

ADMINISTRATOR'S REPORT

CITY OF PARRAMATTA



**CITY OF
PARRAMATTA**

Tropfest 2017 at
Parramatta Park





Ermington Markets
by the River

INTRODUCTION

This report summarises key milestones and achievements; outlines the current status and financial position; and proposes the next steps in Council's transformation journey, which will be led by the incoming Council.

ADMINISTRATOR'S MESSAGE

Some 15 months ago, the new City of Parramatta Council was created and it has been my honour as Administrator to lead the Council through this period of change.

This report describes the journey of the new City of Parramatta's creation from 12 May 2016 through to 9 September 2017 (the transition period).

As well as being a 'handover' report, it provides reflections on key achievements and outlines some of the next steps in Council's journey. It is also a chance to thank all those who have generously shared their local insights or otherwise supported me through that process.

Through this period of major institutional change, the Administrator's role is to lead and govern the Council and to maintain relationships with the community. I have welcomed the chance to meet City of Parramatta residents and ratepayers, participating in well over 700 meetings and community events in the last 15 months.

Thank you to the thousands and thousands of community members who participated in Council engagement activities, including a citizens' jury, or provided their comments on Council's draft strategies. It is clear from your response that this community expects to be involved in its Council's decision-making and that best practice consultation will be a core hallmark of the new Council's DNA.

To the former Councillors and to everyone else who gave their time to share their views and advice, I assure you that I listened and always endeavoured to consider your views in my decisions.

The Administrator's role is also to stay focussed on achieving three key outcomes:

- **uninterrupted services to the residents and ratepayers:** I set the challenge for Council staff that service provision, and any changes, should be seamless with only service improvements

observable to the community. Further, it also meant that the large strategic investments of the former Councils and State Government needed to continue to be supported to collectively build the productivity, liveability and infrastructure of Sydney's Central City. Council has largely succeeded on both measures.

- **residents experiencing change should also experience early merger benefits:** as summarised in this report, early merger cost savings have been realised and new and improved services are already being delivered to ratepayers.
- **build a strong, best practice governance Council:** Parramatta is Sydney's Central City and appropriately, its residents expect the highest standards of transparency, accountability and responsiveness from their Council. I consider that a stable foundation for future good governance has been laid.

City of Parramatta Council has delivered strongly against each of these outcomes. Services have continued smoothly and major Council projects and State Government partnerships have progressed as planned. Residents regularly provide positive comments to Council on its improving services - from street cleaning through to parking enforcement. Economies of scale and the harmonisation of fees and charges have resulted in financial benefits for many pensioners and savings on domestic waste charges for many. The Council and its governance has been further strengthened through the introduction of an Independent Hearing and Assessment Panel, livestreamed Council meetings, an Internal Ombudsman and refreshed policies.

Residents and ratepayers will shortly elect 15 new Councillors, across five new wards. New Councillors will take their formal oath of office on 14 September and then elect the new Lord Mayor at their first meeting of 18 September. One of their first tasks will be to collaboratively review the progress to



date, and to prepare Council's inaugural 20-year *Community Strategic Plan* that will ensure the vision of *Sydney's Central City is sustainable, liveable and productive – inspired by our communities*.

I am proud that so much has been achieved in this short period. I thank and formally acknowledge the hard work and support of all of Council's dedicated staff, the former Councillors, the community and Council's strategic partners on this journey.

I wish City of Parramatta Council and its residents the very best for a bright future ahead.

A handwritten signature in black ink, appearing to read 'Amanda Chadwick'.

Amanda Chadwick

An aerial night photograph of Parramatta, Australia, showing a dense urban landscape with numerous illuminated buildings and streets. The city is set against a dark blue twilight sky, with the lights of the city creating a vibrant contrast. The image captures the sprawling nature of the city, with a mix of residential and commercial areas visible.

3 THE CITY OF PARRAMATTA OVERVIEW

3.1 Overview of City of Parramatta

In May 2016 the New South Wales (NSW) Government announced major local government reforms which resulted in the formation of our new Council – City of Parramatta – an amalgamation of parts of the former Parramatta, Auburn, Holroyd, Hills and Hornsby Councils. The realignment of boundaries has also brought together neighbourhoods and communities in new ways.

City of Parramatta is Sydney's Central City, the heart of the Greater Sydney region and the centre of the expanding Greater Western Sydney region.

The City is bounded by The Hills Shire Council (the Hills) and Hornsby Shire Council (Hornsby) in the north, the City of Ryde and the City of Canada Bay in the east, Strathfield Council and Cumberland Council (Cumberland) in the south and Blacktown City Council in the west.

City of Parramatta is predominantly residential, but also has significant industrial, institutional, commercial, recreational and parkland areas. The City encompasses a total land area of over 80 square kilometres.

The LGA supports a \$23 billion economy, the second largest economy in NSW after Sydney's Eastern CBD. The City has the perfect working demographic, young and qualified, with more than 157,000 people employed, and more than 30% of the population having received a bachelor or higher degree.

City of Parramatta Council plays a major role in revitalising the local government area, providing more than 40 services to improve the quality of life for residents to make Parramatta a great place to

live, work, play and invest. More than 1,150 staff members work closely to deliver these quality services and improve outcomes for residents, businesses, developers, community groups and visitors to the City of Parramatta.

City of Parramatta receives total revenue of \$281 million, made up of operating revenue of \$246m and \$35m of capital revenue.

Council's balance sheet includes \$5.505b in total assets, the main items being \$5.252b in infrastructure assets, most of which is the valuation of Council's Community Land and roads plus other investments of \$188m.

This is offset by Council's liabilities of \$110m, most of which is loans of \$39m, accounts payable of \$35m and provisions of \$25m, resulting in Council having net assets of \$5.395b.

As Australia's second oldest city, Parramatta has always played an integral role in shaping Greater Sydney's future. As the epicentre, it is being transformed into a place of growth and long-term prosperity through significant infrastructure investment across transport, education, health, sport and culture.

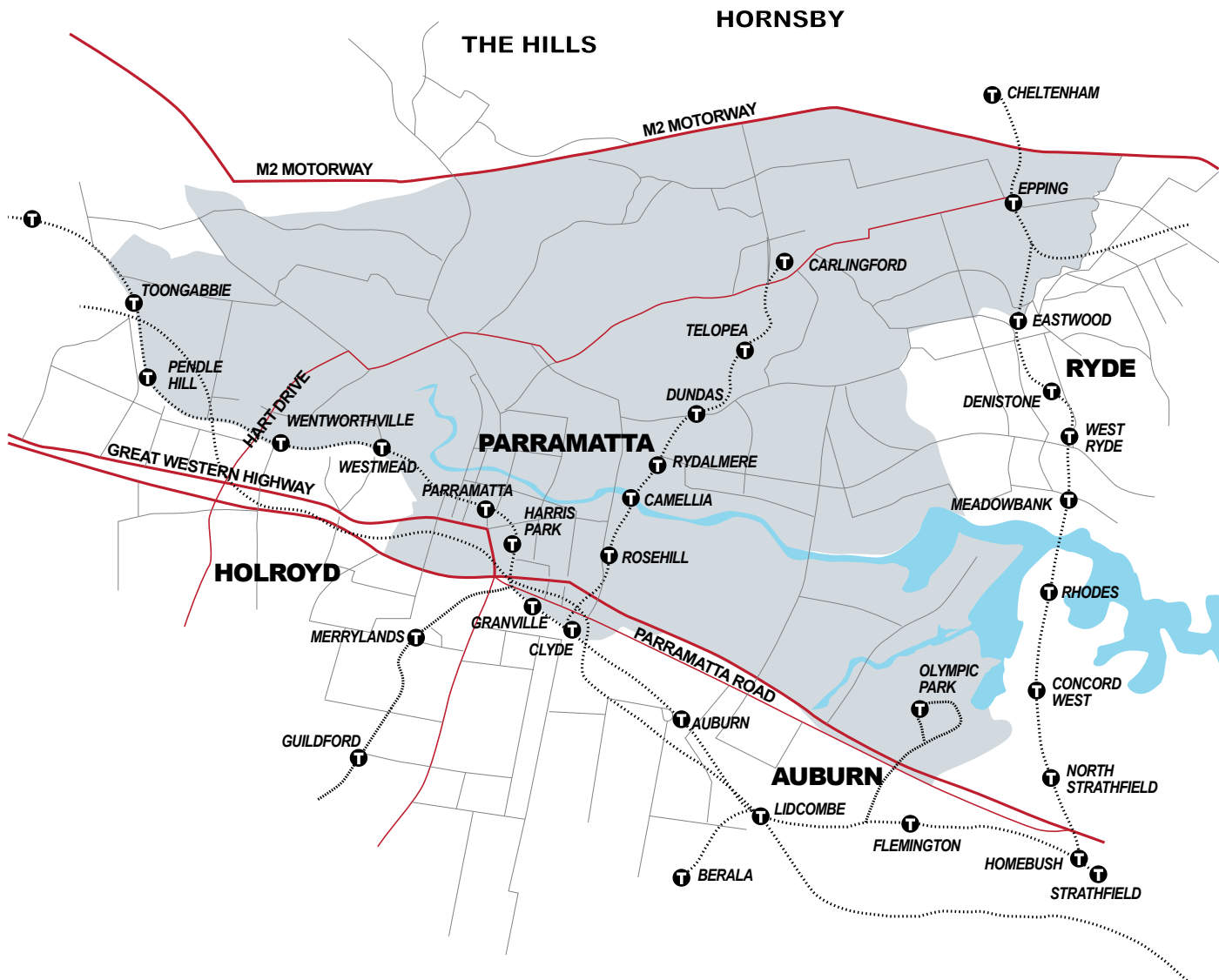
Ermington Markets
by the River



Compared to the former Parramatta City Council (PCC), the community of the new City of Parramatta Council is comparatively:

- as young and fast growing
- as culturally diverse
- more established and family oriented
- more prosperous overall, though we have income inequality.

