

# QUARTERLY BUDGET REVIEW STATEMENT

CITY OF PARRAMATTA COUNCIL

March 2022 Quarter



# Contents

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|   |    |
|---|----|
| Executive Summary.....                            | 3  |
| March 2022 Financial Statements & Movements ..... | 4  |
| Directorate P&L Summary.....                      | 6  |
| Capital Expenditure Statement .....               | 8  |
| Capital Major Works.....                          | 9  |
| Capital Variances.....                            | 10 |
| Reserve Balance Summary.....                      | 13 |
| Tender Contracts Awarded.....                     | 14 |
| RESPONSIBLE ACCOUNTING OFFICERS REPORT .....      | 15 |

# Executive Summary

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## RECOMMENDATIONS

That Council adopt the March 2022 Quarterly Budget Review Statement and the Responsible Accounting Officer's report on the financial position of the Council.

Excluding the favourable variance of \$47.4m on Gain on asset disposal for City Centre car park and 70 Macquarie St, the Net Operating result is forecasted at Net deficit of (\$4.9m), which is \$7.7m better than December Forecast.

### Key Highlights:

- All directorates on track to achieve their budgeted savings targets.
- Cash Hits to the P&L:
  - Deterioration of Interest Income (\$3.0m)
  - Decline in DA Income due to subdued market conditions (\$0.9m)
  - Increase in Provision for Doubtful Debts (\$0.4m)
- Non-Cash / reclassification Hits to the P&L (ie nil impact on unrestricted cash result):
  - WIP to Opex Reclass for Software-As-A-Service (SAAS) of \$2.2m
- Benefits to the P&L:
  - Timing of CBD Outdoor dining project \$1.3m, HRMS \$1.0m and 9WW \$0.8m.
  - Vacancies savings \$2.8m, Savings from controllable M&C costs \$2.8m, Recovery of car parking revenue \$1.1m, Improved Operating Grants & Contributions \$1.1m and Depreciation savings \$1.0m.
  - Gain on Epping lanes road sale \$1.2m.
  - Receipt of Create NSW grant for Riverside for shows cancelled due to COVID \$0.5m.



