

1 April 2019

At 2.00 pm

Volume 1 – Items 1 to 4 & 6 to 8



Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

Agenda

- 1. Disclosures of Interest**
- 2. Investments Held as at 28 February 2019**
- 3. Lease Variation - Town Hall Arcade**
- 4. Lease Approval - Level 4, 343 George Street, Sydney**
- 5. Tender - Demolition and Early Civil Works for Green Square Town Centre Infrastructure Projects**
- 6. Exemption from Tender and Contract Extension - Supply and Installation of Hoardings for the Fig and Wattle Streets Depot and The Bulk Store at Bay Street Depot**

Economic Development and Business Sub-Committee

- 7. Knowledge Exchange Sponsorship - Australian Fashion Council - Curated Sydney 2019**
- 8. Knowledge Exchange Sponsorship - IndigiSpace Indigenous Business Development Program**

Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at www.cityofsydney.nsw.gov.au, with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

Item 1.

Disclosures of Interest

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

In both cases, the nature of the interest must be disclosed.

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

Item 2.

Investments Held as at 28 February 2019

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance to 28 February 2019.

The City's total Investment and Cash position was \$651.9M at the end of February, with investments earning interest of \$1.3M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represent working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 2.80 per cent for February, significantly above the 30 Day Bank Bill Rate (BBR) of 2.01 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 2.18 per cent and the enhanced benchmark of 2.46 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.

The City's annual rolling return of 2.78 per cent also continues to exceed the 12 month average 30 Day BBR of 1.87 per cent, the AusBond Bank Bill Index of 1.99 per cent and the enhanced benchmark of 2.32 per cent (BBR + 0.45 per cent), as endorsed in October 2018 as part of the Investment Strategy.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The policy and strategy also maintain Council's commitment to sustainable investments where returns and risks are equivalent by changing the word 'desirable' to 'preferred' under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 28 February 2019 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 28 February 2019

Attachment B. Investment Performance as at 28 February 2019

Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 28 February 2019 was \$651.9M, an increase of \$49.2M from the \$602.7M reported at 31 January 2019, reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of February is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 2.80 per cent for February, significantly above the 30 Day Bank Bill Rate (BBR) of 2.01 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 2.18 per cent and the enhanced benchmark of 2.46 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.
8. The City's annual rolling return of 2.78 per cent also continues to exceed the 12 month average 30 Day BBR of 1.87 per cent, the AusBond Bank Bill Index of 1.99 per cent and the enhanced benchmark of 2.32 per cent (BBR + 0.45 per cent), as endorsed in October 2018 as part of the Investment Strategy.
9. The RBA last adjusted the official cash rate in August 2016, when it was reduced to 1.50 per cent. The market responded accordingly, and lower yields on investments have had a sustained adverse impact on the City's portfolio return. This trend is anticipated to continue, though in recent periods some improvement in longer-term interest rates has been noted.
10. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

11. As noted in previous investment reports, the downgrade of 23 financial institutions' global ratings by Standard and Poors in May 2017 incorporated a downgrade of both Bank of Queensland and Bendigo & Adelaide Bank long-term rating from an A- to a BBB+. As the City's Investment Policy limits the maximum amount that may be invested with sub 'A' rated institutions to \$10M each, the policy's "grandfathering" provisions have been applied to allow the existing investments to be maintained or divested in accordance with all regular investment considerations.
12. While no further investment in their long-term products will be permissible, unless the credit risk rating reverts back up, these bank's short-term credit risk profiles and rating remain unaffected, and their short-term products are still appropriate for consideration within the City's investment portfolio.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

13. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

Financial Implications

14. The City's investments earned interest of \$1.3M for the month of February 2019, against budgeted earnings of \$1.1M. Investment earnings for the full year are forecast to be \$17.6M, against a budget of \$13.5M.

Relevant Legislation

15. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
16. The Local Government (General) Regulation 2005 (clause 212) requires Council to provide a written monthly report of all monies invested, under Section 625 of the Act.
17. The Investment Policy and Strategy was revised in October 2018, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadening of the definition of environmentally harmful activities to include specific reference to coal, gas and oil.
18. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 29 October 2018.

Critical Dates / Time Frames

19. A monthly investment report must be submitted for Council's information and review within the following month.

Public Consultation

20. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
21. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
22. To date, feedback from these meetings has been that there is a well-known appetite in the market for these products and they are investigating the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet both the credit risk and maturity profile requirements of Council.
23. In a recent positive development, Westpac has been able to bring a Green Tailored Bond product to market. Between November and January, the City invested \$25 million in three tranches, for five years in this bond. The City had funds available to invest and the product offered a rate of return commensurate with other investment offerings in the market.