Demographics *	Parramatta City Council	City of Parramatta Council
Size	61 square km	84 square km
Population 2016	194,448	230,167 (+ 35,719 people)
People per hectare	31.68	27.48
Median Age	33	35
Born Overseas	44%	44%
From a Non English Speaking Background	40%	39%
ATSI	0.8%	0.8%
Top 3 Countries of Birth (other than Australia)	India – 8.2% China – 6.8% Lebanon – 3.8%	China – 8.1% India – 7.8% South Korea – 3.4%
Couples with children	35%	36%
Lone person households	22%	20.9%
Population with a University Qualification	26%	31%
Volunteers	16%	13%
No internet connection	16.8%	13.6%
People with a disability	4.9%	4%





3.2 Vision and Values of Council

In December 2016, the new Council endorsed its inaugural statement detailing *Our Vision and Priorities*.

The shared vision for City of Parramatta is to be *Sydney's central city, sustainable, liveable and productive – inspired by our communities*.

This vision was the result of engaging with more than 9,000 stakeholders, staff and the community in the months following the transition period. The vision also aligns with the Greater Sydney Commission's plan for the region and city – to be Sydney's Central City.

It is the framework that provided the direction and prioritisation of the *2017/18 Operational Plan and Budget*. It also provided the starting point for the preparation of Council's first *Community Strategic Plan*, which must be in place by 30 June 2018.

Within the shared vision are eight community priorities, organised under four themes: liveable, sustainable, productive and leading, to focus Council's activities.

These community priorities are:

1. Building a Stronger, More Innovative Council for our Community's Future
2. Managing Growth and Transport
3. Promoting Green Spaces and the Environment
4. Providing Opportunities for Recreation and Leisure
5. Creating a Strong Economy with a Strong City Centre
6. Having a Community Focus
7. Supporting Arts and Culture Celebrations and Destinations
8. Creating Vibrant Neighbourhoods and Precincts.

They have underpinned key strategies and policies that Council has developed and released for consultation with the community. The strong community response and support for these strategies is evidence that Council is on the right track to deliver on its shared vision and direction. These key Council strategies and policies also embody multiple community priorities. This demonstrates the cross-functional nature of Council and its determination to be responsive to the community.

Community Priorities They Meet

New Strategies Delivered in the Transition Period	1	2	3	4	5	6	7	8
Community Engagement Strategy	✓	✓	✓	✓	✓	✓	✓	✓
Draft Social Infrastructure Strategy		✓	✓	✓				✓
Socially Sustainable Parramatta Framework	✓				✓	✓		✓
Environmental Sustainability Strategy		✓	✓	✓	✓			✓
Parramatta Employment Lands Strategy		✓			✓			
Economic Development Plan 2017-2021		✓			✓			✓
Culture and Our City	✓			✓	✓	✓	✓	✓
Reconciliation Action Plan	✓					✓	✓	
Disability Inclusion Action Plan	✓	✓		✓		✓		
Draft Affordable Housing Policy	✓	✓				✓		
Parramatta Bike Plan		✓	✓	✓		✓		✓
Parramatta Ways Walking Strategy		✓		✓				✓
Parramatta CBD Pedestrian Strategy	✓	✓		✓	✓			
Silverwater to Olympic Park Traffic and Transport: A Way Forward	✓	✓						✓
Night Time Economy Discussion Paper	✓				✓		✓	
Civic Link Framework		✓	✓	✓				✓
Draft Parramatta CBD Public Car Parking Strategy	✓	✓			✓			
City Significant Development	✓	✓			✓			
Parramatta CBD Small Bars Policy	✓				✓		✓	

3.3 Summary of the Key Result areas targeted for all Merger Councils

3.3.1 Service continuity with smart service improvements

Seamless service delivery was achieved during the new Council transition, initially by proactive, collaborative arrangements with neighbouring councils. This was also supported by management's efforts to both reassure and engage staff during a period of change.

As a result, Council has continued uninterrupted services, continued to deliver major projects initiated by the former Councils and also made smart service improvements.

Over the period of transition:

- Council's customer service staff received more than 156,327 calls, actioned 35,630 service requests and answered 27,596 face-to-face enquiries
- Council's development team processed 1,378 development applications (DA) with a construction value totalling approximately \$2.1 billion in the period to 12 July 2017
- 320,000 people attended Council's major events for 2016/17 - up from 213,000 in 2015/16
- Council's Heritage and Tourism staff engaged with more than 86,000 people through Council's cultural heritage guided activities and programs.

Additionally, Council initiated a number of service improvements which quickly delivered benefits for the community.

3.3.1.1 Service improvement: Faster DA processing

Despite a 50% increase in the number of DAs lodged, the median processing time for DAs was reduced by 12 days during the transition period due to an extension of the delegation to staff and through the introduction of an Independent Hearing and Assessment Panel (IHAP) in August 2016. On average, a DA determined at a Council meeting takes about 40 per cent longer to determine than DAs determined through an IHAP.

3.3.1.2 Strong increase in both library visits and library loans

In 2016/17, the Libraries network in City of Parramatta experienced a 10% increase in visits and a 25% increase in loans (hard copy and e-resources) compared to the previous financial year. The total number of visits and loans were each just under one million for the full financial year.

A review of library programming was also completed which will lead to a more diverse range of higher quality programs being available from all branches in the network in the future.

3.3.1.3 Service improvement: Targeting 70% diversion of wastes from landfill

In 2016/17, Council achieved its goal for diversion of 60 per cent of all household wastes and is on track to meet its 2018 target of 70 per cent for the diversion of waste from landfill. This improvement is largely due to new arrangements to send waste to an alternative waste treatment facility in Eastern Creek and innovative programs such as kNOw Your Waste, the Mobile Community Recycling Service, the Bower's Collection and Rehoming service and free e-waste and asbestos collection days.

3.3.1.4 Service improvement: other achievements

Other service improvements over the transition period include:

- extending the supplementary pensioner rebate of \$100 to all eligible pensioner ratepayers within the LGA (on top of the State Government rebate of \$250), which was previously only available to former Parramatta City and Holroyd residents. A review identified that former Hills, Hornsby and Auburn pensioner residents had received less support from their former Councils
- Council introduced a new Healthy and Active Communities Program to encourage healthier lifestyles, and community based programs across our library network such as senior digital literacy classes to support their participation with our 'Smart City'
- the next phase of the Food Services 'Let's Dine Out Program' was delivered to enable older residents to dine out at participating restaurants and help to reduce social isolation
- a new Parramatta Skills Exchange commenced operation, through a Memorandum of Understanding (MOU) between Council and



TAFE NSW, to provide opportunities for young, unemployed and underemployed workers on Parramatta CBD infrastructure projects

- Council commenced its 12-month pilot project 'Amplify' to help support the growth of the City's live music industry in partnership with the Live Music Office and APRA AMCOS.

3.3.1.5 Council continued major projects initiated by the former Councils

3.3.1.5.1 West Epping Park Upgrade

When complete, the West Epping Park upgrade will provide superb sports and leisure facilities for local residents, schools and other users.

Before the merger, Hornsby had undertaken a public tender and selected the preferred contractor for this \$11.2m project. Hornsby staff had also undertaken extensive consultation with various stakeholder groups including local residents.

Delivery of the project by City of Parramatta was challenged by unexpectedly encountering large amounts of buried asbestos and very poor sub-grade not identified in the project planning. Despite this, works are currently well underway for a completion date scheduled for October 2017.