## March 2022 Financial Statements & Movements

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

| \$'000  | 2021/22 Original Budget | Approved September Adjustments | Approved December Adjustments | Current Budget | Proposed Adjustments | March QR       | MarchYTD Actual |
|---|-------------------------|--------------------------------|-------------------------------|----------------|----------------------|----------------|-----------------|
| <b>Income</b>                                     |                         |                                |                               |                |                      |                |                 |
| Rates & Annual Charges                            | 203,395                 | 1,751                          | (1,898)                       | 203,249        | 50                   | 203,299        | 204,727         |
| User Charges & Fees                               | 31,513                  | (4,577)                        | (961)                         | 25,976         | 778                  | 26,754         | 17,181          |
| Other Revenue                                     | 15,804                  | (154)                          | (401)                         | 15,249         | 794                  | 16,043         | 9,865           |
| Interest  | 6,289                   | 723                            | (0)                           | 7,011          | (3,011)              | 4,000          | 2,811           |
| Operating Grants                                  | 19,688                  | (1,167)                        | 910                           | 19,431         | 942                  | 20,374         | 10,200          |
| Capital Grants                                    | 36,671                  | 13,349                         | 5,923                         | 55,943         | (1,370)              | 54,573         | 32,960          |
| Operating Contributions & Donations               | 2,564                   | 3,547                          | (121)                         | 5,990          | 110                  | 6,099          | 5,087           |
| Capital Contributions & Donations                 | 29,080                  | (7,884)                        | 9,092                         | 30,287         | 4,136                | 34,423         | 20,586          |
| Internal Revenue                                  | 15,492                  | 127                            | 148                           | 15,767         | 134                  | 15,901         | 11,259          |
| Gain in Share in Joint Venture                    | 800                     | (200)                          | (200)                         | 400            | -                    | 400            | -               |
| <b>Total Operating Revenue</b>                    | <b>361,296</b>          | <b>5,514</b>                   | <b>12,492</b>                 | <b>379,302</b> | <b>2,563</b>         | <b>381,866</b> | <b>314,675</b>  |
| <b>Expense</b>                                    |                         |                                |                               |                |                      |                |                 |
| Employee Costs                                    | 131,841                 | 4,029                          | (510)                         | 128,322        | 2,796                | 125,526        | 91,000          |
| Borrowing Costs                                   | 1,489                   | 472                            | (98)                          | 1,116          | 30                   | 1,086          | 790             |
| Materials & Contracts                             | 58,331                  | 517                            | (4,371)                       | 62,185         | 3,845                | 58,340         | 40,274          |
| Depreciation & Amortisation                       | 51,995                  | (166)                          | 522                           | 51,640         | 967                  | 50,672         | 37,811          |
| Other Operating Expenses                          | 49,682                  | 1,540                          | 1,129                         | 47,014         | (779)                | 47,792         | 30,060          |
| Internal Expenses                                 | 14,918                  | (105)                          | (459)                         | 15,482         | 1,089                | 14,394         | 11,259          |
| <b>Total Operating Expenses</b>                   | <b>308,257</b>          | <b>(6,285)</b>                 | <b>3,787</b>                  | <b>305,758</b> | <b>7,948</b>         | <b>297,810</b> | <b>211,195</b>  |
| <b>Operating Surplus/Deficit</b>                  | <b>53,039</b>           | <b>11,799</b>                  | <b>8,705</b>                  | <b>73,544</b>  | <b>10,512</b>        | <b>84,056</b>  | <b>103,480</b>  |
| Loss/(Gain) on Asset Disposal                     | 2,500                   | (1,958)                        | (47,287)                      | (46,745)       | (648)                | (47,393)       | 1,600           |
| <b>Net Operating Result</b>                       | <b>50,539</b>           | <b>13,758</b>                  | <b>55,992</b>                 | <b>120,289</b> | <b>11,160</b>        | <b>131,449</b> | <b>101,880</b>  |
| <b>Operating Surplus/(Deficit) before Capital</b> | <b>(15,211)</b>         | <b>8,293</b>                   | <b>40,978</b>                 | <b>34,060</b>  | <b>8,393</b>         | <b>42,453</b>  | <b>48,335</b>   |

## KEY MOVEMENTS

The net operating result before capital revenue is higher than December Forecast by \$8.4m (\$11.2m incl. Capital revenue).

### Revenue – better by \$2.6m:

- **\$4.1m Capital Contributions & Donations** – Mainly driven by \$7.8m to be received for 180 George St, offset with reduction in City Infrastructure Planning Facilities.
- **\$0.9m Operating Grants & Contributions** – \$1.2m received from Dept of Planning and Infrastructure, NSW Storms & Floods- LG Recovery Grant.
- **\$0.8m Other Revenue** – \$0.8m Receipt of CBD Parramatta Nights expected in June.
- **\$0.8m User Charges and Fees** – \$1.1m Car Parking revenue with more visitations and back to the office, \$0.5m Riverside theatre, offset with (\$0.9m) DA income to align with subdued market conditions.
- **(\$3.0m) Interest** – due to weak global investment outlook.
- **(\$1.4m) Capital Grants** – (\$5.5m) timing of PDG Aquatic grants (weather), offset with \$2.6m Federal Stimulus Grant & \$1.4m Place Services grant.

### Expenses – better by \$8.6m:

- **\$3.8m Materials & Contracts** – Timing of CBD Outdoor dining project \$1.3m, HRMS \$1.0m and 9WW \$0.8m. Saving in City Assets due to inclement weather \$0.7m, City Strategy \$0.3m (discretionary), City Planning & Design \$0.3m (drop in DA volumes), Facilities MGT \$0.7m, Other PDG Projects \$0.8m, offset with (\$2.2m) ICT projects reclassified to operating.
- **\$2.8m Employee Costs** – Vacant positions across the organisation continue to provide cost savings to budget.
- **\$1.0m Depreciation & Amortisation** – Timing of capitalisation of projects.
- **\$0.6m Gain on asset disposal** – Gain on Epping lanes road sale \$1.2m, offset by losses from write-off of road assets.
- **(\$0.8m) Other Operating Expense** – mainly driven by Events (Parramatta Nights, Live Music programs) and Prov for Doubtful Debts (\$0.4m).

