

11 October 2021

At 2.00 pm

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

Agenda

- 1. Disclosures of Interest**
- 2. Presentation of the 2020/21 Financial Statements and Audit Reports to Council**
- 3. Audit Risk and Compliance Committee Annual Report to Council 2020/21**
- 4. Review of the Investment Policy and Strategy**
- 5. Investments Held as at 30 September 2021**
- 6. Tender - T-2021-511 - Green Square to Ashmore Connector Road**
- 7. Exemption from Tender and Contract Variations - Contracts Impacted by the Postponement of the 2021 Local Government Election**
- 8. Lease Approval (Confidential)**
- 9. Property Matter (Confidential)**

Economic Development and Business Sub-Committee

- 10. Grants and Sponsorship - Round Two 2021/22 - Economic Grants**
- 11. Grants and Sponsorship - Round Two 2021/22 - Knowledge Exchange Sponsorship Program**

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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.

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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.

Presentation of the 2020/21 Financial Statements and Audit Reports to Council

Document to Follow

Item 3.

Audit Risk and Compliance Committee Annual Report to Council 2020/21

Document to Follow

Item 4.

Review of the Investment Policy and Strategy

File No: X020701

Summary

This report presents the revised Investment Policy and Investment Strategy for the Management of Council's Funds.

The Policy and Strategy are reviewed annually, as a minimum, to ensure they remain appropriate given changes to the economic, investment and legislative environments. The annual review of the Policy and Strategy, together with the proactive management of the portfolio, has resulted in a secure investment portfolio that consistently outperforms the benchmark returns required by the policy.

The scope of the City's investments and the wider NSW local government sector is limited. It is mandated under the Local Government Act 1993, through a Ministerial Investment Order, that constrains council investments to deposits and / or bonds in Federal, State (including NSW TCorp) or Local Governments and in banks that are Approved Deposit Taking Institutions under the Banking Act. Councils are not permitted to invest in equities and therefore not permitted to invest directly in individual companies.

The Investment Policy sets out Council's investment objectives to safeguard the City's cash and investment portfolio, achieve appropriate rates of return and manage the portfolio to ensure sufficient liquidity to meet Council's business objectives. It includes investment criteria to frame investment decisions, risk management parameters, and investment governance standards to ensure transparency, internal controls and performance management.

The Investment Strategy outlines Council's investment intentions in light of the current economic, investment and legislative environments. The focus is on the investment opportunities available to the City, guiding investments to be maintained in the coming 12 months and the investment of new funds. The Strategy aims to accomplish a balanced and diversified portfolio in terms of investment products, credit ratings and term to maturity to ensure sufficient liquidity will be available as funds are required.

The City first formally introduced social and responsible investment criteria into its investment policy and strategy in 2008, although environmental investments were already being actively incorporated into the portfolio as appropriate instruments came onto the market. Since that time, the City has progressively strengthened its position within its allowed investment framework.

In October 2016, Council endorsed a revised Investment Policy that further enhanced the social and responsible investment aspect of the City's investment policy. While the Policy already encouraged social and responsible investment, provided that products met the risk and return requirements of other investments, two amendments were adopted that:

- (a) strengthened Council's commitment to social and responsible investment where returns and risk are equivalent to other available investments; and

- (b) expanded the definition of environmentally harmful activities to include specific reference to coal, gas and oil.

These two amendments continue to be included in the policy.

The City has good relationships with its financial institutions, and regularly meets to advocate for new investment vehicles and products that will achieve our desire to increase our commitments to social and responsible investment.

In November 2018, Westpac informed the City that it had developed a new sustainable investment product known as a Green Tailored Deposit, which has been independently certified to meet the Climate Bonds Standard while not compromising the credit risk of the product. These deposits are associated with a defined pool of eligible assets which meet the Climate Bond Standard criteria including renewable energy, low carbon transport, low carbon intensity emitting buildings, waste and water products and are independently certified annually. The City was the first council to invest in this product and at the time of writing has invested \$60 million.

In addition, the City has also invested \$75M, in twelve Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA) and a further \$5M in a Bank Australia - Sustainability Bond.

The legislative and regulatory environment for local government has remained static, and the existing Investment Policy continues to serve the City well.

The key objectives of the current Investment Strategy remain valid for the challenging economic and investment environment brought on by the Covid-19 pandemic and conform to the current legislative requirements. The Strategy remains unchanged as it presently meets liquidity requirements for Council's ongoing capital works program, the objectives for investment performance and continues to prudently manage credit risk.

The proposed Investment Policy and Strategy will continue to maintain an investment portfolio that is reasonably conservative; and comprise investments in institutions with high investment grade credit ratings that are all subject to APRA regulation, while at the same time allow some flexibility for appropriate investment opportunities that enhance the City's financial returns.

Recommendation

It is resolved that Council adopt the revised Investment Policy and Investment Strategy for the management and investment of Council's funds, as shown in Attachments A and B to the subject report.

Attachments

Attachment A. 2021/22 Investment Policy

Attachment B. 2021/22 Investment Strategy

Background

1. The Local Government Act 1993 (the Act) was amended in 2016 to strengthen council's fiduciary duty. The changes are intended to guide councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous, and include an explicit reference to councils carrying out their functions in a way that provides the best possible value for residents and ratepayers.
2. The investment policy and strategy are a key part of ensuring that the City continues to manage its finances in an effective, efficient and prudent manner. The amendments to the Local Government Act 1993, as referred to above, reinforce the City's existing underlying financial principles.
3. The Act states that councils should have effective financial and asset management, including sound policies and processes, for the following:
 - (a) performance management and reporting;
 - (b) asset maintenance and enhancement;
 - (c) funding decisions; and
 - (d) risk management practices.
4. The Local Government Code of Accounting Practice and Financial Reporting (the Code) states that:

"Councils must maintain an investment policy that complies with the Act, Local Government (General) Regulation 2021 (NSW) and the Ministerial Local Government Investment order and ensures it or its representatives exercise care, diligence and prudence when investing council funds."
5. The Investment Policy and Strategy are reviewed annually to ensure they remain relevant to prevailing market and legislative conditions. In situations where market volatility and uncertainty arise from changes in the economic, investment and legislative environments, the review will be brought forward for adoption by Council at an earlier date so that key changes can be made to the Policy and Strategy to deal with the respective market conditions.
6. The purpose of the Policy and Strategy is to ensure the investments are secure, satisfy Council's risk / return criteria and are compliant with the Local Government Act 1993, as well as to optimise investment income from the short and long term investment of funds that are surplus to the City's present operational needs.
7. The City's investment portfolio remains conservative due to the robustness of the Australian domestic investment market under the supervision of the Australian Prudential Regulation Authority (APRA) which extends across the full range of financial institutions. The City has gradually diversified from its 2008 GFC-focused portfolio, which was highly conservative and significantly concentrated in the 'Big 4' AA-rated domestic banks. Its current portfolio remains conservative but more diversified, as it includes more APRA-regulated A-rated bank investments together with a handful of investment-grade BBB-rated investments.

8. The Policy encourages investments in environmentally and socially responsible investments provided that they meet the risk and return requirements of other investments. Two amendments were adopted in October 2016 that:
 - (a) strengthened Council's commitment to social and responsible investment where returns and risk are equivalent to other available investments; and
 - (b) expanded the definition of environmentally harmful activities to include specific reference to coal, gas and oil.
9. The amendments did not significantly change the overall intent of the Policy but provide a clearer signal to the broader community, public sector agencies / all levels of government and the financial sector as to the City's intent.
10. This year the policy includes a minor amendment that proposes to raise the threshold exposure for a single A rated institution from \$50M to \$75M. Over the past five years the City's portfolio has grown while the amount that the policy has allowed to be invested in A rated institutions has not changed. These institutions have tended to offer higher rates of return than the Big Four Banks and provide an opportunity to diversify the portfolio. As a result, this threshold of \$50M has become a restriction rather than safe guard for portfolio management. At the time of writing, A rated institutions held in the order of 24 per cent of the portfolio with the Big Four, rated as AA, holding 71 per cent.
11. Council's Investment Policy and Investment Strategy continue to permit and encourage environmental and socially responsible investment activity (SRI investments). The Ministerial Investment Order limits the range of financial institutions in which NSW councils can invest, and prohibits many of the available socially responsible investment products.
12. The City has good relationships with its financial institutions, and regularly meets to advocate for new investment vehicles and products that will achieve our desire to increase our commitments to social and responsible investment. In a welcome development, in November 2018, Westpac informed the City that they had created a new sustainable investment product known as a Green Tailored Deposit, which has been independently certified to meet the Climate Bonds Standard while not compromising the credit risk of the product. These deposits are associated with a defined pool of eligible assets which meet the Climate Bond Standard criteria including renewable energy, low carbon transport, low carbon intensity emitting buildings, waste and water products and are independently certified annually. Currently, the City has invested \$60 million in this Westpac product.
13. The City has also invested in twelve tranches, totalling \$75M, since the introduction of Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA) and a further \$5M in a Bank Australia - Sustainability Bond.
14. The key objectives of the current Investment Strategy remain valid for the challenging economic and investment environment brought on by the Covid-19 pandemic. The Strategy remains unchanged as it presently meets liquidity requirements for Council's ongoing capital works program, the objectives for investment performance and continues to prudently manage credit risk. Sections of the Investment Strategy that detail the current investment portfolio and its performance were amended to reflect the present results.

15. The proposed Investment Policy and Strategy continue to satisfy the compliance requirements of the Ministerial Investment Order.
16. It should be noted that the Investment Strategy is a 'guiding principles' document. As market conditions change significantly and very quickly, the Strategy may need to be amended from time to time, in which case Council would be advised through the monthly Investment Report.

Key Implications

17. Council's Investment Policy and Investment Strategy direct its investments to ensure compliance with the requirements of the Local Government Act 1993 and Minister's Financial Implications.

Financial Implications

18. Investment returns over the past five years have gradually reduced, reflecting lower interest rates and the more limited investment opportunities now available under the Ministerial Investment Order, Investment Policy and Investment Strategy. The Reserve Bank of Australia has predicted lower investment yields for at least another three years.
19. The City's cash balances, and resultant investment returns, are subject to cash flows and achievement of the planned capital program. However in the current environment, portfolio returns are expected to remain between 0.5-1.50% for the next year, with lower rates likely to continue for the medium term.
20. As such, the City is forecasting to achieve \$2.1M in interest earnings for 2021/22, which is significantly less than the \$15.5M earned just five years ago.

Relevant Legislation

21. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
22. The Local Government (General) Regulation 2021 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
23. The Local Government Code of Accounting Practice and Financial Reporting (Legislative Requirements Update 10 at 11.3.5) states that Council must maintain an investment policy that complies with the Act and ensure it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds.

BILL CARTER

Chief Financial Officer

Attachment A

2021/22 Investment Policy

Investment Policy

Purpose

The Investment Policy sets out the requirements for the management of the City’s cash and investment portfolio. The City requires that all investment activities be exercised with the care, diligence and skill of a prudent person, and not for speculative purposes.

The policy sets the framework to:

- safeguard the City’s cash and investments portfolio
- achieve appropriate earnings
- manage the City’s cash resources to ensure sufficient liquidity to meet the City’s business objectives over the long, medium and short term.

The policy reinforces the City’s ongoing commitment to maintain a conservative risk and return portfolio, an important component of its ongoing prudent financial management practices.

The Investment Strategy supports the policy by defining investment objectives and actions for the next 12 months.

The City of Sydney’s financial policies are developed to ensure that the City satisfies legislative requirements and follows ‘best practice’ in its business operations, with due consideration for the effective and efficient management of the resources utilised within that business.

Scope

This policy applies to all managers and employees who actively manage the City’s Cash and Investments or have the responsibility for employees who actively manage the City’s Cash and Investments.

Definitions

The following definitions illustrate the structure of the City’s investment portfolio and the relationship of the terms referred to in this policy:

Term	Meaning
Cash	<p>Cash comprises:</p> <ul style="list-style-type: none"> • cheque and operational accounts • daily call accounts <p>with Authorised Deposit-taking Institutions (ADIs).</p> <p>Cash assets typically have a maturity term at the time of placement of being immediately available or available within 24 hours.</p> <p>Cash assets are closely linked with investments but do not constitute investments. Cash is used to meet immediate operational cash needs.</p>
Investments	<p>Investments comprise:</p> <ul style="list-style-type: none"> • term deposits

Term	Meaning
	<ul style="list-style-type: none"> bonds with an active secondary market with government (including NSW T-Corp and other government treasury bodies) and Authorised Deposit-taking Institutions (ADIs). <p>Investment assets have maturities at the time of placement of 30 days or more</p>
Investment Periods	<p><i>Short-term</i>: those investments that are under 12 months</p> <p><i>Long-term</i>: those investments that are greater than 12 months</p>
Grandfathered investments	<p>Grandfathered investments are a part of total investments and comprise:</p> <ul style="list-style-type: none"> investments where additional investment activity is prohibited by regulation other investments over which additional investment activity is temporarily prohibited due to unintentional breaches of investment thresholds and limitations that arise due to changes in the level of unrelated investments within the portfolio (the prohibition only remains as long as the breaches remain in place).
Impairment	<p>The impairment of an investment represents the amount of the original cost of the investment that is not expected to be recovered at the investment’s maturity date due to current adverse economic or investment conditions that impact on the investment’s financial performance.</p>
Provision for market value differences	<p>The market values of tradeable investments may vary over the life of the investment due to changes in pricing factors such as interest rates and credit spreads. The pricing factors have diminishing influence as the investment nears maturity and is redeemed at face value.</p>
Approved Deposit-taking Institution (ADI)	<p>An institution that is authorised under the <i>Banking Act 1959</i> to accept term deposits and conduct banking activities in accordance with that Act and under the prudential supervision of the Australian Prudential Regulation Authority (APRA).</p>
Amortised Cost	<p>Any discounts or premiums paid on acquisition of investments to be amortised on a straight line basis over the term of the investment.</p>
Active secondary market	<p>A market where investors purchase securities or assets from other investors, rather than from issuing companies themselves on an arm’s length (independent) basis.</p>
Benchmark rates	<p>Benchmark rates comprise:</p> <ul style="list-style-type: none"> Bloomberg AusBond Bank Bill Index - The Bloomberg AusBond Bank Bill index is a widely used industry benchmark constructed to represent the performance of a passively managed short-term money market portfolio. 30 Day Bank Bill Index – The 30 Bank Bill Index is designed to measure the performance of the Australian short-term money market. The index is based on the calculated monthly average of Bank Accepted Bills/Negotiable Certificates of Deposit, as issued by Reserve Bank of Australia (RBA).
Business Model	<p>The term ‘business model’ refers to how a Council manages its financial assets in order to generate cash flows. Under AASB 9, classification of financial assets depends on whether the <i>objective</i> of the business model is</p>

Term	Meaning
	to generate cash from <i>collecting contractual cash flows over the life of the instrument</i> or <i>collecting contractual cash flows over the life of the instrument and selling financial assets or other</i> .

Definitions relating to statutory accounts, in accordance with Australian Accounting Standards:

Term	Meaning
Cash and cash equivalents	Investment assets that have a maturity date of 90 days or less at the time of acquisition, including: <ul style="list-style-type: none"> • cash • call accounts • term deposits • bonds with an active secondary market.
Investments	Investment assets that have a maturity date of greater than 90 days at time of acquisition, including: <ul style="list-style-type: none"> • term deposits • bonds with an active secondary market with government (including NSW T-Corp and other government treasury bodies) and Authorised Deposit-taking Institutions (ADIs).

Policy Statement

The City’s investment objective is to ensure funds that are surplus to the City’s immediate requirements are invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds and maintaining adequate liquidity to meet the City’s operational requirements.

Legislative authority for investments

All investments are to be made in accordance with:

- Australian Accounting Standards
- Office of Local Government Investment Circulars
- Office of Local Government Investment Policy Guidelines
- Local Government (General) Regulation 2021 – Clause 212
- Local Government Act 1993 (particularly section 625)
- Local Government Code of Accounting Practice & Financial Reporting
- Minister’s Investment Order (gazetted)
- Trustee Act 1925 (NSW) (particularly sections 14A(2), 14C(1) and (2))

Investment governance

The following internal control practices are in place to ensure adequate governance and allow transparent and clear performance measurement for the management of the City’s cash and investment portfolio:

- financial planning and cash-flow management
- delegated authorities and investment approval
- measurement of investment performance
- performance benchmarks
- reporting and review

- audit oversight.

These internal control practices are explained in more detail below.

Financial planning and cash-flow management

Funds that are surplus to the City's immediate cash requirements will be managed in accordance with the long, medium and short-term financial cash requirements of the City.

Long term financial plans are developed to ensure the long-term financial sustainability of the City. These plans will incorporate forecasts of cash inflows and outflows to:

- estimate cash surpluses and shortages in future periods
- identify the longer- and medium-term investment horizon for surplus funds.

Shorter term financial plans are used to predict funds availability and monitor the City's cash management needs throughout the year. These cash flow models are monitored daily to facilitate informed investment decisions and to ensure that sufficient liquidity exists to satisfy City's financial commitments.

Responsibilities

Authorities and investment responsibilities are defined within Council's Delegation Authority.

Authority for the implementation of the Investment Policy is delegated by Council to the Chief Executive Officer in accordance with the *Local Government Act 1993*.

The Chief Executive Officer has also delegated authority to invest surplus funds as follows:

- Chief Operating Officer (COO)
- Chief Financial Officer (CFO)
- other senior financial officers who have the requisite skills to undertake investment functions (as per the Delegations Register).

Officers with delegated authority are required to acknowledge they have received a copy of this policy and understand their obligations in this role.

Investment responsibilities

The City's Financial Planning and Reporting unit prepares investment recommendations in accordance with this policy and the Investment Strategy. To achieve the best value for the City's investments, recommendations will consider:

- credit risk
- forecast cash requirements
- alternative investments with comparable risk
- liquidity and maturity profiles.

A minimum of two price quotations of like or similar investments must be obtained for the acquisition of all market investments in order to verify the fairness of the purchase price.

Two authorised signatories, with appropriate delegation limits, must approve each investment recommendation. Recommendations must be retained on file as a permanent record.

Any single investment exceeding \$5M, or, investments with maturity terms (or initial call dates) that exceed 5 years, require the written authority by any two of the CEO, COO, CFO, Financial Planning and Reporting Manager or Business Planning and Performance Manager. Where a recommendation consists of multiple investments, the amount and maturity of each investment must be considered separately.

Cash

The City retains funds for daily operational payment needs in a combination of a cheque account and/or daily call account/s. Transfers between these accounts are undertaken in order to ensure the cheque account has the appropriate level of funds to fulfil immediate payment obligations of the City and such transfers therefore do not constitute investments in the context of this Policy.

