

19 July 2021

At 2.00 pm

**Corporate, Finance, Properties and
Tenders Committee**

Agenda

- 1. Disclosures of Interest**
- 2. Investments Held as at 30 June 2021**
- 3. Public Exhibition - Naming Proposal - Dr Margaret Harper Avenue**
- 4. Lease Approval - Part Ground Floor and Part Forecourt, Customs House, 31 Alfred Street, Sydney**
- 5. Draft Project Development Deed - Green Square Town Centre Integrated Community Facility and School**
- 6. Transport for NSW - Light Rail - Section 29 Land Acquisition Agreement and Land Transfers to the City**
- 7. Exemption from Tender - Renewable Gas Certification Pilot**
- 8. Cancellation of Tender - Sustainability Programs - Panel of Suppliers**
- 9. Property Matter (Confidential)**

Economic Development and Business Sub-Committee

- 10. Grants and Sponsorship - Commercial Creative Business Events 2021, 2022 and 2023**

Disclaimer, Terms and 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.

Webcast

In accordance with the *City of Sydney Code of Meeting Practice*, Committee meetings are recorded and webcast live on the City of Sydney website at www.cityofsydney.nsw.gov.au.

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Guidelines

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 Secretariat on 9265 9310 or emailing secretariat@cityofsydney.nsw.gov.au before 10.00am 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.

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 City 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 available at www.cityofsydney.nsw.gov.au

Item 1.

Disclosures of Interest

Pursuant to the provisions of the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting.

This will include receipt of reportable political donations over the previous four years.

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

Item 2.

Investments Held as at 30 June 2021

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance to 30 June 2021.

The City's total Investment and Cash position was \$653.8M at 30 June 2021, with investments earning interest of \$0.3M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. One of the measures the Reserve Bank of Australia (RBA) has used to respond to the crisis has been to reduce the official cash rate downward. It was reduced first on 3 March 2020 to 0.50 per cent and again on 20 March 2020, when it was further reduced to 0.25 per cent. On 2 November 2020, the RBA announced a further drop in the official cash rate to 0.10 per cent. In addition, the RBA launched its Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). The market has responded by reducing the rates on offer and the resultant lower investment yields continue to have a sustained adverse impact on the City's portfolio return.

The City's cash inflows have also been negatively impacted as the economic consequences of the pandemic continue to affect major revenue streams, in particular commercial property income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return has continued to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$271.9M) or externally restricted (\$67.9M) 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, infrastructure and community facilities in the Green Square urban renewal area and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments, including the Covid-19 relief grants program.

The City achieved an annualised monthly return of 0.64 per cent for June, above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2020 as part of the Investment Strategy.

The City's annual rolling return of 0.66 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.04 per cent, the latest AusBond Bank Bill Index of 0.06 per cent and the enhanced benchmark of 0.51 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.

The report includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.

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 the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 30 June 2021 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 30 June 2021

Attachment B. Investment Performance as at 30 June 2021

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 (BBR) 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 30 June 2021 is \$653.8M, a decrease of approximately \$6.6M from the \$660.4M reported as at 31 May 2021, reflecting operating income and proceeds from property divestment, offset by capital works expenditure, property acquisition and other operational payments. A schedule detailing all of the City's investments as at the end of June is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$271.9M) or externally restricted (\$67.9M) 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, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of open space. 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 0.64 per cent for June, above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2020 as part of the Investment Strategy.
8. The City's annual rolling return of 0.66 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.04 per cent, the latest AusBond Bank Bill Index of 0.06 per cent and the enhanced benchmark of 0.51 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.
9. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, and again on 20 March 2020 to 0.25 per cent. On 2 November 2020, the RBA announced a further drop in the official cash rate to 0.10 per cent. In addition, the RBA launched its Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs), in turn helping to reduce the interest rates for borrowers. The market is responding by reducing the rates on offer, and the resultant lower investment yields continue to have a sustained adverse impact on the City's portfolio return. The low interest rates are anticipated to continue for the foreseeable future given the current challenging economic conditions.

10. The City's cash inflows, whilst reasonably resilient and showing signs of recovery, have been negatively impacted for a prolonged period, as the economic consequences of the pandemic have continued to affect major revenue streams, in particular commercial property income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return will also continue to affect the City's interest revenue.
11. The report includes graphs depicting that the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond, and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
12. 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.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

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 \$5M for 2020/2021 against budgeted earnings of \$5.6M. Note that the City's investments earned interest of \$16.8M in 2018/2019 and \$12.2M in 2019/20. The reduction in interest income has been caused by reduced rates on offer in the market. These lower investment yields are expected to continue to have an adverse impact on the City's portfolio return in the medium term.

Economic

15. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis, including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
16. The RBA reduced the official cash rate downward twice in March 2020. It was reduced first on 3 March 2020, to 0.50 per cent, and again on 20 March 2020, when it was further reduced to 0.25 per cent. RBA further dropped the cash rate to 0.10 per cent on 2 November 2020.
17. The RBA has continued to indicate that the 0.10 per cent official cash rate is unlikely to be lifted until it is confident the economy has recovered sufficiently to lift annual inflation inside its target 2 per cent to 3 per cent range.

18. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong. However, with the low official cash rate, market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. The capacity for City staff to invest in a manner that meets liquidity requirements whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) is increasingly limited. However, the best available returns are still actively sought when surplus funds are invested.
19. On occasion, financial institutions will not offer term deposit rates as their own liquidity requirements are already satisfied. Since the beginning of the Covid-19 pandemic, this has occurred with increased frequency, further limiting the available range of institutions able to offer adequate returns at an acceptable credit risk under the City's Investment Policy.

Relevant Legislation

20. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
21. The Local Government (General) Regulation 2005 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
22. The Investment Policy and Strategy was last revised in October 2020, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadened definition of environmentally harmful activities to include specific reference to coal, gas and oil.
23. 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 28 October 2020.

Critical Dates / Time Frames

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

Public Consultation

25. 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.
26. 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.
27. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.

28. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. City currently holds \$80M in twelve tranches with this Green Tailored deposit.
29. City also invested in sixteen tranches, totalling \$95M, since the introduction of Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA), whilst also meeting the City's risk / return profile.
30. In December 2019, the City invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.
31. It is evident from these opportunities that the market is endeavouring to respond to demand and meet investors need to satisfy their financial risk / return requirements, while at the same time promoting their preferred investment profile outcomes.

BILL CARTER

Chief Financial Officer

Attachment A

**Register of Investments and Cash
as at 30 June 2021**

Register of Investments and Cash for June 2021 period

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Call Account									
Westpac Bank	AA	1,830,182	1,830,182	0.00%	0.00%	0.00%	1-Jul-21	22-May-12	0
Commonwealth Bank	AA	26,177,056	26,177,056	0.02%	0.20%	0.20%	1-Jul-21	11-Jun-20	0
Macquarie Bank Ltd	AA	6,040,767	6,040,767	0.03%	0.35%	0.35%	1-Jul-21	21-Sep-20	0
Total		34,048,005	34,048,005	0.02%	0.22%	0.22%			
Term Deposits (TD)									
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.25%	0.25%	5-Jul-21	4-Jun-21	1
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	9-Jul-21	13-Oct-20	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	21-Jul-21	21-Dec-20	7
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	23-Jul-21	4-Dec-20	8
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	30-Jul-21	30-Nov-20	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	3-Aug-21	4-Nov-20	9
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	6-Aug-21	1-Dec-20	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	10-Aug-21	4-Nov-20	9
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.83%	13-Aug-21	14-Aug-20	12
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	17-Aug-21	16-Feb-21	6
ME Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	24-Aug-21	18-May-21	3
ME Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	31-Aug-21	12-May-21	4
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	7-Sep-21	11-Nov-20	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	21-Sep-21	21-Dec-20	9
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	24-Sep-21	1-Dec-20	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	1-Oct-21	1-Dec-20	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	8-Oct-21	9-Dec-20	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Oct-21	14-Oct-20	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.63%	0.63%	19-Oct-21	20-Oct-20	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.02%	0.20%	0.20%	22-Oct-21	8-Jun-21	4
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.57%	0.57%	26-Oct-21	27-Oct-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	11-Nov-21	11-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	12-Nov-21	9-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	16-Nov-21	11-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	19-Nov-21	13-Nov-20	12
ME Bank	A	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	23-Nov-21	22-Dec-20	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	26-Nov-21	1-Jun-21	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	29-Nov-21	1-Jun-21	6
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	1-Dec-21	1-Dec-20	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	10-Dec-21	11-Dec-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	14-Dec-21	15-Dec-20	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	17-Dec-21	18-Dec-20	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	30-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	3-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	4-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	5-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	6-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	7-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	13-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	13-Jan-22	15-Jan-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	14-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	8-Jan-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	28-Jan-22	25-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	31-Jan-22	1-Mar-21	11
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	4-Feb-22	1-Mar-21	11
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	7-Feb-22	9-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	8-Feb-22	12-May-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	11-Feb-22	14-May-21	9
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	16-Feb-22	16-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Feb-22	17-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	18-Feb-22	18-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	22-Feb-22	19-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	25-Feb-22	31-May-21	9
Commonwealth Bank	AA	10,000,000.00	10,000,000.00	0.04%	0.45%	0.45%	1-Mar-22	1-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	2-Mar-22	2-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	5-Apr-22	6-Apr-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	8-Apr-22	7-Apr-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	13-May-22	14-May-21	12
Westpac Banking Corporation - Quarterly Payments	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	31-May-22	31-May-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	10-Jun-22	11-Jun-21	12
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	9-Feb-21	52
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	5-Feb-21	52
Westpac Banking Corporation (2.80% Fixed 1 year & 3 Months BBSW + 82 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.87%	21-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 3 Months BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.95%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3 years)	AA	5,000,000.00	5,000,000.00	0.07%	0.86%	1.55%	8-Nov-21	6-Nov-18	36
Westpac Banking Corporation (3% Fixed 2 years & 3 Months BBSW + 133 points 3 years)	AA	5,000,000.00	5,000,000.00	0.11%	1.35%	1.38%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3 years)	AA	5,000,000.00	5,000,000.00	0.11%	1.29%	1.32%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation (2.80% Fixed 1 year & 3 Months BBSW + 85 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.88%	0.90%	28-Sep-22	28-Sep-18	48
Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years)	AA	5,000,000.00	5,000,000.00	0.07%	0.86%	1.56%	21-Nov-22	21-Nov-18	48
Westpac Banking Corporation (0.71% Fixed 2 years & 90 days BBSW + 50 points)	AA	5,000,000.00	5,000,000.00	0.06%	0.71%	0.71%	18-Jun-26	18-Jun-21	60
Term Deposits (TD) / Green Tailored Deposits									
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.05%	0.63%	0.63%	6-Jul-21	7-Oct-20	9
Westpac Banking Corporation- Green Tailored Deposit - Quarterly Interest Payments	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.83%	13-Jul-21	13-Jul-20	12
Westpac Banking Corporation- Green Tailored Deposit - Quarterly Interest Payments	AA	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	16-Jul-21	19-Aug-20	11
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.67%	0.67%	27-Jul-21	1-Oct-20	10
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	20-Aug-21	22-Sep-20	11
Westpac Banking Corporation- Green Tailored Deposit - Quarterly Interest Payments	AA	5,000,000.00	5,000,000.00	0.06%	0.73%	0.73%	27-Aug-21	27-Aug-20	12
Westpac Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.73%	0.73%	2-Sep-21	2-Sep-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.71%	0.71%	17-Sep-21	22-Sep-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.69%	0.69%	28-Sep-21	28-Sep-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	30-Sep-21	1-Oct-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	30-Sep-21	30-Sep-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	1-Oct-21	1-Oct-20	12
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	29-Oct-21	27-Nov-20	11
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	18-Nov-21	18-Nov-20	12
Commonwealth Bank- Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.03%	0.38%	0.38%	17-Dec-21	17-Feb-21	10
Commonwealth Bank- Green Tailored Deposit	AA	10,000,00							

