Apprenticeship programs and potential future strategies within City of Parramatta.
 - iii) Current internship participation and potential opportunities for expansion.
 - iv) Opportunities for Traineeship and pathways for employment for people from Indigenous background as well as people with disability.
 - v) Options for Local employment targets.
 - vi) Options for embedding diversity targets in contracts that council issues.
 - vii) Industry benchmark for Local Government areas in diversity profile of staff.
 - viii) Employment assistance/opportunities for veterans.

BACKGROUND

1. No background information has been provided.

Cr Sameer Pandey

EXECUTIVE DIRECTOR, CORPORATE SERVICES RESPONSE

2. At the Council Meeting of 22 November 2021, Council received a report on the NSW Veterans Strategy and noted Council officers' commitment to update Council's recruitment processes to include the ability for veterans to self-identify as part of any employment application. In addition, Council officers committed to providing valuable feedback to any veteran on applications, and to include veterans as a focus area in the 2022 Diversity and Inclusion Strategy, forming a Veterans Employee Resource Group to identify key initiatives and actions to increase veteran representation in our workforce.
3. In September 2021, Council's Diversity and Inclusion Consultant commenced to develop internal strategies to focus on workforce diversity, equity and inclusion (DEI).
4. A Diversity, Equity and Inclusion Strategy has been developed and endorsed by the City of Parramatta Executive Team on 23 November 2021, outlining focus areas, initiatives, and a governance model to promote workplace equity and inclusion to increase workforce diversity representation. The Strategy incorporates commitments within the LGA Community Action Plans including

the First Nation's Strategy, Disability and Inclusion Action Plan (DIAP), and Family and Domestic Violence Action Plans.

5. Key initial actions outlined in the strategy include:
 - a) creation of five (5) employee resource groups to develop specific supporting strategies. These are: Gender, Disability, LGBTIQ+, Multigenerational (youth/early careers) and Veterans. This will expand to include groups to focus on First Nations and Culture and Heritage in 2023.
 - b) formation of a Diversity, Equity and Inclusion Executive Committee.
 - c) launch of an employee Diversity, Equity and Inclusion Survey in March 2022 to capture the City of Parramatta diversity demographics and sentiments regarding the employment experience.
6. The survey will provide a benchmark for future comparisons and results will inform our focus moving forward, including action plans arising from our employee resource groups.
7. Further research is required to investigate the opportunity to include local employment targets as part of our procurement practices when using third party suppliers on major contracts.
8. Benchmarking against similar organisations and options to increase diversity, including traineeship, apprenticeship and internship programs, can be investigated with recommendations for future inclusion.
9. Should the recommendation be adopted, a report can be provided to Council by 30 June 2022.

FINANCIAL AND RESOURCE IMPLICATIONS

10. The requested report will require the collation and analysis of local diversity data, funding program options and benchmarking with other Councils and government bodies and can incorporate recommendations for both Council and the Local Government Area (LGA).
11. The anticipated staffing cost to prepare the report is in the order of \$50,000. It is anticipated that three (3) months project effort will be required to provide the information. There is the potential that the work will impact on staff capacity in the delivery of ongoing DEI Strategy and ERG deliverables.
12. The report will identify any future financial impacts to established programs.
13. The table below summarises the financial impacts on the budget arising from approval of this report.

	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Revenue				
Internal Revenue				
External Revenue				
Total Revenue				
Funding Source	Nil			

Operating Result				
External Costs				
Internal Costs	\$50,000			
Depreciation				
Other				
Total Operating Result				
Funding Source	General Revenue			
CAPEX				
CAPEX				
External				
Internal				
Other				
Total CAPEX				

Sameer Pandey
Deputy Lord Mayor, Councillor

Fariha Chowdhury
Acting Chief Financial Officer

Jillian Khoo
Executive Director Corporate Services

Brett Newman
Chief Executive Officer

ATTACHMENTS:

QUESTIONS WITH NOTICE

ITEM NUMBER 15.1
SUBJECT Questions Taken on Notice from Council Meeting - 7 February 2022
REFERENCE F2022/00105 - D08408534
FROM Governance Manager