## Directorate P&L Summary

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

| \$'000  | 2021/22<br>Original<br>Budget | Approved<br>September<br>Adjustments | Approved<br>December<br>Adjustments | Current<br>Budget | Proposed<br>Adjustments | March QR       | MarchYTD<br>Actual |
|---|-------------------------------|--------------------------------------|-------------------------------------|-------------------|-------------------------|----------------|--------------------|
| <b>Income</b>                                     |                               |                                      |                                     |                   |                         |                |                    |
| Corporate Services & Executive Office             | 179,698                       | 1,230                                | (1,628)                             | 179,300           | (2,826)                 | 176,474        | 169,739            |
| City Engagement and Experience                    | 504                           | 140                                  | 691                                 | 1,334             | 643                     | 1,978          | 680                |
| City Strategy                                     | 4,018                         | (1,967)                              | 25                                  | 2,076             | 33                      | 2,110          | 98                 |
| Property & Place                                  | 36,865                        | 11,833                               | 1,625                               | 50,324            | (3,271)                 | 47,053         | 36,980             |
| City Assets and Operations                        | 83,470                        | 10,033                               | 2,196                               | 95,699            | 3,924                   | 99,624         | 72,434             |
| Community Services                                | 14,281                        | (1,654)                              | (503)                               | 12,124            | 548                     | 12,672         | 8,405              |
| City Planning and Design                          | 42,459                        | (14,101)                             | 10,086                              | 38,444            | 3,511                   | 41,955         | 26,338             |
| <b>Total Income</b>                               | <b>361,296</b>                | <b>5,514</b>                         | <b>12,492</b>                       | <b>379,302</b>    | <b>2,563</b>            | <b>381,866</b> | <b>314,675</b>     |
| <b>Expense</b>                                    |                               |                                      |                                     |                   |                         |                |                    |
| Corporate Services & Executive Office             | 47,641                        | 1,571                                | (8,293)                             | 54,362            | 1,200                   | 53,162         | 38,300             |
| City Engagement and Experience                    | 19,916                        | 372                                  | (669)                               | 20,214            | (811)                   | 21,025         | 13,310             |
| City Strategy                                     | 11,197                        | (112)                                | 657                                 | 10,652            | 677                     | 9,975          | 6,613              |
| Property & Place                                  | 23,387                        | 473                                  | (1,458)                             | 24,372            | 2,650                   | 21,722         | 15,164             |
| City Assets and Operations                        | 140,424                       | 4                                    | 6,446                               | 133,974           | 808                     | 133,166        | 98,748             |
| Community Services                                | 43,886                        | 3,251                                | (109)                               | 40,744            | 2,014                   | 38,730         | 24,612             |
| City Planning and Design                          | 21,806                        | 727                                  | (361)                               | 21,441            | 1,411                   | 20,030         | 14,448             |
| <b>Total Expense</b>                              | <b>308,257</b>                | <b>6,285</b>                         | <b>(3,787)</b>                      | <b>305,758</b>    | <b>7,948</b>            | <b>297,811</b> | <b>211,195</b>     |
| Loss/(Gain) on Asset Disposal                     | 2,500                         | (1,958)                              | (47,287)                            | (46,745)          | (648)                   | (47,393)       | 1,600              |
| <b>Net Operating Result</b>                       | <b>50,539</b>                 | <b>13,758</b>                        | <b>55,992</b>                       | <b>120,290</b>    | <b>11,159</b>           | <b>131,448</b> | <b>101,880</b>     |
| <b>Operating Surplus/(Deficit) before Capital</b> | <b>(15,211)</b>               | <b>8,293</b>                         | <b>40,978</b>                       | <b>34,060</b>     | <b>8,393</b>            | <b>42,452</b>  | <b>48,335</b>      |

## KEY MOVEMENTS BY DIRECTORATE

- CA&O's \$4.7m favourable mainly due to improvement in Grants and savings in M&C costs due to inclement weather.
- P&P (\$0.6m) unfavourable mainly due to timing of PDG Aquatic grants, offset by timing of CBD outdoor dining project and improvement in car park revenue.
- City Planning \$4.9m favourable mainly due to increase in Capital contributions for 180 George Street.
- Community Services \$2.6m favourable mainly due to employee cost savings and funding reimbursement received for Riverside Theatre.
- City Strategy \$0.7m favourable mainly due to savings in employee and M&C costs.
- Corporate Services/Exec Office (\$1.6m) unfavourable driven by Interest income adjustment, offset with timing of HRMS and 9WW projects.