Register of Investments and Cash for June 2021 period

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Floating Rate Notes (FRN)									
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000.00	4,500,000.00	0.09%	1.07%	1.08%	15-Nov-21	15-Nov-18	36
Commonwealth Bank (90 days BBSW + 85 points)	AAA	4,600,000.00	4,600,000.00	0.07%	0.89%	0.90%	17-Nov-21	17-Nov-16	60
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.93%	8-Feb-22	8-Feb-19	36
Great Southern Bank (formerly Credit Union Australia) (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.26%	1.29%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.09%	1.02%	1.04%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,013,240.00	0.08%	1.00%	1.02%	16-Aug-22	31-Oct-18	45
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.08%	1.01%	1.02%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.09%	1.09%	1.13%	3-Feb-23	5-Feb-18	60
Great Southern Bank (formerly Credit Union Australia) (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.94%	0.95%	21-Feb-23	21-Feb-20	36
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.86%	0.88%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.95%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.97%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.97%	0.98%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.79%	0.82%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.96%	0.98%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.08%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.08%	1.09%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.08%	0.96%	0.97%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.93%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.80%	0.84%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.81%	0.82%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.07%	0.88%	0.89%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.09%	1.13%	1.17%	24-Apr-25	27-Apr-20	60
Macquarie Bank (3 months BBSW + 48 points)	A	5,000,000.00	5,000,000.00	0.04%	0.51%	0.51%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A	2,100,000.00	2,100,000.00	0.04%	0.48%	0.47%	24-Feb-26	24-Feb-21	60
Newcastle Permanent Building Society (90 days BBSW + 63 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.66%	0.67%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.67%	0.67%	18-Jun-26	18-Jun-21	60
Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'									
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	0.92%	0.95%	2-Dec-22	2-Dec-19	36
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.96%	0.98%	31-Mar-22	31-Mar-17	60
Total		116,200,000	116,213,240	0.07%	0.90%	0.91%			
Total Investments		643,248,005	643,261,245	0.05%	0.64%	0.66%			
Benchmark: 30 Day Bank Bill Index				0.00%	0.01%	0.04%			
Benchmark: Bloomberg AusBond Bank Bill Index				0.00%	0.00%	0.06%			
City of Sydney's available bank balance as at 30 June 2021		10,575,382	10,575,382						
TOTAL INVESTMENTS & CASH		653,823,387	653,836,627						

Summary of Net Investment Movements - June 2021

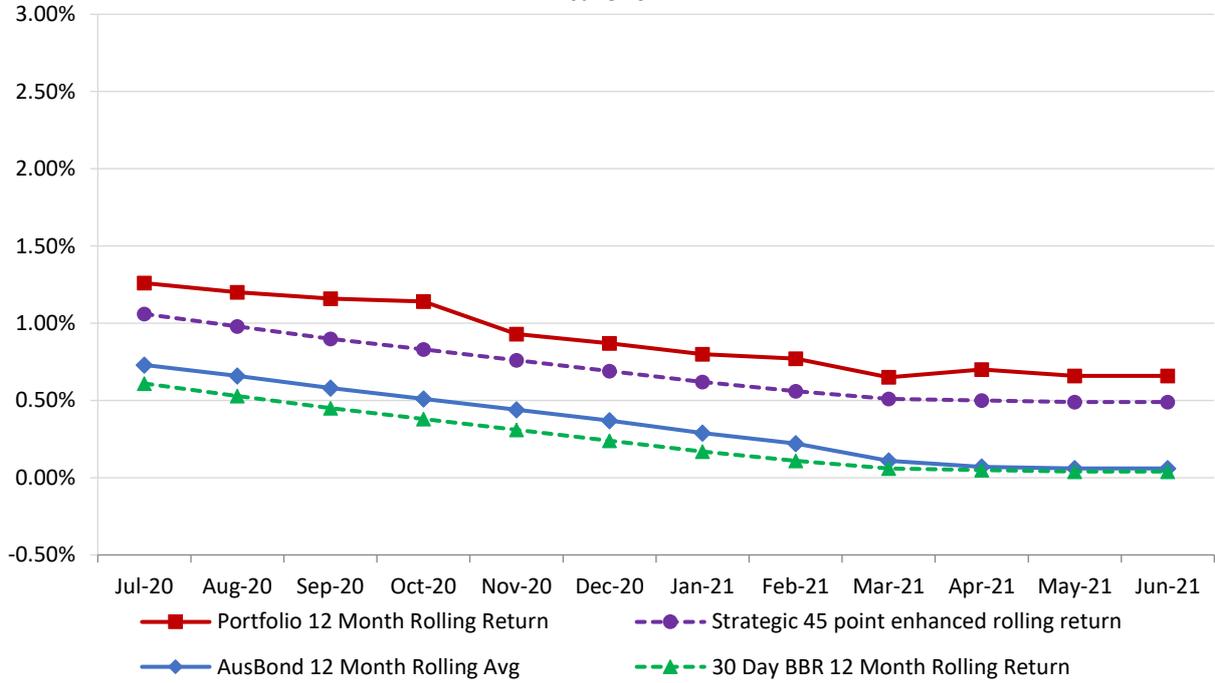
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<u>Call Account</u>			
Commonwealth Bank	AA	(4,000,000)	Funds from CBA Call Account utilised for operational purpose.
<u>Term Deposits (TDs)</u>			
Bendigo & Adelaide Bank	A	5,000,000	Redeemed matured investments placed in higher yielding term deposits.
Commonwealth Bank	A	5,000,000	
Great Southern Bank (formerly Credit Union Australia)	A	(10,000,000)	Redemption of matured term deposits, utilised for operational use or reinvested with higher yielding products.
Members Equity Bank	A	(7,000,000)	
<u>Floating Rate notes</u>			
Bendigo & Adelaide Bank	A	5,000,000	Redeemed matured investments placed in higher yielding floating rate note

Attachment B

**Investment Performance
as at 30 June 2021**

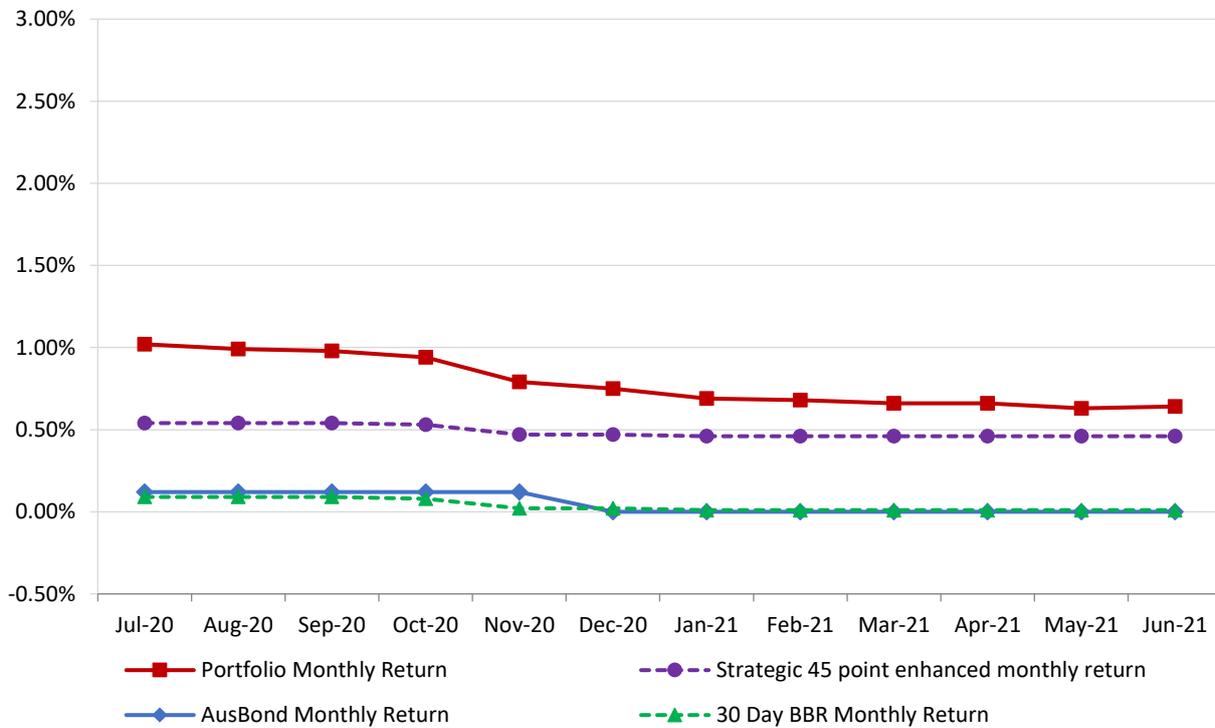
12 Month Rolling Averages

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
June 2021

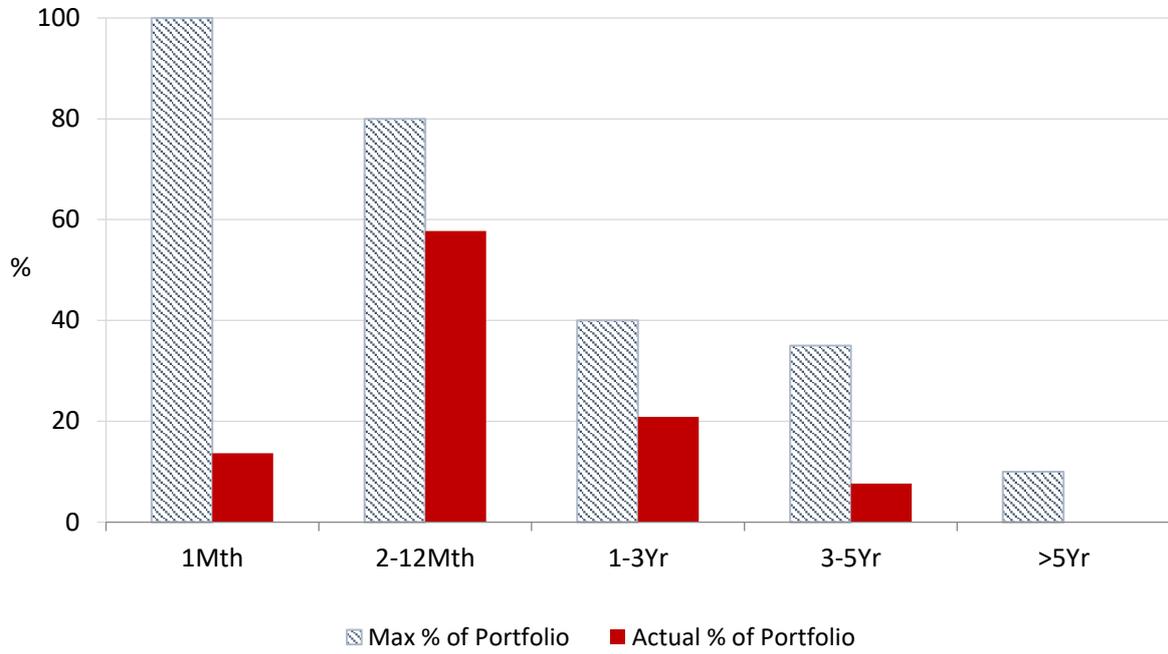


Monthly Results

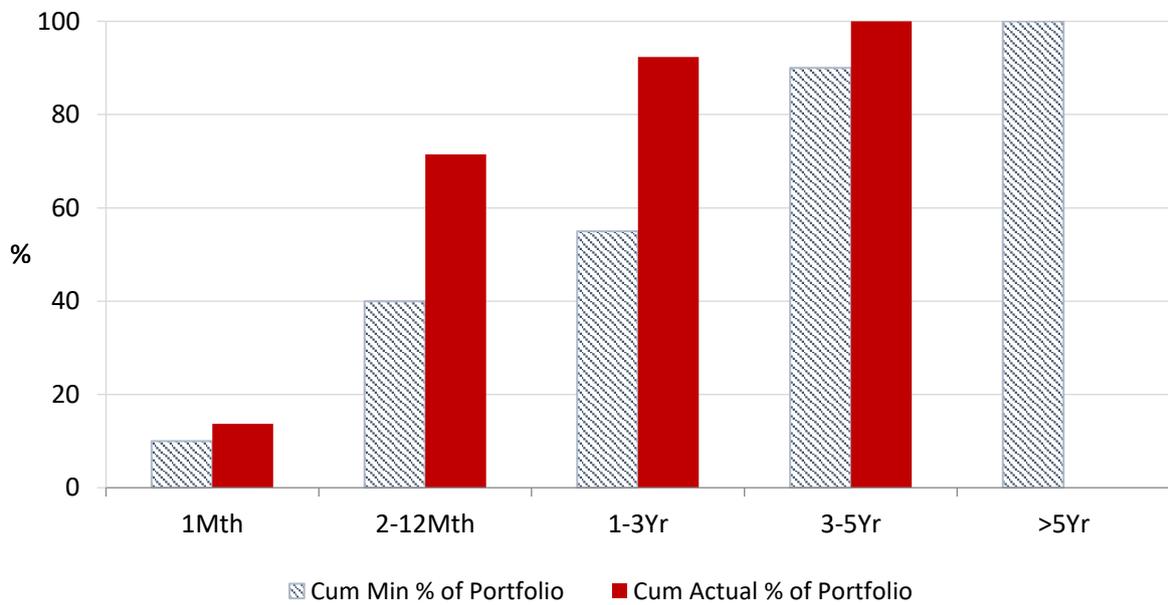
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
June 2021