QUESTIONS TAKEN ON NOTICE FROM THE COUNCIL MEETING OF 7 FEBRUARY 2022

Item	Subject	Councillor	Question
12.4	Variations to Standards under Clause 4.6 of Parramatta LEP 2011, Auburn LEP 2010, Holroyd LEP 2013, The Hills LEP 2012, Hornsby LEP 2013	Prociv	DA/42/2021 – 55-57 Thomas Street, Parramatta: Does this mean that they don't have to provide open space on the ground if they provide it on the roof?
13.1	Chief Executive Officer Delegations	Darley	How many tenders under \$500k were finalised in the years 2020 and 2021?
13.5	Classification of Lot 5 DP 1238944 as Operational Land	Garrard	1. That development was finished quite a period of time ago. I know residents have actually moved in because they've reached out and contacted me. When was that? 2. What is the road for? What is the purpose of it? 3. For what? [does there have to be a condition for an access road to dedicate it back to Council]
		Wearne	1. Where is the road going to and why? 2. Why was it perceived to be acceptable as part of a VPA as open space, if in fact there is going to be a road to [God knows] where and how big through the middle of it?
14.1	CBD Lighting Project	Garrard	1. What is the CBD Revitalisation Program? 2. If \$300k is being dedicated, if it's granted to the CBD lighting project, where is the other \$700k going?
		Wearne	1. Where have the funds gone from the Winterlight event? 2. Where have the funds gone from the other events?

BACKGROUND

- Paragraph 9.23 of Council's Code of Meeting Practice states:

"Where a councillor or council employee to whom a question is put is unable to respond to the question at the meeting at which it is put, they may take it on notice and report the response to the next meeting of the Council."

STAFF RESPONSE

Item 12.4 – Variations to Standards under Clause 4.6 of Parramatta LEP 2011, Auburn LEP 2010, Holroyd LEP 2013, The Hills LEP 2012, Hornsby LEP 2013

During discussion on the motion moved by Councillor Esber, Councillor Prociv asked a question in relation to 55-57 Thomas Street, Parramatta:

Does this mean that they don't have to provide open space on the ground if they provide it on the roof?

Executive Director City Planning & Design Response

The largest portion of the communal open space is located on the roof top, being 230m² and there is a smaller section of communal open space located at ground level, being approximately 100m².

Item 13.1 – Chief Executive Officer Delegations

Question from Councillor Darley

During discussion on the motion by Councillor Pandey, Councillor Darley asked the following question:

How many tenders under \$500k were finalised in the years 2020 and 2021?

Executive Director Corporate Services Response

In 2020 there were 6 tenders finalised under \$500k

In 2021 there were 3 tenders finalised under \$500k

Item 13.5 – Classification of Lot 5 DP 1238944 as Operational Land

Questions from Councillor Garrard

During discussion on the motion by Councillor Prociv, Councillor Garrard asked the following questions:

1. *That development was finished quite a period of time ago. I know residents have actually moved in because they've reached out and contacted me. When was that?*
2. *What is the road for? What is the purpose of it?*
3. *For what? [does there have to be a condition for an access road to dedicate it back to Council]*

During discussion on the Amendment by Councillor Garrard, Councillor Wearne asked the following questions:

4. *Where is the road going to and why?*
5. *Why was it perceived to be acceptable as part of a VPA as open space, if in fact there is going to be a road to [God knows] where and how big through the middle of it?*

Executive Director Property & Place Response

1. An Interim Occupation Certificate was issued on 25 January 2022 for 35 and 39 East Street.
2. The road acts as a service lane. A service lane is a small road usually created to allow access to the back of a building or retail shop. The proposed lane in this instance will provide access to the rear of the heritage buildings in the area.

3. The Parramatta DCP 2011 makes provision for the road.
4. The service lane goes between Cowper St and East St. The proposed lane in this instance will provide access to the rear of the heritage buildings in the area.
5. The service lane goes between Cowper St and East St and is to the eastern side of the park.

Item 14.1 – CBD Lighting Project

Questions from Councillor Garrard and Wearne

During discussion on the motion by Councillor Garrard, Councillor Garrard asked the following questions:

1. *What is the CBD Revitalisation Program?*
2. *If \$300k is being dedicated, if it's granted to the CBD lighting project, where is the other \$700k going?*

Councillor Wearne asked the following questions:

1. *Where have the funds gone from the Winterlight event?*
2. *Where have the funds gone from the other events?*

Executive Director City Engagement & Experience Response

1. The CBD Revitalisation Program is a State Government funded program for eligible Councils, businesses and cultural institutions to run activations and events to engage their local communities and attract visitors. The funding available under the program is from \$250,000 to \$1 million. Applications opened for application on 17 December 2021 and closed on 17 January 2022. The outcome of the grant application will be announced on 16 February 2022.
2. Council has applied for \$1 million grant under the CBD Revitalisation Program to deliver 5 programs:

Concert series on the rooftop of Eat Street car park	\$175,000
Activation in the Stadium precinct in collaboration with Venues Live	\$250,000
CBD Lighting Program (details provided below)	\$225,000
Harris Park Precinct Activation	\$250,000
Marketing	\$100,000
Total	\$1,000,000

CBD Lighting Program:

The CBD Lighting Program has incurred \$225,000 to date, for the installation and lighting displays at River Foreshore, Parramatta Square and Centenary Square from November 2021 to January 2022. To keep the lights on for another 3 months the cost is \$90,000 as per the table below. Due to the successful feedback of the Lighting Program an additional \$135,000 has been suggested for additional lighting sites. Details of the costs relating to the extension are as follows:

Keeping the lights on at River Foreshore, Parramatta Square and Centenary Square from February 2022 to May 2022 at \$10,000 per month, per site (\$10,000 x 3 sites x 3 months = \$90,000)	\$90,000
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New sites: Philip St, Eat Street Car Park Rooftop and Prince Alfred Square - Installation and running costs for 4 weeks in March, when Parramatta Nights event is on. <i>Note: This is in addition to Parramatta Nights \$1.2M project costs.</i>	\$135,000
Additional cost for the CBD Lighting program - Total	\$225,000

3. The annual budget allocated to Winterlight is \$400,000. The event was cancelled incurring a sunk cost of \$74,766. The remaining budget was allocated to Parramatta Nights and CBD Lighting program (Council's resolution from 25 October 2021 is included as **Attachment 1**). Details are as follow:

Winterlight delivered in July 2021	\$74,766	Expended in Q1
Parramatta Nights	\$100,234	To be expended in Q4
CBD Lighting	\$225,000	Expended from November to January
Total Winterlight budget	\$400,000	

4. To comply with COVID public health orders, several Council's events and city activation activities have been cancelled. \$1,092,475 was identified as savings from these cancellations, of which \$567,475 has been reallocated to Parramatta Nights, \$225,000 allocated to the CBD Lighting program (for November 2021 to January 2022), and \$300,000 has been returned to Council to assist with achieving \$15 million target efficiency saving for current financial year. The target saving mentioned above was outlined in section 9 of the 25 October 2021 Council paper. A copy of the resolution and report can be found at **Attachment 2**.
5. Further details of budget reallocation and return are provided in the tables below.

Reallocation to Parramatta Nights & CBD Lighting

Area	Event	Status	Budget	Cost	Reallocated to Parramatta Nights	Reallocated to CBD Lighting
Events	Winterlight	Cancelled	\$493,000	\$74,666	\$100,234	\$225,000
Events	New Year's Eve	Delivered in December	\$400,000	\$270,000	\$130,000	
Events	Parramatta Lanes	Cancelled	\$630,000	\$355,859	\$274,141	
Events	Foundation Day	Cancelled	\$100,000	\$36,900	\$63,100	
Total fund reallocated to Parramatta Nights					\$567,475	\$225,000

Budget returned to Council

Area	Event	Status	Budget	Cost	Returned
Events	Lunar New Year	Delivering online	\$100,000	Minimal	\$100,000
Events	Australia Day	Postponed to March	\$520,000	\$445,000	\$75,000
Civic	Australia Day VIP	Cancelled	\$25,000	\$0	\$25,000
Civic	Seniors Christmas Party	Cancelled	\$40,000	\$0	\$40,000
Activations	Activations Program	Reduced activities	\$279,492	\$219,492	\$60,000
Total budget returned					\$300,000

6. A reconciliation detailing budget for all events is provided at **Attachment 3**.

Patricia Krzeminski
Governance Manager

Jennifer Concato
Executive Director City Planning and Design

Jillian Khoo
Executive Director Corporate Services

Bryan Hynes
Executive Director Property & Place

Carly Rogowski
Executive Director, City Engagement & Experience

Brett Newman
Chief Executive Officer

ATTACHMENTS:

- | | | |
|-----------------------------------|---|----------|
| 1 <u>↓</u> | 25 October 2021 - Item 20.4 - Council Resolution to reallocate Winterlight Budget | 2 Pages |
| 2 <u>↓</u> | 25 October 2021 - Item 12.4 - Council Report on Council's Financial Position | 12 Pages |
| 3 <u>↓</u> | Event Budget Reconciliation | 1 Page |