Delegated authority to enable transfers of call funds between the cheque and call accounts is as follows:

The Chief Executive Officer has delegated authority to transfer call funds as follows:

- Chief Operating Officer (COO)
- Chief Financial Officer (CFO)
- other senior financial officers who have the requisite skills to undertake investment functions (as per the Delegations Register).

Two authorised signatories, with appropriate delegation limits, must approve each call funds transfer recommendation. Recommendations must be retained on file as a permanent record.

Any single transfer of call funds exceeding \$10M requires the written authority by any two of the CEO, COO, CFO, Financial Planning and Reporting Manager or Business Planning and Performance Manger.

Conflict of interest

Officers shall not engage in activities that would conflict with the proper execution and management of the City's investment portfolio. Any potential conflicts of interest should be appropriately disclosed in accordance with Council's Code of Conduct.

Classification of Financial and Measurement of instruments

At the City, the primary objective in the purchase of financial investments is to collect contractual cashflows (i.e. interest revenue) over the life of the investment, and redeem the principal sum at maturity, rather than to regularly trade to make a profit. This constitutes a 'Held-to-Maturity business model'; one of three options described under AASB 9 – Financial Instruments. Under AASB 9, the classification and measurement of financial instruments is determined by an entity's business model.

Based upon the 'Held-to-Maturity' Model, all investments held by the City are carried at Amortised Cost. This classification requires any discounts or premiums paid on acquisition of investments to be amortised on a straight-line basis until the investment matures. Note that discounts or premiums on acquisition are only applicable to Floating Rate Note products, and have not historically been common for the City.

Since AASB 9 replaced previous applicable standard AASB 139, adjustments to 'Fair Value' are no longer required; valuations will still be received on a quarterly basis from investment advisors, but book values will not be adjusted. This approach is more reflective of the City's historical strategy of holding investments to maturity. Any temporary gains or losses on investment values have traditionally not been realised, and investment values have returned to face value at the time of maturity.

Performance Benchmarks

Investment performance will be measured monthly against the chosen benchmarks in relation to both current month and 12-month rolling returns.

The CFO will approve the use of independently determined benchmarks. Where the City changes independently determined benchmarks, monthly reports for the month of change and the next five

months thereafter shall contain reporting of investment returns against benchmark for both the following:

- the benchmark that is being replaced, and
- the new benchmark backdated on a twelve month basis.

The City currently uses two performance benchmarks:

- Bloomberg AusBond Bank Bill Index – provides a common benchmark against other councils so that the City's investment performance can be compared on an industry basis and against other portfolios with similar or different risk and reward profiles
- 30 day Bank Bill Rate (sourced from the RBA) – provides a fair indicator of the risk free rate of return so that Council can understand the return that has been earned from diversifying its investment portfolio and accepting conservative levels of risk.

Consultation

Reporting and Review

The City will maintain a separate record of money it has invested under section 625 of the *Local Government Act 1993*, in accordance with the criteria defined by the *Local Government Code of Accounting Practice and Financial Reporting*.

Pursuant to the *Local Government (General) Regulation 2021* (clause 212), the City will provide a monthly report to Council on investments. The monthly report to Council will include:

- the total value of the portfolio
- a complete schedule of all investments within the total portfolio
- full disclosure of all investments by type, current credit rating and face value
- net investment income for the month (actual against budget)
- the weighted average investment returns for the current month and the last 12 months rolling period (actual against benchmark)
- informative commentary on portfolio compliance and performance, current economic investment environment, and any change to current strategy
- certification that investments accord with the Act, regulations and Council's investment policy and strategy.
- analysis of the portfolio's liquidity (maturity) profile
- analysis of the portfolio's risk profile (credit ratings)
- analysis of the portfolio's product diversification (investment types)
- cumulative performance over Bloomberg AusBond Bank Bill Index and 30 day Bank Bill Rate

In accordance with the *Local Government Code of Accounting Practice & Financial Reporting*, the City will undertake an annual review of its Investment Policy and Investment Strategy.

If there are any significant changes to the Act, regulations, issued guidelines, or if the market changes to a degree that warrants an earlier examination, the Policy and/or Strategy will be reviewed and brought back to Council for its consideration.

Audit Oversight

The City's external auditors will review City's investments as part of the Annual Financial Reports. This may include seeking independent certification from the relevant financial institutions (banks, fund managers, etc.) to confirm the balance of investments held on the City's behalf at the end of the financial year, and the adequacy of their internal control procedures.

The City’s Internal Audit unit will also periodically review the adequacy of the Investment Policy, Strategy and management’s internal controls as part of its audit review program.

Investment criteria

This section sets out the criteria for investments to be considered for inclusion within the City’s portfolio. In particular, it defines the mandatory investment criteria which all investments must satisfy.

Current investment regulations require councils to invest in NSW Treasury Corporation (NSW TCorp), or securities issued by or guaranteed by the Commonwealth, any state of the Commonwealth or a Territory. Investments are also permitted with Approved Deposit-taking Institutions (ADI) such as Australian banks or branches of foreign owned banks, credit unions and/or building societies as it acknowledges the additional assurance that arises from their regulation by the Australian Prudential Regulation Authority (APRA).

Mandatory Investment Criteria

Scope

Investments must comply with the legislative authorities as described in the Legislative Authority for Investments paragraph of this policy.

Currency

Investments must be denominated in Australian Dollars.

Ownership

Investments must be held in the City of Sydney’s name.

Term / Maturity

The term to maturity of investments may not exceed the periods shown below:

Investment	Maximum Term
All investments	10 years

Credit rating

The following credit rating criteria apply to City investments:

- Investments must have a credit rating. The credit rating structure of the total portfolio must comply with the following table:

Maximum Thresholds – Portfolio Percentage Limits		
Credit rating / Organisation	Direct investment products (as a % of Total Portfolio)	Exposure to a single institution (as a % of Total Portfolio)
AAA	100%	33 ⅓ %
ADIs within either the ANZ, Commonwealth Bank, NAB or Westpac Banking Groups (‘Big Four’)	100%	33 ⅓ %

AA	100%	25%
A	60%	20% (Maximum is the lesser of: \$75M Or 5% of Net Equity as per the latest published financial statements)
Below A (to minimum investment grade rating – currently BBB)	10%	10% (Maximum of \$10M)

- Credit ratings apply to both products and institutions. However, this policy requires the rating applicable to the institution responsible for the product (e.g. guarantor) to be taken as the relevant rating given this represents the underlying risk to the City. Where there is a disparity between the credit rating of the institution and an individual investment product, the lower of the two ratings is adopted in applying the requirements of this Policy.
- Credit ratings must be monitored regularly by Finance staff to ensure ongoing compliance. Investments with credit ratings downgraded to an extent that they no longer comply will be divested as soon as practicable, in accordance with the grandfathering provisions of this policy.
- Credit risk investment parameters are based on credit rating bands as published by the credit rating agencies (e.g. S&P, Moody’s and Fitch). If an investment is rated by more than one ratings agency, the credit rating to be used will be based on the order of S&P, Moody’s and then Fitch.
- Where the principal amount and accrued interest of any investment with a financial institution are directly guaranteed by the Australian Federal Government for full repayment, the parameters in the table above may be exceeded as follows:
 - exposure to single institutions may exceed the stated limits provided that the excess amount comprises only guaranteed investments
 - exposure of the total portfolio to credit ratings lower than AAA may be exceeded, provided that the excess amount comprises only guaranteed investments. As a result, investments directly guaranteed by the Australian Federal Government may comprise the total investment portfolio. Management should ensure that any excess of investments over the parameters specified in the table above that is comprised of Australian Federal Government guaranteed investments can be managed back to within the specified parameter levels prior to the expiration of any such guarantee.
- Where investments with different credit ratings are held with the same financial institution (for example, where credit ratings for short-term and long-term investments in the same institution are different), the maximum credit rating threshold is determined as follows:
 - investments with the lower credit ratings are subject to the maximum thresholds associated with those relevant credit rating bands
 - investments with the highest credit rating band for that financial institution are subject to a maximum threshold equal to (i) the maximum threshold for the highest credit rating band applicable to that financial institution, less (ii) the total amount of investments held at any time in the lower credit rating bands with the same institution.

Portfolio liquidity parameters

The portfolio liquidity parameters specify the maximum and minimum amounts or percentages of the City’s total investment portfolio that can be held within the various investment maturity bands.

The liquidity / maturity profile of the total portfolio must comply with the parameters shown in the tables below.

Minimum thresholds are set to ensure that there will always be an adequate amount of liquidity available in earlier maturity bands before funds may be committed to longer term investments. The minimum thresholds are obviously higher in the shorter term where liquidity is of the greatest concern.

	1 month	2 to 12 months	1 to 3 Years	3 to 5 Years	> 5 Years
Cumulative Minimum % of Total Portfolio	10% or \$50M <i>(the greater of)</i>	40%	55%	90%	100%

The example below illustrates the effect of the minimum threshold for a \$500M investment portfolio size.

Terms	Parameter (%)	Cumulative Amount	Amount in each category
1 month	10%	50,000,000	50,000,000
2 to 12 months	40%	200,000,000	150,000,000
1 to 3 Years	55%	275,000,000	75,000,000
3 to 5 Years	90%	450,000,000	175,000,000
> 5 Years	100%	500,000,000	50,000,000
			500,000,000

Maximum thresholds are set to control the proportion of the total portfolio that can be invested into longer term investments to ensure that the City has adequate access to short and medium term liquidity to satisfy its business objectives. The maximum thresholds reduce as the maturity horizon extends further into the future.

	1 month	2 to 12 months	1 to 3 Years	3 to 5 Years	> 5 Years
Maximum % of Total Portfolio	100%	80%	40%	35%	10%

The example below illustrates the effect of the maximum threshold for a \$500M investment portfolio size.

Terms	Parameter (%)	Amount in each category
1 month	100%	500,000,000

2 to 12 months	80%	400,000,000
1 to 3 Years	40%	200,000,000
3 to 5 Years	35%	175,000,000
> 5 Years	10%	50,000,000

The relationship of the maximum and cumulative minimum thresholds is illustrated by the following example. Essentially, before an investment can be considered for a particular maturity band, firstly the total portfolio must be in compliance with the cumulative minimum thresholds and secondly, the investment should then not cause the maximum thresholds to be exceeded. As an example, if an investment of 2 years duration is being considered, the following thresholds must be complied with:

- First, at least 40% of the total portfolio must have a maturity date of less than 12 months and 10% of the portfolio (or at least \$50M) must have a maturity date of less than 1 month.
- Secondly, once the investment is added to the portfolio, the total amount of investments maturing between 1 and 3 years may not exceed 40% of the total portfolio.

The thresholds are aimed at ensuring minimum liquidity requirements are always met. Hence, if 45% of the portfolio has a maturity date of less than one month, it means that an investment with a maturity of 1 to 3 years can be made because there is an adequate cumulative threshold of 45% of the portfolio that has a maturity of up to 12 months to meet the 40% minimum threshold i.e. excess levels may be applied to meeting the minimum thresholds of succeeding maturity bands. Upon reinvestment consideration must be given to ensuring that the minimum thresholds of the succeeding maturity bands are always maintained when the shorter term investments mature.

The minimum requirement for very short term access to investments is set at \$50M to ensure adequate liquidity to meet Council’s working capital requirements.

The City may utilise pre-approved overdraft facilities to manage short-term liquidity short falls where it is both prudent and financially advantageous. It is anticipated that this facility would be utilised to avoid penalties arising from early redemption of term deposits or where favourable investments arise a day or two ahead of the maturity dates of existing investments that are earmarked for future investment. Overdrafts should be limited to no more than \$10M and for a duration of no more than 2 weeks.

Breaches of criteria

Procedures for dealing with unavoidable breaches of any particular thresholds are contained in the next section on grandfathering of investments.

Grandfathering of Investments

This policy imposes limits and thresholds in relation to the acquisition and holding of investments. However, situations may occur where inadvertent breaches of these limitations or thresholds arise, other than from the acquisition of investments. For example:

- amendments to regulatory directives or legislation

- changes in the total value or amount of the City's investment portfolio which consequently changes any of the threshold limits so that they no longer meet the portfolio liquidity parameters.

Breach as a result of regulatory change

When limitations or thresholds are breached due to amendments to regulatory directives or legislation, the investment portfolio must be managed in accordance with the respective amendments. Where the amendments enable retention and grandfathering of existing investments, the City may continue to actively manage those investments within the portfolio in accordance with all other regulations and policies applicable to such investments. This includes a strategy of holding or divesting such investments in accordance with regular investment considerations.

Breach in order to meet operational requirements

Where the limitation or threshold is breached for a one-month period, in situations where short term cash is needed for urgent operational use, the breach would be authorised and no further investing activities will be made beyond 30 days.

Breach as a result of change in total investment portfolio

Where limitations or thresholds are breached due to a change in the overall size of the total investment portfolio, the following process will apply:

- an immediate freeze is imposed on the acquisition of new investments in greater than relevant category until the portfolio can be effectively managed back to accord with the requirements of this policy;
- the relevant category of investments must be managed back in accord with the policy limits within a period that takes into account any adversity created by market liquidity, current valuations of these investments and the risks of default.

The immediate forced sale of the investments in breach of the limits or thresholds will not be required.

Investment Strategy

The City will prepare an annual Investment Strategy to guide the management of its surplus cash and investments within the requirements of this policy.

The Investment Strategy will document all key objectives relating to management of cash and investment assets over the short to medium term in the context of prevailing market conditions at the time. The strategy will:

- consider the City's current investment portfolio, its financial position and financial commitments, current legislative constraints and the global investment environment
- specify our investment goals and targets for the forthcoming year.

Mandatory components of the City's Investment Strategy will comprise the management of the following aspects of the investment portfolio:

- risk profile
- liquidity/maturity
- return/income
- environmentally and socially responsible investments

Requirements in respect of each component are detailed below.

Risk Profile

The City's risk profile in relation to investing surplus funds is to be relatively prudent, conservative and risk averse. The profile will be achieved by effectively managing within the investment portfolio:

- the **diversity** of the investments
- the **creditworthiness** of the investments

Diversity is achieved by placing limits on the maximum exposure the City may have to individual:

- funds or financial institutions
- credit rating bands.

Creditworthiness of investments is primarily determined using long and short term credit and fund Industry Standard Credit Ratings of Standard & Poors (S&P), Moody's or Fitch. The City will not invest in non-rated institutions.

Liquidity/Maturity

The cash requirements of the City will be satisfied by monitoring and structuring the total maturity profile of the investment portfolio in accordance with the Investment Policy.

Return/Income

Investment returns are closely correlated to the risk profile of the underlying investments. Appropriate benchmark rates of return will be set in relation to the risk profile and returns will be required to meet or exceed benchmark rates.

Environmentally and socially responsible investments

Subject to compliance with legislation and investment policy objectives and parameters, the City preferences investment securities and financial institutions that meet our socially responsible investments (SRI) criteria. SRI status may be in respect of the individual investment, the issuer of the investment, or both and should be endorsed by an accredited environmentally and socially responsible industry body or institution.

Environmentally and Socially Responsible Investments will be assessed on the same basis as other investment opportunities and the City will select the investment that best meets its overall investment selection criteria.

The City's criteria relating to an SRI are those which:

- direct investment towards the socially and environmentally **productive** activities listed below
- avoid investment in the socially and environmentally **harmful** activities listed below.

The criteria for SRI are all preferred and not mandatory requirements.

Environmentally **productive** activities are considered to be:

- resource efficiency-especially water and energy
- renewable energy
- production of environmentally friendly products

- recycling, and waste and emissions reduction

Socially **productive** activities are considered to be:

- fair trade and provision of a living wage
- human health and aged care
- equal opportunity employers, and those that support the values of communities, indigenous peoples and minorities
- provision of housing, especially affordable or social housing

Environmentally **harmful** activities are considered to be:

- production of pollutants, toxins and greenhouse gases (coal, oil and gas)
- habitat destruction, especially destruction of forests and marine eco-systems.
- nuclear power
- uranium mining

Socially **harmful** activities are considered to be:

- abuse of Human Rights and Labour Rights
- involvement in bribery/corruption
- production or supply of armaments
- manufacture of alcohol, tobacco or gambling products

The City will advocate for the further development of SRI options through engagement with financial institutions.

Evaluation

The policy is evaluated through the measured results required under **Monthly Reporting**.

References

Laws and Standards
<ul style="list-style-type: none"> • Australian Accounting Standards • Office of Local Government – Local Government Code of Accounting Practice & Financial Reporting • Office of Local Government Circulars • Office of Local Government Investment Policy Guidelines • Local Government (General) Regulation 2021 • Local Government Act 1993 • Minister’s Investment Order (gazetted) • Trustee Act 1925 (NSW)
Policies and Procedures
<ul style="list-style-type: none"> • Code of Conduct • Disciplinary Policy & Procedures

Laws and Standards

- Fraud & Corruption Internal Reporting Policy
- Investment Strategy

Review period

This policy/procedure will be reviewed every year.

Approval Status

The Chief Executive Officer / Council approved this policy/procedure on [DD MONTH YYYY].

Double-Click to insert Initials

Monica Barone, Chief Executive Officer

(To be completed by Office of CEO on approval or deleted if Council approved policy)

Approval History

Stage	Date	Comment	TRIM Reference
Original Policy	(Date, month, year)	Approved by CEO/Approved by Council	20XX/XXXXXX
Reviewed	(Date, month, year of when it was approved by CEO or Council)	Briefly summarise key changes	20XX/XXXXXX (Governance to populate)
Commence Review Date	(Date, month, year – should be 2 months prior to the end of the next review period)		
Approval Due Date	(Date, month, year of when the next review of the policy is due to be finalised/ approved)		

Ownership and approval

Responsibility	Role
Author	Financial Planning and Reporting Manager
Owner	Chief Financial Officer
Endorser	Chief Executive Officer

Responsibility	Role
Approver	City of Sydney Council

Attachment B

2021/22 Investment Strategy

Investment Strategy

Purpose

The annual Investment Strategy sets out the City's investment goals and targets for the coming year. The aim of the strategy is to guide the management of the City's investment portfolio over the short to medium term to:

- achieve a balanced and diversified portfolio, in terms of allowable investment products, credit ratings and maturation terms that will outperform the benchmark indices
- ensure liquidity when required for the City's operational and capital expenditure needs.

Scope

The *Investment Strategy* applies to all managers and employees who actively manage the investment of surplus funds or have responsibility for employees who actively manage the investment of surplus funds.

This strategy should be read in conjunction with the *Investment Policy*.

Context

The City's investment strategy is determined after taking into consideration a review of the following issues:

- global and domestic economic investment environments
- investment policy and legislative constraints
- current composition of Council's investment portfolio
- long, medium and short term financial plans.

Global and domestic investment environments

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 is 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.

