

IPART - Independent Pricing and
Regulatory Tribunal | NSW
C/- KPMG
Yvonne Wilkie - Manager
Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Our Reference	F2022/00105
Contact	Todd Cowan
Telephone	
Email	

26 May 2022

Dear Yvonne,

RE: CITY OF PARRAMATTA COUNCIL ASV APPLICATION TO IPART

Thank you for your email dated Thursday 19 May 2022.

Please find outlined below the detail relating to unforeseen events and changes in circumstances in the past year and since the 2019 Resourcing Strategy and Budget, as requested:

- COVID-19 pandemic lockdowns and depressed CBD activity continues to impact upon:-
 - User Fees & Charges
 - Car Parking & Fines
 - Riverside Theatre revenue
- historically low interest rates and the crisis in Ukraine has significantly reduced investment revenues;
- the removal of interest charges upon overdue Rates & Charges during the COVID-19 pandemic to 30 June 2022 – due to the NSW State Government mandated interest remission period 1 July 2020 to 31 December 2020 and Council's COVID-19 Community Resilience & Economic Relief Package;
- increasing operating costs over the next 3 years from start-up of the new Parramatta Aquatic and Leisure Centre along with 5 & 7 Parramatta Square buildings, following significant capital construction projects;
- compulsory acquisition of several revenue generating carpark facilities by Sydney Metro impacting both operating and rates revenues. The gain on sale of some of these assets distorts the underlying 2021/22 net operating result by \$52.165 million.

Also attached is the draft LTFF - 10 Year Financial Plan for the Year ending 30 June 2032 including the current 2021/22 financial year – this contains the data used for WK8 Tab – LTFF Extract (adjusted) line 71-121.

Please note that even with our Service Review initiative program savings of 2022/23: \$2.200 million, 2023/24: \$3.207 million and 2024/25: \$1.953 million, we continue to forecast:

- negative Operating Performance ratios;
- deteriorating Unrestricted Current ratios below NSW OLG benchmark levels;
- sustained Rates & Annual Charges outstanding percentages well above the <5% benchmark.

I hope that the additional information clarifies the questions you raised in relation to our application for an ASV of 2.5%. Please don't hesitate to contact us if there is anything additional required.

Regards,

John Angilley
Chief Financial and Information Officer

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