Council Resolution – 25 October 2021

20.9 SUBJECT LATE REPORT FOR APPROVAL: City Events and Festivals Recovery Plan 2021-2022

REFERENCE F2021/00521 - D08273362

REPORT OF Event Producer

3544 RESOLVED (Zaiter/Pandey)

- (a) **That** Council note the proposed changes to the City Events & Festivals program due to the impact of the Covid stay at home orders and reopening roadmap.
- (b) **That** Council approve the reallocation of the City Events & Festivals budget from the cancelled Carols in the Crescent event as follows:
 - 1 Additional Christmas decorations in Parramatta Square;
 - 2 Christmas markets to be held in Centenary Square 16 - 19 December 2022;
 - 3 A Christmas Fair at Prince Alfred Square over three weekends in November and December 2022, and;
 - 4 Additional Christmas decorations in each of the five (5) Wards at a cost of approx. \$10,000 per Ward.
- (c) **That** Council note the proposed locations for the Ward based Christmas decorations in this report and endorse Council officers consulting with Ward Councillors to finalise the locations for decorations in their respective Wards.
- (d) **That** Council approve the reallocation of Winterlight budget savings to an additional lighting program across the Parramatta Central Business District from November 2021 to February 2022.
- (e) **That** Council approve Option 2 for the New Year's Eve 2021 celebration to be held as five (5) separate community events for 2,000 people each, one per Ward, as outlined in the attached presentation.
- (f) **That** Council approve Option 1 for the Australia Day 2022 celebrations of two (2) evening concerts on 25 and 26 January 2022 for 5,000 people each, to be staged in the Crescent at Parramatta Park, as outlined in the attached presentation.
- (g) **That** Council approve a format change for the Lunar New Year event (within existing budget), changing from a one-night event to a multi-night Lunar New Year market to be held in Centenary Square between 1 - 15 February 2022.

- (h) **That** Council approve the staging of the Parramatta Nights event series in March/April 2022 funded from the reallocation of savings from Parramatta Lanes, New Year's Eve, Foundation Day and Winterlight.

Council 25 October 2021

Item 12.4

FAIR

ITEM NUMBER	12.4
SUBJECT	FOR APPROVAL: Financial Impact to the 2021-2022 Annual Budget
REFERENCE	F2021/00521 - D08257355
REPORT OF	Chief Financial Officer; Executive Director

WORKSHOP/BRIEFING DATE: SEE CONSULTATION SECTION**PURPOSE:**

To present for approval the revised Net Operating Results for September 2021.

RECOMMENDATION

- (a) **That** Council note the September 2021 Quarterly Budget Review Statement (QBRS) will be presented to the Council in November 2021, during the caretaker period.
- (b) **That** Council note the Net Operating Result for the first quarter to September 2021, set out in this this report.
- (c) **Further, that** Council approve the revised Net Operating Budget for the 2021/22 financial year (**Attachment 1**) summarized in this report, including the revised a Net Operating Loss of \$6.9m.

BACKGROUND

1. The QBRS for Q1 September 2021/22 is normally completed in November and will not be completed prior to the caretaker period due to the significant work required to prepare the detailed reports.
2. Accordingly, it is proposed to seek Council approval of the Net Operating Result for September 2021/22 and the revised full Financial Year Operating Budget for 2021/22. This will provide Council with the opportunity to "lock in" certain savings achieved to date and take account of the impacts of COVID 19.
3. The revised full year Net Operating Budget will be incorporated into the September 2021 QBRS when it is reported to Council, which will also include a full report on capital items and other key performance indicators.
4. The original Net Operating Budget for the Financial Year (FY) 2021/22 was an estimated Net Operating Loss of c. \$15.2m. The impact of COVID including the Council endorsed Relief Packages have been estimated at \$6.9m.
5. The revised Net Operating Budget for FY 21/22 is an improvement to an estimated Net Operating Loss of \$6.9m.

Council 25 October 2021

Item 12.4

ISSUES/OPTIONS/CONSEQUENCES

6. The attached September 2021 Net Operating Budget includes an analysis of the year-to-date result and the reasons for the major variances from the previously adopted operating result. Below is a summary of key variances.

REVISED FULL YEAR NET OPERATING BUDGET

7. The improved 2021/22 budgeted net **operating loss** to \$6.9m is due to:
- i. a decrease in **operating revenue** of \$3.2m, primarily due to:
 - a. lower than expected user charges from theatre and community facilities use, revenues from car parks, revenues from infringement notices, interest income and a Local Roads and Community Infrastructure (LRCI) grants;
 - b. higher than expected rates revenues, waste rates, improved returns from Treasury Growth Fund and prepaid restoration costs; and
 - ii. a decrease in **operating expenses** of \$11.2m primarily due to:
 - a. lower than expected expenditure in employment costs, materials and contracts and utilities.
 - b. higher than expected expenditure in Waste due and depreciation.
 - iii. an increase in **depreciation and amortisation** expenses of \$1.1m;
 - iv. a decrease in the forecast **loss on sale of assets** of \$1.5m.

