

Relevant Information for Council

FILE: S122357 **DATE:** 16 August 2019

TO: Lord Mayor and Councillors

FROM: Bill Carter, Chief Financial Officer

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.2 – 2018/19 Quarter 4 Review – Delivery Program 2017-2021

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

As part of the 2018/19 Quarter 4 Review – Delivery Program 2017-2021, further information was requested at the meeting of the Corporate, Finance, Properties and Tenders Committee meeting held on 12 August on the below items:

Advise how serviced apartments can elect to manage their own domestic waste service

Property owners are able to choose their own waste service provider, and do not have to utilise the City's domestic waste services.

The Local Government Act 1993 requires council to charge a domestic waste service charge to each parcel of rateable land, where the service is available. The serviced apartments referred to at the Committee meeting, are all on one title and consist of one parcel of rateable land, which is then charged a single service charge in accordance with the current fees and charges. The owner then pays separately for their own domestic waste service.

This is not the City's preferred outcome as a variable quality of service could impact the community, and it potentially allows for a proliferation of domestic waste providers, which is an inefficient outcome analogous to the current multitude of commercial waste providers. City staff continue to investigate waste charge models that will incentivise the most efficient provision of this essential service.

If possible, differentiate the reduction in Development Applications income, to identify how much reflects applications declared to be State Significant, as opposed to the impact from a general slowing in the development cycle

It is difficult to provide a percentage factor that distinguishes between the impacts of market slowdown in residential development versus the removal of development application assessment income due to the growing number of State Significant Developments.

In the 2018/19 financial year, the City is aware of 127 State Significant Development and Schools SEPP applications going to the Department of Planning, Industry and Environment within the City of Sydney local government area that would significantly reduce fees that would have otherwise have been received.

The City not only foregoes the income associated with these particular developments, but still continues to incur associated costs, as we still need to undertake work to contribute to this assessment process and prepare submissions.

Provide an Itemisation / detail of projects in the major cash flow variances (budget to actual) where scheduling is having an impact on the budget

Further to the background to the major project cash flow variations, as previously provided through the Q1 to Q3 reports and presentations, and within the Q4 Attachment B for the individual projects that exceed \$5M:

- George Street Spine – Cloud Arch (\$9M) – Council resolved to place the project on hold.
- Green Square to Ashmore Connection (\$7M) – the Review of Environmental Factors (REF) exhibition and approval process has taken longer than expected, impacting the planned cash flow for this financial year, with delays also due to continued negotiations with a landowner.
- Water Master Plan LGA (\$1.9M) – delays to delivery of the Light Rail project have also delayed the installation of the recycled water pipe in George Street.
- Renewable Energy Fund Projects - Solar Panel (\$1.6M) – site complexities on the second round of Solar PV installations have resulted in a longer implementation timeline.
- Major Properties Efficiency Improvements (\$1.3M) – given the vast range of lighting types in the City's property portfolio, significant pre-procurement time was spent in developing comprehensive technical lighting specifications to engage with the market, requiring amendments to the original planned project phasing.
- Perry Park - Stage 2 Basketball Court (\$1.25M) – the cash flow for this phase of the project has been aligned with the current program which has tenders scheduled to go to the market this month, with construction commencing in the second half of this financial year.
- Leachate Plant Upgrades to suit Sydney Water (\$1.1M) – delays reflect a staged implementation and monitoring plan to ensure compliance with EPA and Sydney Water requirements.
- Eora Journey - Monument for the Eora (\$1M) – delays due to seeking owner's consent, project design refinement and DA documentation.

- Parks Water Reuse Projects (\$0.9M) – delays reflect further investigation required to determine long term water reuse plans. Separate and more complex proposals are being investigated for Erskineville Oval, incorporating options to link to Harry Noble Reserve and Solander Park, which have potential to increase water reuse but require additional investigations and design to that originally proposed.
- Employment Lands Infrastructure Concept Design (\$0.57M) – on hold until finalisation of the Local Strategic Planning Statement.

Provide further details of laneway artworks

There are two City centre permanent laneway public art projects in development.

- The Patchwork of Light in Reiby Place, by Lara Schnitger, will be installed in early September 2019.
- In Through the Out Door in Market Row, Mullins Street and Council Place, by Callum Morton, is in development and is anticipated to be completed by mid-2020.

Confirmation of the figures on footway dining in village centres

The reported quantum of square metres of footway dining in the village centres has varied from 3,804 sqm at June 2018, up to 4,772 sqm throughout the year, and down to 3,646 sqm at June 2019. During the year, square metres of footway dining in the city centre has increased from 2,378 sqm to 2598 sqm.

The reported quantum has varied as the City's new property management agent undertook an independent validation exercise to reconcile all footway agreements with the source documents on file, prior to issuing invoices for footway dining licences in July. Their findings were crosschecked through a desktop exercise against mapping technology, and selective audits through site visits. The validation process will continue to progress throughout the year to provide absolute assurance over the data.

The income from footway dining within the City remained stable from 2016/17 to 2017/18 (\$1.8M), and increased by around 7 per cent in 2018/19 (\$1.9M). As the relevant fees for the City Centre and Village Centres only increased by around 2 per cent for the year, income as a proxy for utilisation indicates continued use of the City's footways to enhance economic activity.

In addition, income from new footway application fees, which does fluctuate throughout the year, grew from Q3 (48) to Q4 (59) during the final quarter.

Prepared by: Bill Carter, Chief Financial Office

Approved

A handwritten signature in black ink, appearing to read "P.M. Barone", with a long horizontal flourish extending to the right.

**MONICA BARONE, CHIEF EXECUTIVE
OFFICER**