

Item 10

Advertising Screens Review

File No: X037777

Summary

The City of Sydney contracts out the provision of street furniture. The contractor builds, installs, cleans and maintains all bus stops, bins, benches and kiosks, and provides the City with a percentage of the advertising revenue.

In June 2020, after the 20-year contract with JCDecaux expired, Council unanimously resolved to award QMS Media Pty Limited a ten-year contract (with option for an additional five years) that secured more income to the City and a complete renewal of street furniture, including 20 new public toilets, over 300 bus stops, over 800 bins, over 1100 benches and 18 kiosks.

The overall value of the contract to the City is up to \$450 million over the 15 years, which includes provision of the street furniture and ongoing maintenance services such as cleaning and repair of the infrastructure, as well as a share of advertising revenue. This is an important income stream for the City, which helps fund extensive capital works, social and environmental programs while keeping residential rates among the lowest in the metropolitan area.

The new suite of furniture helps modernise the streets while also providing significant revenue to the City, which helps maintain high quality services and public spaces for residents, businesses and visitors.

Following some installation delays due to the Covid-19 pandemic, supply chain issues and inclement weather, QMS Media Pty Limited has now completed the installation of a significant portion of the street furniture and associated advertising screens.

The City and QMS Media Pty Ltd have received some feedback from the community raising concerns about the locations of some of the advertising screens. As a result, this report recommends that the City undertakes an external review of some of the advertising screens and works with QMS Media Pty Limited to relocate screens in accordance with the findings of that report.

Recommendation

It is resolved that:

- (A) Council note that the contract with QMS Media Pty Limited provides significant value to the City - both in terms of attractive, well-maintained street furniture and income;
- (B) Council note that the City and QMS Media Pty Limited are both committed to the delivery of the contract; and
- (C) the Chief Executive Officer be requested to:
 - (i) provide assurance to Council that the new advertising screens comply with Development Consent approvals;
 - (ii) carry out an external review of the advertising screens to identify any locations that do not comply with relevant standards and have a significant negative impact on the public domain and pedestrian amenity;
 - (iii) work with QMS Media Pty Limited to respond to the recommendations of the review and reconsider the location of those advertising screens that have a significant negative impact on the public domain and pedestrian amenity; and
 - (iv) provide Council with a map showing where the new street furniture is located, and an update on progress with the review and outcomes via the CEO Update.

Attachments

Attachment A. Contractual and Financial Implications (Confidential)

Background

1. The City of Sydney contracts out the provision of street furniture. The contractor builds, installs, cleans and maintains all bus stops, bins, seats and kiosks, and provides the City with a percentage of the advertising revenue.
2. In June 2020, after the 20-year contract with JCDecaux expired, Council unanimously resolved to award QMS Media Pty Limited (**QMS**) a ten-year contract (with option for an additional five years) that secured more income to the City and a complete renewal of street furniture, including 20 new public toilets, over 300 bus stops, over 800 bins, over 1100 benches and 18 kiosks.
3. The overall value of the contract to the City is up to \$450 million over the full 15 years, which includes the provision of street furniture and ongoing maintenance services such as cleaning and repair of the infrastructure, and advertising revenue. This is an important income stream for the City, which helps fund extensive capital works, social and environmental programs while keeping residential rates among the lowest in the metropolitan area.
4. The City's Design Advisory Panel spent months working with QMS on the new designs, to achieve a modern look and ensure compliance with current design standards and accessibility requirements.
5. The new contract does not include an agreement with Telstra, so the new stand-alone advertising screens have replaced the old telephone booth-mounted advertising panels.
6. The vast majority of these screens have been installed in or close to the same location as a previous screen and are a similar width to the old phone-booth billboards.
7. By the end of the roll out, the QMS street furniture will feature no more advertising screens than were previously installed by JCDecaux in 1997.
8. Under the contract, the City also has exclusive use of 155 screens, which enable direct communication with the community including sharing event and emergency information and wayfinding for visitors.
9. The City has worked to ensure all the new street furniture is compliant, accessible, and positioned in accordance with the City's Street Furniture placement guidelines. Adequate footpath access has been provided to ensure prams, mobility walkers and wheelchairs can continue to use the footpath.
10. The new suite of furniture helps modernise streets while also providing significant revenue to the City, which will help maintain high quality services and public spaces for residents, businesses and visitors.

11. The placement of all Bus Shelters, Communications Pylons, Kiosks and Automatic Public Toilets are subject to development application processes, which includes public consultation, with a determination made by the City or the relevant determining body (such as the Local Planning Panel).
12. Following some installation delays due to the Covid-19 pandemic, supply chain issues and inclement weather, QMS Media Pty Limited has now completed the installation of a significant portion of the street furniture and associated advertising screens.
13. The City and QMS have received some feedback from the community raising concerns about the locations of some of the advertising screens. As a result, this report recommends that the City undertakes an external review of some of the advertising screens and works with QMS Media Pty Limited to relocate screens if required in accordance with the findings of that review.

Key Implications

Organisational Impact

14. The contract with QMS provides both substantial services and significant income to the City as set out in Confidential Attachment A.

Risks

15. QMS is required to ensure street furniture is installed and maintained to established standards which will ensure the safety of these items within the public domain.

Financial Implications

16. The overall value of the QMS contract to the City is up to \$450 million, which includes ongoing maintenance such as cleaning and repair of the infrastructure, and advertising revenue.
17. The net income derived from Street Furniture operations is a significant revenue stream for the City which helps fund extensive capital works, social and environmental programs while keeping rates among the lowest in the metropolitan area.
18. The City's Long Term Financial Plan contains assumptions about the level of income and expenditure relating to Street Furniture operations. The financial implications are set out in Confidential Attachment A.
19. Costs of the proposed external review can be met from the CEO contingency.

Relevant Legislation

20. The Expression of Interest, Tender, Tender Cancellation and subsequent negotiations with suitable Service Providers for the Street Furniture contract were conducted in accordance with the Local Government Act 1993, the (then) Local Government (General) Regulation 2005 and the Office of Local Government Tendering Guidelines for NSW Local Government.

21. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
22. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

23. The contract duration is for ten years from the start of operations of the Street Furniture and Out-Of-Home Media services, with the option of one extension of five years, subject to satisfactory performance and operational requirements.

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Chief Executive Officer

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