Council has also allocated funding of \$1.3m from the Stronger Communities Fund for the construction of an amenities building at the park in 2018/19 to complement the upgrade works.

3.3.1.5.2 North Rocks Preschool

City of Parramatta recently completed construction of a new preschool facility within North Rocks Park, Carlingford, to be opened later this year, once the essential accreditation and licensing arrangements are finalised.

This project was originally commenced by the Hills, which had completed the tender at the time of the merger. Following consultation to ensure that the tender process complied with City of Parramatta guidelines, Council accepted the selected tender. The project construction period exceeded expectations due to factors including inclement weather and difficulties the contractor experienced securing essential sub-contractors due to high market demand.

This project will provide a 40 place preschool for the community which includes two children's classrooms; children's locker room and toilets; library/resources room and craft room; kitchen; office; staff room and storage rooms and an alfresco

veranda. Playground facilities will feature covered shade areas, softfall bike track, cubby house, sand pit, gardening activity area and a rainforest and fairy garden. There is also a large open space on the lower ground floor and car parking with pick up and drop off facilities. The project has funding of \$2.2m.

3.3.1.5.3 Wentworth Point Community Centre and Library

When complete, Wentworth Point Community Centre and Library will provide much needed community facilities and programs for local residents.

Before the merger, Auburn Council had negotiated with a developer for the delivery of a ‘cold shell’ building, prepared an initial design and allocated more than \$5m to the delivery of the project from section 94 revenues collected from developers. While some building issues are still being resolved with the developer, Council has further consulted with the local community and other stakeholders about the proposed functions and spaces within the Centre. A revised internal design and fit out scheme has been prepared and a development application lodged. This process also identified that the budget that had been allocated by Auburn was inadequate when compared to the original design and Council has now committed \$9m in the *2017/18 Operational Plan and Budget* to complete the fit out of the facility.

3.3.1.5.4 Parramatta Square

The \$2 billion Parramatta Square urban renewal precinct has continued to make strong progress throughout the transition period. Key milestones and achievements include:

- tenants on Parramatta Square already include Western Sydney University in a state-of-the-art vertical campus, PriceWaterhouseCoopers, and Sydney Water
- National Australia Bank, the NSW Department of Planning and Environment, the NSW Office of Environment and Heritage, the Environment Protection Authority and NSW Department of Finance, Services and Innovation have also committed to leasing 3 and 4 Parramatta Square
- Council endorsement of the recommendations of the Citizens’ Jury to help shape the interior design and function of 5 Parramatta Square, the landmark civic and community building on Parramatta Square

- bulk excavation works commenced on the twin Commercial Towers, 4 & 6 Parramatta Square, by June 2017, with bulk excavation works scheduled to commence in January 2018 for 3 Parramatta Square and 8 Parramatta Square.

Council has also agreed to explore changing the predominant use of 8 Parramatta Square from residential to commercial, subject to approval from the new Council. If the new Council agrees, developer Walker Corporation would be given the option to change the use of 8 Parramatta Square, also known as Aspire Tower – to accommodate up to 71,000 square metres of A-grade commercial floor space.

3.3.1.6 New Parramatta Aquatic Leisure Centre

On 31 March 2017, the NSW Government announced that it will contribute \$30 million for a new Parramatta aquatic leisure centre, providing certainty that a new pool will be built in the City following the closure of the Parramatta War Memorial Swimming Centre.

Following this announcement, Council sought to identify additional funding options of up to \$30m to be provisionally allocated to the project, and is working closely with Parramatta Park Trust and the State Government to deliver this project to the community as soon as possible. In its exhibition of draft designs for the Mays Hill Precinct Master Plan, Parramatta Park Trust identified the site adjacent to Park Parade, near the corner of Pitt Street, as the preferred location for the new centre.

Following extensive community consultation, a Draft Feasibility Study commissioned by Council has supported the development of a contemporary aquatic facility with options for the inclusion of additional recreation offerings. The community has said the new centre should be affordable, inclusive, accessible, include modern facilities, and be suitable to meet Parramatta’s needs now and in the future, as the City and its population continue to grow.

A concerted effort is being made to fast-track planning for Parramatta’s new aquatic leisure centre. The target date for completion of the centre is March 2020, pending the successful implementation of strategies aimed at fast-tracking the project, and the impact of a number of factors outside of Council’s control, such as archaeological investigations and the timely provision of utilities and services to the chosen pool site.



A final report that includes a detailed financial business case, funding availability and recommendation of a preferred scheme will be presented to the new Council in December this year, together with confirmation of the scheduled completion timeline.

3.3.1.1 Interim Measures

Council recognises the importance of having interim swimming arrangements and will continue to work hard to ensure the people of Parramatta have places to swim and enjoy water play while the new facility is developed. This includes arrangements with neighbouring facilities.

Council has finalised an agreement which will provide learn-to-swim students and lap swimmers in Parramatta access to the pool at Macarthur Girls’ High School. Following negotiations with the school and NSW Department of Education, Council reached an agreement for shared use of the pool for the next four years. Upgrade works, being funded by Council, are being undertaken at the facility and it’s expected they will be complete in October 2017.

Council has also committed to the construction of a new all-abilities water play park in the CBD, with various sites under consideration for the park.

Council is also investigating additional options to further enhance recreation offerings at Lake Parramatta, and maintenance and upgrade works are being undertaken at Epping Pool in preparation for the upcoming swimming season.

3.3.2 Easy to do business with a person and online

In November 2016, a Smart Ticketing Solution and Customer Feedback Kiosk was implemented in Council’s Customer Contact Centre to improve the customer experience and ensure Council provides a more consistent level of service and information to all of our customers. Customers entering the Customer Contact Centre are able to select their query type, take a numbered ticket and be assigned to the right virtual ‘queue’ in a much faster and friendlier way.

This has enabled staff to service customers faster by knowing in advance what their queries are going to be about. Along with this new service delivery initiative we have rostered a mobile concierge as a first point of contact to meet and greet customers, guiding them through the ticketing and feedback process. They can also assist with general non-transactional enquiries to improve the overall customer service experience.

These initiatives have been well received by customers with minimised waiting times due to more streamlined queue management. Eliminating physical queuing has allowed a more relaxed and pleasant queuing experience. Customer feedback to date indicates a customer satisfaction rating at 82%.

City of Parramatta has also successfully delivered the ‘Easy to do Business’ pilot for small bars and cafes in partnership with the Office of the NSW Small Business Commissioner and Service NSW. Council has continued this project which is now being delivered at scale across a number of NSW Councils.

Through a second partnership, in 2017, Council will pilot options to make outdoor dining applications easier and faster through a trial program in Harris Park.

3.3.3 Robust governance that delivers confidence to communities

Council has undertaken a number of significant institutional governance reforms to enhance community confidence in the integrity of its Council. These major initiatives are detailed below at section 4.4.

However, good governance does not end with institutions. Rather, Council recognises that each of its interactions with the community need to evidence the values of integrity, innovation and customer service. Resulting from this imperative, Council reviewed its grants, donations and sponsorship policies and its leases and licence policies to ensure these policies matched community and audit expectations of integrity, transparency and service.

The *Grants and Donations* and *Sponsorships Policies* apply to all aspects of grant programs and sponsorships, including their design, application processes, decision making, agreement making, monitoring and support services. The objective is to ensure that the administration of these programs follows best practice principles, underpinned by efficient, effective and ethical administration.

Council has property in the Local Government Area available for short and long term use under an agreement. The purpose of the *Property Lease and Licence Policy* is to ensure that when Council considers an agreement for a property, that it applies an appropriate and thorough review process to ensure that the most suitable use, tenant and value for money outcome is achieved.

3.3.4 Engaged staff who understand their roles and how they contribute to the new council

The majority of the staff of City of Parramatta are employees of the former Parramatta City Council. Compared to the staff engagement levels of the former Parramatta City Council there has been a small improvement in surveyed staff engagement levels rising from 47% in 2014/15 to 50% in 2016/7.

During the transition period, the staff of those libraries, childcare centres and preschool facilities that were transferred from Hornsby and Hills councils in the Proclamation were engaged in conversations about their futures and their employment preferences. Each of these employees chose to transfer to City of Parramatta Council.

Through the transition period, the Chief Executive Officer and Executive have:

- maintained regular team meetings and staff forums
- continued a program of staff recognition for service and values recognition
- initiated a new employment program, MyCareer, to assist staff in playing an active part in their own career development.

Additionally, the Administrator met with each of the teams at Council to communicate, listen and thank staff at the ‘100-day’, ‘1 year’ and ‘end of transition period’ milestones.