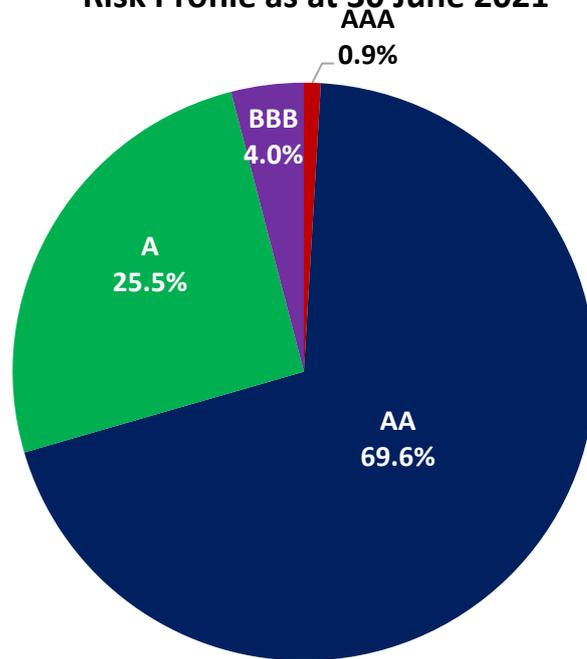
Portfolio Liquidity - Maximum Allowances as at 30 June 2021



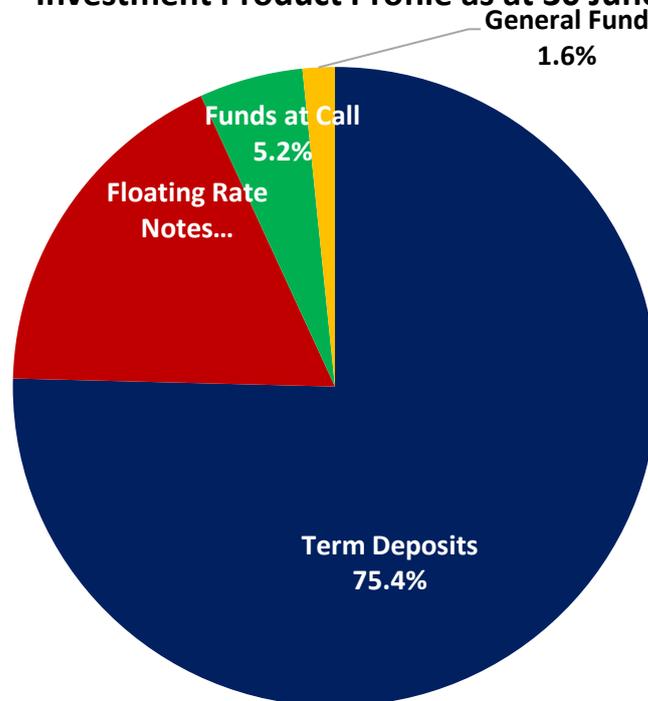
Portfolio Liquidity - Minimum Allocations as at 30 June 2021



Risk Profile as at 30 June 2021



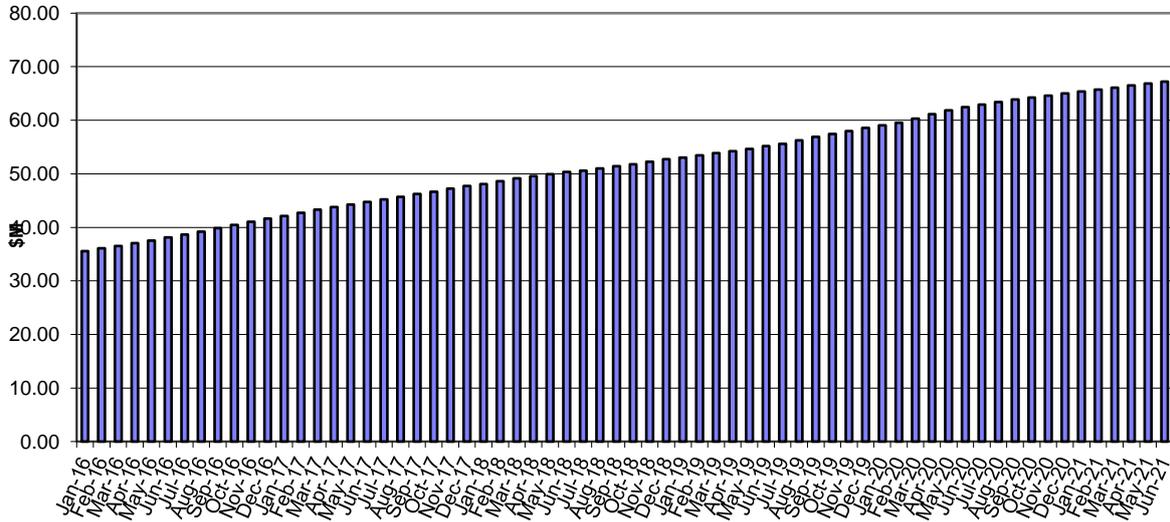
Investment Product Profile as at 30 June 2021



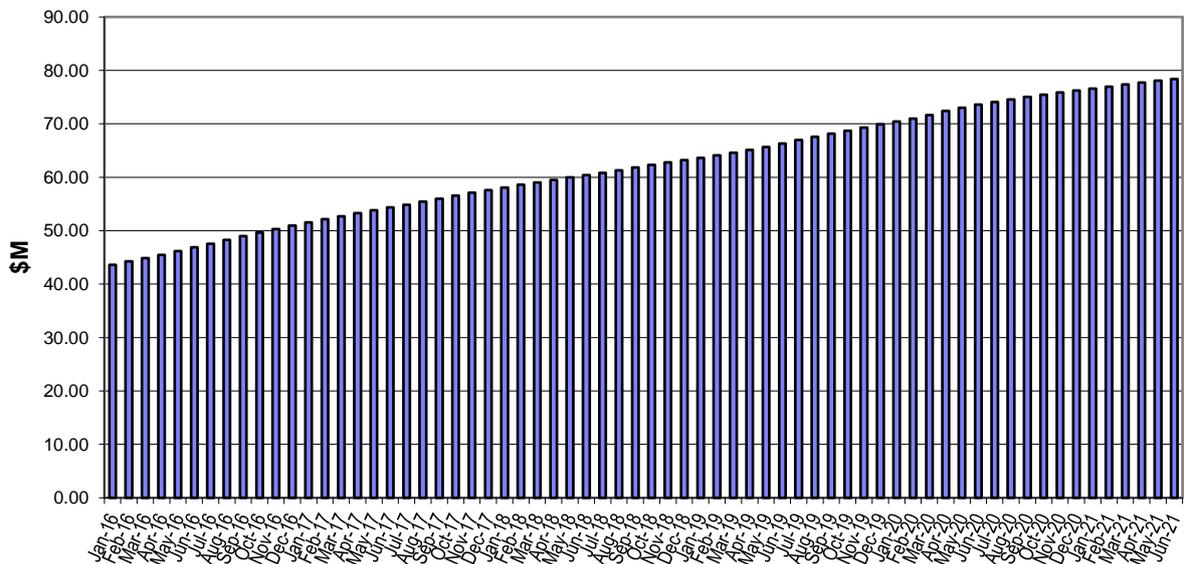
INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION
as at 30 June 2021

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	18.0	2.8	
	Commonwealth Bank	214.3	32.8	
	National Aust Bank	70.7	10.8	
	Westpac Banking Corporation	146.4	22.4	
Big 4 Total		449.4		68.7
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.8	
	Bank of China	4.5	0.7	
	Bank of Queensland	39.0	6.0	
	Bendigo & Adelaide Bank	30.0	4.6	
	Great Southern Bank (formerly Credit Union Australia)	4.3	0.7	
	ME Bank	43.0	6.6	
	Suncorp Bank	14.6	2.2	
	Macquarie Bank Ltd	49.0	7.5	
	Northern Territory Treasury Corporation	10.0	1.5	
Newcastle Permanent Building Society	5.0	0.8		
Other ADI Total		204.4		31.3
Grand Total		653.8	100.0	100.0

Cumulative Outperformance over AusBond Benchmark - 2015-2021



Cumulative Outperformance over 30 Day BBR Benchmark - 2015-2021



Item 3.

Public Exhibition - Naming Proposal - Dr Margaret Harper Avenue

File No: X082506

Summary

This report recommends that, subject to community consultation, Council provides in-principle support to the new road connecting Bowden Street in Alexandria to Geddes Avenue in Zetland, being named Dr Margaret Harper Avenue.

The City of Sydney is building a new road and cycleway that will connect Geddes Avenue in the Green Square town centre with Bowden Street in Alexandria. It will also link to Botany Road, O’Riordan Street and Bourke Road.

The new road and cycleway will prioritise pedestrians, cyclists and public transport and also be accessible by emergency vehicles and local vehicles. It will provide an important green, walking and cycling east-west connection for the communities of Alexandria and Green Square.

Dr Margaret Hilda Harper (1879-1964) was a trailblazing Australian paediatrician. Through her work, practice and care she helped establish the position of women in the field of medicine. She was a founding doctor of both the Alexandria Baby Health Clinic and the Rachel Forster Hospital for Women and Children. Dr Harper became known internationally for her contributions to paediatrics and the care of newborn and premature babies.

Dr Margaret Harper had a direct connection to the local communities of Alexandria, Waterloo, Surry Hills and Redfern.

Acknowledging her contribution through the naming of this new road, recognises women and leadership in twentieth century Australia. It addresses a gap or silence in our history: the recognition of women’s achievements in the public domain and in popular memory.

Recommendation

It is resolved that Council:

- (A) provide in-principle approval to name the new road connecting Bowden Street in Alexandria to Geddes Avenue in Zetland, "Dr Margaret Harper Avenue", and that the name be placed on public exhibition for a minimum period of 28 days; and
- (B) note that a further report will be submitted to Council on the results of the public consultation process.

Attachments

- Attachment A.** Map Showing the Location of the New Road Connecting Bowden Street and Geddes Avenue
- Attachment B.** Historical Justification for Dr Margaret Harper Avenue

Background

1. The City of Sydney is building a new road and cycleway that will connect Geddes Avenue in the Green Square town centre with Bowden Street in Alexandria. It will also link to Botany Road, O’Riordan Street and Bourke Road.
2. It is identified as a local road in the Sydney Development Control Plan 2012.
3. The new road and cycleway will prioritise pedestrians, cyclists and public transport and also be accessible to emergency vehicles and local vehicles.
4. It will provide an important green, walking and cycling east-west connection for the communities of Alexandria and Green Square.
5. Works are underway. The first section is planned to open in late September 2022.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

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 directions and objectives:
 - (a) Direction 3 - Integrated Transport for a Connected City - The connection is a significant new piece of infrastructure that will be used for public transport to better connect communities in the south of the City.
 - (b) Direction 4 - A City for Walking and Cycling - The new connection prioritises walking and cycling.
 - (c) Direction 6 - Vibrant Local Communities and Economies - The proposed name recognises the significant contribution Dr Margaret Harper made to the local community and nationally and helps tell the remarkable stories of the area.
 - (d) Direction 9 - Sustainable Development, Renewal and Design - The new road is an important component of the development of the Green Square redevelopment area.

Organisational Impact

7. The City will ensure signage is installed once construction is complete. It will have minimal organisational impact.

Risks

8. There are no identified risks associated with the naming proposal.

Social / Cultural / Community

9. The City Historian recommends the name Dr Margaret Harper, reflecting her internationally regarded contribution to paediatrics and the care of newborn and premature babies, and her contribution to the health care for the local communities of Alexandria, Waterloo, Redfern and Surry Hills.

10. Dr Margaret Harper began her career at the Royal Hospital for Women, Paddington, and the Royal Alexandra Hospital for Children in Camperdown. She was one of a group of female doctors, nurses and philanthropists who established the Rachel Forster Hospital for Women and Children in 1922 which had premises in Surry Hills and Redfern.
11. Dr Margaret Harper was the first honorary physician at the Alexandria Baby Health Clinic. This was the state's first government baby health clinic, which opened in August 1914 and operated from Henderson Road Alexandria.
12. Naming the road after Dr Margaret Harper helps recognise women and leadership in twentieth century Australia and address a gap in our history: the recognition of women's achievements in the public domain and in popular memory.
13. The community will have an opportunity to comment on the naming proposal during the exhibition period.

Economic

14. The new road is an important connection to the Green Square town centre. Giving it a powerful and relevant name will strengthen the identity of the area.

Financial Implications

15. There are funds available in the City's 2021/22 operational budget and future year forward estimates for the installation of signage as the road is completed.

Relevant Legislation

16. The Geographic Names Act 1966 (NSW) and Geographical Names Board Guidelines – the recommended names comply with this legislation and meet the Geographical Names Board Guidelines.