ACTUAL Q1 SEPTEMBER 2021 NET OPERATING RESULT

8. The Council's **year-to-date** actual financial results for **Q1 September 2021**:
- i. summary of key variances in operating revenue: \$1.2m improvement compared to the budget \$218.9m due to higher-than-forecast rates \$2.3m and operating contributions \$3.2m offset by covid losses \$4.1m, and
 - ii. summary of key variances in operating expenditure: \$7.9m lower than budget \$142.2m due to lower Employee Costs \$3.3m, Material Costs \$2.5m and Other Costs \$2.1m.
9. The revised Net Operating Budget for FY 2021/22 will be delivered via a number of initiatives including;
- i. "locking in" reductions in expenditure achieved in Q1 of FY 21/22 by a reduction in the budgets in the relevant category (except where it is due to timing differences), estimated at \$5m;
 - ii. Reallocation of employment and other costs to capital projects budgets, where the costs can be capitalized against the relevant projects, estimated at \$3m;
 - iii. Reduction in materials and contracts and loss on sale of assets budgets, based on Q1 and prior year underspends, estimated at \$7m;
 - iv. If required, reduction in employment cost budgets based on Q1 and prior year underspends and expected vacancies over the course of the year, estimated at \$1m.
10. Note there is not expected to be any reduction in service standards or redundancies due to the reduced expenditure budgets. Executive Directors will be given discretion to relocate savings across the categories identified in

Council 25 October 2021

Item 12.4

paragraph 10 above, where required, to achieve service outcomes, provided the overall budget is achieved.

11. Note the City Planning & Design Directorate is currently under resourced and has a significant pipeline of critical planning projects, including city wide and precinct specific LEP & DCPs, and a high volume of PPs and DAs. Accordingly, the employment costs budget of this division will ensure a full complement of staff.
12. There is also a longer-term strategic review of the Council's Budget and long-term forecasts, including the Council endorsed service reviews and Long-Term Financial Planning modelling, which will seek to achieve a neutral / break even operating result over the medium term.

CONSULTATION & TIMING

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

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
19 August 2021	Finance Committee	Prepare a report to identify a return to Surplus in 2021-22	Agree that there is an opportunity to make improvements.	Finance
28 September 2021	Finance Committee	Updated report and agreement to progress savings to Council report	Financial measures are consistent to Council long term financial sustainability	Finance

Councillor Consultation

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

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
Nil				

LEGAL IMPLICATIONS FOR COUNCIL

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

FINANCIAL IMPLICATIONS FOR COUNCIL

4. The financial impacts to the budget will require a resolution before the caretaker period as they are deemed significant in relation to caretaker provisions

Council 25 October 2021

Item 12.4

5. The table below summarises the financial impacts on the budget arising from approval of this report.

Richard Sheridan
Chief Financial Officer

Jillian Khoo
Executive Director Corporate Services

Brett Newman
Chief Executive Officer

ATTACHMENTS:

- 1 Net Operating Results Report Sept 2021 8 Pages

REFERENCE MATERIAL

QUARTERLY OPERATING STATEMENT REVIEW STATEMENT

CITY OF PARRAMATTA COUNCIL

September 2021 Quarter



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Executive Summary

The original Net Operating Budget for the Financial Year (FY) 2021/22 was an estimated Net Operating Loss of c. \$15.2m. The impact of COVID including the Council endorsed Relief Packages have been estimated at \$6.9m. Accordingly, the post COVID Net Operating Budget for FY 2021/22, including the COVID Relief Packages was estimated to be a Net Operating Loss of c. \$22.1m. The revised budget deficit of \$6.9m is proposed with the revised estimates as follows:

1. A decrease in operating revenue by \$3.2m comprising:
 - a. Rates and annual charges increase of \$1.5m
 - b. User charges and fees decrease of \$5.3m
 - c. Other revenue decrease of \$0.7m
 - d. Interest increase of \$0.5m
 - e. Operating grants decrease of \$1.9m
 - f. Operating contributions and donations increase of \$2.7m
2. A decrease in operating expenses of \$10.0m comprising:
 - a. Employee costs decrease of \$4.0m
 - b. Materials and contracts decrease of \$7.0m
 - c. Depreciation increase of \$1.1m
 - d. Other operating expenses decrease of \$0.1m
3. Profit/Loss on Sale of Assets to reduce by \$1.5m to remain at \$1.0m;