3.3.5 Rates maintained within existing pathways and resource used wisely to serve the entire council area

In accordance with the NSW Government policy for all newly merged councils, the current rate structure including category and subcategories of the former Council will continue to be maintained for four years. This means rate structures will only change in line with the Independent Pricing and Regulatory Tribunal annual rate peg, pre-existing special rates variations and the individual property’s land valuations.

In 2018 Council will commence its work on a rates harmonisation review, across the whole local government area.

Council has harmonised the structure of fees and charges for all of the areas making up City of Parramatta for 2017/18. An extensive review was undertaken of all fees and charges with a substantial consolidation and simplification of the number of

fees to make it easier for users of Council’s services.

A number of fees imposed by Council are determined by NSW Government legislation. In some cases, these have not been increased for several years, despite an increase to Council in the costs of providing the service.

3.3.6 Expected benefits (of merger) are clear, measureable and on target

Throughout the transition period, Council has reported on key target areas and priorities that were identified to measure our success. An update on the key priority areas and the expected benefits of the merger are summarised in the table below.

Priority	Outcome Highlights
Value for Money	Council is on track to achieve the target of \$3.3m net financial benefit by September 2017 with the net financial benefit at 30 June 2017 of approximately \$2.98m.
Community Satisfaction	Achieving a community satisfaction index score of 68 which was higher than the metropolitan average of 61 and the state-wide average of 58 for all merged councils based on the JWS Survey 2016 for all new councils.
Infrastructure	Work continues on the development of Parramatta Square. Anchor tenants including NAB and a number of NSW State Government agencies, including the Department of Education have been secured. Initial estimates suggest that this infrastructure project will deliver 10,000 new knowledge industry jobs for Parramatta.
	Council continues to undertake projects transferred as part of the boundary realignment including West Epping Park, North Rocks Preschool and Wentworth Point Library. Extensive works have been undertaken on Epping Aquatic Centre since Proclamation to ensure it meets the communities expectations and is ready for a big summer when it reopens to the public for the 2017/18 season.
LGA Vision, Staff and Culture	<i>City of Parramatta’s Our Vision and Priorities</i> document prepared through extensive consultation with our community which outlines Our Vision – “Sydney’s central city, sustainable, liveable and productive – inspired by our communities” supported by four pillars Liveable, Sustainable, Productive and Leading. This document provided high level direction for the <i>City of Parramatta’s 2017-18 Operational Plan</i> and serves as a starting point for preparation of the draft <i>Community Strategic Plan</i> .
	Through workshops, Council staff have also identified their statement of shared purpose. This statement is aligned to the LGA vision and builds on the values of Customer Focus, Teamwork, Innovation and Integrity.
Governance	City of Parramatta is enhancing its governance and establishing a culture with supportive processes and best practice communication and engagement processes for the new Councillors. The current summary of key deliverables by September 2017 are: <ul style="list-style-type: none">• the Independent Hearing and Assessment Panel was successfully established• the introduction of an Internal Ombudsman for resolving community, Councillor and staff issues and complaints being finalised and operational by 31 August 2017• on-boarding process for new Councillors being finalised which is supported by Council policies and processes• all Council policies have been reviewed, updated and reflect best practice standards.

Involved Communities	Council continues to engage with our communities, seeking their feedback and comments on services, draft plans and policies and what is important to them. Engagement platforms include social media, web based engagement, workshops, forums, pop-up kiosks across the LGA, public exhibitions and events like the Parramatta Square Citizens' Jury, Imagine Ermington and Imagine Epping online engagement.
Economic, Social & Cultural Prosperity	Council has adopted plans and strategies to guide the future of Parramatta including: <i>Economic Development Plan 2017-2021</i> – creating more jobs in a specific area by stimulating the economy and making it more competitive; <i>Socially Sustainable Parramatta Framework</i> – sharing the opportunities for growth for all is City of Parramatta Council's framework for advancing social sustainability in our local government area; <i>The City of Parramatta Stretch Reconciliation Action Plan July 2017- July 2020</i> – How City of Parramatta will lead by example to advance the important cause of reconciliation and <i>Culture and our City – A Cultural Plan for Parramatta's CBD 2017-2022</i> .
Environmental Sustainability	Council is on track to meet the diversion of waste from landfill target of 70% diversion by 2018. Currently we divert 60% of waste from landfill. This figure will increase when the new waste services contract begins in November 2017.
	Council has adopted the <i>Environmental Sustainability Strategy 2017 – A great city grows better every day</i> . The Plan is to create a nature inspired, efficient and resilient city.
	Development of plans including the <i>Parramatta Bike Plan 2017-2037</i> - providing more transport options for the community; <i>Parramatta CBD Pedestrian Strategy</i> – planning for the walkable heart of a vibrant and healthy city; <i>Civic Link Framework Plan</i> – creating an open green corridor through the CBD for cooling, stormwater management and infrastructure management and; <i>Parramatta Ways</i> - implementing Sydney's Green Grid <i>Parramatta Ways</i> is an interconnected network of great streets and open space.
Outstanding Service Provision and Housing Approvals	Since Proclamation, development approval median timeframes have decreased by 12 days, notwithstanding an increase in excess of 50% in lodgements. In the period between 12 May 2016 to 12 July 2017 City of Parramatta Council has processed 1,378 development applications with a construction value totalling approximately \$2.1 billion.

3.3.7 A newly elected council working for the community

The election will be held on 9 September 2017. To assist the new elected councillors to ‘hit the ground running’ to serve the community, Council has:

- organised a ceremony to swear in all new councillors on 14 September
- developed a comprehensive on-boarding manual that will assist councillors to understand their role, enabling them to actively and effectively represent their communities
- prepared initial briefings for councillors on current issues and risks
- scheduled a comprehensive program of workshops at the time of induction
- established a new online portal providing councillors with the ability to log service requests that are swiftly investigated and tracked, claim expenses and access important, up-to-date information.



4 THE NEWLY MERGED COUNCIL'S KEY ACHIEVEMENTS

4.1 Outstanding Service Provision

4.1.1 Overview

Across the LGA, Council staff worked quickly to deliver 'early wins' in the form of improved services that addressed clear, targeted community needs and obvious pain points. At the same time Council undertook five comprehensive service reviews of its key functions to deliver long-term strategic service improvements for residents of the whole of the LGA. This project is known as Building Service Excellence.

4.1.2 Early action: Wentworth Point parking enforcement

The majority of the roads within Wentworth Point are the private property of the current three Community Associations (community title subdivisions), typically meaning that local government can't address unsafe parking or enforce parking restrictions on these roads. This was a source of community frustration when cars were parked unsafely, such as on roundabouts. It is envisaged that there will ultimately be four predominant Community Associations when the precinct is completed.

While the issue had been previously raised with Auburn Council, no remedy had been implemented.

In 2016, City of Parramatta approached the Community Associations with a solution. Council has so far negotiated an agreement with the first of the Community Associations to enforce traffic safety on these private roads. Negotiations are continuing with the next two Community Associations with the expectation that a similar result will be achieved.

Council Rangers have regularly patrolled Wentworth Point since the establishment of the initial agreement on 21 February 2017 and have issued more than 2,000 traffic and parking related infringements since this time.

4.1.3 Early action: Epping Pool, Dence Park

Council upgraded and reopened the Epping Aquatic Centre in October 2016, investing \$300,000 to improve water treatment, upgrade change facilities and kiosk, replace grandstand seating and other centre improvements. More than 38,000 patrons visited the centre throughout the summer. Prior to the merger, pool attendance had been declining for a number of years.

The centre closed for winter at the end of April 2017. Council is currently undertaking further improvements including establishing a café on the pool deck. The Epping Aquatic Centre will reopen for the spring/summer season in early October 2017 and Council recently committed to preparing a Master Plan for Dence Park in 2018/19 to establish long-term plans for these facilities with the community.

4.1.4 Early action: Street cleaning

Early in the transition period, Council received considerable favourable feedback from residents following the introduction of regular street cleaning services in areas such as North Rocks, Epping, Carlingford and Beecroft. Regular street cleaning better meets residents' expectations, aligns with the service provided to the rest of the LGA and reduces risks associated with built up leaf litter that can otherwise negatively impact stormwater management.



The *2017/18 Operational Plan and Budget* commits Council to further service enhancements with daily street cleaning of the CBD, Epping and Harris Park.

4.1.5 Strategic review: Building Service Excellence

Following the creation of City of Parramatta, Council undertook the 'Building Service Excellence for our Customers' (BSEC) project to review current services, identify efficiencies and best practice models, and review and implement the findings into our daily objectives to provide the City with the best service levels.

To ensure global best practice models were considered, KPMG Australia Pty Ltd was engaged to develop a methodology and framework to ensure consistent, effective and efficient services and the ability to undertake ongoing continuous improvement of the services Council provides to our customers moving forward.