Critical Dates / Time Frames

17. A name will be needed when the first section of the road is open in late 2022. Should Council approve the name following community consultation, a formal naming application will be submitted to the Geographical Names Board for consideration.

Options

18. The City is required to undertake the naming process in line with the City's Naming Policy. Naming of the new road is critical for wayfinding and numbering of properties on the road.

Public Consultation

19. The process for naming of public spaces generally proceeds as follows:
 - (a) in-principle approval by Council of the proposed name;
 - (b) public notification of the naming proposals with a minimum 28-day response time;
 - (c) Council approval following community consultation;
 - (d) assessment by the Geographical Names Board of New South Wales through its formal application process; and
 - (e) approval by the Geographical Names Board and subsequent publication in the NSW Government Gazette.
20. The Geographical Names Board will also notify the public through the local press as part of their routine procedure for the naming of public places. If objections are raised, the proposal is returned to Council for further comment or amendment if required.
21. The naming proposal will be advertised in the local press and on the Sydney Your Say website, notices will be letterboxed to surrounding properties (approximately 450 metres radius) and there will be a public notice on site.

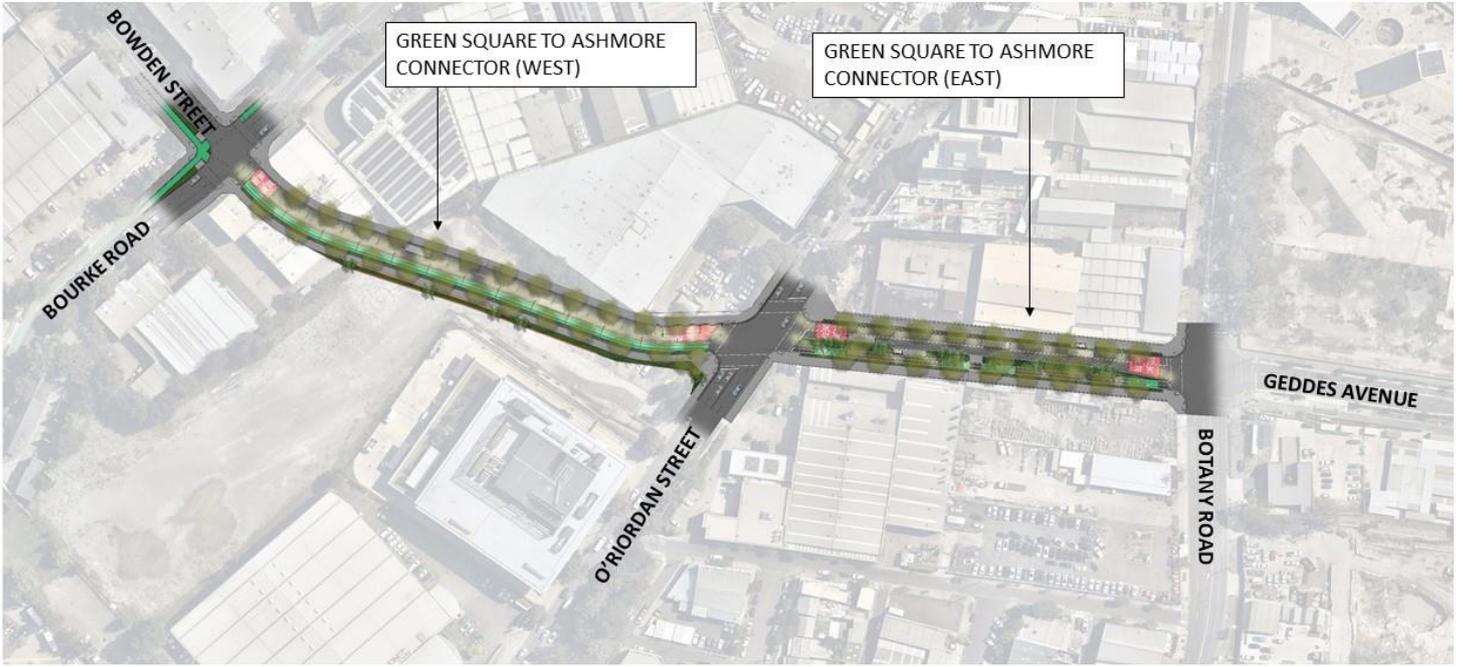
KIM WOODBURY

Chief Operating Officer

Yvette Andrews, Manager City Engagement

Attachment A

**Map Showing the Location of the New Road
Connecting Bowden Street and Geddes
Avenue**



Attachment B

**Historical Justification for
Dr Margaret Harper Avenue**

Naming Proposal – Dr Margaret Harper Avenue – Historical Justification

Lisa Murray, City Historian

It is proposed to name the new road connecting Bourke Road and Botany Road as Dr Margaret Harper Avenue.

- This is a commemorative naming that acknowledges Dr Margaret Hilda Harper (1879-1964), a trailblazing Australian female paediatrician.
- The name has a direct historical connection to the local history of Camperdown, Alexandria, Surry Hills and Redfern in our LGA.
- It recognises women and leadership in twentieth century Australia.
- It addresses a gap or silence in our history: the recognition of women's achievements in the public domain and in popular memory.

Biography - Margaret Hilda Harper (1879-1964)

Dr Margaret Hilda Harper was a trailblazing Australian female paediatrician, graduating from the University of Sydney in 1906. Through her work, practice and care she helped establish the position of women in the field of medicine. She was a founding doctor of both the Alexandria Baby Health Clinic and the Rachel Forster Hospital for Women and Children. Dr Harper became known internationally for her contributions to paediatrics and the care of newborn and premature babies.

She began her career at the Royal Hospital for Women, Paddington and the Royal Alexandra Hospital for Children in Camperdown.

Dr Margaret Harper was the first honorary physician at the Alexandria Baby Health Clinic. This was the state's first government baby health clinic, which opened in August 1914 and operated from Henderson Road Alexandria. Dr Harper attended the clinic one afternoon a week in a voluntary capacity for consultations.

She was one of a group of female doctors, nurses and philanthropists who established the Rachel Forster Hospital for Women and Children in 1922. The New Hospital for Women and Children, which later became the Rachel Forster Hospital, opened on 3 January 1922. It was unique because it was an all-female affair – established by female doctors and administrators for the treatment of women and children. Originally just an outpatient dispensary in Surry Hills, the clinic soon expanded to become a hospital, with premises first in George Street Redfern, and later a new hospital in Pitt Street.

Dr Harper was actively involved in the Royal Society for the Welfare of Mothers and Babies. She was the medical director of its Mothercraft Homes and Training Schools (Tresillian) for thirty years, from 1919-1949. Dr Harper became well-known across Sydney and Australia for her publication *The Parents' Book*, a guide on child care that was re-published some twenty times, and for her regular radio broadcasts on 'Mothercraft' in the 1930s as 'The Lady Doctor' on ABC radio. Her teachings and writings emphasised the importance of educating not only parents, but nurses and doctors in the care of babies.

Dr Margaret Harper is recognised in the Encyclopedia of Women and Leadership in 20th century Australia and in the Australian Dictionary of Biography.

A ward at the Rachel Forster Hospital, Redfern and a diet kitchen at the Royal Alexandra Hospital for Children, Camperdown were named after her. Both these hospitals have since closed and been demolished or adaptively re-used. A hospital wing associated with the Tressilian Home at Greycliffe, Nielsen Park was named in recognition of Dr Harper. This has also closed and since been adapted as a residence for NPWS staff.



Dr Margaret Harper

Source: Cohen (1971)

References

Carolyn Rasmussen, "Medicine", *Encyclopedia of women and leadership in 20th century Australia*, <https://www.womenaustralia.info/leaders/biogs/WLE0133b.htm>

Victoria Cowden, 'Harper, Margaret Hilda (1879–1964)', *Australian Dictionary of Biography*, National Centre of Biography, Australian National University, <https://adb.anu.edu.au/biography/harper-margaret-hilda-6570/text11301> , published first in hardcopy 1983, accessed online 18 June 2021

Lysbeth Cohen, *Dr. Margaret Harper: her achievements and place in the history of Australia*, Wentworth Books, Sydney, 1971.

Cindy Li, 'Alexandria: Birthplace of Baby Health', in Grace Karskens and Melita Rogowsky (eds), *Histories of Green Square*, School of History, University of New South Wales, 2004, pp. 89–95.

Item 4.

Lease Approval - Part Ground Floor and Part Forecourt, Customs House - 31 Alfred Street, Sydney

File No: S099079

Summary

Customs House is a Heritage Building that the City purchased from the Commonwealth Government in 2018. Customs House is not only a key income asset for the City, it is also a landmark for tourists and serves as an information centre to thousands of visitors each year.

This report seeks Council's approval to grant a lease to AVC Operations Pty Limited for Part Ground Floor and Part Portico, Customs House, 31 Alfred Street, Sydney, for a term of five years with a further lease option term of five years. Lease to commence on 1 October 2021.

In addition, this report seeks Council's approval to grant a licence for the eastern and western parts of the forecourt which have previously been licenced as outdoor dining / bar areas. Licence to commence on 1 October 2021.

As the annual rent exceeds \$500,000 per annum, Council approval is required to grant the lease and licence.

Essential lease / licence terms and conditions of the proposed areas are shown in Confidential Attachment A.

Recommendation

It is resolved that:

- (A) Council approve the granting of a five-year lease with a five-year option to AVC Operations Pty Limited for Part Ground Floor and Part Portico Customs House, 31 Alfred Street, Sydney;
- (B) Council approve the granting of a five-year licence to AVC Operations Pty Limited for the eastern and western parts of the Customs House Forecourt area; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease and licence in accordance with the Confidential Attachment A to the subject report.

Attachments

Attachment A. Essential Lease and Licence Terms and Conditions (Confidential)

Background

1. Customs House is a Heritage Listed Building at Circular Quay which the City purchased from the Commonwealth Government in 2018.
2. The ground floor premises have previously been held under two separate lease / licence agreements. Eastern Café leased the indoor kitchen and dining area at the north east corner of Customs House along with part of the adjacent portico. Eastern Café held a licence for 144.3sqm of outdoor seating on the eastern side of the forecourt, inclusive of a Road Reserve and Crown Land. Eastern Café vacated in April 2019.
3. Quay Bar held a lease over the indoor kitchen and dining area located on the ground floor at the north western corner of Customs House along with part of the adjacent portico. Quay Bar held a licence over 189.5sqm of outdoor seating on the western side of the forecourt. Quay Bar vacated upon expiry of their lease in April 2021, having ceased trading in April 2020 at the start of the Covid-19 pandemic.
4. AVC Operations Pty Limited (AVC) is one of the largest food and beverage focused participants in the Australian pub, bar and restaurant industry with over 180 venues throughout Australia and New Zealand, employing over 3,500 staff.
5. The AVC team are renowned for the activation and management of some of Australia's leading hospitality venues such as The Winter Village, an outdoor alpine inspired activation atop of the Skyline Terrace at Federation Square which included an ice-skating rink. AVC are keen to work with the City to activate the Customs House Square all year round.
6. AVC Venue highlights include:
 - (a) Bungalow 8, King Street Wharf;
 - (b) Manly Wine, Manly;
 - (c) The Winery, Surry Hills;
 - (d) The Duke Hotel, Melbourne;
 - (e) O'Connell's Hotel, South Melbourne;
 - (f) The Smith, Prahran;
 - (g) Kingsleys, Eagle Street Pier, Brisbane; and
 - (h) The Regatta, Toowong.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

7. 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 activities.

Financial Implications

8. The rental income resulting from the new lease will exceed the amounts anticipated in the 2021/22 Operating Budget and future year forward estimates.

Relevant Legislation

9. 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.
10. Attachment A contains confidential commercial information and details which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
11. 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 ratepayers.

Options

12. The subject property is vacant and has not been active since the start of the Covid-19 pandemic. If the City does not lease the property to AVC Operations Pty Limited, it will continue to negotiate with a second interested party. This action would prolong vacancy and loss of income and may result in an inferior tenant. There is no commercial advantage for the City to remain on the market and source an alternative lessee.

13. The City has considered the option to lease the subject property to AVC Operations Pty Limited and believes it will achieve significant commercial income for the City as well as activating the Customs House Forecourt.

AMIT CHANAN

Director City Projects and Property

David Graham, Commercial Property Manager

Document is Restricted

Item 5.

Draft Project Development Deed - Green Square Town Centre Integrated Community Facility and School

File No: S100177.012

Summary

Advocating for the provision of school facilities for the rapidly growing population of Green Square has been a very high priority for the City. It has also been the subject of much community feedback and of planning for vital social infrastructure. This advocacy has emphasised the need for schools which are well located and accessible for families by walking, cycling and public transport for a community with high population density.