In the September Monetary Policy Statement the RBA reaffirmed its view that interest rates would remain low until at least 2024. It also indicated that it will continue to purchase government bonds at the rate of \$4 Billion per month until February 2022 further supporting the economy and reducing the likelihood of rate increases.

This flood of cheap funding together with relatively low levels of credit growth have caused the unintended consequence of effectively shutting down the short-term money market. The City is part of a large sector of the investment market that relies on an active short-term

money market issuing wholesale term deposits and other senior debt products such as floating rate notes. These investment types reflect a conservative investment policy, and the mandates of the Ministerial Investment Order.

The increase in the TFF offers a cheaper funding option for eligible ADIs, and most have taken the option at the expense of wholesale deposits. The City, like many other investors, has faced the unusual challenge of finding a bank willing to take their investment funds.

Investment advice obtained by the City suggests that new senior unsecured (FRN) issues are unlikely from any of the banks for the foreseeable future and potentially as long as 12 months. An active wholesale deposit market equivalent to pre-pandemic levels is also considered unlikely and this is in line with RBA statements. While many foreign banks who have not been eligible for TFF funding are still actively sourcing deposits, in the wholesale term deposit market, the City intends to continue a policy of conservative investment management, and does not propose to broaden investment parameters significantly at this time. Interest rates, already low over a sustained period, have further reduced in the past year as a result of the Covid-19 pandemic and the response measures detailed above. At the time of writing this low interest rate environment is anticipated to continue for the longer term, reducing the City’s interest earnings when compared to historical trends.

In Australia, a history of prudent regulation of the financial institutions by the Australian Prudential Regulation Authority (APRA) has meant that Australian based regulated financial institutions have already operated for an extended period under stringent capital adequacy and liquidity requirements. The City’s investments all fall under APRA regulation with the result that the portfolio is conservative and secure.

Legislative environment

Council’s investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government.

There has been no change to the investment legislative environment for a number of years and the most recent Ministerial Investment Order released in January 2011 continues to limit Council’s investment options to:

- term deposits with Approved Deposit-taking Institutions (ADIs)
- other ADI senior ranked securities
- investments with Australian government treasury bodies, including NSW Treasury Corporation (T-Corp)
- funds or securities issued or guaranteed by the Commonwealth or any State or Territory.

Composition of Council’s investment portfolio

The conservative nature of Council’s Investment Strategy is clearly reflected in the structure of the portfolio, where 100% of the portfolio is invested with APRA-regulated ADIs.

Council’s current portfolio is as follows (as at the end of September 2021):

Investment	Split
Big Four banks	71%
Australian mid-tier banks	28%
Australian government treasury bodies	1%
Foreign controlled Australian based ADIs	1%

Investment	Split
Total APRA-regulated ADIs	100%

The allocation of assets within the portfolio is with very secure institutions. In the past year, the City has diversified the portfolio with further selected investment into the Australian mid-tier banks as they continue to reflect strength and stability.

Investment strategy

The City’s investment portfolio will continue to be prudently managed in accordance with:

- the City’s Investment Policy and related legislative and regulatory requirements,
- documented risk management procedures to preserve capital; and
- the City’s operational and capital funding requirements.

Objectives

The City’s investment strategy for the period is to maintain the highly secure profile of the portfolio, provide liquidity and deliver competitive investment returns commensurate with the portfolio structure.

As noted in the investment policy, the City’s primary objective in the purchase of financial investments is to collect contractual cash flows (i.e. interest revenue) over the life of the investment, and redeem the principal sum at maturity, rather than to regularly trade to make a profit. This constitutes a ‘Held-to-Maturity business model’; one of three options described under AASB 9 – Financial Instruments. Under AASB 9, the classification and measurement of financial instruments is determined by an entity’s business model.

Risk profile

The risk profile for the City’s investment portfolio is based on the principles of being prudent, conservative and risk averse. This is achieved by managing the diversity and creditworthiness of investments in accordance with the Investment Policy and other relevant requirements.

The City’s capital funding requirements will continue to remain high over the next few years, including the funding of infrastructure development for Green Square, potential community and commercial property acquisitions and the purchase of land for future open space. As a result, the maturity profile of the investment portfolio has become more concentrated in the short and medium term rather than the longer term.

As a consequence, the proportion of longer dated floating rate notes in the portfolio is reducing while the proportion of short to medium dated term deposits and floating rate notes are increasing. All of these investments are with APRA regulated financial institutions so that credit risk remains minimal. The maturity profile of the investments is adequately spread over those periods to ensure that liquidity and maturity risks are also kept to a minimum.

The most favourable market for term deposits is mainly with the APRA regulated Australian mid-tier banks with the result that these banks comprise approximately 28% of investment holdings at the time of writing and provide diversity within the portfolio.

Liquidity / Maturity

The majority of the City’s cash and investments portfolio is held as internally restricted and externally restricted cash reserves to satisfy the City’s legislative responsibilities and to set aside specific funds for the City’s funding commitments to the major initiatives within the

Sustainable Sydney 2030 Community Strategic Plan, including the Green Square Town Centre and sustainable energy projects.

As noted above, expected demands for funding of capital projects and property acquisitions and ongoing uncertainty associated with Covid-19 have resulted in a corresponding shift in the maturity profile of the investment portfolio towards shorter term investment maturities.

To ensure the City has available funds to meet these commitments and its short-term operational and capital cash commitments, the following liquidity targets are set in accordance with the Investment Policy.

Investment period	Cumulative Minimum % of total portfolio	Maximum % of total portfolio
1 month	10% or \$50M	100%
2 to 12 months	40%	80%
1 to 3 Years	55%	40%
3 to 5 Years	90%	35%
> 5 Years	100%	10%

The City’s liquidity is monitored on a daily basis to ensure the City’s cash requirements are met and that liquidity parameters remain within allowable limits set out in the *Investment Policy*.

Return / Income

The City uses the following benchmarks to measure investment performance, in relation to both current month and 12-month rolling returns, against its return/income objectives:

- Bloomberg AusBond Bank Bill Index
- 30 day Bank Bill Rate as published by the Reserve Bank of Australia

The City aims to achieve returns equal to or above these benchmark rates for the period. However, this achievement remains secondary to the critical strategies of maintaining a prudent and conservative risk profile and in meeting the City’s liquidity needs.

The City’s current cash balances are applied in meeting immediate operational and capital commitments as well as future year’s capital commitments. The City over the past few years took the opportunity to invest the funds that are required for future years into long term secure higher yielding investments before the interest rates relating to those investments began to decline. This strategy is one of the main reasons as to why the City currently delivers income returns in excess of the benchmark rates. However, this gap is continuing to narrow over time as these higher yielding investments mature and new investments are made at the currently offered lower yields.

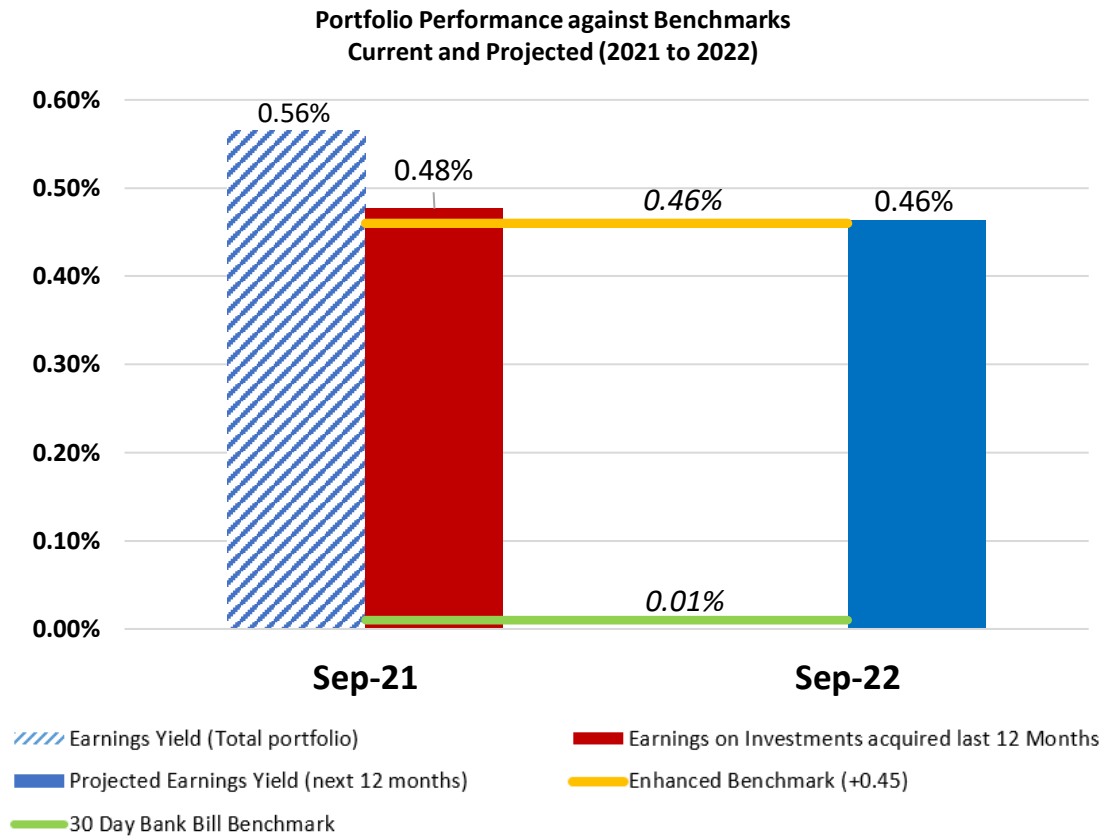
Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45% p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30–90 day investments. The 30-90 bank bill rates represented a reflective benchmark at the time of adoption, but this spread has reduced in recent months.

The strategic benchmark rate is an increasingly challenging target, with interest rates anticipated to remain suppressed for the foreseeable future, given current economic conditions. The capacity of City staff to invest in a manner that meets liquidity requirements while achieving the “enhanced” benchmark returns (as detailed above) is increasingly limited however the best available returns are actively sought whenever surplus funds are invested.

Additionally, 2022 will present continued challenges to the City in delivering higher investment income returns, including the following:

- Interest rates continue to remain at low levels and expectations are that in the medium-term they may remain at these levels.
- A small number of long-term investments that are locked in at higher rates offered in previous years continue to mature. As these funds can now only be reinvested at the current lower yields offered in the market, average earnings will likely continue to fall.
- The City's cash position, whilst reasonably resilient and showing signs of recovery, has been negatively impacted as the economic consequences of the pandemic affect major revenue streams including parking services, commercial property income and timely payment of rates and annual charges, and additional expenditure is incurred as part of Covid-19 community support measures. These factors will continue to affect the City's interest revenue.

The following chart illustrates how earnings yields may potentially be impacted over the coming year as a result of the above factors. The chart assumes the re-investment of maturing deposits at prevailing rates at the time of writing. The narrowing of the gap between actual investment returns and the investment benchmarks is evident. Additionally, the chart also reflects the current lower earnings yield on investments acquired during the last 12 months when interest rates have been at historically low levels.



Environmentally and Socially Responsible Investments

The City’s ability to acquire environmentally and socially responsible investments within the current investment and policy environment remains limited, as:

- the structure of many of these investments remains prohibited under the current Ministerial Investment Order; and
- the global financial crisis caused significant declines in the valuation of the financial assets that comprise many of these investments.

The City will, however, continue to explore opportunities for supporting environmentally and socially responsible investments within these constraints. The investment climate is changing over time and the City notes that many large scale renewable projects are expected to evolve, which may offer sustainable investment opportunities in the medium to long term. There has been a significant increase in acquiring environmentally and socially responsible investments, but the City remains constrained by our own policy and are limited by market condition. The City will continue to encourage and give preference to these investments where they comply with the Ministerial Investment Order and satisfy Council’s policy and investment objectives.

References

Laws and standards	<ul style="list-style-type: none"> • Local Government Act 1993 • Local Government (General) Regulation 2021 • Ministerial Investment Order • Local Government Code of Accounting Practice and Financial Reporting • Australian Accounting Standards • Office of Local Government Circulars
Policies and procedures	<ul style="list-style-type: none"> • Investment Policy

Approval

Review

Review period	Next review date	TRIM reference
The Code of Accounting Practice & Financial Reporting requires Council to undertake an annual review of its Investment Policy and Investment Strategy.	October 2022	

Item 5.

Investments Held as at 30 September 2021

File No: X020701

Summary

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

The City's total Investment and Cash position was \$713.4M at 30 September 2021, with investments earning interest of \$0.3M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. The Reserve Bank of Australia (RBA) responded to the crisis by reducing the official cash rate, firstly on 3 March 2020 to 0.50 per cent, again on 20 March 2020 to 0.25 per cent, and then again on 2 November 2020 down to an official cash rate of 0.10 per cent. The RBA also launched a Term Funding Facility, now in the order of \$200 billion, which further reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). The market responded to these actions by reducing the rates on offer, with the lower investment yields continuing to have a sustained adverse impact on the City's portfolio return.

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

The majority of the City's cash and investments portfolio is held as internally restricted (\$313.6M) or externally restricted (\$68.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, 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 0.56 per cent for September, which remains 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 0.57 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.02 per cent, the latest AusBond Bank Bill Index of 0.04 per cent and the enhanced benchmark of 0.47 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.

While the returns are at a historic low point, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

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 September 2021 be received and noted.

Attachments

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

Attachment B. Investment Performance as at 30 September 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 September 2021 is \$713.4M, an increase of approximately \$25.8M from the \$687.6M reported as at 31 August 2021, reflecting additional rates receipts, offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of September is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$313.6M) or externally restricted (\$68.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, 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 0.56 per cent for September, 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 0.57 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.02 per cent, the latest AusBond Bank Bill Index of 0.04 per cent and the enhanced benchmark of 0.47 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.
9. While the returns are at a historic low point, relative to returns currently available in the equity and property markets, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but a high level of security. The City's returns from the investment portfolio are line with cash managed funds in the market.

10. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, again on 20 March 2020, and most recently in November 2020 down 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.
11. The City's cash inflows, whilst reasonably resilient, 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 and parking related 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.
12. 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.
13. 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

14. 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

15. The City's investments earned interest of \$0.3M for the month of September 2021, marginally above budgeted earnings of \$0.2M, as our opening cash balance for the year was higher than anticipated when the budget was prepared.
16. The budget for 2021/22 represents a substantial reduction on prior years, in anticipation of earning lower returns on the portfolio due to the reduced rates on offer in the market, a situation expected to continue for the short to medium term.

Economic

17. 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.
18. The RBA has reduced the official cash rate down to 0.10 per cent on 2 November 2020, and has indicated that this 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.
19. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong, however the low official cash rate and market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. While 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, the best available returns continue to be actively sought when surplus funds are invested.
20. 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

21. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
22. 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.
23. 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.
24. 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

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

Public Consultation

26. 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.
27. 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.
28. 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.
29. 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. The City currently holds \$60M in eight tranches with this Green Tailored deposit.
30. The City also invested in eight tranches, totalling \$55M, 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.
31. 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

BILL CARTER

Chief Financial Officer

Attachment A

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

Register of Investments and Cash for September 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	2,330,182	2,330,182	0.00%	0.00%	0.00%	1-Oct-21	22-May-12	0
Commonwealth Bank	AA	27,186,072	27,186,072	0.02%	0.20%	0.20%	1-Oct-21	11-Jun-20	0
Macquarie Bank Ltd	AA	6,946,288	6,946,288	0.03%	0.35%	0.35%	1-Oct-21	21-Sep-20	0
Total		36,462,542	36,462,542	0.02%	0.22%	0.22%			
Term Deposits (TD)									
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
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	8-Oct-21	9-Dec-20	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.64%	0.64%	14-Oct-21	14-Oct-20	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Oct-21	12-Jan-21	9
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	AA	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
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	24-Dec-21	25-Jan-21	11
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%	11-Jan-22	8-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%	12-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	8-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	11-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	25-Jan-22	25-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
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	15-Feb-22	10-Aug-21	6
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
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Feb-22	2-Jul-21	8
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%	0.32%	0.32%	11-Mar-22	10-Sep-21	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Mar-22	7-Sep-21	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	18-Mar-22	13-Aug-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	29-Mar-22	21-Sep-21	6
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
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Apr-22	9-Jul-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	14-Apr-22	16-Jul-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Apr-22	9-Aug-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	26-Apr-22	14-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Apr-22	30-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	29-Apr-22	2-Sep-21	8
ME Bank	A	3,000,000.00	3,000,000.00	0.04%	0.50%	0.50%	6-May-22	31-Aug-21	8
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	10-May-22	9-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	13-May-22	14-May-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	20-May-22	20-Aug-21	9
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.27%	0.27%	24-May-22	20-Aug-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.31%	0.31%	27-May-22	30-Sep-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.25%	0.25%	27-May-22	10-Sep-21	8
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
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	3-Jun-22	2-Sep-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	7-Jun-22	17-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	10-Jun-22	11-Jun-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	17-Jun-22	21-Sep-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	17-Jun-22	26-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	21-Jun-22	27-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	24-Jun-22	25-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	5-Jul-22	5-Jul-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	8-Jul-22	31-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	15-Jul-22	30-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Jul-22	24-Aug-21	11
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Jul-22	24-Aug-21	11
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	2-Aug-22	27-Aug-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Aug-22	13-Aug-21	12
Westpac Banking Corporation (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	26-Aug-22	31-Aug-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	30-Sep-22	29-Sep-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	25-Aug-23	23-Aug-21	24
National Aust Bank (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	22-Sep-23	24-Sep-21	24
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 (2.90% Fixed 2 years & 3 Months BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.93%	0.92%	11-Oct-21	1	