A Sustainable Improvement Framework (SIF) and methodology was developed for use by Council, and seven key services with high levels of community engagement were selected to participate in the BSEC project: Sustainability and Waste, Library Services, Regulatory Services, Development and Traffic Services Unit, Park maintenance, Open Space and Natural Resources and ICT.

From February to June 2017, the teams worked through the SIF in a series of workshops and meetings to identify issues and refine and streamline potential solutions until improvements were identified, tested and developed. The teams identified both additional 'quick wins'; outcomes that could be implemented at unit level with little or

no financial impact but would provide efficiencies and improvements, and 'Projects'; outcomes that may have impacts on the broader organisation, require a financial commitment or are targeted for implementation over a longer period of time.

These outcomes are now being implemented by the teams and will become embedded in Council's business as usual activities, providing efficiency benefits for both staff and the community. Examples of these actions and outcomes include:

- improved collaborations between Development Assessment and Regulatory units
- recruitment of a Libraries Program Coordinator
- a Story Time survey at the libraries
- refined compliance table and clearinghouse checklists
- developed factsheets by development type
- developed critical questions to determine pre-lodgement
- implemented new lodgement process
- developed customer-centric workflow to support the Customer Contact Centre and website
- drafted an asset plan
- refined the asset plan process for future years.

KPMG has provided Council with a revised framework which incorporates the key learnings and feedback from the participants of the project and their observational learnings. This revised framework will be used to develop the ongoing Service Excellence Program, a continuous improvement program which will be embedded into Council's processes.

4.2 Enhanced Strategic Capacity

4.2.1 Economies of scale are already delivering financial savings to the community

Savings from economies of scale and revised systems have already resulted in savings in Council's 2017/18 budget. Two areas of savings are: waste collection; and tree management.

In relation to waste collection, Council completed a competitive tendering process to

secure contractors for waste collection and resource recovery services to commence during 2017/18. The new waste collection and resource recovery services contract will deliver approximately \$800,000 in annualised savings.

As a result of this process, there will be no increase in domestic waste fees for households who were previously part of Parramatta City Council. For those formerly from the other four Council areas, waste fees will actually be reduced compared to their previous fees.

DOMESTIC WASTE SERVICES						
	2016/17	2016/17	2016/17	2016/17	2016/17	2017/18
Major Category	Former Parramatta City Council	Holroyd	Hornsby	Auburn	Hills	City of Parramatta
Standard Waste Charges	\$403.50	\$447.00	\$436.00	\$425.00	\$405.00	\$403.50

COMMENTARY

City of Parramatta has recently completed a competitive tendering process to secure contractors for waste collection and resource recovery services to commence during 2017/18. There will be no increase in 2017/18 to the domestic waste fees for all City of Parramatta households who were previously in the Parramatta City Council area. For households that were previously in one of the other four local government areas, the domestic waste fees will be reduced by up to \$40 p/a as the City of Parramatta fees are lower than those charged by their previous councils.

Other operational areas of Council have also experienced efficiency gains through improved technology and work processes, increased scale, workplace reform and better utilisation of plant and equipment. Council's Public Trees team, for example, now looks after 51,000 street trees and achieved an efficiency gain of 7% or \$105,570 per annum. Industry benchmarking with over 100 other government agencies involved in urban tree management confirm that City of Parramatta is performing well in terms of both service standards and efficiency.

4.2.2 Stronger Regulatory and Enforcement Capacity

Since May 2016, Council's regulatory and enforcement team has increased by 50% reflecting the growing scale of their work and also the importance of matching community expectations. With the resources of an enlarged team, Council

has been able to provide parking ranger services to areas not patrolled by the former Auburn Council (i.e. Wentworth Point) and extended DA and parking compliance patrols to areas experiencing high levels of construction activity (such as Epping Town Centre). We know that the community expects Council to manage growth and this includes ongoing, active efforts to ensure regulatory compliance on building sites.

Additionally, as a stronger and larger Council, collaborative relationships with the State Government have facilitated a rapid reassessment of reported James Hardie Legacy sites by the Environment Protection Authority, supported by a State-provided regime of soil sampling of a number of residential properties assessed as being on or near sites where James Hardie asbestos waste is reported to have been deposited.

4.2.3 Social Infrastructure Planning

Within the next 20 years, an additional 150,000 people will live in City of Parramatta and it is critical that Council's social infrastructure keeps pace with that growth to ensure the City remains liveable, sustainable and productive for its current and future residents. Council recognises this growth brings exciting opportunities and major responsibilities. By managing growth there are opportunities to improve the community's access to services provided by Council, State Government and our other partners working together effectively.

In August 2017, Council released its *Draft Social Infrastructure Strategy* for community, Government and other stakeholders' feedback. The strategy focuses on the social infrastructure over which Council has primary responsibilities, has chosen to play a role in delivering, or seeks to advocate for on behalf of the community. It considers community hubs, halls and meeting spaces, libraries, early childhood care, scout and guide halls, play spaces, aquatics, indoor and outdoor sports, parks and community gardens. It builds on the 2017 *Parramatta CBD Infrastructure Strategy*. The draft strategy does not include arts and culture, as this is part of the implementation of the *Culture and Our City: A Cultural Plan for Parramatta 2017-2022*.

Successful implementation of the draft strategy will realise the delivery of quality social infrastructure in our neighbourhoods and CBD as the population grows.

4.3 Robust Community Relationships

4.3.1 Communities who have their say

Increased, real and regular Council community engagement has been a key feature of the new Council. Adopted in 2017, Council's new *Community Engagement Strategy* includes appropriate methods and social media platforms to engage the diverse communities of the City. It also explores web-based engagement tools that improve accessibility for our community and comply with W3C's Web Content Accessibility Guidelines.

Examples of community engagement initiatives for 2016/17 include:

- 5 Parramatta Square Citizens' Jury – a determinative forum about the services and interior feel of Council's new library and civic

centre

- *Youth State of the City Forum* – to seek young peoples' view of Council services and initiatives
- 'Imagine Ermington' and 'Imagine Epping' – online engagement to seek the views of these communities' on priority assets and services for their areas
- numerous Master Plan consultations
- Epping Town Centre workshops
- consultations on a suite of Strategic Plans and Policies
- pop-up kiosks across a range of locations
- consultation on the *Community Engagement Strategy*
- launch of the new City of Parramatta website
- increased online engagement through Council's Our City Your Say panel.
- public exhibition for the development of the Operational Plan.

4.3.2 Communities can readily identify with the new Council

The Council, its leadership and its staff are proud of all our combined efforts to build robust relationships with the communities of City of Parramatta. Council has made sustained efforts to engage, listen, understand and respond to the needs and aspirations of its growing and diverse communities. Through the transition period, Council has deliberately grown its use of participative democracy techniques to inform best practice decision making.

This engagement – together with seamless service delivery during the change period- has been instrumental in building community support for the new Council. A NSW Local Government Community Satisfaction Survey was coordinated by the NSW Department of Premier and Cabinet on behalf of the newly established councils. This survey gave City of Parramatta Council an indexed score of 68, higher than the average state-wide index score of 58, and higher than the metropolitan index score of 61.

Right from the start of the transition period, Council's Administrator participated with staff in pop-up consultations held in a range of places where communities gather such as shopping centres, playgrounds, train stations and post offices. Council laid the groundwork for a long term relationship by asking 'what do you love about your neighbourhood?' and 'what does your area need more of?' to introduce City of Parramatta.

We believe that by listening and by understanding the valued attributes of each different place in the LGA, Council will be able to better serve its residents and ratepayers.

Through the transition period, the Administrator met with many residents and stakeholders attending more than 490 external meetings and 207 community events.

Key committees and forums of the Council were formed or refreshed including:

- Councillors from relevant wards of the former Parramatta City Council and of Hills and Hornsby Councils were invited to join the Former Councillor Representation Committee to recognise and enable their continuing involvement with the Council during the transition period
- additionally, a Local Representation Advisory Committee was established that included both community members from areas formerly in Auburn, the Hills and Hornsby Council, and former Councillors
- a Smart City Advisory Committee was established and chaired by former Councillor Steven Issa
- a committee was formed to make recommendations on the nominees for Council's Australia Day Awards to ensure the awardees represented a broad community perspective
- the terms of reference and membership of Council's Access, Cycleways, Heritage and Aboriginal and Torres Strait Islander advisory committees were refreshed to ensure all parts of the much larger area were represented
- the inaugural Youth Forum was a big success and bright, articulate young people have joined each of the above committees
- a new Parramatta Light Rail Community and Business Advisory Committee was recently established.