BILL CARTER

Chief Financial Officer

James Legarse, Financial Accountant

Attachment A

**Register of Investments and Cash
as at 28 February 2019**

Register of Investments and Cash as at 28 February 2019

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Call Account								
Westpac Bank	AA	60,262,360	0.15%	1.75%	1.75%	1-Mar-19	22-May-12	0
Total		60,262,360	0.15%	1.75%	1.75%			
Term Deposits (TD)								
Commonwealth Bank	AA	5,000,000	0.19%	2.25%	2.25%	8-Mar-19	8-Feb-19	1
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	8-Mar-19	8-Aug-18	7
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	12-Mar-19	3-Sep-18	6
ME Bank	A	5,000,000	0.24%	2.83%	2.83%	15-Mar-19	4-Jul-18	8
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.68%	2.68%	19-Mar-19	19-Mar-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	29-Mar-19	29-Aug-18	7
Bankwest	AA	5,000,000	0.21%	2.55%	2.55%	2-Apr-19	1-Feb-19	2
Commonwealth Bank	AA	5,000,000	0.22%	2.62%	2.62%	4-Apr-19	21-Jan-19	2
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	5-Apr-19	9-Aug-18	8
Commonwealth Bank	AA	10,000,000	0.22%	2.63%	2.63%	5-Apr-19	18-Jan-19	3
Commonwealth Bank	AA	5,000,000	0.21%	2.52%	2.52%	8-Apr-19	8-Feb-19	2
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	12-Apr-19	11-Feb-19	2
IMB	A	5,000,000	0.23%	2.75%	2.75%	12-Apr-19	16-Aug-18	8
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	19-Apr-19	3-Sep-18	7
ME Bank	A	5,000,000	0.23%	2.72%	2.72%	25-Apr-19	25-Jan-19	3
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	26-Apr-19	10-Aug-18	8
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	3-May-19	14-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	6-May-19	10-Jul-18	10
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	16-May-19	15-Feb-19	3
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	17-May-19	22-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	28-May-19	31-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	31-May-19	31-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	4-Jun-19	5-Jul-18	11
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	6-Jun-19	6-Jul-18	11
Bankwest	AA	5,000,000	0.23%	2.75%	2.75%	7-Jun-19	3-Sep-18	9
Bank of Queensland	A	5,000,000	0.24%	2.85%	2.85%	11-Jun-19	11-Dec-18	6
Suncorp Bank	A	5,000,000	0.23%	2.81%	2.81%	14-Jun-19	7-Dec-18	6
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	21-Jun-19	09-Jul-18	11
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	28-Jun-19	31-Oct-18	8
Bendigo & Adelaide Bank	A	5,000,000	0.24%	2.83%	2.83%	3-Jul-19	4-Jul-18	12
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	5-Jul-19	6-Jul-18	12
Suncorp Bank	A	4,000,000	0.23%	2.75%	2.75%	12-Jul-19	14-Nov-18	8
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	26-Jul-19	18-Feb-19	5
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	5-Aug-19	5-Feb-19	6
AMP Bank	A	5,000,000	0.24%	2.85%	2.85%	20-Aug-19	20-Aug-18	12
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.75%	2.75%	30-Aug-19	3-Dec-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.75%	2.75%	6-Sep-19	4-Dec-18	9
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	10-Sep-19	10-Sep-18	12
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	17-Sep-19	19-Feb-19	7
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	27-Sep-19	28-Nov-18	10
National Aust Bank	AA	5,000,000	0.23%	2.74%	2.74%	9-Oct-19	9-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	14-Oct-19	12-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	18-Oct-19	15-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	25-Oct-19	17-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.72%	2.72%	31-Oct-19	31-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.73%	2.73%	5-Nov-19	5-Nov-18	12
National Aust Bank	AA	5,000,000	0.23%	2.73%	2.73%	6-Nov-19	6-Nov-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	12-Nov-19	15-Feb-19	9
Credit Union Australia Ltd	A	5,000,000	0.23%	2.77%	2.77%	28-Nov-19	29-Nov-18	12
Credit Union Australia Ltd	A	5,000,000	0.24%	2.85%	2.85%	6-Dec-19	7-Dec-18	12
Bank of Queensland	A	5,000,000	0.23%	2.70%	2.70%	13-Dec-19	25-Feb-19	10
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	20-Jan-20	21-Feb-19	11
Credit Union Australia	A	5,000,000	0.23%	2.78%	2.78%	10-Feb-20	11-Feb-19	12
Westpac Banking Corporation (3 months BBSW + 80 points)	AA	5,000,000	0.23%	2.80%	2.80%	13-Feb-20	12-Feb-19	12
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.93%	2.90%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.91%	2.88%	31-Aug-20	1-Sep-15	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +82 points)	AA	5,000,000	0.23%	2.80%	2.80%	20-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.90%	2.90%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3years)	AA	5,000,000	0.23%	2.94%	2.94%	8-Nov-21	7-Nov-18	36
Westpac Banking Corporation (3% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.28%	3.35%	3.09%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3years)	AA	5,000,000	0.25%	3.00%	3.00%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +85 points)	AA	5,000,000	0.23%	2.80%	2.80%	27-Sep-22	28-Sep-18	48
Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years)	AA	5,000,000	0.23%	2.98%	2.98%	21-Nov-22	21-Nov-18	48
Term Deposits (TD) 'Green Tailored Deposits'								
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW+ 93 bps)	AA	10,000,000	0.23%	2.81%	2.86%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000	0.23%	2.97%	2.97%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3% Fixed 1 years & 3 months BBSW + 105 AA points 4 years)	AA	10,000,000	0.23%	3.00%	3.00%	24-Jan-24	25-Jan-19	60
Total		354,000,000	0.23%	2.79%	2.78%			
Floating Rate Notes (FRN)								
Newcastle Permanent Building Society (90 days BBSW + 160 points)	BBB	4,500,000	0.31%	3.68%	3.63%	22-Mar-19	22-Mar-16	36
Credit Union Australia (90 days BBSW + 160 points)	A	5,000,000	0.31%	3.67%	3.61%	1-Apr-19	1-Apr-16	36
Westpac Bank (90 days BBSW + 100 points)	A	5,000,000	0.25%	3.00%	2.92%	10-May-19	11-Mar-16	38

Register of Investments and Cash as at 28 February 2019

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.25%	3.04%	2.98%	18-Jul-19	18-Apr-16	39
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.29%	3.51%	3.45%	18-Jul-19	18-Jul-16	36
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.25%	2.98%	2.89%	22-Jan-20	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	A	5,000,000	0.25%	2.95%	2.88%	10-Feb-20	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	5,000,000	0.25%	3.05%	2.97%	12-Feb-20	12-Feb-15	60
Greater Bank (90 days BBSW + 145 points)	A	5,000,000	0.28%	3.34%	3.36%	24-Feb-20	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.28%	3.41%	3.36%	7-Apr-20	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.28%	3.41%	3.36%	7-Apr-20	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.23%	2.77%	2.74%	3-Jun-20	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.25%	2.97%	2.90%	17-Jul-20	17-Jul-15	60
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.25%	2.97%	2.87%	28-Jul-20	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.25%	3.05%	3.02%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.23%	2.81%	2.76%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.28%	3.33%	3.25%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.26%	3.15%	3.05%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.26%	3.11%	3.02%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000	0.27%	3.25%	3.17%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.27%	3.21%	3.15%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.28%	3.32%	3.28%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.27%	3.24%	3.19%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.29%	3.44%	3.38%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000	0.28%	3.33%	3.29%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.30%	3.54%	3.46%	20-Apr-21	20-Apr-16	60
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000	0.25%	3.00%	2.98%	15-Nov-21	15-Nov-18	36
Commonwealth Bank (90 days BBSW + 85 points)	AA	4,600,000	0.23%	2.80%	2.76%	17-Nov-21	17-Nov-16	60
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000	0.24%	2.88%	2.88%	8-Feb-22	8-Feb-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.24%	2.92%	2.88%	16-Aug-22	16-Aug-17	60
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000	0.24%	2.92%	2.91%	16-Aug-22	31-Oct-18	45
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000	0.26%	3.10%	3.00%	3-Feb-23	5-Feb-18	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.23%	2.81%	2.79%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.90%	2.85%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.85%	2.84%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000	0.24%	2.88%	2.88%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	AAA	4,500,000	0.23%	2.76%	2.73%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000	0.25%	3.02%	2.94%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000	0.25%	3.01%	3.01%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000	0.24%	2.92%	2.92%	26-Feb-24	26-Feb-19	60
<u>Floating Rate Notes (FRN) 'Green/Climate Bonds'</u>								
ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual)	AA	5,000,000	0.27%	3.25%	3.25%	3-Jun-20	3-Jun-15	60
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000	0.25%	3.01%	2.97%	31-Mar-22	31-Mar-17	60
Total		219,350,000	0.26%	3.11%	3.06%			
Total Investments		633,612,360	0.23%	2.80%	2.78%			
Benchmark: 30 Day Bank Bill Index			0.17%	2.01%	1.87%			
Benchmark: Bloomberg AusBond Bank Bill Index			0.18%	2.18%	1.99%			
City of Sydney's available bank balance as at 28 February 2019		18,282,998						
TOTAL INVESTMENTS & CASH		651,895,358						