Financial Overview

QUARTERLY REVIEW HEADLINES

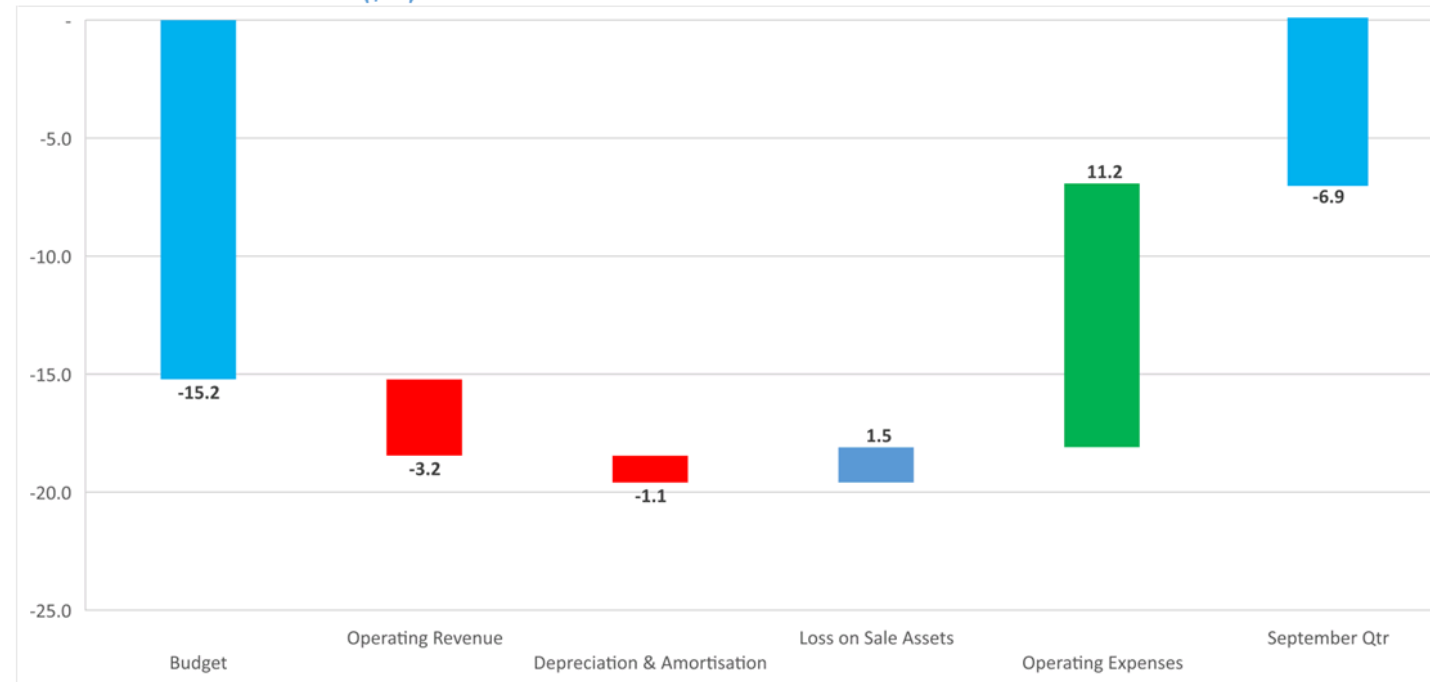
A review of Council's year to date financial position and full year forecasts has been undertaken during the September quarter. This has resulted in a number of changes made to the full year forecasts for both Operating and Capital related items.

Council is forecasting a deficit of \$6.9m, a decrease of \$8.3m from the original budget.

Operating Revenues have decreased by \$3.2m; Operating Expenses have decreased by \$10.0m; Loss on Sale Assets reduced by \$1.5m.

The following chart shows the forecast movement from the original budget over the first quarter of the financial year.

OPERATING RESULT HISTORY (\$m)



Financial Position and Full Year Outlook

The City of Parramatta's financial position is reflected in the following pages of the 2021-22 September Quarterly Review.

000s	September YTD Actual	September YTD Budget	YTD Variance	2020/21 Original Budget	September QR	Full Year Variance
Rates & Annual Charges	202.8	200.5	2.3	203.4	204.9	1.5
User Charges & Fees	4.3	7.9	(3.7)	31.5	26.2	(5.3)
Other Revenue	3.2	3.6	(0.4)	15.8	15.1	(0.7)
Interest	1.8	1.6	0.3	6.3	6.8	0.5
Operating Grants	2.0	2.1	(0.1)	19.7	17.8	(1.9)
Operating Contributions & Donations	3.7	0.6	3.2	2.6	5.2	2.7
Internal Revenue	2.4	2.5	(0.2)	15.5	15.5	0.0
Gain in Share in Joint Venture	-	0.2	(0.2)	0.8	0.8	-
Total Operating Revenue	220.2	218.9	1.2	295.5	292.3	(3.2)
Employee Costs	30.4	33.8	3.3	131.8	127.8	4.0
Borrowing Costs	0.3	0.4	0.1	1.5	1.5	0.0
Materials & Contracts	11.7	14.2	2.5	58.3	51.3	7.0
Depreciation & Amortisation	12.5	13.0	0.5	52.0	53.1	(1.1)
Other Operating Expenses	11.3	13.2	1.8	49.7	49.6	0.1
Internal Expense	2.6	2.2	(0.4)	14.9	14.9	0.0
Total Operating Expenses	68.9	76.7	7.9	308.3	298.3	10.0
Operating Surplus/Deficit	151.3	142.2	9.1	(12.7)	(5.9)	6.8
Profit/Loss on Asset Sales	0.0	(0.6)	0.7	(2.5)	(1.0)	1.5
Net Operating Result	151.3	141.6	9.8	(15.2)	(6.9)	8.3

FIRST QUARTER YEAR TO DATE RESULT

The net operating result before capital revenue is \$9.8m higher than budget of \$141.6m after the first quarter. This is principally driven by a reduction in expenses by \$7.9m resulting from the COVID-19 lockdown. Revenue erosion from COVID-19 relief package has been offset by \$1.2m better than expected domestic waste charge due to commencement of new services for residential properties.