4.4 Stronger Governance

Council reviewed and improved its key institutions for good governance to enhance transparency and accountability. Reflecting risks and community concerns, Council has focused institutional governance reform efforts on:

- improving the transparency and integrity of its development and planning decisions by establishing an Independent Hearing and Assessment Panel (IHAP)
- improving the transparency and recording of Council's deliberations and decision-making processes by live-streaming and archiving Council meeting proceedings, and enhancing internal management controls to improve the accuracy and completeness of Council business papers
- working collaboratively with its new external auditor – the Auditor General
- establishing an Internal Ombudsman to provide an impartial and independent mechanism for complaints, misconduct, and to address past concerns regarding the effectiveness of Code of Conduct complaint processes
- updating the governance systems and controls that support Council's property development functions to enable Council, at all times, to be a model developer, protect ratepayers' interests, and demonstrate that Council's developments are appropriately separated from its regulatory functions.

4.4.1.1 Independent Hearing and Assessment Panel

An Independent Hearing and Assessment Panel (IHAP) was successfully established to provide an open and transparent framework for the consideration of planning decisions. The IHAP ensures all stakeholders are appropriately consulted and provides a means by which planning decisions can be independently reviewed.

The first Parramatta IHAP meeting was held on 16 August 2016 and since then 13 meetings have been held. The Panel has considered 50 Development Applications and 18 Planning Proposal reports during this time.

In order to evaluate the effectiveness of the Parramatta IHAP, Council commenced a survey of IHAP participants in early 2017 which included applicants, IHAP members, consultants, Council staff, and community members who have addressed the IHAP. In addition to this survey, Council undertook a number of small focus groups on the development assessment process which includes the Parramatta IHAP.

This consultation has highlighted key results and benefits of the Parramatta IHAP, and also highlighted several areas for improvement.

Launch of City of Parramatta as a Refugee Welcome Zone



Participants were positive about the IHAP process, considering it less political and more transparent, with 70% of survey respondents strongly agreeing that the professional expertise, composition and independence of the Panel benefits the final decision. Participants who had spoken at the IHAP felt it was a positive experience, and felt they were heard and listened to regarding their concerns. Over 70% of respondents believed that the IHAP is very or extremely important for development in the LGA.

The feedback identified some opportunities for further refinement. These are being considered by Council and will be shared with Planning NSW.

In August 2017, the NSW Government passed legislation to make IHAPs mandatory for all metropolitan councils. The community concerns raised will be considered by Council and shared with the NSW Department of Planning and Environment as they develop guidelines for all mandatory metropolitan IHAPs. Some administrative changes will be required by March 2018 to comply with the

new legislation and guidelines.

4.4.1.2 Live-streaming of Council meetings

Live-streaming and recording of all Council meetings commenced from 13 February 2017, increasing access for residents and stakeholders to Council decisions and debates while eliminating geographic barriers.

Live-streaming has been introduced as part of Council's commitment to improving transparency, accessibility and community participation in Council meetings. It provides greater flexibility and convenient access for residents. The public is able to watch the meeting in real time via the internet, or through the published recordings of Council meetings, enabling greater accessibility into the level of detailed discussion and debate that is engaged in prior to a decision.

In the period of 1 February 2017 to 15 August 2017, there were 1,105 views of the Council meeting livestreams, and 846 views of published meeting recordings.

4.4.1.3 Internal management controls for Council meeting business papers

To improve the quality of the reports presented in Council meeting business papers, enhanced internal management controls were implemented. This included having each business paper reviewed by two Directors checking that the report met the purpose for which it was being written, that the recommendations accurately and clearly articulated the decision needed from Council, that the content of the report supported the conclusions and decisions, and checking the grammar, spelling, language and overall professionalism.

Council also maintains a forward agenda of business papers for the next three or more meetings to ensure the decisions needed from Council or the information needed to be presented to Council is coordinated and provides for the timely presentation of the necessary information.

4.4.1.4 External Audit

Consistent with recent amendments to the Local Government Act, the NSW Auditor General was appointed as Council's external auditor. The Audit Office undertakes both financial audits of individual Councils and performance audits of the whole sector.

The first audit by the Audit Office is for the 2016/17 financial year and will be included in Council's 2016/17 Annual Report. The Audit Office's first three performance audits of the local government sector will be undertaken in 2017/18 on the following topics:

- reporting on Council's service delivery
- fraud risk control
- efficient and effective shared services.

4.4.1.5 Internal Ombudsman

Arrangements for an Internal Ombudsman, for resolving community, Councillor and staff issues and complaints, are being finalised and due to be operational by 31 August 2017. City of Parramatta, Inner West and Cumberland Council have entered into a joint agreement to deliver a shared Internal Ombudsman service. This approach is expected to be more efficient and enable opportunities for continuous improvement.

It has been established as a key tool to enhance and protect the reputation of the new Council, Councillors and staff; and build community confidence in the operation of the Council and Council's internal investigation capacity.

The Internal Ombudsman will provide a free and

independent option for the investigation of claims of maladministration, misconduct, corruption or other improper conduct by Council or Council officers. They will also identify opportunities for systemic improvements to Council's processes and provide education services. The Ombudsman will provide a public report each year on their activities and outcomes.

Consistent with their scope to investigate, review and refer any complaints or allegations of maladministration, misconduct, corruption or other improper conduct, the Internal Ombudsman would have the power to take suitable action or make recommendations to matters of investigation. This would include making suitable recommendations to the Chief Executive Officer, Audit and Risk Committee or other relevant external agency about investigations or improvements to Council's policies, procedures and processes.

Subject to the cost sharing arrangement being entered into with Inner West and Cumberland Councils, it is considered that City of Parramatta's portion of the costs of a shared Internal Ombudsman role would be less than \$200,000 per annum. These costs have been provided for in the *2017/18 Operational Plan and Budget*.

4.4.1.6 Review of Councillors' Expenses and Facilities and key governance policies

The revised Councillors' Expenses and Facilities Policy will save City of Parramatta Council around \$500,000 a year compared to the costs under the former Parramatta City Council by placing monetary limits on different types of expenditure.

The aim of the policy review was to ensure the policy was robust and transparent, that the support provided to Councillors was aligned to other relevant councils and to ensure the policy matched expectations. When on exhibition, more than 330 stakeholders commented on the draft Councillors' Expenses Policy – demonstrating the community's high expectation of the probity of its future Councillors.

In preparing the policy, inconsistencies between Council accounts and annual reporting were identified and were subject to audit. No misconduct was identified by the auditor, however a number of opportunities to strengthen financial and accountabilities systems were identified. This audit report was published together with the management

response to implement the recommendations.

To ensure new controls are implemented and effective, Council's Audit and Risk Committee is expected to review compliance with the new policy in quarter 2 (Oct to Dec) of the 2018/19 audit program.

4.4.1.7 Review of governance of property functions

Council has a large portfolio of property assets and is creating new developments on some of its Council-owned sites to make the most of its assets and bring the best of urban living to the community.

In doing so, Council needs to carefully manage risks and meet the highest standards of probity and governance in all its dealings, because Council is in the unique position of having three separate roles as developer, a regulator and a planning authority.

During 2017 Council initiated reviews of the governance framework for Council's property development activities. Dawson Management made a number of recommendations to strengthen governance and ensure the City plays its role as a model developer, instil transparency, and help to avoid real or perceived conflicts of interest. Management has prepared a response to the recommendations which was endorsed by Council on 14 August 2017.

Key outcomes are to emphasise:

- probity and other controls
- the clear separation of property development and planning and regulatory activities
- strengthening Council's capability
- document and contract control
- Council's role in setting funding allocations and receiving regular reports against the business case.

A refreshed policy that incorporates the recommendations is due to be presented to the Council meeting on 9 October 2017.

The Major Projects Advisory Committee (MPAC) provides independent assurance and advice to Council in relation to risk identification and mitigation regarding major property development projects. The MPAC Charter has been reviewed and the updated charter is also due to be presented to the Council meeting on 9 October 2017.

The charter of Council's Audit and Risk Committee has been updated to bring it into line with the





Model Guidelines published by the Office of Local Government and to reflect the establishment of a new Internal Ombudsman, and the existence of the MPAC.

The new Council is to be briefed at an early stage on key legal and financial risks relating to the property portfolio and receive six-monthly reports of Parramatta Square's progress against its business case.

4.4.1.8 Review of Council's Audit & Risk Committee Charter

Following the Audit and Risk Committee Charter review it was also amended in relation to committee membership, roles and responsibilities and meeting quorum. As of 10 July 2017 the Audit and Risk Committee membership provides for the appointment of two Councillors (excluding the Lord Mayor) and three independent external members with a quorum of the committee being that of a majority of committee members including at least one independent external member.