Summary of Net Investment Movements - February 2019

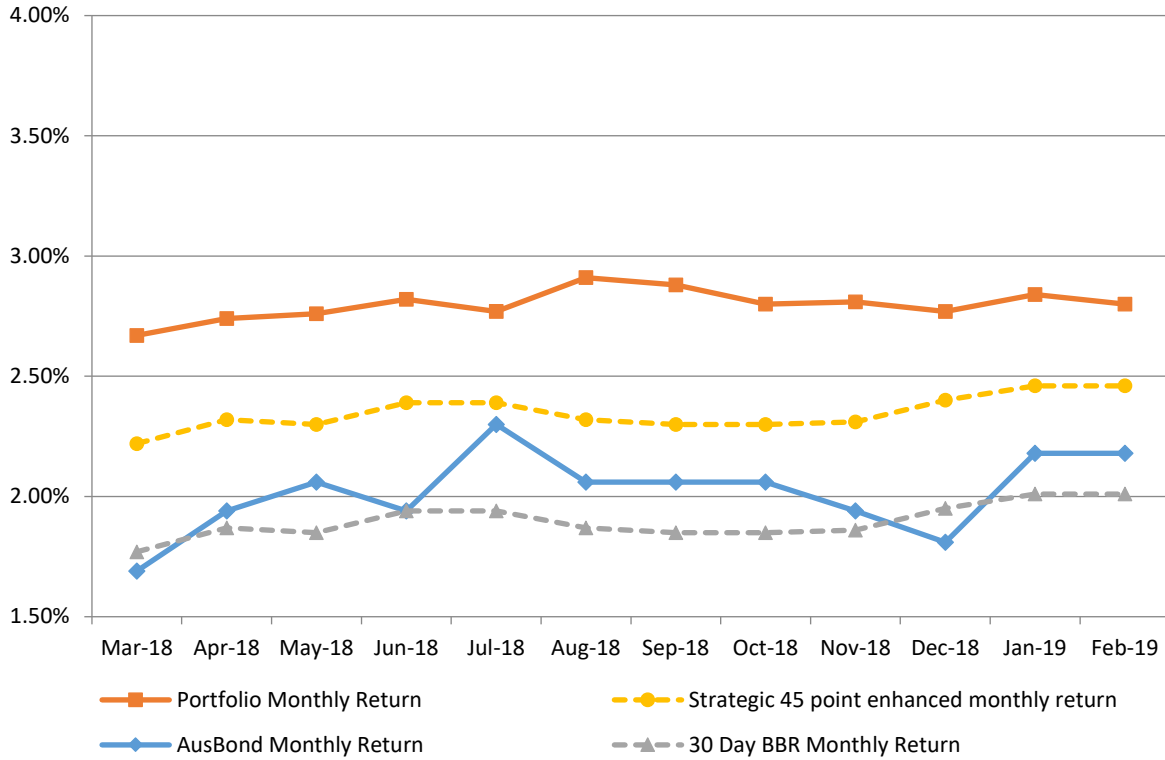
Financial Institution	Fund Rating	Invest/(Recall) Amount \$	Commentary
Call Account			
Westpac Banking Corporation	AA	18,000,000	Utilised funds from Call Account for operational use and placement of short-term investments to fund the fifth instalment of the Light Rail Contribution - moved to April-2019.
Term Deposits (TDs)			
Commonwealth Bank of Australia	AA	5,000,000	Utilised matured investments and third instalments of rates income to place in higher yielding term deposit.
Bankwest	AA	5,000,000	
Bank of Queensland	A/BBB	15,000,000	
ME Bank	A/BBB	10,000,000	
National Australia Bank	AA	(5,000,000)	Redeemed matured Term Deposits to place in higher yielding investments.
Credit Union Australia Ltd	A/BBB	(10,000,000)	
Floating Rate Notes (FRNs)			
ANZ Bank	AA	4,000,000	Utilised third instalments of rates income for the settlement of FRN.
National Australia Bank	A/BBB	(1,000,000)	Redeemed matured Term Deposits to place in higher yielding investments.

Attachment B

**Investment Performance
as at 28 February 2019**

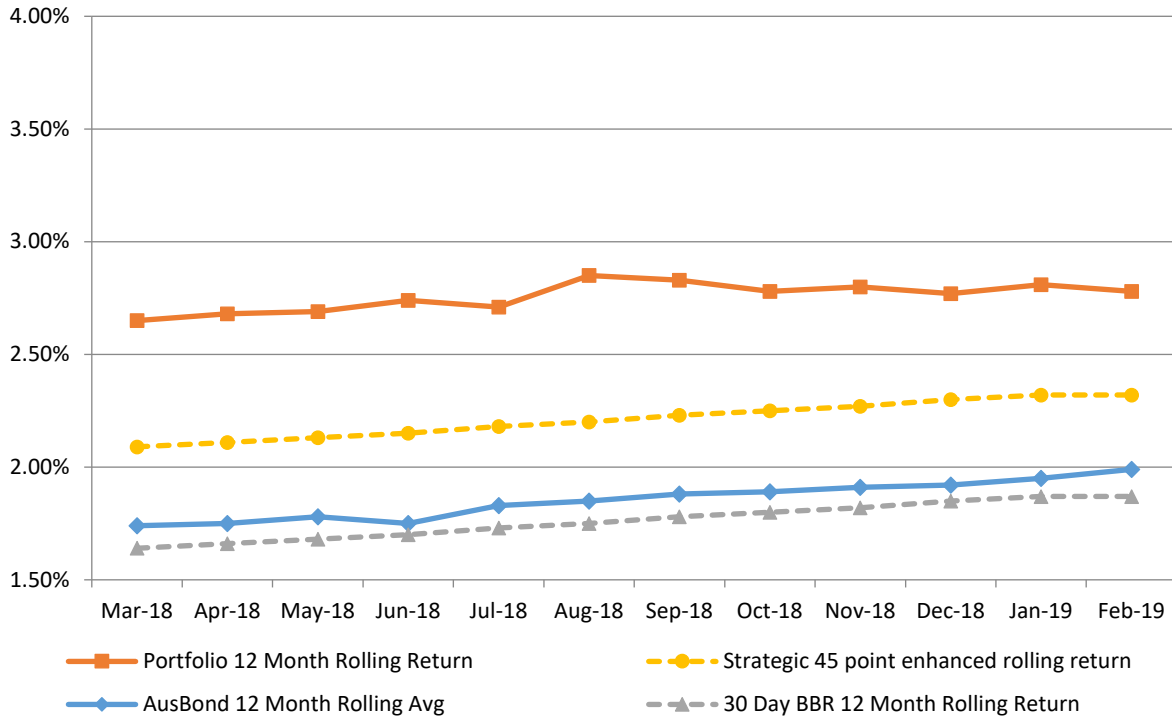
Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
February 2019**



12 Month Rolling Averages

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
February 2019**



Item 3.