Register of Investments and Cash for September 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)
Term Deposits (TD) 'Green Tailored Deposits'									
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	5,000,000.00	5,000,000.00	0.02%	0.29%	0.29%	26-Nov-21	27-Jul-21	4
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	10,000,000.00	10,000,000.00	0.04%	0.46%	0.46%	23-Dec-21	23-Dec-20	12
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	8-Mar-22	9-Mar-21	12
Westpac Banking Corporation - Green Tailored Deposit (0.50% Fixed 1 years & 3 months BBSW + 47 points for year 1)	AA	10,000,000.00	10,000,000.00	0.04%	0.50%	0.50%	21-Dec-22	21-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (0.47% Fixed 1 years & 3 months BBSW + 45 points for year 2)	AA	10,000,000.00	10,000,000.00	0.04%	0.47%	0.47%	23-Dec-22	23-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.08%	0.91%	0.96%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	1.45%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000.00	10,000,000.00	0.09%	1.08%	1.09%	24-Jan-24	25-Jan-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.03%	1.05%	28-Feb-24	1-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.03%	1.04%	11-Mar-24	13-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.04%	1.04%	22-Mar-24	25-Mar-19	60
Total		536,000,000	536,000,000	0.04%	0.51%	0.52%			
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%	1.05%	1.06%	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%	0.88%	0.88%	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%	0.90%	0.91%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.26%	1.27%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.08%	1.01%	1.02%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,003,941.39	0.08%	1.00%	1.01%	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%	0.99%	1.00%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.08%	1.00%	1.08%	3-Feb-23	5-Feb-18	60
Credit Union Australia (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.91%	0.93%	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%	0.87%	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%	0.92%	0.93%	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%	0.92%	0.95%	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%	0.92%	0.96%	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%	0.80%	0.81%	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%	0.97%	0.97%	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%	1.07%	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%	1.05%	1.07%	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%	0.95%	0.96%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.06%	0.94%	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%	0.78%	0.82%	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%	0.80%	0.80%	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%	0.86%	0.87%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.10%	1.15%	1.15%	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%	0.46%	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%	0.67%	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%	0.68%	0.67%	18-Jun-26	18-Jun-21	60
Suncorp Bank (90 days BBSW + 48 points)	A	3,750,000.00	3,750,000.00	0.04%	0.51%	0.51%	15-Sep-26	15-Sep-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%	0.93%	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%	0.96%	31-Mar-22	31-Mar-17	60
Total		119,950,000	119,953,941	0.07%	0.88%	0.89%			
Total Investments		692,412,542	692,416,483	0.05%	0.56%	0.57%			
Benchmark: 30 Day Bank Bill Index				0.00%	0.01%	0.02%			
Benchmark: Bloomberg AusBond Bank Bill Index				0.00%	0.00%	0.04%			
City of Sydney's available bank balance as at 30 September 2021		21,003,555	21,003,555						
TOTAL INVESTMENTS & CASH		713,416,096	713,420,038						

Summary of Net Investment Movements - September 2021

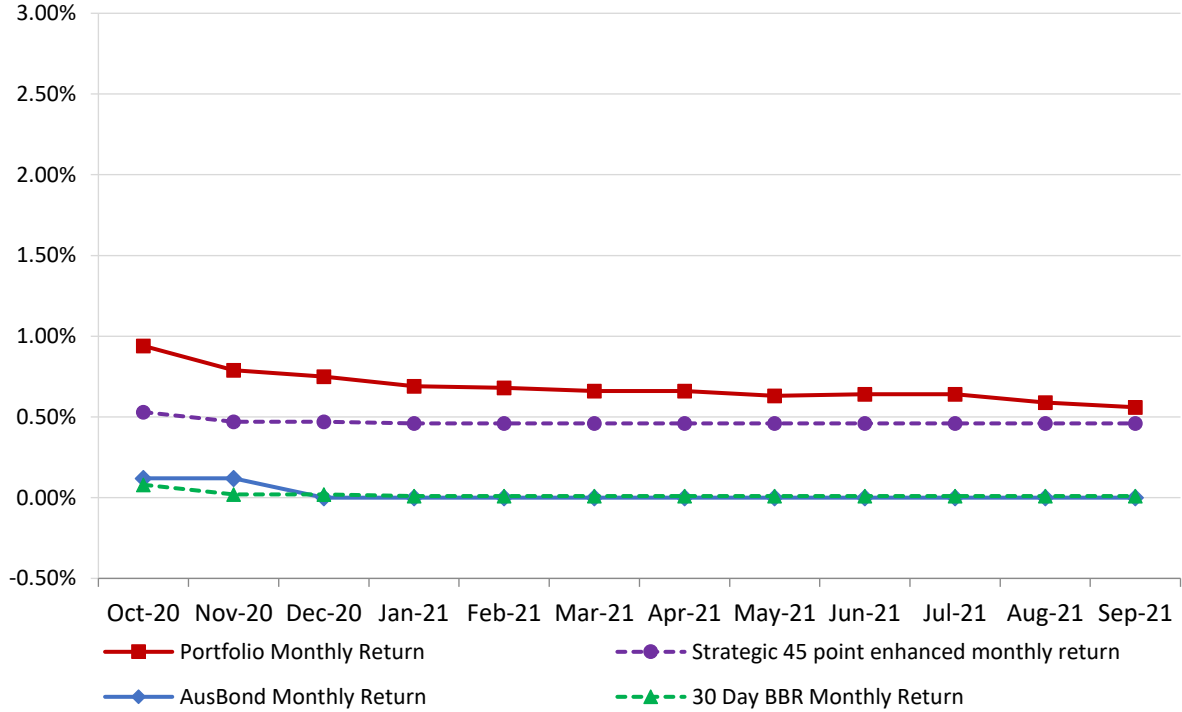
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<u>General Fund</u>			
Westpac Banking Corporation	AA	4,000,000	September closing balance is higher compared to August, due to higher volume of receipts in General fund from rates and other income
<u>Call Account</u>			
Commonwealth Bank	AA	(3,000,000)	Funds from Call account placed in higher yielding Term deposits
Macquarie Bank Ltd	A	1,000,000	Additional income placed in Macquarie Bank Call Account
<u>Term Deposits (TDs)</u>			
Commonwealth Bank	AA	10,000,000	Redeemed matured investments and additional income placed in higher yielding term deposits.
IMB	A	5,000,000	
Westpac Banking Corporation	AA	5,000,000	
<u>Floating Rate Notes (FRNs)</u>			
Suncorp Bank	A	3,750,000	Redeemed matured investments and additional income placed in higher yielding floating rate notes

Attachment B

**Investment Performance
as at 30 September 2021**

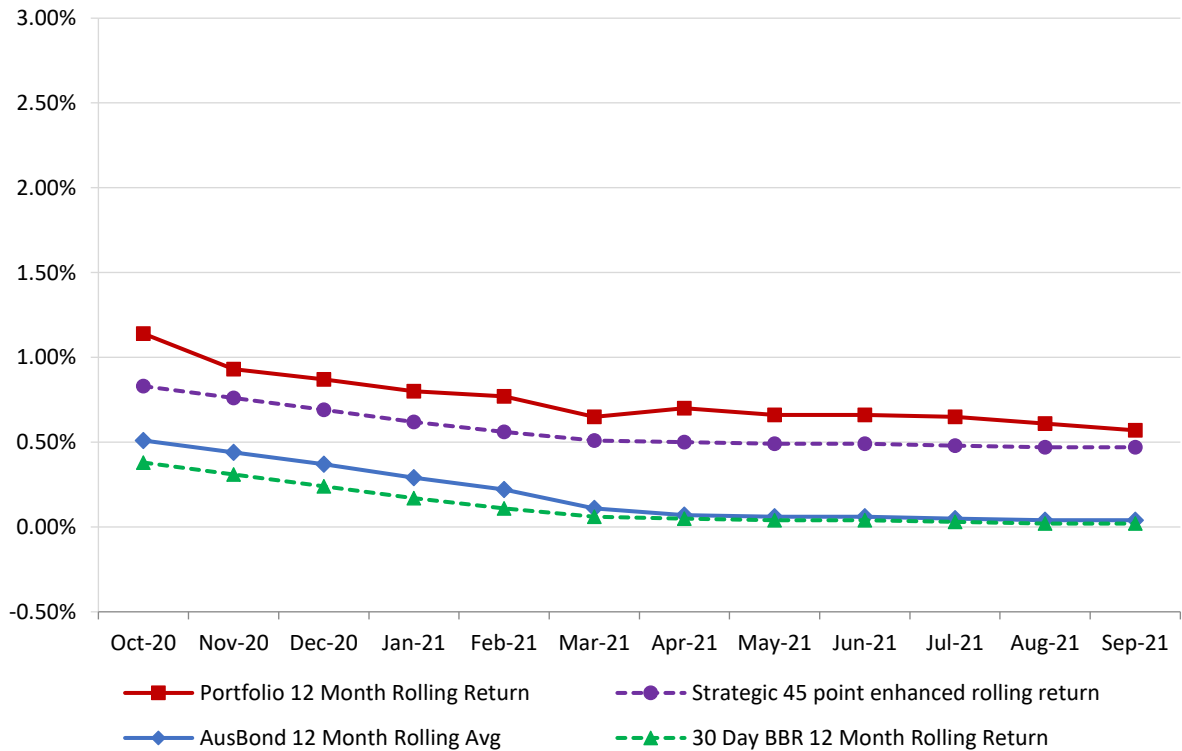
Monthly Results

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

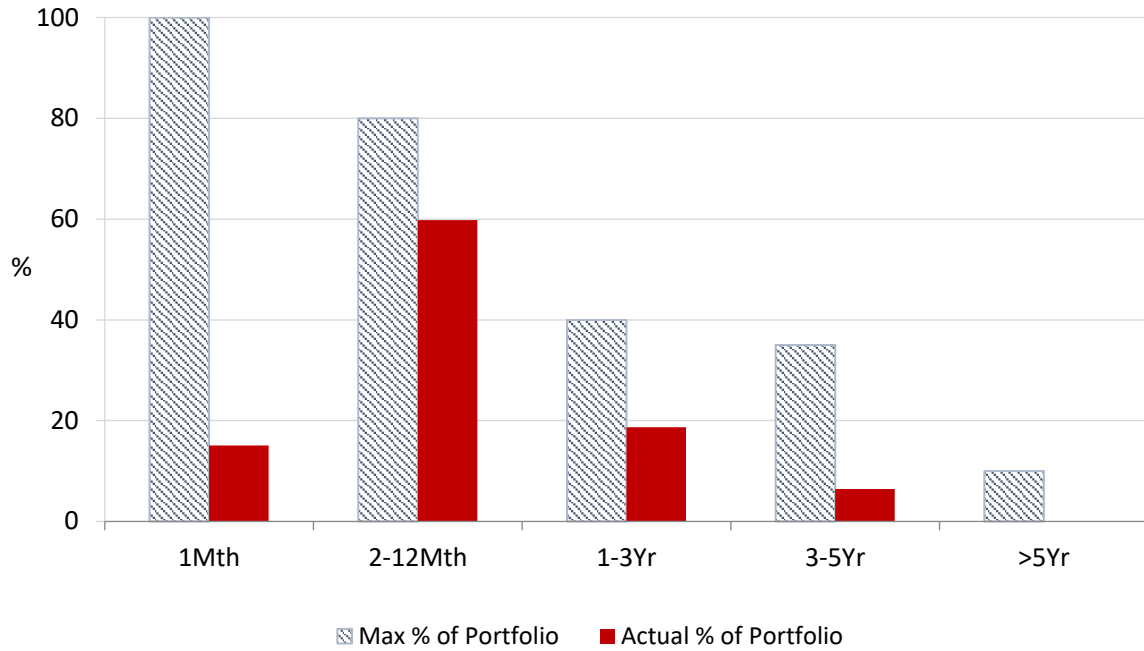


12 Month Rolling Averages

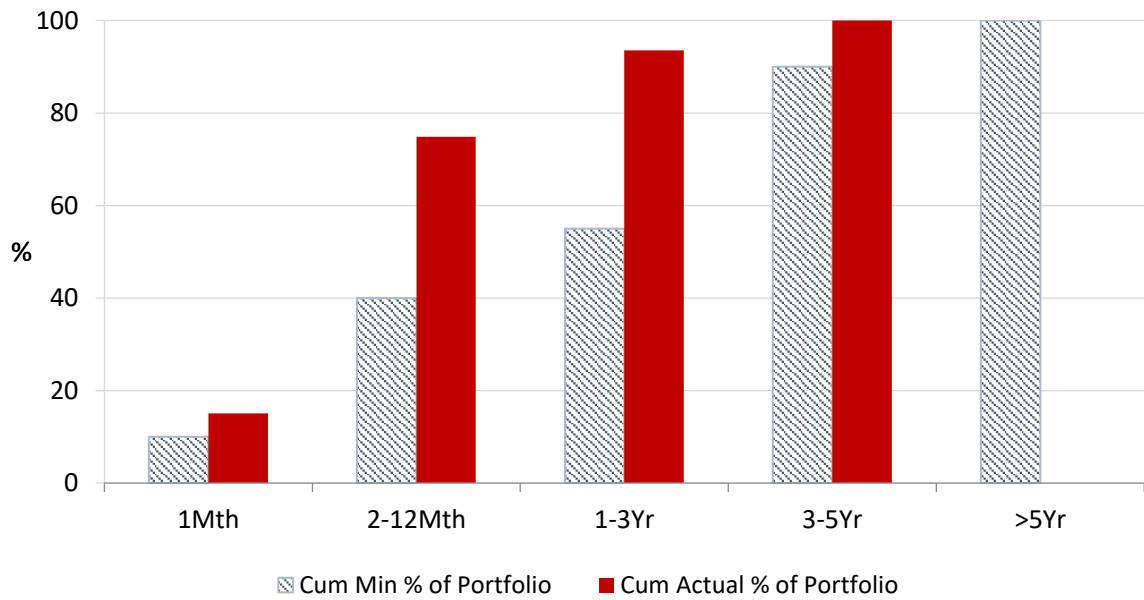
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
September 2021



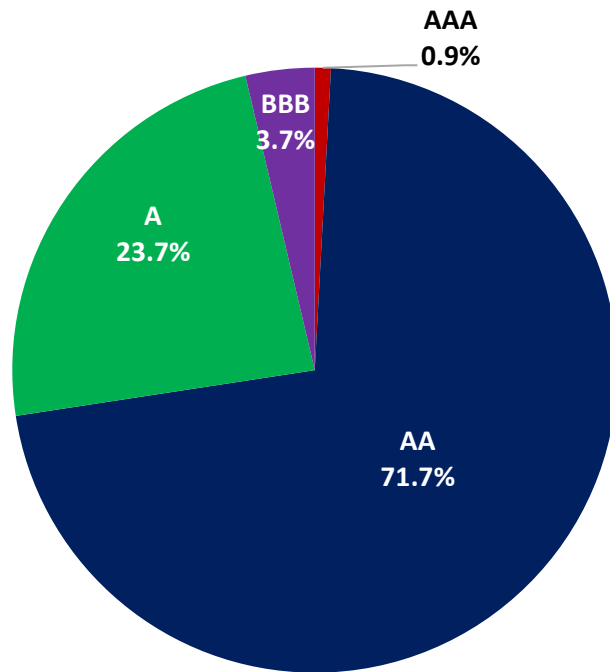
Portfolio Liquidity - Maximum Allowances as at 30 September 2021



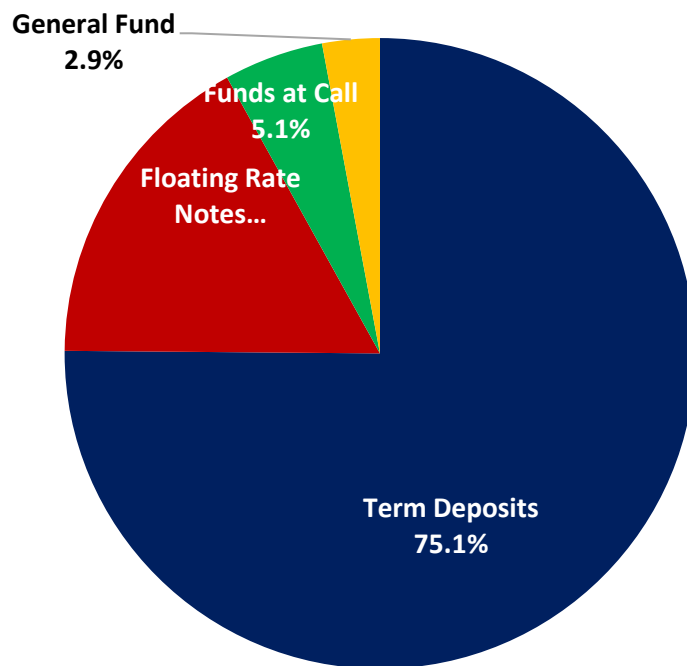
Portfolio Liquidity - Minimum Allocations as at 30 September 2021



Risk Profile as at 30 September 2021



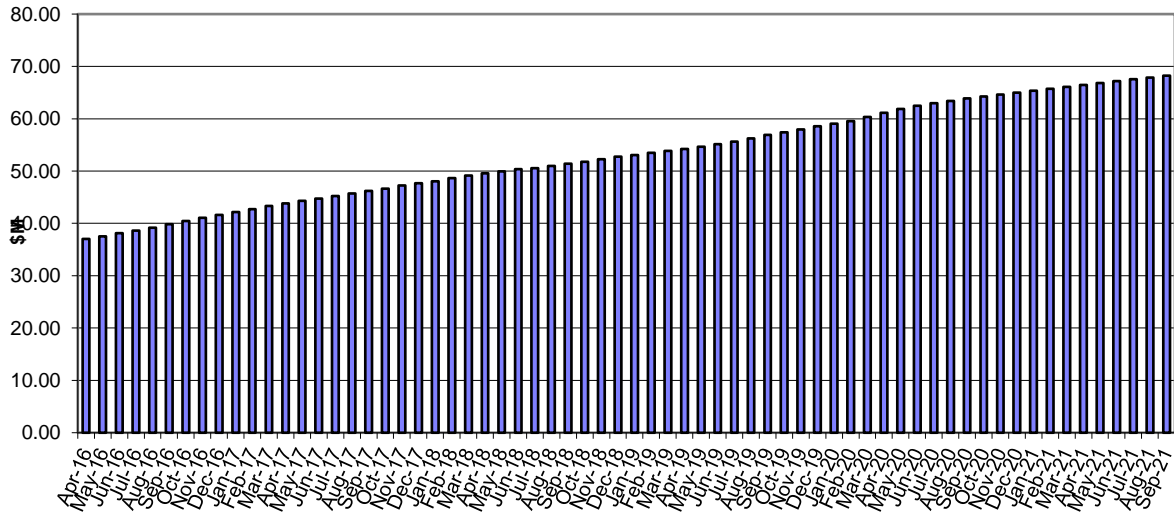
Investment Product Profile as at 30 September 2021



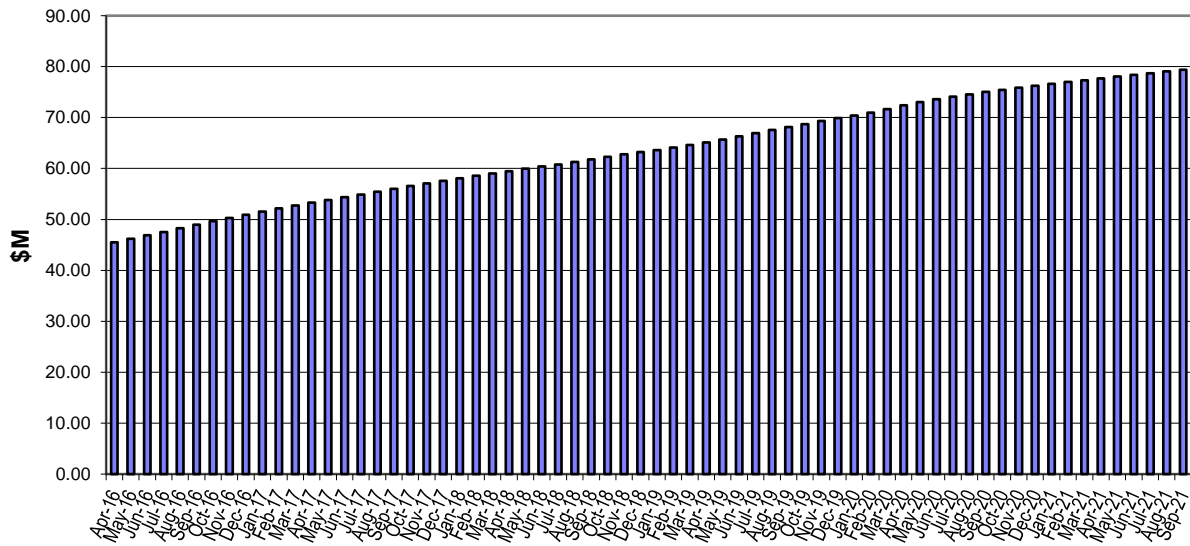
INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION
as at 30 September 2021

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	18.0	2.5	
	Commonwealth Bank	225.3	31.6	
	National Aust Bank	70.7	9.9	
	Westpac Banking Corporation	192.3	27.0	
Big 4 Total		506.3		71.0
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.7	
	Bank of China	4.5	0.6	
	Bank of Queensland	34.0	4.8	
	Bendigo & Adelaide Bank	50.0	7.0	
	Great Southern Bank (formerly Credit Union Australia)	4.3	0.6	
	IMB	10.0	1.4	
	ME Bank	16.0	2.2	
	Suncorp Bank	18.4	2.6	
	Macquarie Bank Ltd	49.9	7.0	
	Northern Territory Treasury Corporation	10.0	1.4	
	Newcastle Permanent Building Society	5.0	0.7	
Other ADI Total		207.1		29.0
Grand Total		713.4	100.0	100.0

Cumulative Outperformance over AusBond Benchmark - 2015-2021



Cumulative Outperformance over 30 Day BBR Benchmark - 2015-2021



Item 6.**Tender - T-2021-511 - Green Square to Ashmore Connector Road****File No: X010053.012****Tender No: T-2021-511****Summary**

This report provides details of the tenders received for construction of the Green Square to Ashmore Connector Road and Associated Works.