## Capital Expenditure Statement

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

| \$'000  | 2021/22<br>Original<br>Budget | Approved<br>September<br>Adjustments | Approved<br>December<br>Adjustments | Current<br>Budget | Proposed<br>Adjustments | March QR       | MarchYTD<br>Actual |
|---|-------------------------------|--------------------------------------|-------------------------------------|-------------------|-------------------------|----------------|--------------------|
| <b>Capital Expenditure</b>                    |                               |                                      |                                     |                   |                         |                |                    |
| Corporate Services & Executive Office         | 6,565                         | 193                                  | (1,603)                             | 5,155             | (234)                   | 4,921          | 3,472              |
| City Strategy                                 | 1,383                         | (783)                                | 502                                 | 1,102             | (682)                   | 420            | 22                 |
| Property & Place                              | 237,234                       | 31,197                               | (9,439)                             | 258,992           | (58,693)                | 200,299        | 142,517            |
| City Assets and Operations                    | 44,016                        | 18,562                               | (22,354)                            | 40,224            | 14,509                  | 54,733         | 17,427             |
| Community Services                            | 5,522                         | 1,297                                | (2,248)                             | 4,571             | (970)                   | 3,601          | 936                |
| City Planning and Design                      | 17,018                        | (14,900)                             | (107)                               | 2,012             | 460                     | 2,471          | 569                |
| <b>Total Capital Expenditure</b>              | <b>311,739</b>                | <b>35,566</b>                        | <b>(35,249)</b>                     | <b>312,056</b>    | <b>(45,611)</b>         | <b>266,445</b> | <b>164,943</b>     |
| <b>Funding Source</b>                         |                               |                                      |                                     |                   |                         |                |                    |
| Transfer From Special Rates Reserve           | 4,158                         | 561                                  | 109                                 | 4,827             | (1,877)                 | 2,950          | 887                |
| Transfer From Domestic Waste Reserve          | 14,093                        | -                                    | (13,593)                            | 500               | -                       | 500            | 106                |
| Transfer From Section 94                      | 51,090                        | 19,521                               | (19,428)                            | 51,183            | (14,575)                | 36,608         | 13,797             |
| Transfer From Grants & Contributions Reserves | 49,626                        | 15,297                               | 7,807                               | 72,730            | (24,273)                | 48,457         | 27,947             |
| Transfer From Stormwater Levy Reserve         | 473                           | 70                                   | -                                   | 543               | (62)                    | 481            | 332                |
| Transfer from Internally Restricted Reserves  | 192,300                       | 117                                  | (10,144)                            | 182,273           | (4,824)                 | 177,448        | 121,874            |
| <b>Total Funding Source</b>                   | <b>311,739</b>                | <b>35,566</b>                        | <b>(35,249)</b>                     | <b>312,056</b>    | <b>(45,611)</b>         | <b>266,445</b> | <b>164,944</b>     |
| <b>Net Budget Result</b>                      | <b>0</b>                      | <b>0</b>                             | <b>(0)</b>                          | <b>(0)</b>        | <b>(0)</b>              | <b>(0)</b>     | <b>(0)</b>         |



## Capital Major Works

Capital works with budget in excess of \$10m.