In December 2017, Council resolved to delegate authority to the Chief Executive Officer to enter into a binding legal agreement with the NSW Department of Education in the form of a draft project development deed for a major project to deliver a new 600-place primary school, integrated with community facilities, in the Green Square town centre.

The draft deed is a legally binding commitment to work closely with the Department of Education to ensure the new community facility and school meets the needs of the whole community, providing facilities that can be used by students during the week and by community groups on the weekends and at night. The agreement is an outcome of a Memorandum of Understanding, approved by Council in August 2017, to investigate joint use projects between the City and the Department of Education. Other projects progressed under the Memorandum of Understanding include Alexandria Park Community School and the Inner Sydney High School.

The City and the Department of Education have reviewed the draft project development deed considered by Council in December 2017 to address areas needing resolution and to update key milestone dates due to the delay in NSW Treasury funding for the school component of the project. Full funding for the school was announced in the June 2021 NSW Government budget. This report seeks approval of the revised draft deed as these changes constitute a substantial change to the previous draft approved by Council. The draft deed is shown at Confidential Attachment C.

The key changes to the draft project development deed which was approved by Council in December 2017 are contained in Confidential Attachment E to the subject report and summarised below:

1. Changes to key milestone dates to reflect the delay in funding of the school component of the project.
2. Change to reflect planning delegation has been approved by the Minister for Planning.
3. Inclusion of a process to address any substantial changes resulting from the development application.
4. Inclusion of a table setting out the percentage breakdown for the project costs for the entirety of the project.

5. Inclusion of the Building Management Statement as an appendix to the Project Deed. Note approval of this is also being sought from Council.
6. Change to the minimum standards to provide a minimum of 100 places for out-of-school-hours-care.
7. Inclusion of co-branding requirements and approach to media and communications, and Community Engagement Plan as an appendix.

Since Council endorsement of the previous draft deed in December 2017, the City and the Department of Education have been progressing the project, completing the following:

- Geotech Investigations
- Site Remediation Development Application Approval
- Concept Design
- Competitive Design Competition
- Design Development

The integrated community facility and school will be in an ideal, central location in the Green Square Community and Cultural Precinct, which was the former South Sydney Hospital site. It will deliver the Stage 2 development of the hospital site, which currently houses the Naomi Wing Rehabilitation Building and a local community hall. Stage 1 delivered a wide range of high quality facilities, including the Waranara Early Education Centre, Joynton Avenue Creative Centre, Banga Community Shed, Matron Ruby Grant Park, playgrounds, public art and the Green Infrastructure Centre.

The project will be jointly funded by the City and the NSW Government with both parties sharing costs on the basis of pro-rata usage. The project will include a multi-storey, vertical school, primarily above the ground floor level, with the ownership of the building above the ground level to be transferred to the Department of Education following completion of construction. The ground floor will be owned by the City and will include facilities designed for both school and community use, such as a community hall, a multi-purpose court, a courtyard and multi-purpose spaces suitable for a range of uses, including youth and other age groups, rehearsal, performance and complementary activities.

The provisions of the draft project development deed will ensure that design excellence and high standards of sustainability are achieved.

Both the construction and program delivery phases of the project will deliver value for money outcomes through shared use arrangements to maximise usage of public assets, aligned with peak demand periods for educational and community needs.

Construction of the new integrated community facility and school will commence following the demolition of the Naomi Wing Rehabilitation Building and existing community hall and remediation of the site. The draft deed contains major milestones for the delivery of the project, through to the proposed opening date of the school and community facility.

Key program dates for the early stages of the project include:

Lodge State Significant Development Application – late-2021

Demolition and remediation of site – late 2021 – early-2022

Start main works – mid-2022

Recommendation

It is resolved that:

- (A) Council note the previous approval in December 2017 to enter into a Project Development Deed with the NSW Department of Education, the changes since made, and the need to approve an amended Deed;
- (B) Council approve a Project Development Deed with the NSW Department of Education for the Green Square Town Centre Integrated Community Facility and School substantially on the terms contained in Confidential Attachment C to the subject report;
- (C) authority be delegated to the Chief Executive Officer to negotiate, finalise and execute the Project Development Deed with the NSW Department of Education for the Green Square Town Centre Integrated Community Facility and School, noting that the final Deed must be substantially in accordance with the document contained at Confidential Attachment C to the subject report; and
- (D) Council note that if the terms contemplated by (B) above are changed, Council approval will be required for those changes.

Attachments

- Attachment A.** Council Resolution – 11 December 2017
- Attachment B.** 2017 Council Report – Project Development Deed – Green Square Town Centre Integrated Community Facility and School
- Attachment C.** Draft Project Development Deed - Green Square Town Centre Integrated Community Facility and School (Confidential)
- Attachment D.** Green Square Town Centre Integrated Community Facility and School Concept Design (Confidential)
- Attachment E.** Key changes to the Project Development Deed (Confidential)
- Attachment F.** 2017 Preliminary Cost Estimate and Cost Apportionment for Green Square Integrated Community Facility and School (Confidential)

Background

1. The Green Square urban renewal area represents one of Australia's largest urban development initiatives. In overall terms, Green Square represents \$13 billion of private development and will be home to an estimated population of 61,000 residents by 2030.
2. A recent survey by the City Futures Research Centre at the University of NSW revealed that 70 per cent of residents plan to remain in Green Square for a number of years. This is a higher proportion than for the City of Sydney local area as a whole, where 54 per cent are not planning on moving out of the City in the next 5 years. This accords with the City's forecast that Green Square will be an area where services are needed for all age groups and family types.
3. In March 2015, the City endorsed the Green Square Infrastructure Strategy and Plan. This document outlined the social, built environment and transport needs for the community of Green Square and identified local schools as a high priority.
4. Many other social planning assessments and consultation processes have identified local schools as an important requirement for this growing community. An example is the health impact assessment for Green Square, completed by the Health Equity and Research Development Unit of the University of NSW, which considered child development needs and recommends the provision of local schools.
5. Concurrently, the Department of Education has identified that the number of students in NSW schools is set to increase by 21 per cent by 2031, with 80 per cent of this growth to occur in Sydney. The Department's School Assets Strategic Plan details the urgent need for the development of new school infrastructure across NSW, particularly in Sydney, in response to growing school populations.
6. The Schools Assets Strategic Plan proposes shared use of school and community as one of the core strategies for meeting demand economically.
7. In August 2017, Council approved a Memorandum of Understanding to investigate potential joint use projects with the Department of Education. This Memorandum of Understanding supported the development of a joint use project for the Green Square town centre in response to the identified need for local and accessible schools in Green Square. The project development deed is a product of the Memorandum of Understanding and seeks to deliver an innovative, integrated and value for money facility. Other projects progressed under the Memorandum of Understanding include Alexandria Park Community School and the Inner Sydney High School.
8. The integrated community facility and school will be in an ideal, central location in the Green Square Community and Cultural Precinct, which was the former South Sydney Hospital site. It will deliver the Stage 2 development of the hospital site. Stage 1 delivered a wide range of high quality facilities, including the Waranara Early Education Centre, Joynton Avenue Creative Centre, Banga Community Shed, Matron Ruby Grant Park, playgrounds, public art and the Green Infrastructure Centre.

9. It is intended that the project will be jointly funded by the City and the NSW Government, with both parties sharing costs on the basis of pro-rata usage. The project will include a multi-storey, vertical school, primarily above the ground floor level, with the ownership of the building above the ground level to be transferred to the Department of Education following completion of construction. The ground floor will be owned by the City and will include facilities designed for both school and community use, such as a community hall, open space and multi-purpose spaces suitable for a range of uses, including youth, other age groups, rehearsal, performance and complementary activities.
10. The provisions of the draft project development deed will ensure that design excellence and high standards of sustainability are achieved. A Competitive Design Process has already been undertaken in line with the Sydney Local Environmental Plan 2012, the City's Competitive Design Policy 2013 and the Draft Government Architect's Design Excellence Guidelines. The competition resulted in a winning scheme by BVN, who have been engaged to provide architectural services and design development. A selection of concept drawings is included at Attachment D.
11. Planning authority has been delegated by the Minister for Planning to the City of Sydney as required under the draft Deed. The process for considering the development application for this project will be the same as other City of Sydney projects in the Green Square Town Centre where the City has been proponent and assessor, such as the Green Square Library. The Central Sydney Planning Committee will be the consent authority.
12. The City's planning unit will engage an independent planner to undertake the assessment and provide a planning report with a cover signed by the Director City Planning, Development and Transport. The project development deed establishes a legally binding arrangement for the City and the Department of Education to work closely to ensure the new community facility and school meet the needs of the whole community, providing facilities that can be used by students during the week and by community groups on the weekends and at night.

Key changes to the draft project development deed

13. Key legal changes to the draft deed from that previously approved by Council in December 2017 are summarised in Confidential Attachment E to the subject report.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

14. 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 2 provides a road map for the City to become A Leading Environmental Performer - The Green Square Town Centre Integrated School and Community Facility will seek to achieve a high level of sustainability, including a Green Star Building rating and connection to recycled water and solar energy.

- (b) Direction 4 - A City for Walking and Cycling - The Green Square Town Centre Integrated School and Community Facility will primarily be accessible by walking, cycling and public transport. The Green Square town centre will be connected to local and regional cycleways. The public domain in the town centre has been designed to prioritise and enhance pedestrian activity.
- (c) Direction 5 - A Lively and Engaging City Centre - The establishment of the Green Square Town Centre Integrated School and Community Facility will add an important new facet for the Green Square town centre. The project will, in turn, add vitality for public life and local business.
- (d) Direction 6 - Vibrant Local Communities and Economies - There is extensive evidence supporting the importance of schools as a fundamental building block for local communities. The Green Square Town Centre Integrated School and Community Facility will make a significant contribution to placemaking and social inclusion in Green Square.
- (e) Direction 7 - A Cultural and Creative City - The Green Square Town Centre Integrated School and Community Facility will complete the range of services to be located on the former South Sydney Hospital site, now known as the Green Square Community and Cultural Precinct. The precinct includes a number of historical buildings, which have been refurbished to become community facilities, such as the Joynton Avenue Creative Centre, Waranara Early Education Centre, Banga Community Shed, Green Infrastructure Centre, Matron Ruby Grant Park, affordable housing, public art and play spaces.
- (f) Direction 10 - Implementation through Effective Governance and Partnerships - The Green Square Town Centre Integrated School and Community Facility will be an exemplar for joint use projects between local government and the Department of Education. The project reflects the specific circumstances of inner city service development and the benefits of shared use of facilities, where this is well-managed and delivers value for money. The project is a major outcome from the Memorandum of Understanding with the Department of Education for potential Joint Use Projects with the City of Sydney, which was approved by Council in August 2017.

Organisational Impact

- 15. The development will be project managed by the Department of Education. This represents the most efficient method for delivering a project for which the largest component is an educational facility. This minimises the organisational impact for the City.

Risks

- 16. The project development deed specifically addresses potential risks of the development. This includes apportionment of costs, responsibilities for each party, demolition, site remediation, design approval, insurances and dispute processes.

Social / Cultural / Community

- 17. The development meets a range of social and community objectives, as set out in the Green Square Infrastructure Strategy and Plan, which was considered by Council in March 2015.

Environmental

18. The project development deed makes provision for the Green Square Town Centre Integrated Community Facility and School to achieve a high level of sustainability, including a Green Star Building rating, compliance with the City's environmentally sustainable design guidelines and connection to recycled water and solar energy.

Economic

19. The establishment of the Green Square Town Centre Integrated School and Community Facility will add an important new facet for the Green Square town centre. The project will, in turn, add vitality for public life and local business.

Financial Implications

20. The City's long-term financial plan makes provision for a capital project for a Stage 2 development on the former South Sydney Hospital site, now known as the Green Square Community and Cultural Precinct. The budget provision in the long-term financial plan is sufficient to cover the City's capital contribution to the project based on preliminary cost estimates.
21. The preliminary cost estimates for this project (contained within the Deed – Confidential Attachment C) are confidential at this stage, as the project will be the subject of a tendering process. Cost estimates are deemed to be commercially sensitive. However, the critical consideration is that the proposed cost sharing arrangements have been assessed to deliver significant outcomes for both parties in terms of value for money.
22. The ongoing operational costs to the City for the site will be similar if the City had developed the site by itself to deliver a community facility.

Relevant Legislation

23. Local Government Act 1993 (NSW). In accordance with section 377(1)(h), the decision to surrender or dispose of land must be made by Council.
24. 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.
25. Attachments C, D, E and F contain confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
26. 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

27. The draft project development deed contains major milestones for the delivery of the project, through to the proposed opening date of the school and community facility.
28. Key program dates for the early stages of the project include:
 - (a) Lodge State Significant Development Application – late 2021
 - (b) Demolition and remediation of site – late 2021 – early 2022
 - (c) Start main works – mid-2022.