The Green Square to Ashmore Connector will comprise a new 380-metre street running from Botany Road to Bowden Street. The new street includes two new signalised intersections at O'Riordan Street and Bourke Road and upgrade works to the existing Botany Road/Geddes Avenue signalised intersection.

The eastern section of the road between Botany Road and O'Riordan Street is required to be completed by September 2022. The renewal of adjoining lands for affordable housing and employment-based land use is forecast to commence in late 2022.

This report recommends that Council accept the tender offer of Tenderer E for construction of the Green Square to Ashmore Connector Road and Associated Works, and approve additional funding required.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer E for the construction of Green Square to Ashmore Connector Road and Associated Works for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council approve the additional funds as detailed in Confidential Attachment A to the subject report.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The Green Square to Ashmore Connector is a transport initiative to improve the east-west connection between the Ashmore Precinct and Green Square Town Centre for pedestrians, cyclists, buses and local vehicles.
2. The Green Square to Ashmore Connector Road project is located within the Green Square Urban Renewal Area and connects Geddes Avenue to Bowden Street. The Green Square to Ashmore Connector will comprise a new 380-metre street running from Botany Road to Bowden Street, intersecting O'Riordan Street and Bourke Road with two signalised intersections and upgrade works to the existing Botany Road/Geddes Avenue signalised intersection.
3. In 2017, the City prepared a Review of Environmental Factors for the then concept design of the proposed road: Green Square to Ashmore Connector Road between Botany Road and Bowden Street, Alexandria. Following exhibition and consideration of issues raised in submissions, the 2017 Review of Environmental Factors (REF) was determined by the City under the Environmental Planning and Assessment Act 1979 in December 2018.
4. In October 2018, AECOM were awarded the design consultancy tender for detailed design of the Green Square to Ashmore Connector endorsed through the Tender Review Group and approved by the Chief Executive Officer.
5. Based on the 2017 Review of Environmental Factors concept design, AECOM completed the design of an early works package including building demolition and remediation works and bulk earthworks to subgrade level. A construction contract for the early works package was subsequently awarded to Delta Pty Ltd in April 2019.
6. Remediation works and bulk earthworks between Botany Road and O'Riordan Street and all building demolition works, were completed by Delta in December 2019. Delta will be commencing remediation works and bulk earthworks between O'Riordan Street and Bourke Road in October 2021, now that a construction access licence has been agreed with Ausgrid, landowner of 15 O'Riordan Street.
7. The concept design developed by AECOM was presented to the City's Design Advisory Panel in April 2019. The panel made several design recommendations requiring amendments to the concept design. These changes to the concept design were made and issued to Transport for NSW who had previously agreed 'in principle' to the original design. Further changes were subsequently made to address Transport for NSW concerns.
8. The amended concept design approved in principle by Transport for NSW, provides for the road to operate primarily as an active and public transport corridor (bus route with pedestrian and cycle access), actively limiting private vehicle access. As a result, a new Review of Environmental Factors (REF) for the amended road scheme was prepared and placed on public exhibition from 19 April to 17 May 2021. The Review of Environmental Factors Determination Report has been finalised for determination by the City.

Invitation to Tender

9. In early 2021, the City advertised an expression of interest for companies to provide a written submission against a brief for the opportunity to progress on to Tender for the construction of the Green Square to Ashmore Connector Road and Associated Works. From this expression of interest process a shortlist of five companies were selected to proceed to a Request for Tender stage.
10. The Tender was issued to the shortlisted companies on 17 August 2021. The Tender closed online on 15 September 2021 after a period of four weeks.
11. The tender includes two separable portions - the eastern section of the road between Botany Road and O’Riordan Street and western section of the road between O’Riordan Street and Bourke Road. The eastern section is required to be completed by September 2022. The renewal of adjoining lands for affordable housing and employment-based land uses is expected to be commenced within or near this time, including:
 - (a) St George Community Housing development at 338 Botany Road;
 - (b) City West Housing development at 330-338 Botany Road / 20 O’Riordan Street; and
 - (c) Markham commercial development at 22 O’Riordan Street.

Tender Submissions

12. Five submissions were received from the following organisations:
 - Ford Civil Contracting Pty Ltd;
 - Haslin Construction Pty Ltd;
 - Quickway Constructions Pty Ltd;
 - Robson Civil Projects Pty Ltd; and
 - Ward Civil Engineering Pty Ltd.
13. No late submissions were received.

Tender Evaluation

14. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
15. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

16. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) current company commitments and specified personnel and sub-contractors including key project team members demonstrated managerial capability, qualifications, percentage of time on the project and experience;
 - (b) proposed program for the two Separable Portions and capacity to achieve the program/deliverables;
 - (c) proposed methodology for the two Separable Portions, including pedestrian and traffic management, site management, construction environmental management, fleet management and plant, equipment and materials;
 - (d) Work, Health and Safety;
 - (e) financial and commercial trading integrity, including insurances; and
 - (f) lump sum price.

Performance Measurement

17. The City will ensure that performance standards are met during the contract by:
 - (a) holding weekly site meetings with the contractor's project team to discuss WHS, environment, progress of work against contract program, sub-contractor items, requests for information, hold and witness points, quality non-conformances, public enquires and planned liaison activities, extensions of time claims and variations;
 - (b) holding monthly project control group meetings with the contractor's senior management team to discuss the monthly report and critical issues; and
 - (c) monitoring and assessing the contractor's performance in accordance with the Principal's Key Performance Indicators including WHS compliance, quality of work, time, reporting and communication.

Financial Implications

18. Additional funds are required for this project, as detailed in Confidential Attachment A.

Relevant Legislation

19. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
20. 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.
21. Attachment A contains confidential commercial information of the tenderers and details of Council's tender 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.
22. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

23. Contract Award November 2021.
24. Commence construction December 2021.
25. Separable Portion 1 (eastern section between Botany Rd and O'Riordan St) - forecast Date of Practical Completion September 2022.
26. Separable Portion 2 (western section between O'Riordan St and Bourke Rd) - forecast Date of Practical Completion late 2023.

Public Consultation

27. The Review of Environmental Factors (REF) was placed on public display from 19 April to 17 May 2021. The public display strategy for the Review of Environmental Factors used a range of consultation methods, in line with the City and the NSW Health mandated Covid-19 safe practices which were in effect for all or part of the public display period.
28. The construction liaison group for the City's Green Square town centre projects meets quarterly. The group gives residents and businesses a chance to voice concerns and ask questions about City projects.
29. Notification letters will be sent to property owners and businesses prior to construction.
30. During construction, there will be close liaison between property owners, businesses, City staff and the contractors to minimise disruption to properties in the area. The contractor will also have a Community Liaison Officer for the project.

AMIT CHANAN

Director City Projects and Property

Peter Calantzis, Senior Project Manager

Sam Wheatley, Delivery Manager

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Item 7.

Exemption from Tender and Contract Variations – Contracts Impacted by the Postponement of the 2021 Local Government Election

Document to Follow

Item 8.**Lease Approval (Confidential)****File No: S096173****Summary**

This report relates to a confidential leasing matter.

Attachments A and B contain confidential 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 ability to negotiate fairly and commercially 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. Lease Approval (Confidential)

Attachment B. Essential Lease Terms and Conditions (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 compromises 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 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 ability to negotiate fairly and commercially achieve the best outcome for the ratepayers.

AMIT CHANAN

Director City Property and Projects

Matthew Woodroffe. Commercial Portfolio Manager

CONFIDENTIAL
By virtue of the Local Government Act 1993 Section 10A Paragraph 2

Document is Restricted

CONFIDENTIAL
By virtue of the Local Government Act 1993 Section 10A Paragraph 2

Document is Restricted

Item 9.

Property Matter (Confidential)

Document to Follow

Item 10.

Grants and Sponsorship - Round Two 2021/22 - Economic Grants

File No: S117676

Summary

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city and assist in the recovery from the Covid-19 pandemic. To achieve the objectives of the Community Recovery Plan and Sustainable Sydney 2030, genuine partnership between government, business and the community is required.

The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, cultural, economic and environmental policies. Applications are assessed against these policies and against broad City objectives and plans. In this way, the City and the community act collaboratively to achieve the goals of the Community Recovery Plan and Sustainable Sydney 2030.

The City advertised the following two categories of the Business Support Grant Program as part of Round Two of the annual Grants and Sponsorship Program for 2021/22:

- Business Support Grant - Live Music and Performance; and
- Business Support Grant - Night Time Diversification.

For the Business Support Grants - Live Music and Performance Program, 30 eligible applications were received. This report recommends a total of 10 grants to a total value of \$209,230 in cash for the 2021/22 financial year.

For the Business Support Grants - Night Time Diversification Program, 79 eligible applications were received. This report recommends a total of 16 grants to a total value of \$275,890 in cash for the 2021/22 financial year.

2021/22 cash commitments recommended for Night Time Diversification Program will be funded in part through the CBD Revitalisation Fund, a \$20 million partnership between the City and NSW Government adopted by Council on 26 October 2020 to boost the city centre economy, support businesses and creatives and invite the public safely back into the city.

On 22 February 2021, Council adopted a revised Grants and Sponsorship Policy. All grants in this report were assessed in accordance with the Grants and Sponsorship Policy, the Grants and Sponsorship Guidelines, the priorities set out in the Community Recovery Plan and various other relevant City strategies and action plans.

All grant recipients will be required to sign a contract, meet specific performance outcomes and acquit their grant. All figures in this report exclude GST.

Recommendation

It is resolved that:

- (A) Council approve the cash recommendations for the Business Support - Live Music and Performance Grant Program as per Attachment A to the subject report;
- (B) Council note the applicants who were not successful in obtaining a cash grant for the Business Support - Live Music and Performance Grant Program as per Attachment B to the subject report;
- (C) Council approve the cash recommendations for the Business Support - Night Time Diversification Grant Program as per Attachment C to the subject report;
- (D) Council approve the cash recommendations for the Business Support - Night Time Diversification Grant Program as per Attachment D to the subject report;
- (E) Council note the applicants who were not successful in obtaining a cash grant for the Business Support - Night Time Diversification Grant Program as per Attachment E to the subject report;
- (F) Council note that all grants amounts are exclusive of GST;
- (G) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy; and
- (H) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

- Attachment A.** Recommended for Funding - Round Two 2021/22 - Live Music and Performance Grant Program
- Attachment B.** Not Recommended for Funding – Round Two 2021/22 - Live Music and Performance Grant Program
- Attachment C.** Recommended for Funding – Round Two 2021/22 - Night Time Diversification Grant Program - City of Sydney Funding
- Attachment D.** Recommended for Funding – Round Two 2021/22 - Night Time Diversification Grant Program - CBD Revitalisation Fund
- Attachment E.** Not Recommended for Funding – Round Two 2021/22 - Night Time Diversification Grant Program

Background

1. The City of Sydney's Grants and Sponsorship Program supports residents, businesses and not-for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. On 19 July 2021, the City announced Round Two of the annual grants program for 2021/22 as being open for application on the City's website, with grant applications closing on 23 August 2021.
3. The two categories of the Business Support Grant promoted were:
 - (a) Live Music and Performance; and
 - (b) Night Time Diversification.
4. Information about these grant programs (such as application dates, guidelines and eligibility criteria) was made available on the City's website. The City actively promoted the program through corporate website, e-newsletters, Facebook, Instagram, Twitter, LinkedIn, AdWords, ArtsHub, Google display ads and Koori Radio. Third parties who supported the grant call out through their networks include Supply Nation and Sydney University. Email campaigns were utilised to target interested parties who have applied previously for grants at the City or who have expressed an interest in the City's programs.
5. Following adoption of the revised Grants and Sponsorship Policy on 11 December 2017, the Live Music and Performance and Night Time Diversification categories are open to appropriately incorporated for-profit organisations and partnerships.
6. Twenty-seven applications were received this round from for-profit organisations and sole traders through the Business Support Grant - Live Music and Performance category and the following 7 for-profit organisations and sole traders are recommended in this report:
 - (a) B.S Hancock & J.E Suffern;
 - (b) Bar Whispers Pty Ltd;
 - (c) Club 77 Holdings Pty Ltd;
 - (d) Rebel and Rogue Music Pty Ltd;
 - (e) The Experience Entertainment Group Pty Ltd;
 - (f) The Trustee for The Joyride Trust; and
 - (g) Ventures S&S Pty Ltd.
7. Seventy-six applications were received this round from for-profit organisations, partnerships, trusts and sole traders through the Business Support Grant - Night Time Diversification category, and the following 14 for-profit organisations, partnerships and trusts are recommended in this report:
 - (a) Art Pharmacy Pty Ltd;
 - (b) B.S Hancock & J.E Suffern;

- (c) Chippolord Pty Ltd;
 - (d) Esteban Restaurant Pty Ltd;
 - (e) Guy Peter Morgan;
 - (f) Mary's Group Australia Pty Ltd;
 - (g) PM Production Design & Management Pty Ltd;
 - (h) Rebel and Rogue Music Pty Ltd;
 - (i) Shady Pines Saloon Pty Ltd;
 - (j) Since I Left You Pty Ltd;
 - (k) Smart & Mazzocca Pty Ltd;
 - (l) Sophie Wyn Parry;
 - (m) The Trustee for 18 York St Unit Trust; and
 - (n) Thom Global Pty Ltd.
8. There were a total of 109 grant applications received under the Business Support Grants. Twenty-six are recommended for funding as detailed in this report.
9. Additional cash funding for Night Time Diversification is provided through the CBD Revitalisation Fund, a \$20 million partnership between the City and NSW Government adopted by Council on 26 October 2020. Of the \$20 million provided, \$15 million was incoming funds from NSW Government and \$5 million was funded by savings in the City Life division including savings from Sydney New Year's Eve 2020 and other events that were not possible due to the pandemic.
10. On 17 May 2021, Council endorsed the City of Sydney continuing its partnership with the NSW Government in delivering CBD recovery, by allocating \$2.2 million from our existing grants program to encourage events and activations in the CBD and surrounds. Business Support Grants - Night Time Diversification is one of these existing grants programs.
11. As a result of the ongoing partnership with NSW Government, in July 2021 NSW Government agreed for \$470,000 of the CBD Revitalisation Fund be allocated to these grant programs for Round 2 2021-22:
- (a) Festivals and Events (Artform);
 - (b) Festivals and Events (Village and Community); and
 - (c) Business Support Grants - Night Time Diversification.
12. Grants recommended for funding from the CBD Revitalisation Fund are those which will boost the city centre economy, support businesses and creatives and invite the public safely back into the CBD and surrounds.

13. It is expected that all successful applicants will work co-operatively with relevant City staff throughout the project for which they have received funding. Some applicants will be required to meet with City staff and further define the strategic outcomes of their project prior to receiving the grant and commencing their project.
14. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant. In the current environment this includes but is not limited to, requirements associated with the service of alcohol or food services, consent from the respective landowner(s), and State Planning Legislation and State Government health requirements. What the City does approve includes Development Approvals and outdoor temporary event activities.
15. The City's Grants and Sponsorship Program is highly competitive. Applications that are not recommended have either not scored as highly against the assessment criteria as the recommended applications or have incomplete or insufficient information. The City's Grants and Sponsorship team provides feedback to unsuccessful applicants.
16. The assessment process includes advice and recommendations from a suitably qualified assessment panel. The applications are scored against defined criteria for each grant program as well as the integrity of the proposed budget, project plan, partnerships, contributions and connection to the local community and industry sectors. Once recommended applications are approved by Council, a contract is developed, which includes conditions that must be adhered to, and acquitted against.
17. In assessing the grant applications, the assessment panels included in their considerations and recommendations:
 - (a) Community Recovery Plan 2020;
 - (b) Creative City Cultural Policy and Action Plan;
 - (c) Economic Development Strategy;
 - (d) Grants and Sponsorship Policy;
 - (e) Live Music and Performance Action Plan;
 - (f) OPEN Sydney Strategy and Action Plan;
 - (g) Sustainable Sydney 2030; and
 - (h) alignment with other core City strategic policies and action plans.
18. Assessors consider the cash and in-kind contribution from the applicant and other sources in reviewing applications. Applicants are asked to demonstrate a capacity to match the grant investment with other sources of funding or contribute their own cash resources to the project.
19. Applicants are requested to list their project's community partners, confirmed funding sources and the contribution the organisation is making to the project (cash or in-kind) to demonstrate their contribution.