Lease Variation - Town Hall Arcade

File No: S098620

Summary

The Council of the City of Sydney and St Andrew's House Corporation (formerly Glebe Administration Board), as trustee and manager of the St Andrew's Trust, each own land upon which Town Hall Arcade and Sydney Square are built.

The City owns the northern side of the Town Hall Arcade to approximately one metre out from the facade of the shops on the northern side of the main arcade. The remainder is owned by the St Andrew's House Corporation.

On 2 February 2000, both parties entered into a new 20-year lease, with an option for a further term of 10 years, with St Andrew's House Corporation the Lessee and the City of Sydney the Lessor. The Lessee has recently exercised the option in accordance with the Lease.

The Lease provides that prior to the expiry of the initial term on 1 February 2020, the Lessee may at its discretion submit a proposal to upgrade the main portion of the Town Hall Arcade for review and response by the City.

The Lease provides that both parties may agree in writing to extend the timeframes in which the Lessee may at its discretion submit a proposal and, if a proposal is submitted, the timing in which the City is to review and respond to a proposal.

Whilst the Lease permitted mutually agreed amendments in writing, the previous Council resolutions for the current lease did not delegate the authority to the Chief Executive Officer to negotiate these amendments and execute any necessary documentation to give effect to any mutually agreed amendments.

This report recommends Council endorsement to a variation of the current lease to extend the timeframe in which the Lessee may at its discretion submit a proposal to upgrade the main arcade, and the delegation of Council's authority to the Chief Executive Officer to negotiate, execute and administer further variations of the current lease as may be required.

The proposed resolution will allow better co-ordination by the Lessee in respect of proposals to upgrade with the outcomes of the Sydney Town Hall Public Precinct Plan.

Recommendation

It is resolved that:

- (A) Council endorse the variation to the Lease as detailed within this report and delegate authority to the Chief Executive Officer to enter into and administer any documentation required to give effect to this variation;
- (B) Council delegate authority to the Chief Executive Officer to negotiate, execute and administer any further variations to the current lease including but not limited to facilitating the submission or evaluation of any proposal for the upgrade of the Town Hall Main Arcade that may be submitted by the Lessee;
- (C) Council will be updated on progress through CEO Updates and/or Council reports; and
- (D) Council note that the City will engage regularly with the St Andrew's House Corporation in respect of directions for Town Hall Arcade.

Attachments

Attachment A. Identification Plan - Land Ownership

Attachment B. Identification Plan - Main Arcade and Concourse

Background

1. The City and St Andrew's House Corporation (formerly Glebe Administration Board) individually own land upon which Town Hall Arcade and Sydney Square are built. Both the City's and St Andrew's House Corporation's land ownership (refer to Attachment A) is unlimited in height and depth.
2. St Andrew's House Corporation is the trustee and the manager of the St Andrew's Trust pursuant to section 14 of the Anglican Church of Australia Trust Property Act 1917 (NSW).
3. The main asset of the Trust is the St Andrew's House building and precinct, including a part of the Town Hall Arcade, car park, office tower and square.
4. On 1 September 1977, the City leased part of their land to the Glebe Administration Board for a 21 year term, expiring 31 August 1998.
5. In 1996, the then Lessee approached the City to seek Council's view on refurbishing and extending the arcade to provide a food court either at the existing retail level or at the Sydney Square level.
6. Refurbishment of the arcade took place in 1999, and both parties subsequently entered into a new lease of 20 years from 1 February 2000 with an option for a further term of 10 years.
7. At the Town Hall Arcade level, the City owns the northern side of the arcade to approximately one metre out from the facade of the shops on the northern side. The remainder is owned by the St Andrew's House Corporation, which also owns St Andrew's House (refer to Attachment B).
8. The permitted use is that of a retail arcade, but not necessarily limited to commercial and retail uses including, at the tenant's election, the provision of common areas and customer and service access.
9. Under the provisions of the existing lease, the Lessee will operate, manage and maintain Town Hall Arcade in a proper and efficient manner, which is commensurate with the standard of management and maintenance of comparable shopping arcades in the Central Business District of Sydney.
10. The control of the arcade is currently the responsibility of St Andrew's House Corporation, and the City only has statutory rights as a lessor under the lease agreement.

Lease Option

11. Prior to the expiry of the current lease, the Lessee has a right to exercise an option for a further term of 10 years. The City also has the right to require the Tenant to take up the option for a further term of 10 years.
12. On 24 September 2018, the St Andrew's House Corporation gave notice to exercise its option for a further term of 10 years, commencing 2 February 2020. The notice was served correctly and at the time of receiving the notice there were no existing unremedied breaches of any terms of the lease.

Upgrade Proposal - Town Hall Main Arcade

13. Within three months of the next day following the date upon which the option was exercised, the Lessee may at its absolute discretion submit a proposal for the upgrading of the Town Hall Main Arcade (refer to Attachment B).
14. The Lessee's proposal is to include plans and specifications in reasonable detail, estimates of costs and estimates of possible returns to the City and Lessee.
15. The lease contemplated that both parties may need to extend the timeframes in writing to extend the timing in which the Lessee may submit a proposal, and if a proposal is submitted, the timing in which the Council must review and respond to a proposal.
16. Whilst the Lease permitted mutually agreed amendments in writing, the previous Council resolutions for the current lease did not delegate authority to the Chief Executive Officer to agree to these amendments and execute any documentation.
17. The variation proposed herein and the recommended delegation to the Chief Executive Office, is to amend the current lease as may be necessary to facilitate the submission and review of any proposal for the Town Hall Main Arcade.

Lease Variation

18. The St Andrew's Board Corporation has requested a five-month extension retrospectively from 25 December 2018 to consider and at its absolute discretion submit a proposal to upgrade the main arcade.
19. If the Lessee has not submitted a proposal in the form and with the supporting documentation required under the lease by 27 May 2019 then it will be deemed not to have submitted a proposal.

Key Implications**Organisational Impact**

20. The variation of the lease will not have any detrimental effects on the service levels, staffing, facilities, processes or other internal impacts with Town Hall Main Arcade.

Environmental

21. If a proposal to upgrade Town Hall Main Arcade is submitted it will need to identify how it impacts on environmental outcomes, such as targets in the City's Environmental Management Plan.

Economic

22. If a proposal to upgrade Town Hall Main Arcade is submitted it will need to identify impacts on surrounding businesses.