The roles and responsibilities of the committee have been extended to include cooperative information sharing and collaboration with Council's Internal Ombudsman function and Council's Major Project Advisory Committee (MPAC).

In addition to these changes, it highlighted the

option of sourcing potential independent external members from the NSW Government Panel of Prequalified Audit Committee members and chairs.

Independent external members Brendyn Williams (Chair) and Bill Rock have now completed two terms and in accordance with the Charter cannot continue to sit on the committee. A new Independent member and Chair has been recruited in line with the Charter. Dr Col Gellatly will take up this position as the new external independent member and Chair from 29 August 2017.

4.4.1.9 Review and harmonisation of other key policies

Following the amalgamation, and in line with the Proclamation, a program to review Council's policies was implemented which considered the policies of the former Councils; best practice; references and requirements for current legislation, guidelines, codes of practice and standards; the new Council name; and the needs of Sydney's Central City. This also included Council leveraging several key policies of Canterbury Bankstown Council which were reviewed by the Independent Commission Against Corruption as the basis for the amended policies of City of Parramatta Council, including the *Councillors' Interaction with Staff Policy*, the *Fraud and Corruption Prevention Policy* and *Statement of Business Ethics*.

Following the review, 45 policies were recommended for amendment or new policies recommended for implementation. Eleven policies were retired as they were identified to have been superseded, merged or no longer applicable to City of Parramatta.

4.5 New Cultural Precinct

City of Parramatta and the NSW Government have signed a Heads of Agreement (or contract) for Council's Riverbank site, and to create a new cultural precinct on the Parramatta River.

The precinct will include the Museum of Applied Arts and Sciences (MAAS), an enlarged and enhanced Riverside Theatres and a new pedestrian bridge across the river, all of which will be underpinned by \$40 million to deliver Council's *2017-2021 Cultural Plan*.

Council's consultation to develop a Cultural Plan showed that attracting the MAAS and growing Riverside Theatres were the community's two key cultural priorities.

While Riverside is much loved, a number of studies have shown that the theatre is aged, lacks accessibility, has limits to its capacity to attract a full range of productions and requires improved facilities.

Through the Heads of Agreement, Council has set out a number of requirements that will ensure Riverside's legacy continues including that:

- the theatre must build on the valued brand of the existing Riverside Theatres
- it must seek to maintain its connection with current audiences and continue to provide opportunity for education and cultural industry development
- it must be of architectural distinction, design excellence and twenty-first century functionality
- it must meet future demand for high quality diverse local, Australian and global performance
- it must meet certain operational financial performance conditions.

Further, Council will retain ownership of the Riverside Theatres land.

The Riverbank site is being sold for \$140m, which is in line with Council's commercial valuations of the land. In the Heads of Agreement, Council has agreed that \$100m of the proceeds will be invested in the enhanced Riverside Theatres. Council has agreed it will invest the remaining cash of \$40m to implement the Cultural Plan over the next 20 years.

5 COUNCIL'S COMBINED FINANCIAL POSITION

5.1 Summary:

Council achieved a surplus in 2016/17 and projects a small surplus of \$0.6m in 2017/18. Council will publish its performance against the 'Fit for the Future' financial measures, as identified by IPART, compared to the current and former Councils that now make up City of Parramatta, in the annual report to be published in November 2017. The criteria and measures are:

- sustainability, measured by the operating performance ratio, own source revenue and building & infrastructure asset renewal ratio
- infrastructure and service management, measured by infrastructure backlog, asset maintenance and debt service
- efficiency, measured by real operating expenditure per capita.

Council's 2016/17 budget was the consolidation of relevant items of the draft budgets of the former Holroyd, Auburn, Parramatta City, and the Hills and Hornsby councils. As such it was always expected to be refined and updated over time.

Nevertheless, in 2016/17 Council operations resulted in a net operating result (subject to audit) of \$8.8m. This was \$5.7m above the budget of \$3.1m. Revenue was \$7.3m above the budget of \$240.6m due mainly to Federal Government grants of \$4.7m received in

advance and \$1.0m in contributions and donations. Expenses variance is unfavourable by \$2.5m, mainly the result of other operating costs being \$2.7m above budget. Staff costs were also above budget, by \$0.8m due to ETP's and leave entitlements associated with the merger.

In 2016/17 Council agreed to defer a small number of capital and operational projects to better prioritise merger implementation and management of Council's interface with the light rail project.

Council's 2017/18 budget has been aligned to the direction provided by *Our Vision and Priorities*. The budget includes additional resources to manage the larger Council area and to ensure we can meet the challenge of becoming Sydney's Central City.

Some of our services will continue to be provided by former Councils in 2017/18, however we anticipate transitional arrangements being finalised by December 2017.

The budget projects an operating surplus of \$0.6m with operating revenue of \$245.1m and operating expenditure of \$244.5m (excluding the new Council implementation costs of \$3.7m).

Target	Comment
Net financial savings (NPV) of \$32.5 million over 10 years included in Council's financial forecasts	Council is working towards this target, noting that these savings will be reinvested back into community works, and Council has already identified how it will save \$26.24m over the next 10 years. Also at 30 June 2017 the net financial benefit is approximately \$2.98m.

5.1.1 Asset renewal and reduced backlog

Planning for Council's five-year costed capital renewal works programs was completed in June 2017. The first year of the five-year renewal works program is included in the *2017/18 Operational Plan and Budget*.

These Asset Renewal Plans will be further refined as additional information is gathered on the condition of assets transferred into the new Council, the Integrated Planning Framework including the *Long Term Financial Plan*, and future *Asset Management Strategy*.

5.2 Stronger Communities Fund: Funding, Expenditure and Commitments

Consistent with the Ministerial Guidelines, Council has fully committed its \$15 million of Stronger Communities Fund monies for community benefit.

Council is proud of the community and staff engagement and the quality of governance that underpinned this decision-making process. City of Parramatta Council undertook extensive consultation to identify and prioritise potential major projects.

Council established an innovative website, www.futureparramatta.com.au, for the community to plot their project ideas on a map. Over 170 proposals were received, with an estimated value of \$192m. All suggestions were categorised and these categories were presented to a '21st Century' Town Hall Workshop where community members provided feedback on the areas that were most important to them. Internal panels of Council Officers also reviewed project ideas based upon the agreed selection criteria. Business cases were prepared which explored costs, benefits and risks.

The Assessment Panel (comprising the Administrator, seven local State Members of Parliament or their delegates and an independent auditor) determined which projects should obtain funding. This methodology demonstrated to the community Council's ability to incorporate greater accessibility, equity and inclusion into decision-making.

5.2.1 Community grants

Council awarded \$1.056m, through grants of up to \$50,000, to 34 not-for-profit community groups to deliver a mix of infrastructure projects and service

based programs that build more vibrant, sustainable and inclusive local communities.

Successful recipients included Parent and Citizens Associations from a number of local schools, Scout troupes and sporting groups, social enterprises and community service organisations. Projects cover a wide range of activities benefiting students and new parents, through to migrant services and senior citizen groups.