Business Support Grants - Live Music and Performance

20. The Live Music and Performance category aims to support local businesses, venues and licensed premises to undertake capital works or equipment upgrades to either introduce live entertainment to a business's offerings or to improve existing live music and performance venues, rehearsal and recording studios and spaces for creative production and participation. These projects might include:
 - (a) acoustic improvements to help manage sound transfer from venues to surrounding properties;
 - (b) investment in equipment or in-venue acoustics which improve audience experience;
 - (c) works that facilitate the introduction of live music or performance programming, or significantly improve/expand existing programming; or
 - (d) works that improve the health and safety of audiences, performers and venue staff.
21. The assessment panel for the Live Music and Performance Program consisted of members from the City's City Business and Safety, Venue Management, Strategy, Urban Analytics and Communications teams, as well as a representative from Heaps Gay.
22. The applications recommended for the Live Music and Performance Program with City of Sydney funding are outlined in Attachment A to this report. The applications not recommended are listed in Attachment B to this report.

23. The Business Support Grants - Live Music and Performance budget is set out below:

Total cash budget for 2021/22	\$225,000
Total cash committed to previously approved applications	\$79,868
Total cash available for 2021/22	\$145,132
Total number of eligible applications this allocation	30
Total cash value requested from applications	\$745,650
Total number of applications recommended for cash support	10
Total amount of cash funding recommended from budget 2021/2022	\$209,230
Total cash overspend to be absorbed in the overall Grants and Sponsorship Program budget cash amount remaining in 2021/22 (see below for source of funds for overrun)	-\$64,098

Business Support Grants - Night Time Diversification

24. The Night Time Diversification category aims to support projects that increase the variety of business offerings and activities in commercial precincts after 6pm. The grants assist businesses to trade later through creative programming and initiatives, and in doing so, attract new customers and create lively, safe and engaging city precincts after dark, contributing to the night time economy and the cultural and economic character of the city. The grant also supports live entertainment venues to extend or expand their programming of live music and performance (such as comedy, cabaret, theatre and poetry programs) as well as creative producers who wish to work with businesses in their area to curate a program of events or night-time activities.
25. The assessment panel for the Night Time Diversification program consisted of members from the City's City Business and Safety, Strategy, Urban Analytics and Communications, Grants and Sponsorship, Cultural Venues, Indigenous Leadership and Engagement and Social Programs and Services teams.
26. The applications recommended for the Night Time Diversification Program with City of Sydney funding are outlined in Attachment C to this report. The applications recommended for the Night Time Diversification Program with NSW Government funding are outlined in Attachment D to this report. The applications not recommended are listed in Attachment E to this report.

27. The CBD Revitalisation Fund budget of \$470,000 is allocated across three grant programs:
- (a) \$142,830 for Festivals and Events Sponsorship (Artform);
 - (b) \$115,000 for Festivals and Events Sponsorship (Village and Community); and
 - (c) \$212,170 for Business Support Grants - Night Time Diversification.
28. This leaves no underspend of the CBD Revitalisation Fund.
29. The Business Support Grants - Night Time Diversification Program budget is set out below:

Total cash budget for 2021/22	\$200,000
Total cash committed to previously approved applications	\$126,840
Total cash available from budget for 2021/22	\$73,160
Total cash available from CBD Revitalisation Fund program for 2021/22	\$212,170
Combined total cash available for 2021/22	\$285,330
Total number of eligible applications this allocation	79
Total cash value requested from applications	\$1,902,731
Total number of applications recommended for cash support	16
Total amount of cash funding recommended from budget 2021/2022	\$63,720
Total amount of cash funding recommended from the CBD Revitalisation Fund 2021/22	\$212,170
Total cash underspend to be made available for other grant programs with recommended overspend currently being considered by Council in 2021.	\$9,440

Key Implications

Strategic Alignment - Sustainable Sydney 2030

30. 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 6 - Vibrant Local Communities and Economies - the recommended grant projects in this report contribute to fostering strong and sustainable local economies.
 - (b) Direction 7 - A Cultural and Creative City - the recommended grant projects in this report contribute to a city where opportunities for individual creative expression and participation in all its forms are visible, valued, and accessible, and where business and creative opportunities for local artists, creative workers and cultural organisations are supported.

Organisational Impact

31. The grants and sponsorships contract management process will involve key staff across the City of Sydney. Identified staff set contract conditions and performance measures for each approved project, and review project acquittals, which include both narrative and financial reports.

Economic

32. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities, and community organisations, within the local area.

Financial Implications

33. A combined total of \$485,120 is recommended in this report which exceeds the 2021/22 Economic Grants program budgets, as noted in the financial table below.

	Funding Recommended	Budget available	Shortfall
Business Support Grant - Live Music and Performance - CoS Budget	\$209,230	\$145,132	-\$64,098
Business Support Grant - Night Time Diversification - CoS Budget	\$63,720	\$73,160	\$9,440
Business Support Grant - Night Time Diversification - CBD Revitalisation Fund	\$212,170	\$212,170	\$0
Total Shortfall			-\$54,658

34. All expenditure that exceeds the nominated budgets for the 2021/22 financial year outlined in the Operational Plan will be offset in full from the overall Grants and Sponsorship Program's budget. These savings have occurred as a result of an underspend in the Grants and Sponsorship Festivals and Events (Village and Community) Program.

Relevant Legislation

35. Section 356 of the Local Government Act 1993. 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.
36. Section 356(3)(a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
- (a) the funding is part of the following programs:
 - (i) Business Support Grant – Live Music and Performance; and
 - (ii) Business Support Grant – Night Time Diversification.
 - (b) the details of the Business Support Grant programs have been included in Council's operation plan for financial year 2021/22;
 - (c) the program's proposed budgets do not exceed five per cent of Council's proposed income from ordinary rates for financial year 2021/22; and
 - (d) these programs apply to a significant group of persons within the local government area.

Critical Dates / Time Frames

37. The funding period for Round Two of the Business Support Grants for 2021/22 is for activity taking place from 1 January 2022 to 31 December 2022. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in January.

Public Consultation

38. For all Round Two programs open to application, one information session was held over Zoom on Wednesday 28 July 2021. One information session was held over Zoom for Aboriginal and Torres Strait Islander applicants on Thursday 29 July 2021.
- (a) One hundred and seventeen prospective applicants attended the general information session, followed by individual pillar sessions for advice from City staff about their project proposals and the application process;
 - (b) four prospective applicants attended the Aboriginal and Torres Strait Islander information session; and
 - (c) seventy-eight per cent of these attendees advised they had not applied for a City of Sydney grant previously.

EMMA RIGNEY

Director City Life

Peter Keogh, Grants Officer

Attachment A

**Recommended for Funding – Round Two
2021/22 – Live Music and Performance
Grant Program**

Business Support Grant – Live Music and Performance - Round Two 2021/22

Recommended for Funding

	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
	B.S Hancock & J.E Suffern	Sound and Lighting Equipment - Mousetrap Theatre, Surry Hills	\$27,290	\$20,790	Nil
	Bar Whispers Pty Ltd	New Venue Set Up - Bar Whispers, Redfern	\$30,000	\$30,000	Nil
	Club 77 Holdings Pty Ltd	Soundproofing and Lighting Equipment Upgrade - Club 77, Darlinghurst	\$30,000	\$28,130	Nil
	Hayes Theatre Co Ltd	Sound Equipment Upgrade - Hayes Theatre, Elizabeth Bay	\$15,000	\$15,000	Nil
	Monkey Baa Theatre for Young People Limited	Audio Equipment Review and Upgrade - ARA Darling Quarter Theatre, Sydney	\$25,000	\$20,000	Nil
	Rebel and Rogue Music Pty Ltd	Fire Safety Upgrade - The Vanguard, Newtown	\$30,000	\$9,598	Nil
	Red Line Productions Limited	Lighting Equipment Upgrade - Old Fitz Theatre, Woolloomooloo	\$30,000	\$30,000	Nil
	The Experience Entertainment Group Pty Ltd	Lighting and Staging Upgrade - The Soda Factory, Surry Hills	\$24,287	\$24,287	Nil
	The Trustee for The Joyride Trust	Sound and Lighting Equipment - True Romance, Newtown	\$6,973	\$6,973	Nil

Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions	
Ventures S&S Pty Ltd	Sound and Lighting Equipment Upgrade - Wildfire Lounge, Glebe	A capital works project to increase the size of the stage and upgrade soundproofing, sound and lighting equipment to improve the quality of live performances for audience and performers.	\$26,990	\$24,452	Nil

Attachment B

**Not Recommended for Funding – Round
Two 2021/22 – Live Music and Performance
Grant Program**

Business Support Grant – Live Music and Performance - Round Two 2021/22

Not Recommended for Funding

Organisation Name	Project Name	Project Description	\$ Amount Requested
Alcatraz Sydney Pty Ltd	New Stage, Sound and Lighting Equipment - Alcatraz, Annandale	A capital works project to establish a new venue with a stage, sound and lighting equipment	\$12,385
Amalgamated Hotels Pty Ltd	Sound Equipment Upgrade - Clock Hotel, Surry Hills	A capital works project to upgrade the sound system and improve the sound proofing of the Whisky Room, to allow for live music programming.	\$14,000
Amalgamated Hotels Pty Ltd	Acoustics Upgrade - The Marlborough Hotel, Newtown	A capital works project to upgrade the soundproofing on the first floor, to improve the sound quality for artists and address the sound leakage to neighbouring properties.	\$28,355
Amalgamated Hotels Pty Ltd	Acoustic Attenuation - Bank Hotel, Newtown	A capital works project to improve the sound proofing and acoustics to reduce noise leaking to neighbouring properties.	\$24,977
Chippolord Pty Ltd	Recording and Podcasting Studio Upgrade - The Lord Gladstone, Chippendale	A capital works project to purchase equipment and upgrade soundproofing and acoustics to set up recording and podcasting studios to support local artists and producers.	\$26,686
Eduventure Australia Pty Ltd	Acoustic Upgrade - Galli Galli, Sydney	A capital works project to engage an acoustic consultant and undertake the recommended solutions to support the Nepalese Australian new year celebration.	\$30,000
Meu Jardim Pty Ltd	New Sound Equipment - Meu Jardim, Sydney	A capital works project to purchase speakers and DJ equipment to allow live performance opportunities.	\$30,000
Recap IV Operations Holdings Pty Ltd	Sound Equipment and Lighting Upgrade - Republic Hotel, Sydney	A capital works project to upgrade the sound system, lighting and performance space to improve the quality of live performances for audience and performers.	\$18,250
S-data Investments Sydney Pty Ltd	Lighting Equipment Upgrade - Hard Rock Cafe, Darling Harbour	A capital works project to upgrade the lighting equipment, to improve the quality of live performances for audience and performers.	\$9,278
Since I Left You Pty Ltd	Acoustic Attenuation - Since I Left You, Sydney	A capital works project to improve the sound proofing and acoustics to reduce noise leaking to neighbouring properties.	\$10,000
Spreadsheet Bar Co Pty Ltd	Soundproofing and Equipment Upgrade - The Dock, Redfern	A capital works project to soundproof the bar and upgrade the sound system to allow for live performance opportunities.	\$30,000
Sydney Firehouse Pty Ltd	New Sound and Lighting Equipment - Letter V, Darlinghurst	A capital works project to purchase a new sound system, microphones and lighting equipment for a new pop-up cocktail bar experience.	\$30,000
Taylor Square Fund Pty Ltd	Sound and Lighting Equipment Upgrade - Kinselas Hotel, Darlinghurst	A capital works project to upgrade lighting, sound equipment and acoustic treatment, to improve sound quality for audiences and performers.	\$30,000

Organisation Name	Project Name	Project Description	\$ Amount Requested
Taylor Square Fund Pty Ltd	New Audio-visual and Sound Equipment - Courthouse Hotel, Darlinghurst	A capital works program to install a new audio-visual system, cabling, speakers and a stage to support live music opportunities.	\$27,223
The Trustee for Barangaroo Trust & The Trustee for the Mash Barangaroo Trust	Sound Equipment Upgrade - Barangaroo House, Sydney	A capital works project to upgrade the sound system, including a dedicated performance monitoring solution, to allow for live performance opportunities.	\$30,000
The Trustee for BFG Unit Trust	Sound and Lighting upgrade - Bennelong Restaurant, Sydney	A capital works project to upgrade the audio-visual equipment to ensure high quality sound across the venue.	\$30,000
The Trustee for Dincgulcel Trust	New Stage and Soundproofing, Bomonti, Sydney	A capital works project to build a stage and upgrade soundproofing to allow for live performance opportunities.	\$30,000
The Trustee for KXH Unit Trust	Sound and Lighting Equipment Upgrade - O'Malley's Hotel, Woolloomooloo	A capital works project to upgrade lighting and sound equipment to improve sound quality for audiences and performers.	\$30,000
The Trustee for Taphouse Hotel Darlo Unit Trust	Sound Equipment Upgrade - The Taphouse, Darlinghurst	A capital works project to upgrade the speakers, mixing desk, microphones and lighting to allow for live music opportunities.	\$28,956
Viral Ventures (Australia) Pty Ltd	Upgrade Sound and Lighting Equipment - Karen's Diner, Sydney	A capital works project to upgrade microphones, speakers, audio-visual system, lighting and purchase a mobile stage to allow for diverse live performance opportunities.	\$30,000

Attachment C

**Recommended for Funding – Round Two
2021/22 – Night Time Diversification Grant
Program – City of Sydney Funding**

Business Support Grant – Night Time Diversification - Round Two 2021/22

Recommended for Funding - City of Sydney funding

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
Art Pharmacy Pty Ltd	Art Pharmacy Annex at Central station, Haymarket	A series of events at Central Station including live music, performance and workshops to encourage connection, wellness and creativity.	\$28,805	\$16,500	Nil
B.S Hancock & J.E Suffern	Mousetrap Theatre pop-up at Mousey Browne Haircutters, Surry Hills	A new pop-up comedy and cabaret theatre taking over a hair salon three nights per week, featuring drag acts and musicians.	\$21,400	\$11,220	Nil
Guy Peter Morgan	Friday Nights at Gallery, Surry Hills	A weekly series of cultural evening activities for the community, including life drawing and artist talks, in collaboration with local artists and businesses.	\$14,256	\$11,000	Nil
Rebel and Rogue Music Pty Ltd	Monday Jam at The Vanguard, Newtown	A fortnightly live music series focused on paid performance opportunities for local musicians.	\$29,500	\$20,000	Nil
Thom Global Pty Ltd	Oi Queen! at Club 77, Darlinghurst	A weekly variety show aiming to build the profiles of unknown local queer performers.	\$5,000	\$5,000	Nil

Attachment D

**Recommended for Funding – Round Two
2021/22 – Night Time Diversification Grant
Program – City Revitalisation Fund**

Business Support Grant – Night Time Diversification - Round Two 2021/22

Recommended for Funding - City Revitalisation Fund

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
Brand X Productions Incorporated	Petite Suite at The East Sydney Hotel, Woolloomooloo	An immersive theatre event for an intimate audience including performances inspired by local stories.	\$20,000	\$15,200	Nil
Chippolord Pty. Limited	Evenings with Evening Records at The Lord Gladstone, Chippendale	A monthly series of free events including exhibitions and live music activating the courtyard, pub and gallery spaces.	\$30,000	\$22,500	Nil
Esteban Restaurant Pty Ltd	Tequila on Temperance at Esteban, Sydney	A weekly event in Temperance Lane comprising of cooking, culture and cocktails with education.	\$30,000	\$20,000	Applicant to submit a revised budget.
Mary's Group Australia Pty Ltd	Double for Nothing at the Lansdowne Hotel, Chippendale	A free, weekly live music series for emerging and exciting young artists to showcase to new audiences.	\$30,000	\$22,500	Nil
PM Production Design & Management Pty. Limited	Sydney Summer Magic at Angel Place, Sydney	A collaborative series of music, food and art events to activate the Merivale and City Recital Hall precinct.	\$30,000	\$24,510	Nil
Shady Pines Saloon Pty Ltd	Party in the Pines at Shady Pines Saloon, Darlinghurst	A series of weekly country music events at Shady Pines Saloon, to support artists and provide live western music.	\$30,000	\$22,500	Nil
Since I Left You Pty Ltd	Fire and History at Since I Left You, Sydney	A series of monthly events in Kent street including fire dancing performances and a historical storytelling and cocktails night.	\$17,000	\$17,000	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
Smart & Mazzocca Pty Ltd	Midnight Mass at Frankie's Pizza, Sydney	A month of nightly live music performances commencing at midnight to farewell Frankie's Pizza in Hunter street.	\$30,000	\$22,500	Nil
Sophie Wyn Parry	Sydney Creative Club at 107 Projects, Redfern	A weekly creative club where people can learn new creative skills such as sewing and jewellery making.	\$19,000	\$13,750	Nil
Sydney Dance Company	The Wharf Sessions at Sydney Dance Company, Walsh Bay	A series of six intimate live art music events held in the cafe space of Sydney Dance Company.	\$29,680	\$14,000	Nil
The Trustee for 18 York St Unit Trust	Friends of Pam at the Prince of York, Sydney	A monthly live performance series showcasing a local emerging artist collective at Pamela's performance space.	\$21,260	\$17,710	Nil