Options

29. Options for the redevelopment of the Stage 2 land on the former South Sydney Hospital site and provision of community facilities were considered by the City. The joint development and shared use option with the Department of Education is considered the best value for the City of Sydney community which provides the benefits outlined throughout this report.

Public Consultation

30. The City has consulted extensively in the development of Green Square. The demand for adequate school services has been a consistent theme in every channel of feedback and communication. This includes the desire for school facilities which are well located for the new population of Green Square and are accessible for families by walking and cycling.
31. An awareness of this community demand for local school services, together with social infrastructure planning for Green Square, has underpinned negotiations with the Department of Education for this project. The draft project development deed contains specific provisions for community consultation in the next stages of the development and delivery of the project.

KIM WOODBURY

Chief Operating Officer

Deirdre Coffey, Urban Renewal and Placemaking Specialist

Attachment A

**Council Resolution - Green Square Town
Centre Integrated School and Community
Facility - Project Development Deed - 11
December 2017**

Resolution of Council

11 DECEMBER 2017

ITEM 13

GREEN SQUARE TOWN CENTRE INTEGRATED COMMUNITY FACILITY AND SCHOOL – PROJECT DEVELOPMENT DEED

(S100177.012)

Moved by the Chair (the Lord Mayor), seconded by Councillor Miller –

It is resolved that:

- (A) Council approve entering into a Project Development Deed for Green Square Town Centre Integrated School and Community Facility substantially on the terms contained in confidential Attachment C to the subject report;
- (B) Council approve the future transfer of an airspace lot containing a school generally in the location indicated in the initial design concept for \$0 to the Department of Education;
- (C) authority be delegated to the Chief Executive Officer to negotiate, finalise and execute the Project Development Deed for Green Square Town Centre Integrated School and Community Facility, noting that the final Deed must not depart substantially from the terms contained at confidential Attachment C to the subject report;
- (D) authority be delegated to the Chief Executive Officer to negotiate, finalise and execute any documents required to create and transfer the airspace lot to the Department of Education; and
- (E) Council endorse the departure from the landowner Master Plan, adopted by Council on 28 July 2013, for the former South Sydney Hospital Site to the extent that the Green Square Town Centre Integrated School and Community Facility includes a use not nominated in the Master Plan and will occupy a slightly larger building envelope.

Carried unanimously.

Attachment B

**2017 Council Report - Project Development
Deed - Green Square Town Centre
Integrated Community Facility and School**

GREEN SQUARE TOWN CENTRE INTEGRATED COMMUNITY FACILITY AND SCHOOL – PROJECT DEVELOPMENT DEED

FILE NO: S100177.012

SUMMARY

This report seeks approval to enter into a binding legal agreement with the Department of Education for a major project to deliver a new 600-place primary school, integrated with community facilities, in the heart of Green Square.

The integrated community facility and school will be in an ideal, central location in the Green Square Community and Cultural Precinct, which was the former South Sydney Hospital site. It will deliver Stage 2 of development in this location, noting that the Stage 1 development on this site is effectively complete by December 2017. Stage 1 delivers a wide range of high quality facilities, including child care, arts and cultural centre, community shed, park, playgrounds, public art and green infrastructure.

It is intended that the project will be jointly funded by the City and the NSW Government, and will include a multi-storey, vertical school, primarily above the ground floor level, with the ownership of the building above the ground floor to be transferred to the Department of Education following completion of construction. The ground floor will continue to be owned by the City and will include additional facilities designed for both school and community use, such as a community hall, open space and multi-purpose spaces suitable for a range of uses, including youth, other age groups, rehearsal, performance and complementary activities.

The provisions of the project development deed will ensure that design excellence and high standards of sustainability are achieved. An initial design has been developed in order to test the viability of the project. Details of the initial design are provided with this report for demonstration purposes only. The initial design will be further refined by both parties to inform a competitive design process to determine the final shape and form of the Green Square Town Centre Integrated School and Community Facility.

The project is expected to set a benchmark for high-quality inner city school developments across Sydney, which are integrated from the outset, with shared use for local communities.

Both the construction and program delivery phases of the project will deliver value for money outcomes through shared use arrangements to maximise usage of public assets, aligned with peak demand periods for educational and community needs. The agreement will be the first major outcome from a Memorandum of Understanding, approved by Council in August 2017, to investigate joint use projects between the City and the Department of Education.

Under the agreement, the City will transfer to the Department of Education ownership of the airspace in which the vertical school will be constructed and owned by the Department of Education. The ground floor facilities will be owned by the City, with both parties sharing costs on the basis of pro-rata usage.

Construction will commence following completion of the new Gunyama Park Aquatic and Recreation Centre in late 2019, the relocation of the existing hydrotherapy pool in the Naomi Wing Rehabilitation Building, and the demolition of the existing community hall.

This will enable the construction of the new integrated community facility and school. The draft Deed contains major milestones for the delivery of the project, through to the proposed opening date of the school and community facility in 2023.

The Green Square Town Centre Integrated School and Community Facility will fulfil the objectives of Stage 2 of the master plan for the former South Sydney Hospital site, which was endorsed by Council in May 2013, in terms of the provision of a community hall and multi-purpose spaces, as well as the development brief and design principles for the public domain. This master plan is not a statutory master plan, and was produced to enable the community to understand what the City as the landowner had envisaged for the site. The introduction of a school on the site was not contemplated at the time of preparing the master plan, however use for a school is consistent with the desire to ensure necessary community facilities for the growing Green Square community are provided on this site. Additionally, the building envelope of the new project is marginally larger than that contemplated under the master plan. This is necessary to ensure the school can meet the required standards for outdoor space within the development, including vital ancillary programs such as out-of-school-hour-care. Medical and community health services were proposed to be provided in the master plan and will be provided elsewhere in the Green Square Town Centre; this represents a separate project.

Advocating for the provision of school facilities for the rapidly growing population of Green Square has been a very high priority for the City. It has also been the subject of much community feedback and planning for vital social infrastructure. This advocacy has emphasised the need for schools which are well located and accessible for families by walking, cycling and public transport for a community with high population density. This project proposal meets this objective, with the added benefit of maximising joint use of public assets for the whole community.

RECOMMENDATION

It is resolved that:

- (A) Council approve entering into a Project Development Deed for Green Square Town Centre Integrated School and Community Facility substantially on the terms contained in confidential Attachment C to the subject report;
- (B) Council approve the future transfer of an airspace lot containing a school generally in the location indicated in the initial design concept for \$0 to the Department of Education;
- (C) authority be delegated to the Chief Executive Officer to negotiate, finalise and execute the Project Development Deed for Green Square Town Centre Integrated School and Community Facility, noting that the final Deed must not depart substantially from the terms contained at confidential Attachment C to the subject report;
- (D) authority be delegated to the Chief Executive Officer to negotiate, finalise and execute any documents required to create and transfer the airspace lot to the Department of Education; and

- (E) Council endorse the departure from the landowner Master Plan, adopted by Council on 28 July 2013, for the former South Sydney Hospital Site to the extent that the Green Square Town Centre Integrated School and Community Facility includes a use not nominated in the Master Plan and will occupy a slightly larger building envelope.

ATTACHMENTS

Attachment A: Artist's impression of Green Square Town Centre Integrated Community Facility and School, showing daytime and evening activation.

Attachment B: Summary details of existing landowner Master Plan for the former South Sydney Hospital Site, adopted by Council in May 2013.

Attachment C: Project Development Deed for Green Square Town Centre Integrated School and Community Facility (draft legal document) (Confidential).

Attachment D: Initial design concept (Confidential).

Attachment E: Summary of preliminary cost estimates and apportionment of costs (Confidential).

(As Attachments C, D and E are confidential, they will be circulated separately from the Business Paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. Green Square represents one of Australia's largest urban development initiatives. In overall terms, Green Square represents \$13 billion of private development and will be home to an estimated population of 61,000 residents. Based on Census 2016 data, the population has grown to 26,657, an increase of over 11,000 people in the last five years.
2. A recent survey by the City Futures Research Centre at UNSW revealed that 70 per cent of residents plan to remain in Green Square for a number of years. This accords with the City's forecast that Green Square will be an area where services are needed for all age groups and family types.
3. In March 2015, the City endorsed the Green Square Infrastructure Strategy and Plan. This document outlined the social, built environment and transport needs for the community of Green Square and identified local schools as a high priority.
4. Other social planning assessments and consultation processes have identified local schools as an important requirement for this growing community. An example is the recent health impact assessment for Green Square, completed by the Health Equity and Research Development Unit of UNSW, which considered child development needs and recommends the provision of local schools.
5. Concurrently, the Department of Education has identified that the number of students in NSW schools is set to increase by 21 per cent by 2031, with 80 per cent of this growth to occur in metropolitan Sydney. The release of the Department's School Assets Strategic Plan details the urgent need for the development of new school infrastructure across NSW, particularly in Sydney, in response to growing school populations.
6. The Schools Assets Strategic Plan proposes shared use of school and community as one of the core strategies for meeting demand economically.
7. In August 2017, Council approved a Memorandum of Understanding to investigate potential joint use projects with the Department of Education. In part, this responded to a range of redevelopment projects for existing schools that have been announced within the City of Sydney.
8. This Memorandum of Understanding also supported the development of a joint use project for the Green Square Town Centre in response to the identified need for local and accessible schools in Green Square. The project development deed is the first major product of the Memorandum of Understanding and seeks to deliver an innovative, integrated and value for money facility.
9. The proposed project development deed is a legally binding commitment to work closely with the Department of Education to ensure the new community facility and school meets the needs of the whole community, providing facilities that can be used by students during the week and by community groups on the weekends and at night.
10. The Green Square Town Centre Integrated School and Community Facility will be located on the northern half of the former South Sydney Hospital site on Joynton Avenue in Zetland, which currently houses the Naomi Wing Rehabilitation Building, hydrotherapy pool and a local community hall.

SITE MASTERPLAN

11. The Green Square Town Centre Integrated School and Community Facility will fulfil the objectives of Stage 2 of the master plan (site layout) for the former South Sydney Hospital site, which was endorsed by Council in May 2013, in terms of the provision of a community hall and multi-purpose spaces, as well as the development brief and design principles for the public domain. This master plan is not a statutory master plan, and was produced to enable the community to understand what the City as the landowner had envisaged for the site.
12. The introduction of a school on the site was not contemplated at the time of preparing the master plan, however use for a school is consistent with the desire to ensure necessary community facilities for the growing Green Square community are provided on this site. Additionally, the building envelope of the new project is marginally larger than that contemplated under the master plan. This is necessary to ensure the school can meet the required standards for outdoor space within the development, including vital ancillary programs such as out-of-school-hour-care. Medical and community health services were proposed to be provided in the master plan and will be provided elsewhere in the Green Square Town Centre; this represents a separate project.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

13. *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 *Sustainable Sydney 2030* strategic directions and objectives:
 - (a) Direction 2 - A Leading Environmental Performer – The Green Square Town Centre Integrated School and Community Facility will seek to achieve a high level of sustainability, including a Green Star Building rating and connection to recycled water and solar energy.
 - (b) Direction 4 - A City for Walking and Cycling – The Green Square Town Centre Integrated School and Community Facility will primarily be accessible by walking, cycling and public transport. The Green Square Town Centre will be connected to a network of local and regional cycleways. The public domain in the Town Centre has been designed to prioritise and enhance pedestrian activity.
 - (c) Direction 5 - A Lively and Engaging City Centre – The establishment of the Green Square Town Centre Integrated School and Community Facility will add an important new facet for the Green Square Town Centre. The project will, in turn, add vitality for public life and local business.
 - (d) Direction 6 - Vibrant Local Communities and Economies – There is extensive evidence supporting the importance of schools as a fundamental building block for local communities. The Green Square Town Centre Integrated School and Community Facility will make a significant contribution to placemaking and social inclusion in Green Square.
 - (e) Direction 7 - A Cultural and Creative City – The Green Square Town Centre Integrated School and Community Facility will complete the range of services

to be located on the former South Sydney Hospital site, now known as the Green Square Community and Cultural Precinct. The precinct includes a number of historical buildings, which have been refurbished to become community facilities, such as the Joynton Avenue Creative Centre, Waranara Early Education Centre, Banga Community Shed, Green Infrastructure Centre, Matron Ruby Grant Park, affordable housing, public art and play spaces.

