



OFFICE OF THE MAYOR
THE HONOURABLE CR PHILIP RUDDOCK

26 June 2019

The Hon. Gladys Berejiklian
Premier of New South Wales
52 Martin Place
SYDNEY NSW 2000

Dear Premier

Thank you for your letter of 27 May 2019 in response to my correspondence of 18 March 2019 in which I sought advice about the status of your Government's commitment to providing funding to Council to compensate it for the loss of the area south of the M2 Motorway to the City of Parramatta Council in May 2016. I was pleased to note your comment in the letter that the Government was working to resolve this long standing matter.

At its 12 June 2019 General Meeting, Council considered a report dealing with the adoption of its Delivery Program (for 2019-2021) and Budget (for 2019/20) following the required 28 day public exhibition period of the documents. As part of Council's discussion of the report, I was asked a question about the State Government compensation issue and I referred to your 27 May 2019 letter to confirm that the matter is still progressing but noted that the matter needs to be resolved in the near future.

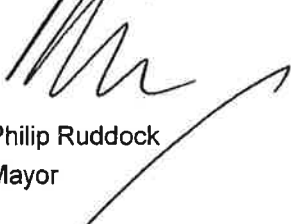
This discussion led to Council deciding that a further letter should be sent to the Government making it clear that the loss of the land south of the M2 Motorway to the City of Parramatta Council sees a number of substantial unfunded projects in Council's Delivery Program and Budget and that Council looks forward to a resolution of the situation so that the Government's promise that Council would be 'no worse off' as a result of the change in boundaries that occurred in 2016 can be achieved.

As you are aware from previous correspondence and discussions with me, for Council to be no worse off in its annual budgets, an amount of \$10 million per annum needs to be provided to Council by the Government. Following discussions and recommendations from NSW Treasury in 2018, this per annum net loss was calculated by an independent financial analysis undertaken by BIS Oxford Economics to be equivalent to a one-off payment by the Government to Council of \$258 million which would cover Council's next 30 years of losses. The figure of \$258 million and how it was calculated has not been disputed by NSW Treasury.

Whilst \$90 million has to date been received by Council from the Government, an outstanding balance of \$168 million remains and Council seeks to be paid this as soon as possible so that it is able to progress projects for the community that were in the pipeline prior to the Government's decision in May 2016 to transfer the area south of the M2 Motorway to the City of Parramatta Council.

As always, if you have any questions or require further information about any of the above, please do not hesitate to contact either myself or Council's Acting General Manager – Mr Steve Fedorow on 9847 6602.

Yours faithfully



Philip Ruddock
Mayor

TRIM Reference: F2014/0049