Attachment E

**Not Recommended for Funding – Round
Two 2021/22 – Night Time Diversification
Grant Program**

Business Support Grant – Night Time Diversification - Round Two 2021/22

Not Recommended for Funding

Organisation Name	Project Name	Project Description	\$ Amount Requested
ABV&co Pty Ltd	Live at Papa Gede's Bar, Sydney	A monthly live music program featuring a variety of bands, DJ's and other artists.	\$12,000
Amalgamated Hotels Pty Ltd	Immersive Art Installation at the Clock Hotel, Surry Hills	A multi-sensory, immersive art installation transforming the Clock Hotel's garden into an oasis of sound and light.	\$12,500
Bar Positano AUS Pty Ltd	Aperitivo Project at Bar Positano, Surry Hills	Outdoor dining with live music every Friday and Saturday evening, activating the Oxford street end of Crown street in Surry Hills.	\$11,500
Bar Whispers Pty Ltd	Notorious B.I.N.G.O at Hustle & Flow Bar, Redfern	A weekly hip hop themed bingo night in Redfern with an MC and a DJ/VJ playing music and visuals.	\$30,000
Bedouin Double Bay Pty Ltd	Weekly Entertainment at Bedouin Lounge, Double Bay	A weekly live entertainment program including dancers, illusionists and cabaret.	\$10,000
Champainting Pty Ltd	Champainting VIP and Queen on a Canvas, Darling Harbour and Darlinghurst	Weekly paint and sip experiences at Merlin Entertainment venues in Darling Harbour and the Cork and Canvas studio in Darlinghurst.	\$30,000
Chinese Precincts General Chamber of Commerce (NSW) Incorporated	Lunar New Year Celebration, Chinatown	A two-day event in Chinatown celebrating the lead up to the Lunar New Year, featuring performers from Chinese ethnic minority groups	\$10,000
Clive Lochner	Funk Sydney at the Civic Underground, Sydney	A twelve month program of live funk, jazz, world music, R&B, hip hop and soul music.	\$26,000
Club 77 Holdings Pty Ltd	77 Live at Club 77, Darlinghurst	A year-long program of over 160 diverse live music and cultural events primarily for the LGBTQI community.	\$30,000
Echo Point Sydney Pty Ltd	Extended Trading Hours at Echo Point Karaoke Bar, Sydney	An extension of early morning trading hours to 3am on weekdays and 5am on weekends for 10 karaoke rooms of various capacities.	\$20,000
Eduventure Australia Pty Ltd	Himalayan Sydney Cultural at Galli Galli, Sydney	A weekly Nepalese themed cultural event including food, learning, and movies at the Central street laneway.	\$18,000
Frasers Sydney MI Hotel Pty Ltd	Live Music at Pumphouse, Sydney	A weekly live music program to showcase and support local artists.	\$30,000
Frenchies Bistro & Brewery Pty Ltd	Interactive Movie Nights at Frenchie's Bistro and Brewery, Rosebery	A series of curated film screenings where participants can watch the movie and meet the filmmakers.	\$30,000
Ghost Jams Pty Ltd	Hank's Tuck Stop at Bitter Phew, Darlinghurst	A custom-designed retail space to showcase local artisans food and beverage.	\$15,000
Hojiak Town Hall Pty Ltd	Live Music at Ho Jiak Town Hall, Sydney	A series of live jazz performances, three times a week within the restaurant to encourage new audiences the restaurant.	\$30,000
I.S Daday De Dees & S.S Hacker	Star Bright Spa Nights at Bell's Beauty Bar, Erskineville	A series of themed evening information sessions in Erskineville for local businesses to raise awareness about health and wellness.	\$30,000
Iiko Pty Ltd	Glow in the Dark at Mazesoba, Darling Square	The development of a multi-sensory and interactive experience in Darling Square, including glow in the dark cocktails, noodles and dessert.	\$15,000

Organisation Name	Project Name	Project Description	\$ Amount Requested
IM Operating Pty Ltd	Two for One Thursdays at the Imperial, Erskineville	A series of Thursday night events involving Drag Trivia, Dinner Theatre and a commitment to platforming diverse voices.	\$29,900
Italian Chamber of Commerce & Industry In Australia Inc	Italian Fashion Night Crawl, Sydney	A program of activations in various retail stores including designer talks, creative catering and live music.	\$19,500
L Coy & C Staff & The Trustee for Dickson McLoughlin Family Trust & C Whelan	Live Music 2022 at The Mercantile Hotel, The Rocks	A series of weekly live music events including solo artists and bands.	\$22,500
Lionel Jeremy Huntly	Live Entertainment at The Terrace Bar, Moore Park	Live music and family entertainment in the Moore Park Entertainment Quarter, supporting the re-employment of local musicians.	\$14,700
Liquid and Larder Pty Ltd	Additional Entertainment Program at Grandmas Bar, Sydney	A project to expand trading hours and diversify entertainment options at the basement small bar.	\$30,000
Meu Jardim Pty Ltd	Live entertainment at Meu Jardim, Sydney.	A series of live entertainment to help attract new audiences to the restaurant.	\$30,000
Mirvac Real Estate Pty Ltd	Welcome Back to Our Hood! at the South Eveleigh precinct	Live entertainment programmed on Locomotive Street and various pop-up locations throughout the South Eveleigh precinct.	\$30,000
Ms. Cattea Pty Ltd	Ms.Cattea Tea Society at Ms.Cattea Tea Bar, Potts Point	A series of events in collaboration with artisans to show the creative and social nature of tea culture.	\$20,000
Neglected Musicals Pty Ltd	Neglected Musicals in Concert, at Hayes Theatre, Potts Point	A series of musicals presenting rare and classic musical scores to new and existing audiences.	\$30,000
Nicholas Nolan	Trivia in the City, across the local area	A series of weekly trivia nights across the local area to entice venues to start holding events and increase the amount of people coming back into the local area.	\$13,200
Nikolaus Cecil Toth	Braai and Beats at the Lord Gladstone Hotel, Chippendale	A free monthly, family-friendly event showcasing the diversity of cuisine, music and culture of the southern parts of Africa.	\$24,000
Picnic Stuff Pty Ltd	Picnic Social at the Opera Bar, Sydney	Weekly live music and DJ's at the Opera Bar showcasing emerging and established musicians and electronic producers.	\$30,000
Property 3 Pty Ltd	Vinyl Sundays at The Duke of Clarence, Sydney	A series of weekly music events to increase Sunday trade within the inner city.	\$16,800
Property York Pty Ltd	Funked Up Sundays at The Barber Shop, Sydney	A series of weekly live acoustic music events to encourage visitors to the inner city on Sundays.	\$27,650
Restaurant Normandy Pty Ltd	Sunday Jazz at Restaurant Hubert, Sydney	Live music events to expand event offerings and bring weekend and night-time activity to the CBD.	\$30,000
S-data Investments Sydney Pty Ltd	'Thumbs Up' Indigenous Music Classes at the Hard Rock Cafe, Darling Harbour	Musical workshops, performances and a charity auction to help support Indigenous young people.	\$20,760
Sheftop Pty Ltd	Above Par(ty) Nights at Above Par, Sydney	A series of a live music and DJ performances in an outdoor dining area.	\$30,000
Spreadsheet Bar Co Pty Ltd	Entertainment at The Dock, Redfern	Nightly entertainment focusing on non-mainstream cultural and artistic expression with diverse local artists.	\$30,000
Susannah Shoshanna Hacker	Sip and Cook at Cocina del Barrio, Newtown	Evening Spanish cooking classes in Newtown including learning Spanish traditions, culture, food and cooking techniques.	\$30,000

Organisation Name	Project Name	Project Description	\$ Amount Requested
Susannah Shoshanna Hacker	Musica de Barrio at Cocina del Barrio, Newtown	Weekly live music program including traditional Spanish music, emerging songwriters and musical themed nights.	\$20,000
Sydney Firehouse Pty Ltd	Pop Up Cocktail Bar at Letter V, Darlinghurst	A pop-up cocktail bar where waiters perform live music.	\$30,000
Sydney Improvised Music Association Incorporated	Ruby's Socials at the Joynton Avenue Creative Centre, Green Square	A series of fortnightly evening outdoor music events, including jazz and improvised music, for the local community.	\$18,000
Sydney Wildlife World Pty Ltd	WILD Lates at Wildlife Sydney Zoo, Darling Harbour	An after-hours experience for adults including pop-up bars, food stations, animal experiences and entertainment.	\$20,000
T.R Hespe & T.E Kennedy	Style Stories at Grand Days, Woolloomooloo	A series of events at Woolloomooloo including fashion workshops, storytelling and styling to promote local and sustainable fashion.	\$13,000
Taylor Square Fund Pty Ltd	Basement Entertainment Scheduling at Kinselas, Darlinghurst	A series of regular entertainment to support local LGBTQI artists and performers, and to reflect the history, diversity and culture of the area.	\$29,940
Taylor Square Fund Pty Ltd	Night Time Programming at the Courthouse Hotel, Darlinghurst	Night-time programming including trivia, drag shows, acoustic duos, bands and jazz.	\$29,000
Teyatro Pty Ltd	Cinema Events by Teyatro at various City venues	Curated weeknight film screenings in non-cinema venues such as bars and restaurants, bringing together local communities and businesses and promoting non-mainstream film makers.	\$30,000
The Australian Institute of Music Limited	AIM Rocks at the Australian Institute of Music, Sydney	A diverse and accessible program of live music and talks in The Rocks, featuring established, new and emerging artists.	\$30,000
The Baxter Inn Pty Ltd	Baxter Blues Club at The Baxter Inn, Sydney.	A series of weekly live blues music events to increase live music in the inner city and support local musicians.	\$30,000
The Ethics Centre Limited	'The Ethics of' Panel Discussions at The Ethics Centre, Sydney	In-person and online events where experts explore ethics and philosophy.	\$30,000
The Experience Entertainment Group Pty Ltd	House of Fun at The Soda Factory, Surry Hills	A series of live music and theatrical performances.	\$29,560
The Trustee for Barangaroo Trust & The Trustee for the Mash Barangaroo Trust	In the House at Barangaroo House, Sydney	A series of creative events curated by a different artist, musician or designer to showcase their work.	\$30,000
The Trustee for Bistecca Unit Trust	Evening Events at Bistecca, Sydney	An ongoing series of free live entertainment and expanded trading hours to attract new audiences to the Italian restaurant.	\$30,000
The Trustee for Historic Houses Trust of NSW	After Dark at Hyde Park Barracks and Justice and Police Museum, Sydney	An expanded late night arts program taking over Hyde Park Barracks and Justice and Police Museum, featuring live music, performances, workshops, talks and a pop up bar.	\$30,000
The Trustee for KXH Unit Trust	Live performances at O'Malleys Hotel, Woolloomooloo	A series of weekly events including live performing artists and bands, comedy, trivia nights and dancing shows.	\$30,000
The Trustee for Latitude Landholding Trust No 2	Out of This World at World Square, Sydney.	A night-time event series in the World Square precinct featuring various art and entertainment including a semi-permanent art installation.	\$30,000
The Trustee for ST Trading Trust	Tour Across Africa at Planar & Meat District Co, Darling Harbour	A series of evening events in Darling Harbour sharing African music and culture to support artists and local businesses.	\$25,000

Organisation Name	Project Name	Project Description	\$ Amount Requested
The Trustee for The Gidley Sydney Unit Trust	Additional Entertainment at The Gidley, Sydney	A project to extend trading hours and expand entertainment options in King Street.	\$30,000
The Trustee for The Joyride Trust	Lovely and Lively at True Romance, Newtown	Cultural programming including music, comedy and theatrical performances to enrich the entertainment offering of King Street Newtown.	\$14,820
The Trustee for Usquebaugh Unit Trust	Expanding Trading Hours and Entertainment at the Rover in Surry Hills	A project to extend trading hours and establish entertainment offerings.	\$30,000
Tina Amina Zaman	Tight 5 Comedy, at venues in Newtown	A series of weekly stand-up comedy events with social themes, providing development opportunities for diverse performers.	\$12,500
Uncle Ming's Bar Pty Ltd	Music and Magicians at Uncle Ming's, Sydney	A project in the inner city to develop a series of regular performances including live music and magic.	\$11,000
Vicinity Centres Pm Pty Ltd	Evening with our Designers, The Strand Arcade	Evening events providing the opportunity to meet local Australian designers and artisans including designer dinners, industry tech talks, workshops, and tours.	\$30,000
Viral Ventures (Australia) Pty Ltd	Neverland at Wonderland, Potts Point	An immersive escape room and theatre show in an iconic venue.	\$30,000
Wanyoo Pty Ltd	Esports Sydney 2022 at Wanyoo Internet Cafe, Sydney	A series of gaming events providing e-sports to young people in a safe, alcohol-free, non-smoking venue.	\$5,000
Xperienced Pty LTd	Soulstice Laneway Festival at Temperance Lane, Sydney	An intimate laneway festival in Temperance Lane, featuring live music, DJ's and food.	\$30,000

Item 11.

Grants and Sponsorship - Round Two 2021/22 - Knowledge Exchange Sponsorship Program

File No: S117676

Summary

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city and assist in the recovery from the Covid-19 pandemic. To achieve the objectives of the Community Recovery Plan and Sustainable Sydney 2030, genuine partnership between government, business and the community is required.

The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, cultural, economic and environmental policies. Applications are assessed against these policies and against broad City objectives and plans. In this way, the City and the community act collaboratively to achieve the goals of the Community Recovery Plan and Sustainable Sydney 2030.

The City advertised the Knowledge Exchange Sponsorship Program as part of Round Two of the annual Grants and Sponsorship Program for 2021/22.

A total of 71 eligible applications were received. This report recommends 14 grants to a total value of \$364,954 in cash and \$12,167 revenue foregone/value-in-kind for the 2021/22 financial year, and commitments of \$60,000 in cash for the 2022/23 financial year and \$59,925 in cash for the 2023/24 financial year.

On 22 February 2021, Council adopted a revised Grants and Sponsorship Policy. All grants in this report were assessed in accordance with the Grants and Sponsorship Policy, the Grants and Sponsorship Guidelines, the priorities set out in the Community Recovery Plan and various other relevant City strategies and action plans.

All grant recipients will be required to sign a contract, meet specific performance outcomes and acquit their grant. All figures in this report exclude GST.

Recommendation

It is resolved that:

- (A) Council approve the cash and revenue/value-in-kind recommendations for the Knowledge Exchange Sponsorship Program as per Attachment A to the subject report;
- (B) Council note the applicants who were not successful in obtaining a cash grant for the Knowledge Exchange Sponsorship Program as per Attachment B to the subject report;
- (C) Council note that all grants amounts are exclusive of GST and all value-in-kind offered is subject to availability;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy; and
- (E) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

Attachment A. Recommended for Funding - Round Two 2021/22 - Knowledge Exchange Sponsorship Program

Attachment B. Not Recommended for Funding – Round Two 2021/22 - Knowledge Exchange Sponsorship Program

Background

1. The City of Sydney's Grants and Sponsorship Program supports residents, businesses and not-for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. On 25 February 2021, the City announced Round Two of the annual grants program for 2021/22 as being open for application on the City's website, with grant applications closing on 29 March 2021.
3. Information about these grant programs (such as application dates, guidelines, and eligibility criteria) was made available on the City's website. The City actively promoted the program through corporate website, e-newsletters, Facebook, Instagram, Twitter, LinkedIn, AdWords, ArtsHub, Google display ads and Koori Radio. Third parties who supported the grant call out through their networks include Supply Nation and Sydney University. Email campaigns were utilised to target interested parties who have applied previously for grants at the City or who have expressed an interest in the City's programs.
4. Thirty-eight applications were received this round from for-profit organisations through the Knowledge Exchange Sponsorship program and the following five for-profit organisations are recommended in this report:
 - (a) Creative Plus Business Group Pty Ltd;
 - (b) Mundane Matters Pty Ltd;
 - (c) Propertyesp Pty Ltd;
 - (d) Verse Pty Ltd; and
 - (e) Vibelab Asia Pacific Pty Ltd.
5. It is expected that all successful applicants will work co-operatively with relevant City staff throughout the project for which they have received funding. Some applicants will be required to meet with City staff and further define the strategic outcomes of their project prior to receiving the grant and commencing their project.
6. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant. In the current environment this includes but is not limited to, requirements associated with the service of alcohol or food services, consent from the respective landowner(s), and State Planning Legislation and State Government health requirements. What the City does approve includes Development Approvals and outdoor temporary event activities.
7. Park hire requests are not listed in the table for recommendations, as not-for-profit organisations are eligible for free park hire. However, these organisations must pay the \$100 application fee and other related fees and charges, such as electricity and water. Individuals or unincorporated community groups are required to be auspiced by a not-for-profit organisation to be eligible for free park hire. All park hire is subject to availability. For-profit organisations are required to pay park hire fees.

8. The City's Grants and Sponsorship Program is highly competitive. Applications that are not recommended have either not scored as highly against the assessment criteria as the recommended applications or have incomplete or insufficient information. The City's Grants and Sponsorship team provides feedback to unsuccessful applicants.
9. The assessment process includes advice and recommendations from a suitably qualified assessment panel. The applications are scored against defined criteria for each grant program as well as the integrity of the proposed budget, project plan, partnerships, contributions and connection to the local community and industry sectors. Once recommended applications are approved by Council, a contract is developed, which includes conditions that must be adhered to, and acquitted against.
10. In assessing the grant applications, the assessment panels included in their considerations and recommendations:
 - (a) Community Recovery Plan 2020;
 - (b) Grants and Sponsorship Policy;
 - (c) Sustainable Sydney 2030; and
 - (d) alignment with other core City strategic policies and action plans.
11. Assessors consider the cash and in-kind contribution from the applicant and other sources in reviewing applications. Applicants are asked to demonstrate a capacity to match the grant investment with other sources of funding or contribute their own cash resources to the project.
12. Applicants are requested to list their project's community partners, confirmed funding sources and the contribution the organisation is making to the project (cash or in-kind) to demonstrate their contribution.

Knowledge Exchange Sponsorship program

13. The Knowledge Exchange Sponsorship program funding supports showcasing local expertise and encourages dialogue on local and global issues.
14. Sponsorship includes support for research, strategic initiatives, programs or events that promote the sustainable development of cities; mentorship and networking events that bring people together to learn from each other; tools or guides to communicate best practice; and build skills and expertise within social, cultural, green and business industry sectors.
15. The assessment panel for the Knowledge Exchange Sponsorship program consisted of members from City Business and Safety, Cultural Venues & Programs, Social Programs and Services, and Sustainability Programs teams, with additional specialist input from the City's Chief Operations Office, Cultural Strategy, and Indigenous Leadership and Engagement teams.
16. The applications recommended for the Knowledge Exchange Sponsorship program are outlined in Attachment A to this report. The applications not recommended are listed in Attachment B to this report.

17. The Knowledge Exchange Sponsorship program budget is set out below:

Total cash budget for 2021/22	\$725,000
Total cash committed to previously approved applications	\$360,046
Total cash available for 2021/22	\$364,954
Total number of eligible applications this allocation	71
Total cash value requested from applications	\$2,153,877
Total value-in-kind support requested from applications	\$112,984
Total number of applications recommended for cash and/or value-in-kind support	14
Total amount of cash funding recommended from budget 2021/2022	\$364,954
Multi-year funding recommended 2022/23 - \$60,000	
Multi-year funding recommended 2023/24 - \$59,925	
Total amount of value-in-kind support recommended	\$12,167
Remaining funds from 2021/22 budget	\$0

Key Implications

Strategic Alignment - Sustainable Sydney 2030

18. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:

- (a) Direction 2 - A Leading Environmental Performer - the recommended grant projects in this report contribute to City's endeavours to work with our business and residential communities to reduce greenhouse emissions and potable water use and encourage diversion of waste from landfill across the local government area.

- (b) Direction 6 - Vibrant Local Communities and Economies - the recommended grant projects in this report contribute to fostering strong and sustainable local economies.
- (c) Direction 7 - A Cultural and Creative City - the recommended grant projects in this report contribute to a city where opportunities for individual creative expression and participation in all its forms are visible, valued, and accessible, and where business and creative opportunities for local artists, creative workers and cultural organisations are supported.

Organisational Impact

- 19. The grants and sponsorships contract management process will involve key staff across the City of Sydney. Identified staff set contract conditions and performance measures for each approved project, and review project acquittals, which include both narrative and financial reports.