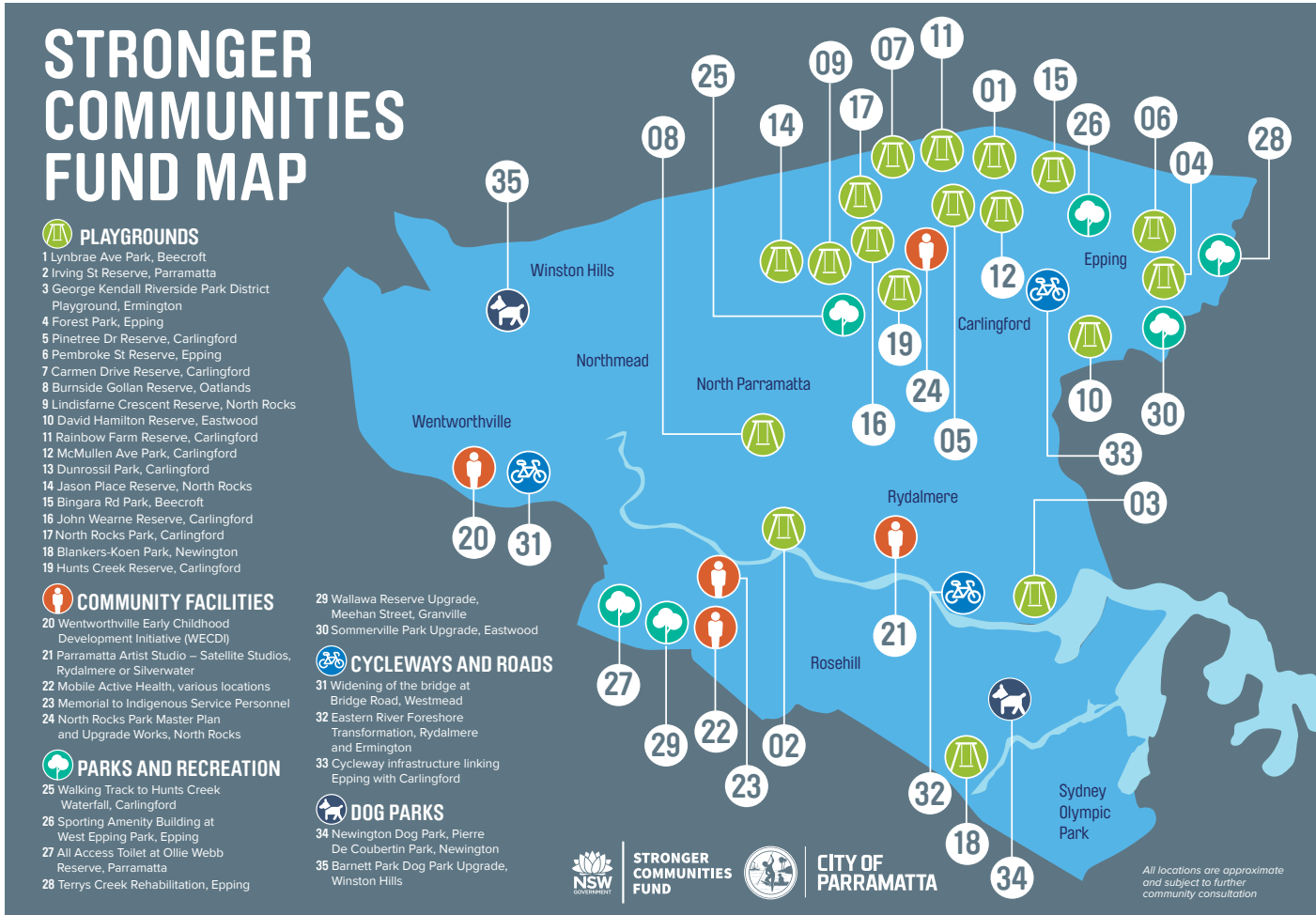
The majority of funds have now been dispersed to recipients, with a small number of grant payments awaiting completion of conditions prior to payment being made. Grant recipients have been supported by Council to attain media coverage of their projects, with positive stories appearing in print and television media. More details, including a list of recipients and projects, are available on Council's website: www.cityofparramatta.nsw.gov.au/living-and-community/grants/stronger-communities-fund.

5.2.2 Major Projects

Council commenced the planning and delivery of the almost \$14 million worth of Major Projects component of the Stronger Communities Fund. In addition to regular reporting requirements, all monies are required to be expended by December 2019 with any remaining funds returned to the State Government.

In summary:

- all Major Projects are currently being set up through Council's Project Management and Finance systems
- the scope of each project is being refined and Project Briefs are being prepared for each project
- the consultant to undertake the North Rocks Park Master Plan was engaged in July 2017
- community consultation will be the key next step for most projects. By the end of August 2017, consultation will be completed for six playground upgrades, with the remainder to be completed before June 2018. Consultation for a number of park upgrades, including Sommersville Park, North Rocks Park Master Plan, Newington Dog Park and Wallawa Reserve is expected to be completed by the end of 2017.



5.3 Key Financial Issues and Risks

5.3.1 Cumberland Arbitration

City of Parramatta Council has entered into a binding Arbitration agreement to address the financial claims made by Cumberland Council against City of Parramatta Council. The arbitration proceedings were held between 25 August to 31 August 2017. The Arbitrator appointed to the proceedings has indicated that following deliberations, his decision should be handed down in September 2017. The decision of the Arbitrator is binding and both parties must comply with his decision.

5.3.2 Hornsby Unpaid liability

City of Parramatta Council has invoiced Hornsby Shire Council for an amount of \$22.858m for cash reserves due at Proclamation and any relevant financial items that occurred during the 2016/17 financial year, primarily unpaid rate revenue and outstanding S94 funds. This amount is based on draft financials provided to Council in early 2017. A letter of demand has now been sent to Hornsby Shire seeking payment.

At present, City of Parramatta is unable to issue

rates notices to former residents of Hornsby Shire Council as Hornsby has refused to provide the necessary data. To date the only data provided to City of Parramatta from Hornsby Shire Council is Property Address and Parcel/Titles Lot/DP data. All other operational data, including Owner-names and addresses; conditions; zoning; 149 templates/extras; assessment numbers/property records and rates; historical data and the Electronic Data Migration (TRIM System or equivalent) remain outstanding. Hornsby Shire Council has not indicated when this data might be provided to City of Parramatta.

Hornsby Shire's refusal to provide this information is preventing City of Parramatta completing operational requirements, including issuing rates to the sections of the LGA formerly within Hornsby Shire, and means that Council has been unable to provide information and advice to residents and stakeholders.

Council hopes that following the election of a new mayor of Hornsby Shire Council, they will assist in quickly bringing this issue to a constructive resolution avoiding legal actions. Nevertheless, City of Parramatta will continue to provide services to the community, in the expectation of future payment.

5.4 Merger Implementation Funding:Funding, Expenditure and Commitments

Following Proclamation, Council received a \$10m grant from the New Council Implementation Fund (NCIF) to offset the cost of implementing the changes incurred as part of the process. The grant is subject to regular reporting requirements.

City of Parramatta Council did not experience the standard merger with one or more councils, but rather a boundary readjustment, creating a larger LGA. As a result, there was some increase in staff costs to serve the larger LGA.

This funding is subject to six monthly reporting to the Office of Local Government (OLG) on 31 July (reporting to 30 June) and 31 January (reporting to 31 December), and is also subject to audits around NCIF expenditure. This report should be prepared in accordance with the OLG Guidelines, and be reported to a Council meeting prior to submission to OLG.

Funds were allocated over the following areas:

	Amount \$
Transformation Projects	1,001,448
Technology – Data Migration	1,750,000
Restructuring Costs	1,700,000
City Visual Identity and Branding	1,607,000
Project Management – Transformation and Change Unit	1,064,000
Community Engagement	738,620
Land Use Planning	658,059
Asset Audit and Data Transition	487,000
Human Resources	338,127
Stronger Communities Fund – Management	244,706
Council Rates Transition	180,000
Libraries Transition	142,000
Domestic Waste Management	89,000
	10,000,000

6 ONGOING JOURNEY OF ESTABLISHING THE NEW CITY OF PARRAMATTA

Council will maintain momentum after the election, during transition to, and welcoming the new Council. Key next steps include:

- furthering the harmonisation process of amending planning controls and service policies to take account of the whole LGA and its differing histories and needs
- delivering the inaugural *Community Strategic Plan*, and supporting documents for the whole of the new LGA
- realising and reporting on the expected long term benefits of the merger.

Council has already commenced the challenge of planning development controls harmonisation starting with Epping Town Centre, where different controls apply depending on whether the land was formerly Parramatta City or Hornsby Shire. Council is currently focused on the completion of the Epping Planning Review and early social infrastructure actions as well as other Master Plans that are being developed and implemented in those areas experiencing high growth: Carlingford, Hill Road precinct (Wentworth Point), Camellia, Epping, North Rocks Park, Rydalmere and Telopea.

Managing the impacts of growth is vital to the liveability of our city. Council will continue to address this through the ongoing development, implementation and review of key strategic plans, including our Local Environment Plan, which will ensure that growth is managed and delivers quality design and local jobs, attracts investment and supports our heritage.

In 2017/18 Council will commence the process to consolidate the five Local Environmental Plans and five Development Control Plans into one Local Environmental Plan and one Development Control Plan for City of Parramatta.

Council notes a number of non-merger matters that were not able to be satisfactorily resolved in the transition period which will require the attention of the new Council. Consistent with Council's resolutions, the new Councillors will be briefed on the legal and financial risks associated with a development site (189 Macquarie St) and the outcomes of legal reviews. Council should consider options to expedite the delivery of the Rydalmere Master Plan and strengthen the documentation of its long term relationship with the Rydalmere Soccer Club as the most significant user of the site, and also collaboratively consider its facilities at Onslow St Granville and the needs of that leaseholder. Council will also need to consider the renewed, enhanced proposal from Local Land Services to transfer one of its assets to local government and continue to work with HACA on priority residential sites and Council's own contaminated land management.

While significant progress has been made in just 15 months, there is still work ahead particularly in relation to a continued focus on governance; the implementation of recommendations of Council's Building Service Excellence program; *Draft Social Infrastructure Strategy*; and the new Cultural Precinct on Parramatta River.