FULL YEAR OUTLOOK

The net deficit is forecast to decrease by \$8.3m against the original budget. Revenue is forecasted to decrease by \$3.2m, due to \$9.1m COVID related revenue which is mainly due to lower use of multi-story/on-street car-park during lockdown and temporary closure of council venues. This is offset by \$5.9m better than expected revenue in domestic waste, income from 9 Wentworth Street rental and pre-paid road restoration contributions. The reduction in forecast expenses of \$10.0m and loss on sale of \$1.5m totalling \$11.5m from the original budget reflects the proposed financial realignment of costs to the current level of expenditure.

Current Revenue Position and Outlook

Table 1.2: Operating Revenue (\$m) summarises the key movements by revenue category.

	September YTD Actual	September YTD Budget	YTD Variance	2020/21 Original Budget	September QR	Full Year Variance
Rates & Annual Charges	202.8	200.5	2.3	203.4	204.9	1.5
User Charges & Fees	4.3	7.9	(3.7)	31.5	26.2	(5.3)
Other Revenue	3.2	3.6	(0.4)	15.8	15.1	(0.7)
Interest	1.8	1.6	0.3	6.3	6.8	0.5
Operating Grants	2.0	2.1	(0.1)	19.7	17.8	(1.9)
Operating Contributions & Donations	3.7	0.6	3.2	2.6	5.2	2.7
Internal Revenue	2.4	2.5	(0.2)	15.5	15.5	0.0
Gain in Share in Joint Venture	-	0.2	(0.2)	0.8	0.8	-
Total Operating Revenue	220.2	218.9	1.2	295.5	292.3	(3.2)

FIRST QUARTER YEAR TO DATE RESULT

The year-to-date total revenue is \$220.2m lower than budget of \$218.9m. Rates & annual charges is \$2.3m higher than budget due to Waste Income \$1.2m from additional domestic service and higher than expected supplementary rates. User charges & fees are \$3.7m lower than budget predominately resulting from COVID lockdown impacts and the Council approved COVID relief package on childcare. Also included were Prepaid Operating contributions & donations of \$3.2m not forecast in relation to NBN works.

FULL YEAR OUTLOOK

The full-year forecast for total revenue is \$3.2m lower than original budget of \$295.5m. Rates and annual charges have increased by \$1.5m due to additional domestic waste revenue from residential properties. User charges & fees have decreased by \$5.3m due to COVID lockdown impacts. Other Revenues remain stable as \$0.7m decrease in parking infringements from COVID was offset by \$2.9m lease revenue from 9 Wentworth not included in budget. Interest expected to be higher by \$0.5m mainly from investment in T-Corp. Operating contributions & donations have increased by \$2.7m to reflect the additional road restoration contributions received. Operating Grants decreased by \$1.9m as LRCI grant expected this year was received in Jun'21.

Table 1.3: User Charges and Fees (\$m), reflects the year to date September result and the full year forecast by major category.

	September YTD Actual	September YTD Budget	YTD Variance	2021/22 Original Budget	September QR	Full Year Variance
Aquatic Centres	0.0	0.1	(0.1)	0.8	0.8	-
Community Facilities	0.1	0.3	(0.2)	1.2	0.7	(0.5)
Childcare	1.2	1.6	(0.4)	5.8	5.3	(0.5)
Parking	0.7	2.6	(1.9)	10.3	7.0	(3.3)
Other User Charges	0.0	0.1	(0.0)	0.3	0.3	-
Riverside Theatres	0.0	0.7	(0.7)	2.9	2.1	(0.8)
Regulatory/Statutory Fees	1.1	1.1	0.0	4.1	4.1	-
Discretionary Fees	1.1	1.6	(0.5)	6.3	6.0	(0.3)
Total User Charges & Fees	4.2	7.9	(3.7)	31.5	26.2	(5.3)

FIRST QUARTER YEAR TO DATE RESULT

The year to date user charges and fees revenue is \$3.7m lower than budget of \$7.9m. Parking is \$1.9m lower reflecting the impact of Covid-19.. Discretionary fee worse mainly from Development Application (DA) fees of \$0.3m. Council received larger, more complex DA's in July and could only complete smaller DAs due to construction restrictions during COVID.

FULL YEAR OUTLOOK

The full-year forecast for user charges and fees is \$5.3m lower than original budget of \$31.5m.

Current Expenses Position and Outlook

Table 1.4: Expenses by category (\$m) summarises the key movements in expenses.