Social / Cultural / Community / Environmental and Economic

- 20. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities, and community organisations, within the local area.

Financial Implications

- 21. There are sufficient funds allocated in the 2021/22 Knowledge Exchange Sponsorship Program to support the recommended grants.. A combined total of \$364,954x in cash and \$12,167 in revenue foregone/value-in-kind is recommended from the proposed 2021/22 budget.
- 22. Additionally, this report includes forward commitments of \$119,925 in cash (these amounts will be incorporated in future budgets proposed).

Relevant Legislation

- 23. 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.
- 24. Section 356(3)(a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
 - (a) the funding is part of the Knowledge Exchange Sponsorship program;
 - (b) the detail of the program has been included in Council's operational plan for financial year 2021/22;
 - (c) the program's proposed budgets do not exceed five per cent of Council's proposed income from ordinary rates for financial year 2021/22; and
 - (d) the program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

25. The funding period for Round Two of the Knowledge Exchange Grants for 2021/22 is for activity taking place from 1 January 2022 to 31 December 2022. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in January.

Public Consultation

26. For all Round Two programs open to application, one information session was held over Zoom on Wednesday 28 July 2021. One information session was held over Zoom for Aboriginal and Torres Strait Islander applicants on Thursday 29 July 2021.
- (a) One hundred and seventeen prospective applicants attended the general information session, followed by individual pillar sessions for advice from City staff about their project proposals and the application process;
 - (b) four prospective applicants attended the Aboriginal and Torres Strait Islander information session; and
 - (c) seventy-eight per cent of these attendees advised they had not applied for a City of Sydney grant previously.

EMMA RIGNEY

Director City Life

Peter Keogh, Grants Officer

Attachment A

**Recommended for Funding – Round Two
2021/22 – Knowledge Exchange
Sponsorship Program**

Knowledge Exchange Sponsorship Program - Round Two 2021/22

Recommended for Funding

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested	\$ Amount Recommended	VIK Recommended	Conditions
Acon Health Limited	Digitising Rainbow Resilience	A training program for multicultural LGBTQ community groups across the local area to develop digital engagement skills run online events and promote resilience strategies against racism.	\$40,000	Nil	\$33,000	Nil	Applicant to work with the City's Senior Social Programs Officer
Creative Plus Business Group Pty Ltd	Artselerate	An incubator program to improve the business, strategic planning and marketing outcomes for creative industry professionals as they recover from the impacts of Covid-19.	\$25,600	Venue hire fee waiver to the value of \$10,720	\$25,600	Venue hire fee waiver to the value of \$10,720	Nil
Darlinghurst Theatre Limited	Stage a Change at Darlo	A series of workshops for arts professionals, teaching best practice in cultural safety, access, equity and inclusion.	\$37,600	Nil	\$37,600	Nil	Nil
Fishburners Limited	Tech for Good Hub	To develop a hub for startups working solutions that promote smart cities, sustainable energy, gender equality and reduce poverty and inequality.	\$40,000	Nil	\$40,000	Nil	Nil
Indigenous Entrepreneur Network Limited	Indigenous Business Support	A research project to analyse the needs of Aboriginal and Torres Strait Islander businesses in the local area, and to deliver an Aboriginal and Torres Strait Islander Business Status Report.	\$40,000	Nil	\$40,000	Nil	Applicant to submit a revised budget

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested	\$ Amount Recommended	VIK Recommended	Conditions
Macquarie University	Skills, Knowledge, and Discourse: Street Dance Events	A series of events to strengthen networks among the street dance community and generate knowledge on the challenges, trends, innovations, and best practice.	\$35,970	Venue hire fee waiver to the value of \$1,447	Nil	Venue hire fee waiver to the value of \$1,447	Nil
Mundane Matters Pty Ltd	ReCo Circle+	To develop a series of resources that support small businesses transition to a circular economy business model.	\$40,000	Nil	\$20,000	Nil	Nil
Museums and Galleries of New South Wales Limited	(re)Building Cultural Sydney	A series of events that will bring together Sydney based cultural professionals and artists to share ideas for energising and future proofing the sector.	\$6,000	Nil	\$6,000	Nil	Nil
Propertyesp Pty Ltd	Raising the Bar	To develop resources that build the capacity of apartment owners to understand consumer protection, rights, roles and responsibilities in new and existing apartment buildings across the local area.	\$40,000	Nil	\$40,000	Nil	Applicant to work with City's Sustainability Engagement Coordinator
SBE Australia Limited	Evolve and Market Research Program	An online program that supports women who are leading businesses by connecting them with graduates of the Evolve program.	\$35,000 (Year 1 - 21/22) \$25,000 (Year 2 - 22/23) \$25,000 (Year 3 - 23/24)	Nil	\$20,000 (Year 1 - 21/22) \$20,000 (Year 2 - 22/23) \$20,000 (Year 3 - 23/24)	Nil	Nil
Tenants' Union of NSW Co-operative Limited	Renting First Aid	A training program for youth workers so they can better support young renters beginning their rental journey.	\$22,053	Nil	\$13,290	Nil	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested	\$ Amount Recommended	VIK Recommended	Conditions
University of Technology Sydney	Sustainable Temporary Adaptive Reuse (STAR) Toolkit	To develop a toolkit to unpack barriers, detail solutions, and promote best practice for the sustainable temporary adaptive reuse of vacant space.	\$40,000 (Year 1 - 21/22) \$40,000 (Year 2 - 22/23) \$39,925 (Year 3 - 23/24)	Nil	\$40,000 (Year 1 - 21/22) \$40,000 (Year 2 - 22/23) \$39,925 (Year 3 - 23/24)	Nil	Applicant to work with City's Cultural Strategy Advisor
Verse Pty Ltd	Verified Visions	A series of talks and workshops at World Square to examine the 'coding' of artworks, storytelling through emergent technologies and how artists and industries are grappling with this new frontier.	\$19,000	Nil	\$19,000	Nil	Nil
Vibelab Asia Pacific Pty Ltd	Live Music and Hospitality Sector Roundtables	A series of industry-led meetings and roundtables across the local area to enable ongoing discussion and action that prioritises the recovery and rebuilding of Sydney's night-time economy.	\$30,464	Nil	\$30,464	Nil	Nil

Attachment B

**Not Recommended for Funding - Round
Two 2021/22 – Knowledge Exchange
Sponsorship Program**

Knowledge Exchange Sponsorship Program - Round Two 2021/22

Not Recommended for Funding

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
Acceleration Venture Catalysts Pty Ltd	Female Founder Funding Roundtable	A roundtable event with female startup founders and investors discussing commissioned report findings.	\$5,000	Nil
Allara Global Pty Ltd	Love Food: Sydney Reducing Food Wastage	Develop and distribute e-learning modules to create awareness around reducing food wastage, protecting the environment and promoting sustainability in the hospitality industry.	\$40,000	Nil
Arup Australia Services Pty Ltd	Follow the Yellow Brick Road	A community led streetscape and digital mapping project in Alexandria, to ensure a positive and safe 24-hour experience as the suburb changes.	\$40,000	Nil
Australian Theatre for Young People	Youth Performing Arts Knowledge Exchange	A series of events for local and national youth performing arts companies to connect and promote diverse youth arts and cultural activities.	\$40,000 (Year 1 - 21/22) \$20,000 (Year 2 - 22/23) \$40,000 (Year 3 - 23/24)	Nil
Captured Frames Pty Ltd	Photography and Videography Workshops	A program in Glebe to share technical skills on how to create a sustainable photography and videography business..	\$40,000	Venue hire fee waiver to the value of \$2,835
Common Equity NSW Ltd	Digital Confidence for the Co-op Housing Community	A digital literacy program for the elderly tenants of Housing Co-operatives in the local area, and training for Common Equity staff to be digital coaches and support officers.	\$40,000	Nil
Dartbase Pty Ltd	Marketplace Platform	A project to upgrade the Dartbase professional platform to establish a better connection between artists and their industry.	\$30,000	Nil
Digital Storytellers Limited	Pathway to Purpose	A community-driven program in the local area to upskill storytellers and match them with stories to tell from local social enterprises.	\$18,000	Nil
Eduventure Australia Pty Ltd	SydNep 2022	An event for Nepalese and Australian companies to share ideas and cultivate business relationships.	\$40,000	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
Erbern Pty Ltd	Lifestyle Convenience Heat Map	A research project in the local area to help identify areas that require improvements and infrastructure to increase lifestyle convenience.	\$5,000	Nil
Esem Projects Pty Ltd	Into the Deep	A workshop that brings together researchers, entrepreneurs, artists and the community to share insights that promote understanding of the emerging algal bio-economy and its role in shaping a sustainable city.	\$20,900	Nil
Expert & Decision Support Systems Institute Pty Ltd	Fyi-Fyi.com.	An online community of mature-age experts to disseminate information and open communication lines with younger generations in the Greater Sydney area.	\$40,000	Nil
Flare Access Pty Ltd	Amplify Access and Achieve Purposeful Profit	An online program to support businesses in the local area transform the accessibility of their service by incorporating inclusive practices for people with disability.	\$39,938	Nil
Forward Thinking Design Pty Ltd	Circular Economy Approach to Interior Fit-out Design, Construction and De-fit	A pilot program raising awareness in commercial tenancies about the economic and environmental problem that is fit-out waste.	\$40,000	Nil
Gem Connect Pty Ltd	Live with Lexie	A project based in Glebe to produce a live, interactive local podcast for young adults responding to their interests and anxieties.	\$20,000	Nil
Global Trade Professionals Alliance Ltd	Fostering Cybersecurity Leadership	A training program in the local area to develop the professional cybersecurity skills of small and medium-sized enterprises to improve their cybersecurity standards and protocols.	\$40,000	Nil
Govpartners Pty Ltd	Let's Get Gov Ready	A project in the local area designed to boost the capability and capacity of small businesses from culturally diverse and LGBTIQ+ backgrounds to transact with the NSW Government.	\$20,000	Nil
IM Operating Pty Ltd	Trans Awareness Week	A series of events at the Imperial Erskineville, including a panel discussion and workshop, to share knowledge and highlight Sydney's gender diverse community.	\$30,000	Nil
Indigenous Technology Pty Ltd	Mirrinj Indigenous Student Community Program	An education program to connect Aboriginal and Torres Strait Islander students with leading businesses through learning about technology, innovation and career pathways whilst establishing networks and industry relationships.	\$32,080	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
Inner City Legal Centre	Legal Community Education and Capacity Building	A project in Kings Cross to deliver legal outreach, education and capacity building, focussing on promoting the legal rights of women,trans and gender diverse people in our community.	\$40,000	Nil
Investor Group on Climate Change (Australia/New Zealand)	Climate Change Investment and Finance Summit 2022	A bi-annual summit to be held in Sydney to bring together leading experts, market practitioners and corporate leaders to discuss the financial implications of climate change policy and the latest in investment practice.	\$30,000	Nil
Just Gold Digital Agency Pty Ltd	The Invisible Woman #SeeMe	A project to consult residents, organisations and businesses to better understand the needs of women over 50 in the local area and help them exit isolation and remain visible.	\$40,000	Nil
Keep Australia Beautiful Council (NSW)	Less Litter, Live Better	A series of interactive workshops where businesses, councils, community groups and individuals come together to share knowledge, best practice and ideas on how to tackle litter issues.	\$40,000	Nil
Labour Co-operative Ltd	Building a Future for Creatives	The development of a mutual co-operative aimed at providing long term security for creative industry freelancers with access to employment entitlements, superannuation benefits, grouped insurance benefits and other related support.	\$30,000 (Year 1 - 21/22) \$30,000 (Year 2 - 22/23) \$30,000 (Year 3 - 23/24)	Nil
Map Institute Pty Ltd	Small Business Mentoring	A series of meetings to help small business owners on building resilience and recovery including maintaining the workforce and growing revenue.	\$35,916	Nil
Moussa and Theresa Srour	Sustainable Fashion Awareness and Capacity Building	A project to promote awareness of sustainable or slow fashionand build the capacity of staff to educate interested consumers and businesses.	\$20,000	Nil
Parliament on King Pty Ltd	The Recipe for a Better Life	A series of cooking classes run by asylum seekers and refugee chefs to share authentic food from their homelands and make meaningful connections with the local community.	\$12,150	Nil
Pax Aurora Pty Ltd	Pax Aurora	A series of online and in-person networking events for local electronic musicians to explore, collaborate and grow together.	\$40,000	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
People with Disability Australia Ltd	Exchanging Knowledge with People with Disability	A project to engage in community outreach and capacity building for people with disability through participation in Sydney Mardi Gras Fair Day and the Sydney Disability Connection Expo in February 2022.	\$10,000	Nil
Plantingseeds Projects Limited	Generation Regen	A community project for older people in community housing developments, providing hands-on learning experiences in citizen science, plantings, pollinators and local habitats.	\$39,860	Nil
Purpose Conference Pty Ltd	Purpose Conference 2022	An online and in-person conference to educate, connect and inspire businesses within the local area and beyond, to build sustainable and socially responsible businesses fit for the next century.	\$40,000	Street banner pole hire fee waiver to the value of \$10,000
Relationships Australia (NSW) Limited	Youth Leadership Training in Climate Resilience	A series of workshops to empower and support young people in preparing for the impacts of climate change and responding to climate related disasters.	\$26,995	Nil
Security4Women Incorporated	Economic Security4Women Connection Program	A mentorship program for ten female business leaders to help build marketing and promotion skills and to assist with reaching new markets.	\$37,400	Nil
Seed Workspaces Pty Ltd	Seeds of Change	A series of events in Glebe to build the capacity of Sydney's emerging purpose-driven businesses towards sustainable and economic success through industry networking and skills building.	\$39,594	Nil
Sherman Centre For Culture & Ideas Limited	Creativity and Commerce Hub 2022	A series of live events and podcasts to provide emerging artists with information to help translate their creative practice into professional careers.	\$11,300	Nil
Stone and Chalk Limited	The Australian Emerging Tech Festival 2022	A festival held in different Australian cities each day, featuring in-person and online events celebrating emerging tech founders and trends, with Sydney hosting the first day of the event.	\$20,000	Street banner pole hire fee waiver to the value of \$11,000
Swedish-Australian Chamber of Commerce	Swedish and Australian Innovation, Technology and Design Show Case	A showcase at the University of Technology Sydney of innovation, sustainable cooperation and knowledge exchange between Sweden and Australia, involving industry, academia, research and development.	\$25,000	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
Sweltering Cities Ltd	Making Sydney a Heat Resilient City	A series of symposium events to explore extreme heat challenges, share innovative solutions and strengthen the networks of people building the sustainable city of the future.	\$40,000	Nil
Sydney City Liquor Accord	Sydney City Liquor Accord Precinct Ambassador Program	A project in the inner city to appoint Liquor Accord local Precinct Ambassadors as a resource for members to assist recovery from Covid-19 and collaborate with the City and the NSW Government.	\$20,000	Nil
Sydney School of Entrepreneurship Limited	Industry Innovation Challenge and Innovation Internship Experience.	A program in the local area to connect emerging multicultural talent with Sydney business to solve real-world challenges and build meaningful relationships..	\$40,000	Nil
The Business Agency Pty Ltd	Empower and Grow	A program in the local area to provide small to medium business owners with key managerial skills and leadership training to enable them to build and lead thriving teams.	\$40,000	Venue hire fee waiver to the value of \$13,347
The Makeup Technicians Pty Ltd	My Back Yard	The development of an app to provide information about what is happening in the local community.	\$40,000	Street banner pole hire fee waiver to the value of \$61,400
The Men's Table Limited	The Men's Table	A project to develop an accessible health seeking model for men, with peer to peer and community foundations.	\$39,025	Venue hire fee waiver to the value of \$280
The Schaffa Foundation Limited	Sunday Street Spread	A project in Woolloomooloo to serve meals to the homeless community.	\$10,000	Nil
The Trustee for Lifehouse Australia Trust	Ngangkari Together	A series of events at Chris O'Brien Lifehouse in Camperdown, including the welcoming of Aboriginal Ngangkari Healers from the APY Lands of South Australia for a cultural immersion event, to promote holistic cancer care.	\$40,000	Nil
The Trustee for The Joint Health Trust	Advanced Foot and Ankle Therapy	An event in the local area to provide an online course for physiotherapists, podiatrists, osteopaths and chiropractors to expand their knowledge, skills and strategies to resolve challenging chronic foot and ankle pain.	\$40,000	Venue hire fee waiver to the value of \$1,955
The Trustee for The Maquirang Family Trust	Personal Safety Courses	A personal safety course in Darlington designed specifically for women and the LGBTIQ+ community.	\$6,370	Nil

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
United Nations Association of Australia Incorporated	Women are the Future: Sustainable Development Networking Event	An event to celebrate International Women's Day with female industry leaders speaking on challenges and opportunities for the future and the importance of empowering women in achieving a sustainable and fair society.	\$10,000	Nil
University of Technology Sydney	Sydney - The Runnable City	A project to research and promote the concept of the 'runnability' of cities, showcasing Sydney as the runnable city using a place-based runnability index that can inform mobility planning and future city planning approaches.	\$39,941	Nil
University of Technology Sydney	CAADRIA 2022 - Post Carbon	An annual international conference with associated public events, bringing together local and global leaders from academia, industry and the public to exchange research and ideas about establishing a decarbonised building culture.	\$39,921	Nil
University of Technology Sydney	The Sustainable Future of Urban Insect Pest Management	An event in Ultimo to bring together pest management stakeholders to examine the current state of pest control in urban Australia with the aim of working together to develop a plan for a sustainable future.	\$7,000	Nil
University of Technology Sydney	Indigenous Small Businesses Website and Social Media Support	A support program for local Aboriginal and Torres Strait Islander small businesses by designing, creating and supporting websites and social media pages.	\$35,000	Nil
Vibewire Youth Services Inc	On Ramp	A program in Darlinghurst to provide skills development for young women from culturally or linguistically diverse backgrounds.	\$20,000	Nil
Vigilanti Pty Ltd	Better Housing for Young Renters	A research project in the local area to engage young renters to help design and develop a new model of purpose-built share housing that is affordable and fit-for-purpose.	\$30,000	Nil
W2d1 Media Pty Ltd	The Australian Startup Ecosystem Docu-Series	The production of a podcast series to highlight the history of the Australian startup ecosystem and to inspire future entrepreneurs.	\$40,000	Nil
Welcome Merchant Pty Ltd	Digital Savviness for Refugee and Asylum Seeker Entrepreneurs	A series of online capacity building workshops to support refugee entrepreneurs to promote their businesses on social media platforms and to build an active social media presence.	\$5,800	Nil
Women's And Girls Emergency Centre Incorporated	All In	A training program for childcare centre leaders, educators and parents to prevent gender-based violence through embedding primary prevention approaches at childcare centres in the local area.	\$40,000	Nil