| \$'000  | Funding                                  | Original Budget | March QR | 2022/23 | 2023/24 | 2024/25 | Project Update   |
|---|--|-----------------|----------|---------|---------|---------|--|
| 1. 5 Parramatta Square Development - New Council Facilities | Internally Restricted                    | 52,407          | 64,611   | 477     | -       | -       | Council endorsed budget increase to \$136m with variation \$5.9m balance timing from FY21. Current completion circa June 2022.   |
| 2. Parramatta Square Public Domain Development              | Internally Restricted, s94/s7.11, Grants | 20,547          | 12,187   | 3,527   | -       | -       | The Public Domain stage 3 is set to open circa August 2022.  |
| 3. Aquatic Leisure Centre Parramatta                        | Internally Restricted, s94/s7.11, Grants | 40,038          | 34,968   | 30,478  | -       | -       | Aquatic centre encountered weather delays but on track to open circa May 2023.   |
| 4. Future Workplace Project                                 | Internally Restricted                    | 70,000          | 64,259   | -       | -       | -       | Purchase price of 9 Wentworth was lower than budget.   |
| 5. F.S Garside Park Upgrade                                 | Grants                                   | 1,000           | 396      | 10,099  | 3,500   | -       | Detailed design complete. Construction tender in progress. Anticipated construction commencement in FY23.  |
| 6. Rydalmere Park Masterplan                                | s94/s7.11, Grants                        | 7,409           | 2,000    | -       | -       | -       | Stage 2 currently in construction. Weather permitting, due for completion by Aug 2022.   |
| 7. Charles St Square  | s94/s7.11, Grants                        | 4,052           | 3,000    | 6,767   | -       | -       | Commencement of construction has been delayed addressing Sydney Water & Heritage NSW requirements and protracted inclement weather during Feb and Mar 2022.  |
| 8. Alfred St Bridge   | SRV, s94/s7.11, Grants                   | -               | 6,000    | 8,598   | -       | -       | Delayed commencement of construction to address Heritage NSW requirements and protracted inclement weather during Feb and Mar 2022.  |
| 9. Riverside Theatres Redevelopment                         | Internally Restricted                    | 5,000           | 533      | -       | 99,000  | -       | PCG working through options. Current scheme is greater than project budget. Looking to either find more funds or reduce scope of works. \$44m earlier earmarked for FY22/23 development has now been moved to FY23/24. |

## Capital Major Works

Capital works with budget in excess of \$10m (cont.).

| \$'000              | Funding   | Original Budget | March QR | 2022/23 | 2023/24 | 2024/25 | Project Update  |
|---------------------|-----------|-----------------|----------|---------|---------|---------|---|
| 10. Civic Link      | s94/s7.11 | 1,320           | 190      | 1,715   | 4,213   | 13,202  | Two studies on hold (Public Art Masterplan & Utilities Strategy).   |
| 11. Dence Park Pool | Grants    | 2,453           | 287      | 15,941  | 6,122   | 661     | PCG working through options. Current scheme is greater than project budget. Assessing alternative sites and scope of works. |

## Capital Variances

Variance in capital works in excess of \$500k.

| \$'000                                       | 2021/22 Original Budget | Current Budget | Proposed Adjustments | March QR | March YTD Actual | Project Status                | Comment  |
|--|-------------------------|----------------|----------------------|----------|------------------|-------------------------------|--|
| Parramatta Square Public Domain Development  | 20,547                  | 27,020         | (14,834)             | 12,187   | 1,871            | Progressing - behind schedule | Inclement weather delays stage 3 set to open August 22.  |
| Aquatic Centre Parramatta                    | 40,038                  | 45,155         | (10,187)             | 34,968   | 23,547           | Progressing - behind schedule | Aquatic centre encountered weather delays but on track to open circa May 2023.   |
| PRUAIP - Bridge Street Granville Acquisition | -                       | 6,593          | (6,533)              | 60       | 42               | Progressing - behind schedule | Compulsory acquired Union building. Waiting determination from Valuer General to finalise compensation and agreement with union. |

## Capital Variances

Variance in capital works in excess of \$500k (cont.).