- (f) Direction 10 - Implementation through Effective Governance and Partnerships – The Green Square Town Centre Integrated School and Community Facility will be an exemplar for joint use projects between local government and the Department of Education. The project reflects the specific circumstances of inner city service development and the benefits of shared use of facilities, where this is well-managed and delivers value for money. The project is also the first major outcome from the Memorandum of Understanding with the Department of Education for potential Joint Use Projects with the City of Sydney, which was approved by Council in August 2017.

Organisational Impact

- 14. The development will be project managed by the Department of Education. This represents the most efficient method for delivering a project for which the largest component is an educational facility. This minimises the organisational impact for the City.

Risks

- 15. The project development deed specifically addresses potential risks of the development. This includes apportionment of costs, responsibilities for each party, demolition, site remediation, design approval, insurances and dispute processes.

Social / Cultural / Community

- 16. The development meets a range of social and community objectives, as set out in the Green Square Infrastructure Strategy and Plan, which was considered by Council in March 2015.

Environmental

- 17. The project development deed makes provision for the Green Square Town Centre Integrated Community Facility and School to achieve a high level of sustainability, including a Green Star Building rating, compliance with the City's environmentally sustainable design guidelines and connection to recycled water and solar energy.

BUDGET IMPLICATIONS

- 18. The City's long-term financial plan makes provision for a capital project for a Stage 2 development on the former South Sydney Hospital site, now known as the Green Square Community and Cultural Precinct. The budget provision in the long term financial plan is sufficient to cover the City's capital contribution to the project based on the preliminary cost estimate.

19. The preliminary cost estimates for this project are confidential at this stage, as the project will be the subject of an open tendering process. Cost estimates are deemed to be commercially sensitive. However, the critical consideration is that the proposed cost sharing arrangements have been assessed to deliver significant outcomes for both parties in terms of value for money.
20. The City will be providing a net subsidy to the Department of Education of approximately \$1 million. This made of the transfer of a stratum, worth \$4.95 million, by the City to the Department of Education and the Department contributing around \$4 million of the capital cost of the shared community facilities, which will be owned by the City.
21. The ongoing operational costs to the City for the site will be similar to the operating costs if the City had developed the site by itself as per the 2013 master plan.

RELEVANT LEGISLATION

22. Local Government Act 1993 (NSW). In accordance with section 377(1)(h), the decision to surrender or dispose of land must be made by Council.
23. Attachments C, D and E contain confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
24. 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

25. The draft Deed contains major milestones for the delivery of the project, through to the proposed opening date of the school and community facility at the start of the 2023 academic year. Construction works on the site cannot commence until after the transfer of the existing hydrotherapy facility to the Gunyama Park Aquatic and Recreation Centre. This is forecast for early 2020.
26. The Deed is proposed to be finalised in late 2017 / early 2018, to provide certainty for the community and for the next steps in the realisation of this important educational and community facility for Green Square.

PUBLIC CONSULTATION

27. The City has consulted extensively in the development of Green Square. The demand for adequate school services has been a consistent theme in every channel of feedback and communication. This includes the desire for school facilities which are well located for the new population of Green Square and are accessible for families by walking and cycling.

28. An awareness of this community demand for local school services, together with social infrastructure planning for Green Square, has underpinned negotiations with the Department of Education for this project. The draft Deed contains specific provisions for community consultation in the next stages of the development and delivery of the project.

KIM WOODBURY

Chief Operating Officer

Morris Bellamy, Place Manager Green Square

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Item 6.

Transport for NSW – Light Rail – Section 29 Land Acquisition Agreement and Land Transfers to the City

Document to Follow

Item 7.

Exemption from Tender - Renewable Gas Certification Pilot

File No: S084740.016

Summary

This report seeks an exemption from tender to participate in a Renewable Gas Certification Pilot due to the unavailability of competitive/reliable tenderers. A satisfactory result would not be achieved by inviting tenders because the Renewable Gas Certification Pilot is a unique inter-industry partnership which cannot be replicated.

The City recently announced that it is bringing forward its Net Zero emissions goal by five years to 2035. The City's natural gas related emissions will become the most significant portion of the City's operational carbon emissions from July 2021 onwards.

The Renewable Gas Certification Pilot will provide the City an opportunity to be a leader and early adopter of renewable gas and help pioneer new ways to help reduce emissions. To facilitate this pilot, City is seeking to enter a Memorandum of Understanding (MOU) with Jemena Limited (an owner and operator of the natural gas network for the Sydney region) in association with Sydney Water.

This report recommends that Council:

1. approve entering into discussions under a Memorandum of Understanding with Jemena Limited in association with Sydney Water regarding a Renewable Gas Certification Pilot; and
2. should the Renewal Gas Certification Pilot commence, approve an exemption from tender for the City to enter into an agreement with Jemena Limited and Sydney Water, or appropriate related entities, to enable the City to participate in the Renewable Gas Certification Pilot.

Recommendation

It is resolved that:

- (A) Council endorse entering into discussions with Jemena Limited, Sydney Water and other relevant related parties under a non-binding Memorandum of Understanding to investigate the City's participation in a Renewable Gas Certification Pilot;
- (B) Council approve an exemption from tender to enter into an agreement with Jemena Limited, Sydney Water or appropriate related entities in relation to the Renewable Gas Certification Pilot for a timeframe that will be determined during implementation of the Memorandum of Understanding;
- (C) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
 - (i) the Renewable Gas Certification Pilot is a unique inter-industry partnership which cannot be replicated and hence there are no other suppliers which can offer a similar competitive/reliable alternative; and
 - (ii) there are no other suppliers currently, so there are no competitors with which to run a tender process;
- (D) authority be delegated to the Chief Executive Officer to enter into the Memorandum of Understanding;
- (E) authority be delegated to the Chief Executive Officer to determine if the Renewable Gas Certification Pilot commences and is considered to be feasible and, if feasible, negotiate, execute and administer the contracts relating to the Renewable Gas Certification Pilot; and
- (F) Council note that if the City enters into an agreement with Jemena Limited, details of this agreement will be provided via a CEO Update.

Attachments

Attachment A Financial Implications (Confidential)

Background

1. The City has recently revised its commitment to achieve Net Zero emissions by 2035. Additionally, the City has a target of 70 per cent reduction of greenhouse gas emissions by 2030 from 2006 levels.
2. Due to the City transitioning its electricity to 100 per cent renewable, the City's natural gas will become the most significant portion of the City's carbon emissions from July 2021 onwards. Unlike the electricity market, which has advanced significantly in renewable generation over the last 10 years, renewable gas is at an early stage. Within this market there is no origin/certification scheme in Australia for renewable gas. To progress, the industry would need to develop a suitable framework.
3. The City's main energy uses are electricity and gas used in buildings and fuels used by fleet vehicles. The City's electricity is now zero emissions since switching to 100% renewable electricity in July 2020. Fleet emissions continue to reduce through driver training and switching to electric vehicles (using renewable electricity). Replacing natural gas is now the most significant opportunity to further reduce the City's emissions. This can be done by switching gas using equipment to electricity (electrification) or by using renewable gas in place of natural gas. The most cost-effective time for electrification is when equipment is due for replacement.
4. Most of the City's natural gas usage is for heating pools. Currently it is not cost-effective to fully replace gas at the aquatic centres. Renewable gas can be used to reduce the City's carbon footprint until it is cost effective to electrify.
5. The term 'natural' gas refers to fossil fuel gas which is formed from decomposed plant and animal matter over millions of years. It is extracted from deep wells, both onshore and offshore, or via coal seams which requires fracking. The extraction and processing of natural gas has many environmental impacts. Natural gas is mostly made up of methane which is a powerful greenhouse gas (28-36 times more potent than carbon dioxide) which leaks to the atmosphere during the extraction, processing and transporting of natural gas. Burning fossil gas also releases carbon emissions to the atmosphere which contributes to global heating.
6. Renewable gases are natural gas replacements - for example 'biogas' or 'biomethane' - formed from the anaerobic digestion of organic wastes from landfills, farming waste and wastewater treatment facilities, whereby bacteria break down the matter into mostly methane and carbon dioxide. Biomethane is currently being generated at Sydney Water's Malabar Sewerage Plant Sydney, however it is being flared into the atmosphere rather than used. The pilot project is seeking to upgrade the plant to allow the biomethane to be captured and fed back into the gas network - enough to supply the equivalent of 6,300 homes.
7. When combusted, renewable gases do release carbon dioxide, however it is from plant matter that has recently taken the carbon dioxide from the atmosphere (as opposed to the millions of years it takes for natural gas to form). As more renewable gas is created, it comes from plant and animal matter which has recently drawn carbon from the atmosphere. This closed loop can be considered as a clean energy source which does not produce additional emissions.

8. The Australian-first Renewable Gas Certification Pilot will unlock a voluntary market for gas users to buy renewable gases. The pilot will design and test a simplified renewable gas registry, which will make renewable gas available to customers in early 2022. The scheme will be piloted at the Malabar Biomethane Injection Project (MBIP), Australia's first wastewater biomethane facility. The new facility will convert raw biogas into biomethane, which will then be injected back into the NSW gas distribution network rather than being flared into the atmosphere.
9. The Renewable Gas Certification would operate in a similar way to how renewable electricity certificates are used to verify the origin and use of renewable electricity. That is, for every unit of renewable gas produced there would be a renewable certificate created which organisations like the City are able to purchase to claim the renewable gas benefit.
10. This project is supported by Australia's Renewable Energy Agency (ARENA) funding. The project is currently scheduled to be commissioned in early 2022 and anticipated to be capable of supplying a portion of the City's natural gas demand.
11. Jemena Limited is seeking to develop a renewable gas certification system to recognise that the gas injected from the Project facility is produced from a replenishable source and displaces (or replaces) natural gas produced from fossil fuels within the gas network. This would give the City an opportunity to be a leader within the circular economy sphere by enabling less reliance on natural gas derived from fossil sources.
12. The certificates underlying the project's renewable gas certification system are intended to be transferrable such that a customer can purchase the certificate to recognise a connection and contribution to the Project and that the customer's gas use (or portion of their gas use) is displaced (or replaced) from this source.
13. Jemena Limited is proposing the City be one of three organisations to be part of a renewable gas certification pilot. To facilitate this discussion, relevant parties are requested to enter a non-binding Memorandum of Understanding (MOU). This would allow discussions to develop the framework for renewable gas contracts within the industry. Additionally, the Memorandum of Understanding will enable the City and Jemena Limited to assess the commercial viability of injecting renewable gas into the network.
14. The non-binding Memorandum of Understanding will provide a framework to facilitate discussions with Jemena Limited regarding the proposed certification scheme and the terms of an agreement in relation to the Renewable Gas Certification Pilot. The timeframe of this agreement will be determined during Memorandum of Understanding discussions.
15. The Memorandum of Understanding imposes no commitment or obligation on either the City or Jemena Limited to enter into a pilot agreement.

Financial Implications

16. There are sufficient funds allocated for this project within the current year's (2021/22 financial year) operating budget, and future years' forward estimates.

Relevant Legislation

17. The exemption from tender process has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
18. 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.
19. Attachment A contains confidential commercial information and details of Council's evaluation 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.
20. 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

21. The City is seeking to enter the Memorandum of Understanding with Jemena Limited by August 2021. If not entered into, the City would be at a risk of not being a part of the Renewable Gas Certification Pilot as it is a non-replicable one-off opportunity.
22. Key stakeholder meetings will be conducted by October 2021.
23. The Malabar Wastewater Treatment Plant is expected to produce the first biomethane for injection into the gas network in early 2022.

Options

24. Concurrently, the City is exploring renewable gas through a retailer-led solution. This will be conducted through traditional procurement pathways, allowing Council to purchase renewable gas from retailers who are sourcing gas from renewable projects. Ultimately, the City may procure renewable gas from either or a combination of these sources, depending on which model proves most technically and financially feasible.

AMIT CHANNAN

Director City Projects and Property

Neil Palagedara, Business Performance and Contract Manager

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Item 8.**Cancellation of Tender - Sustainability Programs - Panel of Suppliers**

File No: X021078.006

Tender No: T2020-440

Summary

In 2020, the City went to tender to establish a panel of suppliers that could provide sustainability services for buildings to identify opportunities for building owners to reduce their environmental footprint.

Since going to tender, the City is focussing its efforts in other areas by prioritising actions through the development of the Environmental Strategy and in turn will reassess the need for this panel. In the residential sector, Smart Green Apartments will continue, as will support for City businesses with a focus on commercial office and accommodation and entertainment sectors through other sustainability programs. The City's business programs are currently undergoing review with new partnership agreements being finalised to meet our newly proposed targets. Coupled with the review of the City's grants program, this evolution will require flexibility in the procurement of new services to deliver environmental improvements in our community. It is therefore recommended to not proceed with the current tender at this time.

This report recommends therefore that Council cancels the tender for the Sustainability Programs - Panel of Suppliers.