Budget Implications

23. There are no financial implications to the 2018/19 operating budget.

Relevant Legislation

24. Local Government Act 1993.

Public Consultation

25. Public consultation is not required to effect the variation or the proposed resolution.

AMIT CHANAN

Director, City Projects and Property

Nicholas Male-Perkins, Commercial Manager, Development and Strategy

Attachment A

Identification Plan – Land Ownership

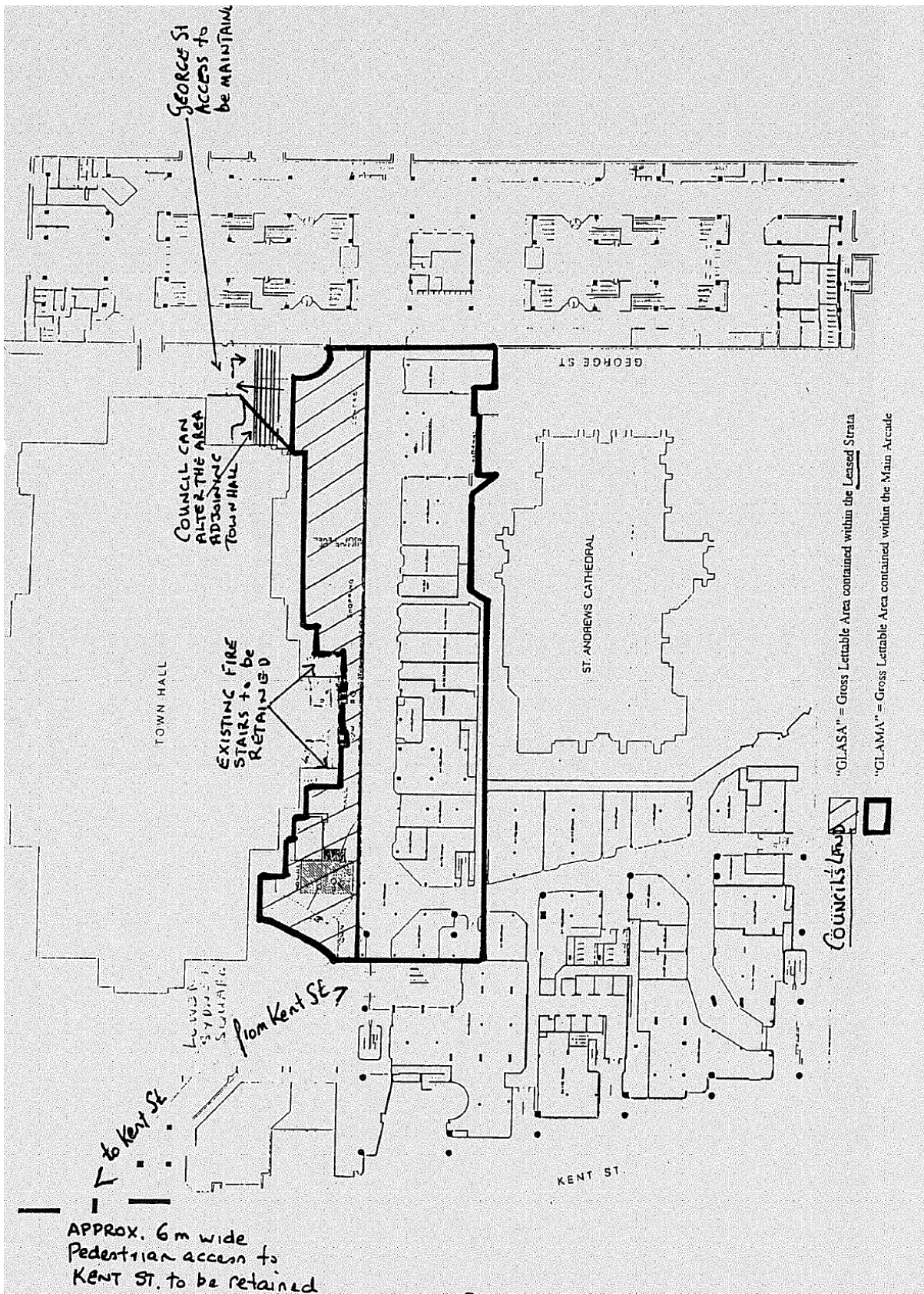
ATTACHMENT A : AERIAL SHOWING OWNERSHIP



Attachment B

<p>Identification Plan – Main Arcade and Concourse</p>

PLAN SHOWING MAIN ARCADE WITH COUNCIL OWNED PORTION HATCHED



Item 4.

Lease Approval - Level 4, 343 George Street, Sydney

File No: S096173.016

Summary

The City purchased 343 George Street, Sydney in 2011, as part of its investment property portfolio.

The property has approximately 10,000 square metres of net lettable area over 10 levels.

This report seeks Council's consent to a new lease for the current occupant, Marque Lawyers Pty Ltd ("Marque"), at Level 4, 343 George Street, Sydney. The proposed lease is for a five-year term, with a further lease option of five years. The current lease expires 30 June 2019.

Essential terms and conditions of the proposed lease and the additional option term of five years are shown at Confidential Attachment A.

Recommendation

It is resolved that:

- (A) Council approve a lease with Marque for Level 4, 343 George Street, Sydney. The proposed new lease includes a term of five years with an additional option term of five years; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease, including in relation to exercise of the option term, substantially in accordance with Attachment A to the subject report.

Attachments

Attachment A. Essential Lease Terms and Conditions (Confidential)

Background

1. Marque is a well-known boutique law firm working across all areas of the corporate / commercial business sector. Commencing with a team of 10 staff, the company has now grown to employ over 40 staff since commencing the lease at 343 George Street.
2. Marque commenced occupation of the building in Suite 4.01, Level 4, 343 George Street, Sydney, in May 2009. They completed a full fit-out of the suite, which occupies two-thirds of the total floor space. Marque commenced a lease over the remainder of Level 4 from 2011. Extensive renovations of the fit out were carried out in 2013 and 2016. There are no plans to make any major changes to the existing fit out.
3. Marque has sought to renew the existing lease which expires on 30 June 2019.
4. The new terms have been negotiated to include the Green Lease Clauses now required by Council in all leases within this group of buildings. The additional clauses will provide a commitment from both parties to proactively improve the sustainable performance of the building.
5. The City's independent valuer, Rawlinsons, has undertaken an assessment of the market rent for this tenancy. The agreed terms of the proposed lease are in line with the market rental valuation, as detailed at Confidential Attachment A.

Option Lease Term

6. Marque submitted a request to the City for a new lease of five years, with a five-year option. Should this lease with the option period be exercised, this would extend the tenure over Level 4 to 30 June 2029.
7. The City is supportive of extending the term of this lease, given the new lease would offer no vacancy and therefore no impact on the 2019/20 operating budget. This recommendation also takes into consideration the tenant's excellent payment history.
8. Marque has executed a Heads of Agreement and the key terms are summarised as per Confidential Attachment A.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

9. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 10 - Implementation through Effective Governance and Partnerships – specifically, Action 10.5.1 - Expand revenues from commercial operations, property portfolio and other income generating assets.

Budget Implications

10. The proposed lease commencement date is 1 July 2019. The rental income has been included in the draft 2019/20 operating budget.

Relevant Legislation

11. Local Government Act 1993.
12. Attachment A contains confidential commercial information and details of the City's valuation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
13. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Options

14. Marque's current lease expires on 30 June 2019. If the City does not offer a new lease to Marque we will have to take the property to the open market.
15. This action would incur costs, including leasing agent fees, marketing costs, refurbishment costs and a possible vacancy period resulting in loss of income.
16. At this stage, there is no commercial advantage for the City to take the property to the market to source an alternative tenant.