| \$'000   | 2021/22<br>Original<br>Budget | Current<br>Budget | Proposed<br>Adjustments | March QR | March YTD<br>Actual | Project Status                   | Comment  |
|--|-------------------------------|-------------------|-------------------------|----------|---------------------|----------------------------------|--|
| Upgrade of the Town Hall                       | 9,114                         | 8,028             | (5,549)                 | 2,478    | 306                 | Progressing -<br>behind schedule | Currently project going through planning and assessment process. Reviewing and assessing price.  |
| Rydalmere Park Master Plan                     | 7,409                         | 7,442             | (5,442)                 | 2,000    | 1,440               | Progressing -<br>behind schedule | Stage 2 currently in construction, due for completion August 2022 weather permitting.  |
| PRUAIP - Good and Bridge Street                | 4,241                         | 8,345             | (4,367)                 | 3,978    | 1,977               | Progressing -<br>behind schedule | Currently in construction, due for completion August 2022, weather permitting.   |
| Phillip Street Smart St Stage 2                | 3,501                         | 3,541             | (3,108)                 | 433      | 233                 | Progressing -<br>behind schedule | Covid disruption and Local Government Election date change impacted the Heritage and Parramatta Traffic Committee approvals. Construction now anticipated to commence in FY23. |
| Federal and State Governments Stimulus Funding | -                             | 227               | 2,453                   | 2,680    | 332                 | In Progress - on track           | Additional Grant funding   |
| AF1 Dence Park Pool                            | 2,453                         | 2,483             | (2,196)                 | 287      | 165                 | Progressing -<br>behind schedule | PCG working through options. Current scheme is greater than project budget. Assessing alternative sites and scope of works.  |
| Pedestrian Bridge Works - Morton/Alfred        | -                             | 8,102             | (2,102)                 | 6,000    | 1,794               | Progressing -<br>behind schedule | Delayed commencement of construction to address Heritage NSW requirements and protracted inclement weather during Feb & March 2022.  |

## Capital Variances

Variance in capital works in excess of \$500k (cont.).

| \$'000  | 2021/22<br>Original<br>Budget | Current<br>Budget | Proposed<br>Adjustments | March QR | March YTD<br>Actual | Project Status                   | Comment  |
|---|-------------------------------|-------------------|-------------------------|----------|---------------------|----------------------------------|--|
| Southern Precinct<br>Renewal Project            | 2,046                         | 2,078             | (1,548)                 | 530      | 330                 | Progressing -<br>behind schedule | Covid disruption and Local Government Election date change impacted the Heritage and Parramatta Traffic Committee approvals. Additionally delays in approval from Transport for NSW. Construction now anticipated to commence in FY23. |
| Sturt and Acacia Park<br>Upgrades               | 3,556                         | 2,522             | 939                     | 3,461    | 2,837               | In Progress - off<br>track       | Project expected to complete by Sep 2022. All remaining funding to be spent before the financial year.   |
| Implementation of The<br>Milson Park Masterplan | 1,188                         | 1,419             | (790)                   | 629      | 323                 | Progressing -<br>behind schedule | Inclement weather delays and Covid disruption plaguing project completion. Revised to FY23.  |
| IT Works Upgrade<br>Program                     | 2,755                         | 1,203             | (641)                   | 563      | -                   | In Progress - off<br>track       | This program funds the ICT projects and Capital tasks during FY22, which are being rescoped. The variance has been allocated to defined ICT projects per the ICT roadmap.  |
| Charles Street Square<br>Works                  | 4,052                         | 3,612             | (612)                   | 3,000    | 414                 | Progressing -<br>behind schedule | Delayed commencement of construction to address Sydney Water and Heritage NSW requirements and protracted inclement weather during Feb and March 2022.   |
| PRUAIP - FS Garside                             | 1,000                         | 912               | (517)                   | 396      | 326                 | Progressing -<br>behind schedule | Covid disruption plaguing project progression. Construction now anticipated to commence in FY23.   |
| Multi-Level Car Parking<br>Upgrade              | 3,500                         | 750               | (505)                   | 245      | -                   | Progressing -<br>behind schedule | Project funding was dependent on proceeds from an asset sale which Council recently received. Expected progression to tender in FY23.  |

## Reserve Balance Summary

The following table provides a forecast of Councils restricted cash (internally and externally restricted reserves) and the forecast movements to and from reserves for the 2021/22 March Forecast.