Recommendation

It is resolved that Council:

- (A) decline to accept any of the tenders received in response to the tender for Sustainability Programs - Panel of Suppliers;
- (B) cancel the tender for the Sustainability Programs - Panel of Suppliers; and
- (C) note that a new tender will be released for a revised scope of services.

Attachments

Nil.

Background

1. In 2020, the City went to tender to establish a panel of suppliers that could provide sustainability services for buildings to identify opportunities for building owners to reduce their environmental footprint.
2. The panel was intended to provide certainty on supplier accreditation and pricing to ensure consistent, quality services to be delivered through City programs to the community.
3. The program elements included:
 - (a) energy, water and waste audits and assessments;
 - (b) building performance ratings and actions plans;
 - (c) implementation support to overcome skills, time and information barriers; and
 - (d) monitoring, sub-metering and data analytics.
4. The panel was proposed for an initial two-year term with two additional one-year extensions to be granted at City discretion.
5. Since going to market, the City has prioritised its focus through the development of its Environmental Strategy.
6. This narrows the building sector focus to residential apartment buildings only, with our business focus on responding to community need at any given time.
7. It is recommended that this tender be cancelled, noting that a new tender will be issued with a different scope.

Invitation to Tender

8. The tender opened on Tuesday 18 September 2020 and closed Tuesday 16 October 2020.
9. The tender was advertised on Council's e-tender website, Tenderlink, as well as on LinkedIn and the City of Sydney Council website.

Tender Submissions

10. Submissions were received from 18 organisations.

Financial Implications

11. Cancelling the tender will reduce operational budget spend in 2021/22.

Relevant Legislation

12. The tender was conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.

EMMA RIGNEY

Director City Life

Melinda Dewsnap, Manager Sustainability Programs

Item 9.

Property Matter (Confidential)

File No: X025359

Summary

This report relates to a property transaction.

Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.

Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's inability to negotiate fairly and commercially to achieve the best outcome for ratepayers.

Recommendation

It is resolved that Council approve the recommendation contained within Confidential Attachment A to the subject report.

Attachments

Attachment A. Property Matter (Confidential)

Attachment B. Property Matter (Confidential)

Relevant Legislation

1. Local Government Act 1993 - Sections 10A and 10B provide 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 and if discussion of the information in an open meeting would, on balance be contrary to public interest.
2. Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.
3. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's inability to negotiate fairly and commercially to achieve the best outcome for ratepayers.

KIM WOODBURY

Chief Operating Officer

Nicholas Male-Perkins, Commercial Manager

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Item 10.

Grants and Sponsorship – Commercial Creative Business Events 2021, 2022 and 2023

File No: S104486.012

Summary

Two applications have been received under the Commercial Creative and Business Event Sponsorship Program from organisations seeking to deliver initiatives that support the City's objectives and commitments in the Sustainable Sydney 2030 strategy.

The intention of the Commercial Creative Business Events Sponsorship Program is to support high-impact creative events that deliver economic impact for the local government area and provide opportunities for community and business participation at scale.

An application has been received by International Management Group of America Pty Limited (IMG) to support their delivery of Australian Fashion Week. This event is Australia's only international fashion platform showcasing resort collections from emerging Australian talent. IMG seeks cash sponsorship from the City of Sydney for \$85,000 (excluding GST) per annum over a two-year period from 2022-2023.

An application has also been received from Vogue Australia to support delivery of Vogue Fashion's Night Out Sydney, a campaign aiming to drive footfall and consumer spend in Sydney's city centre during October 2021. Vogue Australia is seeking cash sponsorship of \$150,000 (excluding GST) and \$20,000 value in kind for use of civic space and City venues for one year.

Both proposals for sponsorship have been evaluated against the Commercial Creative and Business Events Sponsorship program and are recommended as they will contribute to the delivery of commitments in Council adopted strategies including the Economic Development Strategy, Tourism Action Plan and Retail Action Plan.

In June 2020, Council also adopted the Community Recovery Plan which provides a roadmap for a staged approach to supporting the economic and social recovery of the city from the Covid-19 pandemic. The plan aims to rebuild the visitor economy through the promotion of Sydney as a vibrant and safe city, and by providing more support for local businesses to adapt so that industries can evolve and grow.

Both sponsorships will specifically deliver actions to support the city's recovery from Covid-19 by promoting Sydney as Australia's premier retail destination, and providing support for initiatives that will attract visitors back to the city centre and raise Sydney's profile internationally.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$85,000 (excluding GST) per annum for two-years to International Management Group of America Pty Limited (IMG) for Australian Fashion Week 2022 and 2023;
- (B) Council approve a cash sponsorship of \$150,000 (excluding GST) and \$20,000 value in kind for the use of civic spaces and City venues for one year, to Vogue Australia (News Corp Australia Pty Limited) for Vogue Fashion's Night Out 2021; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer, sponsorship agreements with each of the applicants above.

Attachments

Nil.

Background

Australian Fashion Week 2022 - 2023

1. Australian Fashion Week continues to be Australia's only international fashion platform showcasing resort collections, further establishing Sydney as a fashion capital.
2. With an increasing percentage of global retail budgets allocated to resort collections, these collections present a large business opportunity for export, and tourism opportunities for Sydney designers and the broader fashion industry. The most influential buyers and media attend Australian Fashion Week at Carriageworks in Everleigh and through new virtual platforms.
3. The City has previously sponsored the event for three years 2019-2021 with \$85,000 (excluding GST) cash and \$70,000 (excluding GST) value in kind per annum.
4. In 2019, Australian Fashion Week showcased 70 established and emerging Australian designers. There were more than 6,000 attendees, along with 900 industry delegates, and over 600 media. The schedule promotes the NSW fashion industry, showcasing iconic Sydney locations for the attention of the global audiences through media calls and runway shows.
5. It also includes a series of seminars, industry panels, workshops and masterclasses held in partnership with industry experts, leading retailers, and the Australian Fashion Council. The series includes the Fashionably Conscious panel discussion to explore issues related to the sustainability of the industry and promotes leadership in this area.
6. In 2020, the event was cancelled at the last minute due to the Covid-19 pandemic.
7. In 2021, IMG announced Afterpay as the new title sponsor of Australian Fashion Week to ensure the evolution of the event and sustainability of Australia's fashion industry underpinned by a commitment to accessibility, diversity and inclusion.
8. The event now dedicates part of the event schedule to Aboriginal designers, emerging design talent and highlights student collections as part of its New Generation showcase, positioning Sydney as a hub for uncovering and fostering new designers.
9. In 2021, the First Nations runway show will showcase the collections of eight of the nation's most talented and highly awarded Indigenous designers. Taking place on Gadigal land, the runway show will celebrate Indigenous fashion labels founded by Indigenous women.
10. Well-respected design schools within the City's local government area have participated in the New Generation showcase each year and include Whitehouse Institute of Design (Surry Hills), Fashion Sydney TAFE (Ultimo) and The Fashion Institute (Surry Hills).

11. Amidst the Covid-19 pandemic, the event is required to support the fashion and creative industries to recover by driving retail spending, business opportunities and employment prospects within the wider events, hospitality and creative sectors.
12. Retail in Sydney continues to face numerous challenges, including the impacts of Covid-19 and a continuing shift to online purchasing. The City's research identifies the impacts of the pandemic on key industry sectors, including retail and creative industries. Retail turnover is down by 10.2 per cent from March 2020 to March 2021 with local jobs down by 8.33 per cent. For arts and recreation services turnover is down by 36.8% from March 2020 to March 2021 with local jobs down by 32.8 per cent. (Source: economy.id).
13. The continued success of events like Australian Fashion Week are essential to the future of CBD retailing as online shopping continues to compete for consumers spend. Successful retail relies on unique world-class designers and memorable experiences providing sustained reasons to visit the city's retail precincts.

Vogue Fashion's Night Out 2021

14. Vogue Fashion's Night Out (VFNO) is an international event that has been held in cities around the world each September since 2009.
15. Vogue Fashion's Night Out focuses on a series of live in-store and on-street activations designed to attract shoppers, increase dwell time and encourage retail spend. This includes in-store activations, special offers, gamification incentives and live fashion runway shows.
16. The marketing support provided by Vogue Australia is valued at over \$2.2 million and is critical to the success of the event. Vogue's website has over 1 million visitors every month, 567,300 Instagram followers and over 1 million Facebook followers.
17. In 2020, in response to the pandemic the event pivoted to a virtual campaign in the form of Vogue Fashion's Night In. The campaign included 374 retailers resulting in an average consumer spend of \$283.
18. In 2021, Vogue Fashion's Night Out will be reimagined as a hybrid campaign, driving a dual shopping strategy for in-city spending and ecommerce transactions. A week-long festival of fashion and retail, Vogue Fashion's Night Out will feature a seven-day hybrid program of events running from 8 to 15 October 2021, culminating in a one night only in-store experience in the Sydney CBD on 14 October including live fashion runway shows in Pitt Street Mall.
19. The campaign timing has been revised to launch in October, further supporting the retailers with the launch of Spring/Summer collections, Spring Racing season, and the beginning of the Christmas trading period.
20. The event is vital to support retail in our city centre by driving footfall and retail spending. The continued success of these kind of events is essential in ensuring the long-term viability of Sydney retailing which relies on in-store experiences and sustained reasons to visit the CBD as shoppers continue to head online.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

21. 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 SS2030 strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - Australian Fashion Week provides Australia's only international fashion platform for Australian designers to showcase their resort collections to the world, supporting the local fashion industry to compete in the global market.
 - (b) Direction 5 - A Lively and Engaging City Centre - Australian Fashion Week and Vogue Fashion Night Out bring the city to life through high quality fashion displays, interactive events, media events and runway shows. Both events bring numerous creative activations to the public realm, engaging workers, visitors and residents. The Australian Fashion Week footprint extends from the city centre and iconic tourist locations, to Carriageworks in Eveleigh.
 - (c) Direction 6 - Vibrant Local Communities and Economies - Australian Fashion Week attracts domestic and international media, buyers, bloggers and consumers, and it is expected that local food and beverage, hospitality and accommodation providers will significantly benefit from the spend of attendees at these events.
 - (d) Direction 7 - A Cultural and Creative City - Australian Fashion Week events showcase Sydney and Australian designers to the rest of the world and position Sydney as a major creative hub in the Asia Pacific region.

Organisational Impact

22. It is not anticipated that these sponsorship agreements will have organisational impacts beyond those which have been in place for the existing sponsorship agreements. The City will continue to allocate appropriate staff members to provide contract management and coordination services.
23. The City's marketing and communications teams will support both sponsorships across multiple media formats to help attract participants to the events.

Risks

24. There may be ongoing risks associated with Covid-19 that cannot be predicted. There are sufficient planning measures that have been developed to mitigate against risk including the development of Covid Safe plans for the events, informed by and subject to change in line with NSW Public Health orders. The City will work with the applicant if the event is to be postponed or converted to an online event.

Economic

25. Australian Fashion Week is the leading fashion trade event in the Australia-Pacific region and will deliver significant economic benefits for the fashion, retail and tourism sectors of the local economy.
26. Vogue Fashion's Night Out 2021 will deliver specific benefit for the local retail sector, drive industry activity and footfall to the city centre by providing an incentive for consumer spend in Sydney city centre.

Environmental

27. In 2019, Australian Fashion Week developed a three-year Sustainability Roadmap, embedding a series of initiatives to reduce the environmental impact of the event including waste minimisation, resource recovery and energy efficiency strategies. Through its role in leadership and advocacy Australian Fashion Week also promotes awareness by the fashion industry of sustainability issues, and showcases Australian designers already investing in sustainability practices and supply chain transparency.
28. The Sustainability Roadmap promotes sustainable approaches to fashion design processes, manufacturing and packaging, as well as ethical consideration of animals and the environment. These changes are inspired by the strides many Australian designers are already making and are designed to promote sustainability awareness within the national fashion industry.

Financial Implications

29. Sufficient funds are available within the 2021/22 Grants and Sponsorship Operating Budget and future year forward estimates for these sponsorships.

Relevant Legislation

30. 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.
31. 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 Commercial Creative and Business Events Sponsorship Program;
 - (b) the details of the program have been included in Council's operational plan for financial year 2021/22; and
 - (c) the program's proposed budget does not exceed 5 per cent of Council's proposed income from ordinary rates for financial year 2021/22 and 2022/23; and the program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

32. Subject to Council approval:

- (a) Australian Fashion Week will take place at Carriageworks in Eveleigh during May-June 2022 and 2023, dates to be announced.
- (b) Vogue Fashion's Night Out will take place in Sydney during 8 to 15 October 2021 culminating in a one night only in-store experience in the Sydney CBD on 14 October 2021.

EMMA RIGNEY

Director City Life

Victoria Moxey, City Business Manager