AMIT CHANAN

Director, City Projects and Property

Con Vafeas, Portfolio Manager Commercial

Document is Restricted

Item 5.

**Tender – Demolition and Early Civil Works for Green Square Town Centre
Infrastructure Projects**

Document to Follow

Item 6.**Exemption from Tender and Contract Extension - Supply and Installation of Hoardings for the Fig and Wattle Streets Depot and The Bulk Store at Bay Street Depot****File No: S101696****Summary**

The City of Sydney undertakes periodic reviews of the structural integrity of the facades and awnings for all buildings within the City's Property Portfolio. Currently, there are two unoccupied buildings that require hoardings in place as a Temporary Control Measure to ensure public and stakeholder safety. Hoardings have been installed at Fig and Wattle Streets Depot and The Bulk Store at Bay Street Depot, Ultimo.

This report recommends maintaining the City's Temporary Control Measures i.e. the ongoing installation of these hoardings through an extension of the current hoarding contract for a further period of 12 and 19 months respectively, for Fig and Wattle Streets and Bay Street Depot. The hoarding hire rates are the same as the original agreed fees, providing value to the City.

The hoarding rental was market tested when installed, and it would not be to the City's financial advantage to remove the existing, compliant hoarding and reinstall new hoarding at greater cost.

The 12-month extension will permit the sale of Fig and Wattle Street Depot to be completed and the 19-month extension will permit the Capital Works project for the next stage of structural reinforcement works to commence for The Bulk Store at Bay Street Depot.

Recommendation

It is resolved that Council:

- (A) approve an exemption from tender for the extension of the hire of the B Class hoarding for a period of 12 and 19 months respectively for Fig and Wattle Streets and Bay Street Depot from March 2019 as, due to extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) note the reasons a satisfactory result would not be achieved by inviting tenders for the hoarding installations at Fig and Wattle Streets and Bay Street, are:
 - (i) if the City were to seek competitive quotes, additional costs for removal and reconstruction of the hoarding would need to be paid; and
 - (ii) the current rates for the hoarding rental remain competitive compared to market rates;
- (C) approve the variation of the current contract for the hire of B Class hoarding to protect pedestrians and vehicular traffic, by extending the contract term for a further 12-month period for Fig and Wattle Streets, and a 19 month period for Bay Street Depot;
- (D) approve the payment of Hoarding Hire from March 2019 to April 2020 and March 2019 to October 2020, (as per Confidential Attachment A to the subject report); and
- (E) approve the sum set out in Confidential Attachment A to the subject report.

Attachments

Attachment A. Supply and Installation of Hoarding - Financial Summary (Confidential)

Background

1. The City of Sydney undertakes periodic reviews of the structural integrity of the facades and awnings for all buildings within the City's Property Portfolio. Currently, there are two unoccupied buildings that require hoardings in place as a Temporary Control Measure to ensure public and stakeholder safety. Hoardings have been installed at Fig and Wattle Streets Depot and The Bulk Store at Bay Street Depot, Ultimo.
2. This report recommends maintaining the City's Temporary Control Measures, i.e. the ongoing installation of these hoardings through an extension of the current hoarding contract for a further period of 12 and 19 months respectively for Fig and Wattle Streets and Bay Street Depot. The hoarding hire rates are the same as the original agreed fees, providing value to the City.
3. The continuation of the two hoarding installation projects is for public safety and heritage preservation.
4. The 12-month extension will permit the sale of the Fig and Wattle Streets Depot to be completed. The 19-month extension will permit the Capital Works project for the next stage of structural reinforcement works for The Bulk Store at Bay Street Depot to be completed (expected October 2020).
5. The future use of The Bulk Store will be informed by the strategic review of the Bay Street Depot site, currently being undertaken by the City.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

6. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic direction and objective: Direction 9 - Sustainable Development, Renewal and Design.

Social / Cultural / Community

7. Continuation of the hoarding is critical to the ongoing safety management of pedestrians and vehicles accessing areas around the Fig and Wattle and Bay Street Depots.

Budget Implications

8. There are sufficient funds allocated for this project within City Projects and Property's 2018/19 operating budget and future years' forward estimates.

Relevant Legislation

9. Local Government Act 1993.
10. Attachment A contains confidential information which, if disclosed would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
11. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

12. Contract renewal is required as of 30 March 2019, when the previous exemption expires. This request is for 12 and 19 month extensions respectively, for Fig and Wattle Streets and Bay Street Depot.

AMIT CHANAN

Director City Projects and Property

Adam Chamberlain, Facility and Operations Manager

Document is Restricted

Item 7.

Knowledge Exchange Sponsorship - Australian Fashion Council - Curated Sydney 2019

File No: X004735

Summary

In December 2013, Council adopted the Economic Development Strategy, a 10-year plan that aims to strengthen the city economy and support business. At the same time, Council adopted the Retail Action Plan, which aims to strengthen the local retail sector and promote Sydney as Australia's premier retail destination.

Retail in Sydney continues to face numerous challenges, including impacts from the Light Rail construction, an ongoing shift to online purchasing and a general reduction in consumer confidence and retail spending. A key component of the advice received from the City's Retail Advisory Panel is that industry-led programs, supported by Government, will ensure the long-term viability of Sydney retailing.

An application for \$40,000 cash has been received from the Australian Fashion Council under the Knowledge Exchange Sponsorship Program to deliver Curated Sydney 2019.

The Australian Fashion Council (AFC) is a not-for-profit membership organisation that is highly regarded by the local fashion industry, with a clear mission to promote the growth of the textile and fashion industry in Australia. They are seeking support for AFC Curated Sydney 2019, a business development program that will nurture local emerging fashion designers to establish viable and sustainable long-term businesses.

AFC Curated Sydney 2019 will teach the "business of fashion" to up to 10 fashion designers through a combination of retail exposure, direct industry mentoring and workshops over 12 months. Participants will have the opportunity to experience their "first shopfront" via a series of pop-ups in vacant retail spaces in Sydney, as well as attend tailored workshops and seminars to enhance their understanding of supply chain transparency, ethics and sustainability, financial management, becoming an employer and fashion law.

The program aligns with both the City's Economic Development Strategy and Retail Action Plan, as it will foster the development of innovative and progressive retail, deliver mentoring to enhance skills and expertise, support the development of creative industry and build Sydney's reputation as a globally competitive and innovative city.

This program has been developed in direct response to industry feedback. It addresses a gap in the market for tailored support for emerging designers who typically face significant challenges in the first five years of business.

This report recommends a Knowledge Exchange Sponsorship of \$35,000 cash (excluding GST) for Australia Fashion Council to produce the AFC Curated Sydney 2019 program.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$35,000 (excluding GST) to the Australian Fashion Council for AFC Curated Sydney 2019; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer sponsorship agreements with each of the applicants.

Attachments

Nil.