|  | Original Budget<br>2021/22<br>\$'000 | Approved<br>Changes<br>\$'000 | Current<br>Budget<br>\$'000 | Proposed<br>Adjustments<br>\$'000 | Mar QR<br>\$'000 | Actuals as at 31<br>March 2022<br>\$'000 |
|--|--------------------------------------|-------------------------------|-----------------------------|-----------------------------------|------------------|--|
| <b><u>Externally Restricted Cash Reserves:</u></b> |                                      |                               |                             |                                   |                  |  |
| Domestic Waste Management                          | 30,243                               | 14,255                        | 44,498                      | 270                               | 44,768           | 52,323                                   |
| Grants and Contributions                           | 34,224                               | (5,261)                       | 28,963                      | 22,817                            | 51,780           | 49,822                                   |
| Developer Contributions                            | 109,877                              | 1,208                         | 111,085                     | 17,941                            | 129,026          | 137,148                                  |
| Special Rates                                      | 6,674                                | (1,177)                       | 5,497                       | 1,889                             | 7,386            | 10,416                                   |
| Stormwater Levy                                    | 1,224                                | 80                            | 1,304                       | 182                               | 1,486            | 2,135                                    |
| Cultural Reserve                                   | 33,854                               | 716                           | 34,570                      | 1                                 | 34,571           | 34,754                                   |
| <b>Total Externally Restricted Cash Reserves</b>   | <b>216,096</b>                       | <b>9,821</b>                  | <b>225,917</b>              | <b>43,099</b>                     | <b>269,017</b>   | <b>286,597</b>                           |
| <b><u>Internally Restricted Reserves:</u></b>      |                                      |                               |                             |                                   |                  |  |
| Employee Leave Entitlements                        | 6,400                                | 0                             | 6,400                       | 1                                 | 6,401            | 6,400                                    |
| Parking Meters                                     | 1,112                                | (1,290)                       | (178)                       | 349                               | 170              | 273                                      |
| Property Development Reserve                       | 219,662                              | 61,144                        | 280,806                     | 1,908                             | 282,714          | 265,799                                  |
| CBD Infrastructure                                 | 1,025                                | (680)                         | 345                         | 477                               | 822              | 768                                      |
| Ward Works   | 498                                  | (241)                         | 257                         | (64)                              | 193              | 315                                      |
| <b>Total Internally Restricted Cash Reserves</b>   | <b>228,697</b>                       | <b>58,934</b>                 | <b>287,631</b>              | <b>2,669</b>                      | <b>290,300</b>   | <b>273,555</b>                           |
| <b>Total Restricted Reserves</b>                   | <b>444,793</b>                       | <b>68,755</b>                 | <b>513,548</b>              | <b>45,769</b>                     | <b>559,317</b>   | <b>560,152</b>                           |
| <b>Working Funds Reserve</b>                       | <b>61,281</b>                        | <b>6,846</b>                  | <b>68,127</b>               | <b>9,436</b>                      | <b>77,563</b>    | <b>136,858</b>                           |

Council's cash position estimates an **unrestricted balance of \$77.6m** as of end of Jun 2022, against the \$136.9 million recorded as at 31<sup>st</sup> March. The unrestricted balance will continue to diminish as Council expends it on operational expenses and capital projects during the last quarter of the financial year. The funds have been invested in accordance with Council's investment policy.



## Tender Contracts Awarded

The following table provides a list of tender contracts for specific works for the period 1 January to 31 March 2022.

| Council Meeting Approval Date | Term                            | Contractor                                  | Description      | Tender Number | Contract Amount (excl. GST) | Budgeted (Y / N) |
|-------------------------------|---------------------------------|---|------------------|---------------|-----------------------------|------------------|
| 7-Feb-22                      | 3 years plus 2 x 1 year options | Rentokil Initial Trading as Initial Hygiene | Hygiene Services | 23/2021       | \$1,900,000                 | Y                |

## External Legal & Consultancy Fees

The following table provides a total of Legal & Consultancy services to 31<sup>st</sup> March 2022. External Legal fees have been adjusted in the March QBRS to allow for increased costs of appeal items related to Land & Environment Court appeal matters, which were not forecast.

| Expense             | Expenditure YTD \$'000 | Budgeted (Y/N) |
|---------------------|------------------------|----------------|
| External Legal Fees | 1,030                  | N              |
| Consultancy Fees    | 1,659                  | Y              |

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

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

# RESPONSIBLE ACCOUNTING OFFICERS REPORT

## Responsible Accounting Officer's Statement

### Quarterly Budget Review

*For the period 1 January 2022 to 31 March 2022*

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

It is my opinion that the Quarterly Budget Review statement for the City of Parramatta Council for the quarter ended 31/03/2022 indicates that Council's projected financial position at 30/6/2022 will be satisfactory at year-end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

John Angilley  
Responsible Accounting Officer

## **FOR FURTHER INFORMATION**

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