

# 14 May 2018

At 5.00 pm

Relevant to Item 6.2 - 2017/18 Quarter 3 Review - Delivery Program 2017-2021



## Council

## Agenda

6.2 2017/18 Quarter 3 Review – Delivery Program 2017–2021

## Relevant Information for Council

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**FILE:** S122357 **DATE:** 11 May 2018

**TO:** Lord Mayor and Councillors

**FROM:** Bill Carter, Chief Financial Officer

**THROUGH:** Monica Barone, Chief Executive Officer

**SUBJECT:** Information Relevant To Item 6.2 - 2017/18 Quarter 3 Review - Delivery Program 2017-2021

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That the Lord Mayor and Councillors note the information contained in this memo.

### Purpose

As part of the 2017/18 Quarter 3 Review - Delivery Program 2017-2021 review, further information was requested at the meeting of the Corporate, Finance, Properties and Tenders Committee meeting held on 7 May 2018, on the items listed below.

Item 1 - Public Art City Centre Laneways - Additional information was requested on how much money has been spent prior to seeking owner's consent.

The City undertook an EOI process to identify appropriate artists and works, and paid to develop their designs, and for quantity surveyors to evaluate the submissions. Project costs to date are \$45K.

Two artists have been selected and are now in the process of being contracted in accordance with the approved strategy. The owners of the properties along the laneways will be approached when the design is sufficiently developed to seek their consent.

Item 2 - Parking Meters Income - Financial impacts from the removal of parking meters on Hickson Road and the parking meters installed in Surry Hills.

The 2017/18 budget allowed \$0.4M less parking meter income for changes to Hickson Rd, including proposals to change spaces from perpendicular to parallel parking and amending time limits from 10P to 4P. Those proposals did not proceed, however the subsequent introduction of the Sydney Metro project led to the progressive removal of meters from November 2017, resulting in a forecast reduction of \$1.0M income (estimated loss of \$1.4M for 2018/19). This \$0.6M net loss is partially offset by the introduction of 53 meters in Surry Hills during November, which is forecast to increase income by \$0.5M in 2017/18.

The favourable budget forecast variance also reflects the delayed removal of meters for the introduction of the Castlereagh bus lane and cycleway (\$0.3M), the Light Rail project in Loftus Street (\$0.2M), and some meters being removed from the Central Railway Concourse (\$0.2M).

Item 3 - Resident Parking Permit Fees - Details of cost recovery of the scheme.

Parking permits are priced to partially recover the cost of maintaining and administering the City's parking scheme. The cost of administering the scheme has increased, while revenue has been falling over the past few years, largely due to the discount the City allows for lower emission vehicles. As fleets become increasingly more modernised, a greater proportion of permits access the lower annual fees - up to 71% of all permits issued in 2016/17.

To ensure the administration of the scheme remains sustainable, it is recommended to raise the 2018/19 fee applicable to the first household permit by 50% and the second permit by 15%. As the second permit price is already double the first permit price, a smaller increase to this permit is recommended to avoid prohibitive costs.

Item 4 - Capital Works YTD Budget Variations - a breakdown of all capital works projects and programs, for the year to date.

The quarterly reports include a financial breakdown of the YTD spend, the annual and full project forecasts against the budgets as adopted for all significant projects, asset upgrade and asset renewal programs, as adopted within Council's annual Operational Plan. Attachment B (page 28 of the Quarter 3 report) provides this information.

In the body of the report, a narrative is provided for all new major forecast variations that have arisen during the current quarter. These include projects that have progressed earlier than anticipated, or where tendered results require additional funds to be brought forward, and those projects which are subject to delay for various reasons, where funds will now be spent later than originally planned.

The narrative information supplied is cumulative and builds upon information that has been previously provided in the first two quarters of the financial year.

Item 5 - Marketing Materials for City Switch - what are these materials and how does council measure the return on investment.

The City of Sydney has long term targets to reduce emissions by 70% by 2030, for 50% of local energy to be sourced from renewables by 2030 and for net zero emissions by 2050.

More than 70% of all emissions in our local government area are generated from buildings.

We cannot achieve these targets alone and have enlisted the help of major property owners and commercial office tenants in delivering energy efficiency, emission reductions and diverting waste from landfill.

The Better Buildings Partnership - a City of Sydney led collaboration of major property owners – has recorded a 52% emission reduction across their \$105 billion property portfolio since its inception in 2011. They collectively save \$30 million per annum on their energy costs.

The CitySwitch program, of which the City of Sydney is a founding member, is a national program which supports commercial office tenants to improve office, energy and waste efficiency. Over ten years, 861 offices have signed up to the CitySwitch program nationally, representing 14% of Australian office space. In 2017 alone 80,229 tonnes of carbon has been avoided, 23% emissions saved and \$20.9 million in energy saved.

The City engaged Eighty20 Communications in February 2018 to coordinate the production of promotional materials for these significant programs, as well as the tourism industry, following Council's adoption of the accommodation and entertainment industry sector sustainability plan.

These are long-term programs designed to limit climate change by delivering resilient buildings and making operations more efficient.

The financial savings and carbon emission reductions reported above reflect a very positive return on investment.

Item 6 - Detail of Leonards advertising spend.

The Local Government Act 1993 and Council's policies require newspaper advertising for some matters. This includes tenders, employment and planning notifications.

The advertising and notification requirements for development applications (DAs) are prescribed in Sydney DCP 2012.

The DCP requires some DAs to be advertised in a daily metropolitan paper (e.g. Sydney Morning Herald) and relevant local newspapers. In addition to DA advertising, draft Voluntary Planning Agreements are also advertised in newspapers, together with the list of DA determinations.

### **Memo From Bill Carter, Chief Financial Officer**

Prepared by: Bill Carter, Chief Financial Officer

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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**