	September YTD Actual	September YTD Budget	YTD Variance	2020/21 Original Budget	September QR	Full Year Variance
Employee Costs	30.4	33.8	3.3	131.8	127.8	4.0
Borrowing Costs	0.3	0.4	0.1	1.5	1.5	0.0
Materials & Contracts	11.7	14.2	2.5	58.3	51.3	7.0
Depreciation & Amortisation	12.5	13.0	0.5	52.0	53.1	(1.1)
Other Operating Expenses	11.3	13.2	1.8	49.7	49.6	0.1
Internal Expenses	2.6	2.2	(0.4)	14.9	14.9	0.0
Total Operating Expenses	68.9	76.7	7.9	308.3	298.3	10.0

FIRST QUARTER YEAR TO DATE RESULT

The year to date operating expense is \$7.9m lower than budget of \$76.7m. Employee cost is \$3.3m lower than budget due to delay in recruitment of permanent positions and staff using leave in the first quarter, which will offset the organisation vacancy saving target. Materials & contracts is \$2.5m lower than budget due to timing of expenditure for events and completing works for parks and civil maintenance savings from COVID. Other operating expenses is \$1.8m lower than budget due to \$0.6m savings due to cancellation of events/shows and closure of other facilities and \$0.3m savings in parking space levy (over-budgeted) and \$0.3m timing of work on 5 Parramatta Square.

FULL YEAR OUTLOOK

The full year forecast for operating expenses is \$10.0m lower than the original budget of \$308.3m. This is mainly due to proposed financial improvement in the budget due to realigning the cost to the current level of expenditure.

Events & Festivals budget (excluding salaries)	Date	Status	Budget	Revised Budget	Grant	Expected Cost	Returned	Reallocated to Parramatta Nights	Reallocated to CBD Lighting	Comment
Events & Festival Total			4,566,878	4,266,878	635,000	4,121,058	300,000	624,800	225,000	
Major Events			3,803,909	3,628,909	635,000	3,557,009	175,000	624,800	225,000	
Parramatta Nights	March	Planning	5,629	630,429	515,000	1,145,429				New event, funded by Winterlight, NYE, Lanes & Foundation Day
CBD Lighting	Nov-Jan	Delivered	0	225,000						New event, funded by Winterlight
Winterlight	July	Cancelled	400,000	74,766		74,766		100,234	225,000	July 2021 event was cancelled, sunk cost \$74,766, the remaining budget was reallocated to Parramatta Nights & CBD Lighting (Council resolution)
Foundation Day		Cancelled	100,000	36,900				63,100		
New Year's Eve	January	Delivered	493,000	360,000		360,000		133,000		Budget reallocated to Parramatta Nights (Council resolution)
Lunar New Year	February	Delivered online	100,000	0		0	100,000			
Australia Day	March	Postponed	520,000	445,000			75,000			
Parramatta Lanes		Delivered hybrid	630,000	355,859		355,859		274,141		Reallocated as per Council resolution
Sydney Festival grant		Sponsorship	500,000	500,000		500,000				
Sound West Music		Sponsorship	200,000	200,000		200,000				
Carols in the Crescent/ Christmas	December	Delivered	160,000	120,000		120,000		40,000		
Christmas Decorations – Wards and CBD	December	Delivered	100,000	100,000		100,000				
WARAMI	May-July	Planning	150,000	150,000		150,000				
CBD Activation	Ongoing		120,000	120,000		120,000				Parramatta Square opening, Centenary SQ & Parramatta SQ ongoing activations
Light Rail CBD/Church St precinct activation	Ongoing		80,000	80,000		80,000				CBD activations (eg. street music, flags)
Community Event Grants	TBC	Committed	70,000	70,000		70,000				
The Live Music Program (excl. temp staff)	Ongoing	Delivering	70,281	70,281	120,000	190,281				
Sydney Writers Festival	May	Planning	40,000	40,000		40,000				
Science Festival	August	Delivered	25,000	10,675		10,675		14,325		
Staff Christmas Party	December	Delivered	40,000	40,000		40,000				
Civic Program			483,477	418,477	0	344,557	65,000	0	0	
Australia Day VIP		Cancelled	25,000	0		0	25,000			
Senior Christmas Concert		Cancelled	40,000	0		0	40,000			
Australia Day Awards	January	Delivered	40,000	40,000		40,000				
Lord Mayor's Christmas Party	November	Delivered	40,000	40,000		40,000				
ANZAC and Commemorative Services	March	Planning	5,250	5,250		5,250				
Civic Program	Ongoing		121,353	121,353		121,353				
Citizenship Program	Ongoing		100,000	100,000		100,000				
Family Fun Days	Apr-Jun	Planning	111,874	111,874		37,954				
Activations			279,492	219,492		219,492	60,000	0	0	