Background

1. The City's Economic Development Strategy recognises that supporting programs that build skills and expertise in small business operators will contribute to their commercial viability and sustainability.
2. In December 2013, Council adopted the Retail Action Plan which aims to strengthen the local retail sector and promote Sydney as Australia's premier retail destination.
3. A key component of the advice received from the Retail Advisory Panel is that industry-led programs, supported by Government, will ensure the long-term viability of Sydney retailing.
4. Successful retail relies on unique world-class designers with global and national recognition, along with memorable experiences that provide sustained reasons to visit the city's retail precincts.

Australian Fashion Council - Curated Sydney 2019

5. Australian Fashion Council (AFC) is the result of the merging of the former Council of Textile and Fashion and Australian Fashion Chamber in 2018. Together they share a history of over 65 years of service to the industry.
6. The Australian Fashion Council is a non-profit membership organisation that promotes the growth of Australia's textile and fashion industry by supporting five focus areas: promoting ethical practice, strengthening supply chains, fostering design and innovation, supporting emerging business and building Australian export.
7. The Australian Fashion Council consults and collaborates with industry members to strengthen linkages, and broaden opportunities and support for new and emerging labels that will be the foundations of Australia's future fashion sector.
8. AFC Curated Sydney 2019 is a business development program supporting local emerging fashion designers and labels, seeking to nurture the next wave of Australian designers and makers to establish viable long-term businesses.
9. The Curated program commenced in Melbourne in 2017 in response to industry feedback identifying the challenges designers face during the first five years of business.
10. In 2018, the program expanded to Sydney with a pilot pop-up retail shop and designers' workshop with support from a major retail shopping centre.
11. In 2019, the Curated program will build on the initial momentum and expand its scope to run consecutively in Sydney, Melbourne and Brisbane for the first time. Support from the City will be for the AFC Curated Sydney 2019 program only.
12. AFC Curated Sydney 2019 will foster the development of innovative and progressive retail, establish an education platform that promotes sustainable business practices, support the development of creative industry, and enhance Sydney's reputation as a globally competitive and innovative city.
13. The program includes retail exposure, direct industry mentoring and business development workshops and seminars.

14. Sustainable development is an area of focus for the Australian Fashion Council. Participating mentors, designer members and established labels are typically industry leaders in sustainability and ethical practice.
15. Seminar topics for participants will include supply chain transparency, ethics and sustainability, financial management, becoming an employer and understanding employee awards, and fashion law.
16. Up to 10 designers and labels will participate in the AFC Curated Sydney 2019 program.

Sponsorship

17. In November 2015, Australian Fashion Council was approved as a tenant at 66 Oxford Street as part of the Oxford Street Creative Spaces Program. Their three-year lease will expire in November 2019.
18. In 2016, Australian Fashion Council were awarded \$40,000 sponsorship through the Village Business Grant. In 2018, the Australian Fashion Council was awarded \$26,990 sponsorship through the Business Support Grant – Place and Industry.
19. The Village Business Grant program objectives include improved communication within the industry sector, information exchange and strengthened business networks.
20. In 2016 and 2018, the Australian Fashion Council delivered capacity-building seminars for industry on topics such as ethical fashion and manufacturing, exporting fashion to the US, business planning, finance, and the future of the Australian fashion industry.
21. The benefits included:
 - (a) 235 representatives attended seminars covering business and finance planning, tech in fashion, ethical fashion and manufacturing, the future of Resort collections, and export;
 - (b) 87 per cent of participants indicated they increased their knowledge about business in the fashion industry; and
 - (c) 89 per cent of participants indicated they will apply the knowledge learnt into their business.
22. The Australian Fashion Council are now seeking cash sponsorship from the City in support of AFC Curated Sydney 2019 under the Knowledge Exchange Sponsorship program.
23. The Knowledge Exchange Sponsorship program supports the exchange of ideas and knowledge and encourages dialogue on local and global issues. Under the program, eligible projects can be supported to a maximum of \$40,000 cash and applications can be received throughout the year.
24. The City wants to work with industry and government partners to strengthen the ecosystem to enable more entrepreneurs to start and grow successful global businesses. It aims to contribute to building a strong entrepreneurial culture and community, and creating more skilled and connected entrepreneurs.

25. Evaluation of the sponsorship will include a report containing results from a participant survey, participant feedback, website analytics and media mentions. The evaluation requirements will be included as part of the City's standard sponsorship agreement.
26. Under the Knowledge Exchange Sponsorship program, not-for-profit and for-profit organisations, as well as social enterprises, are eligible. Australian Fashion Council is a not-for-profit organisation.
27. The application has been assessed as contributing to the following program outcomes:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;
 - (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
28. Sponsorship benefits to be negotiated include acknowledgement of the City in media releases, on social media platforms, in blogs and on-line advertisements, and signage at the opening or closing event; the City's logo included in all marketing materials including direct mail, t-shirts, bags, videos and website; and invitations to attend as guests opening and closing events associated with the program.
29. The Australian Fashion Council has sought sponsorship from the City of Sydney in support of Curated Sydney 2019 for \$40,000. The application has been assessed against the criteria for the Knowledge Exchange program, and \$35,000 has been recommended.
30. The City's recommended sponsorship of \$35,000 is to support the delivery of capacity-building seminars for industry. The application identified capital expenditure items that do not meet the sponsorship guidelines and the recommended funding reflects this.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

31. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This program is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - AFC Curated Sydney 2019 provides an education and sales platform for the local fashion industry, helps to strengthen business competitiveness and enhance the branding of Sydney as a global fashion destination.
 - (b) Direction 5 - A Lively and Engaging City Centre - AFC Curated Sydney 2019 will help provide recognition for Sydney's unique world-class designers, and create memorable consumer experiences providing reasons to visit the city's retail precincts.

- (c) Direction 6 - Vibrant Local Communities and Economies - AFC Curated Sydney 2019 will deliver mentoring to build skills and expertise, and share knowledge and develop best practice in business.
- (d) Direction 7 - A Cultural and Creative City - AFC Curated Sydney 2019 will showcase Sydney and Australian designers and position Sydney as a major creative hub in the Asia Pacific region.

Budget Implications

- 32. Funding of \$30,000 (excluding GST) in cash has been provided in the adopted 2018/2019 budget.
- 33. Funding of \$5,000 (excluding GST) will be provided in the 2019/20 budget.

Relevant Legislation

- 34. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

Critical Dates / Time Frames

- 35. Subject to council approval, the recommended program will be undertaken between May and November 2019.

ANN HOBAN

Director City Life

Anitra Morgana, City Business Coordinator

Item 8.**Knowledge Exchange Sponsorship - IndigiSpace Indigenous Business Development Program****File No:****Summary**

In December 2013, Council adopted the Economic Development Strategy, a 10-year plan that aims to strengthen the city economy and support business.

The Tech Startups Action Plan endorsed by Council in June 2016, focuses on creating a local tech startup ecosystem that enables knowledge-based, innovation-driven businesses to flourish. The Eora Journey Economic Development Plan endorsed by Council in November 2016, outlines the City's role in supporting business ownership and employment opportunities for Aboriginal and Torres Strait Islander business owners and prospective entrepreneurs.

An application for \$39,910 has been received from Investible under the Knowledge Exchange Sponsorship Program to deliver the IndigiSpace Indigenous Business Development Program 2019. Two organisations – Investible and IndigiSpace – will work closely together to deliver the proposed program.

Investible is an incorporated for-profit early stage global investment group whose mission it is to de-risk angel investment globally. Angel investors invest in early stage or start-up companies usually in exchange for an equity ownership interest. Investible do this by supporting their founders with the human, intellectual and financial capital to grow, scale and exit. IndigiSpace is an Indigenous owned and operated organisation that aims to empower and grow successful Indigenous businesses by providing space to develop ideas, businesses and creative talents.

Under the Knowledge Exchange Sponsorship program guidelines, for-profit or non-profit organisations are eligible to apply. IndigiSpace is an Indigenous-owned and run organisation which operates as a Sole Trader.

To date, IndigiSpace has delivered Investible's unique educational IP which has been used to upskill Indigenous entrepreneurs through three national programs. Investible has recently confirmed IndigiSpace as the key partner to take over these programs, and will continue to equip them with the IP to deliver the program moving forward. The title of the program is IndigiSpace Indigenous Business Development Program.

The new IndigiSpace Indigenous Business Development Program proposes to invite 15 Indigenous business owners to embark on a 12-month business development journey to develop and grow their business, while refining their pitch to better tell their story. The program consists of four elements: an Indigenous Business Promotion night, pre-program online workshop, IndigiPitch weekend and 12-month business support program. The City's investment will help to subsidise the cost to produce the program and ensure participation is free for the businesses.

This program addresses a gap in the market for the provision of direct engagement between industry experts and Aboriginal and Torres Straight businesses on relevant topics covering technology, entrepreneurship and innovation.

This report recommends a Knowledge Exchange Sponsorship of \$30,000 (excluding GST) to deliver the 12-month IndigiSpace Indigenous Business Development. The City's recommended sponsorship of \$30,000 (excluding GST) is based on the available funds in the Knowledge Exchange budget.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$30,000 (excluding GST) and venue hire fee waiver to the value of \$2,022 (excluding GST) to Investible Pty Ltd to deliver the IndigiSpace Indigenous Business Program 2019; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Investible.

Attachments

Nil.

Background

1. Sponsorship of Investible's IndigiSpace Indigenous Business Program meets the objectives of the City of Sydney's Knowledge Exchange Sponsorship Program, Economic Development Strategy, Tech Startups Action Plan and Eora Journey Economic Development Plan.
2. A focus area of the Tech Startups Action Plan is on creating skilled and connected entrepreneurs. It acknowledges that in all stages of startup formation it is important to have information and advice delivered via events or mentors – particularly those who have successfully navigated through the growth stage.
3. Key focus areas of the Eora Journey Economic Development Plan are ensuring support for Aboriginal and Torres Strait Islander business owners and prospective entrepreneurs, as well as creating business ownership and employment opportunities in areas such as finance and professional services, tourism, retail, creative and digital businesses.

Investible - IndigiSpace Indigenous Business Development Program 2019

4. Two organisations – Investible and IndigiSpace – will work closely together to deliver the proposed IndigiSpace Indigenous Business Development Program.
5. The program proposes to invite 15 Indigenous business owners to embark on a 12-month business development journey to develop and grow their business, while refining their pitch to better tell their story.
6. The program is scheduled to run from June 2019 until May 2020 and includes four elements: Indigenous Business Promotion night, pre-program online workshop, IndigiPitch weekend, and 12-month business support program.
7. The program will showcase a number of established Indigenous businesses and IndigiSpace is developing ongoing partnerships between Indigenous communities, startup ecosystems, corporates and governments to be actively involved in the delivery of its programs.
8. Curated activities throughout the program ensure business owners have access to mentors, corporate partners, government, Sydney's startup ecosystem and other Indigenous businesses networks which can support the growth of their business.
9. The program will enable participants to plan, prepare and set goals. Participants will develop business models and pitch to various audiences over the course of the 12-month program.
10. IndigiSpace's program is constantly celebrating Indigenous culture and business, creating opportunities for growth and development and providing cultural leadership.

Sponsorship

11. The application has been assessed under the City's Knowledge Exchange Sponsorship program. The program recognises that for the city to thrive, the City must support and create an environment that fosters collaboration and learning.

12. The Knowledge Exchange Sponsorship program supports the exchange of ideas and knowledge and encourages dialogue on local and global issues. Under the program, eligible projects can be supported to a maximum of \$40,000 cash and applications can be received throughout the year.
13. The City wants to work with industry and government partners to strengthen the ecosystem to enable more entrepreneurs to start and grow successful global businesses. It aims to contribute to building a strong entrepreneurial culture and community, and creating more skilled and connected entrepreneurs.
14. Evaluation of the sponsorship will include a report containing results from a participant survey, participant feedback, website analytics and media mentions. The evaluation requirements will be included as part of the City's standard sponsorship agreement.
15. Under the Knowledge Exchange Sponsorship program, not-for-profit and for-profit organisations, as well as social enterprises, are eligible. Investible is a for-profit organisation.
16. The application has been assessed as contributing to the following program outcomes:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;
 - (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
17. Sponsorship benefits to be negotiated include acknowledgement of the City of Sydney in media releases, on social media platforms, in blogs and on-line advertisements, and signage at the opening or closing event; the City of Sydney logo included in all marketing materials including direct mail, t-shirts, bags, videos and website; and invitations to attend as guests opening and closing events associated with the program.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

18. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - supporting entrepreneurs to start and grow innovative businesses will potentially create more employment, boost Sydney's economy, strengthen global connections and make the City a more desirable place to live, work and visit.

- (b) Direction 6 - Vibrant Local Communities and Economies - innovative businesses can grow into global businesses, resulting in swift economic and employment benefits locally.
- (c) Direction 7 - A Cultural and Creative City - supporting entrepreneurs is supporting the expression of innovation and creativity, which in turn, contributes to a cosmopolitan, vibrant and active city.

Budget Implications

19. This report recommends a total sponsorship amount of \$30,000 cash (excluding GST). There are sufficient funds allocated for payments within the Knowledge Exchange Grants and Sponsorship budget as follows:
- (a) 2018/19 - \$27,000;
 - (b) 2019/20 - \$3,000.

Relevant Legislation

20. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to person for exercising its functions.
21. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
- (a) the funding is part of the Knowledge Exchange Sponsorship program;
 - (b) the details of this program have been included in Council's draft operational plan for financial year 2018/19;
 - (c) the program's proposed budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2018/19; and
 - (d) this program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

22. Subject to Council approval, the recommended program is scheduled to commence in June 2019, finishing in May 2020.

ANN HOBAN

Director, City Life

Alice Chatwood, City Business Coordinator