

16 October 2023

At 2.00 pm

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

Agenda

- 1. Confirmation of Minutes**
- 2. Statement of Ethical Obligations and Disclosures of Interest**
- 3. Presentation of the 2022/23 Financial Statements and Audit Reports to Council**
- 4. Audit Risk and Compliance Committee Annual Report to Council 2022/23**
- 5. Review of the Investment Policy and Strategy**
- 6. Investments Held as at 30 September 2023**
- 7. Post Exhibition - Naming Proposal - Mount Carmel Place, Waterloo**
- 8. Adoption - Public Interest Disclosure Policy**
- 9. External Memberships**
- 10. Lease Approval - Woolstores Alexandria**
- 11. Tender - T-2022-901 - George Street North Pedestrianisation**
- 12. Exemption from Tender and Contract Variations - IT Licence, Subscription, Maintenance and Support Contracts**

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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.

Webcast

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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 9702 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.

Confirmation of Minutes

Minutes of the following meetings of the Corporate, Finance, Properties and Tenders Committee are submitted for confirmation:

Meeting of 11 September 2023.

Item 2.**Statement of Ethical Obligations**

In accordance with section 233A of the Local Government Act 1993, the Lord Mayor and Councillors are bound by the Oath or Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the City of Sydney and the City of Sydney Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act 1993 or any other Act, to the best of their ability and judgement.

Disclosures of Interest

Pursuant to the provisions of the Local Government Act 1993, the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose and manage both pecuniary and non-pecuniary interests in any matter on the agenda for this meeting.

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

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

Item 3.

Presentation of the 2022/23 Financial Statements and Audit Reports to Council

File No: X084202

Summary

This report presents the City's 2022/23 Financial Statements to Council and seeks authorisation to issue the public notice of the intention to present the audited statements to the public at the Council meeting of 20 November 2023.

The City of Sydney's Income Statement for the year ended 30 June 2023 reports a Net Operating Result for the year of \$183.2M, in accordance with relevant accounting standards and reporting requirements, against a budgeted surplus of \$77.1M.

The favourable result against budget shown in the financial statements is mainly due to higher than anticipated capital contributions, additional interest income and lower employee related expenditure. An analysis of the City of Sydney's operating revenues and expenditures variances against the budget was set out in detail in the Q4 report to Council in August 2023

In completing the 2022/23 Financial Statements, a number of final adjustments were made to the results reported to Council within the 2022/23 Quarter 4 Review of the Delivery Program. These adjustments are summarised in the attached background information.

The Statement of Financial Position reports Net Assets of \$14.4B, an increase of \$1.6B over the year, reflecting a revaluation of the book value of a number of infrastructure asset classes. The Office of Local Government requires councils to value non-current assets at fair value, on a staged approach over different years, and to continue this cycle on a rolling basis.

The City of Sydney remains in a strong, stable financial position. Despite the recent financial impacts of the Covid-19 pandemic, the City remains well placed to fund its operations and programs on an ongoing basis, with sufficient financial resources to support the \$2.1B capital works program identified within the City's 2023/24 to 2032/33 Long Term Financial Plan.

The 2022/23 financial statements incorporate mandatory disclosures of financial performance ratios within the Statement of Performance Measurement (Note G6 of the General Purpose Financial Statements) and the Report on Infrastructure Assets (a Special Schedule). The ratios include performance measures and benchmarks mandated by the Office of Local Government (OLG), along with other relevant performance indicators.

Effective measurement and monitoring of a range of relevant performance indicators, particularly those related to asset management, remains an ongoing challenge. The City supports the ongoing effort to assess and report upon every council's financial and asset management sustainability and will continue to work with the Office of Local Government to refine definitions and appropriate benchmarks set for financial indicators. In the interim, the City has reported all mandatory indicators, and included additional (supplementary) indicators where it believes these provide more relevant information for the readers of the financial statements.

The City is also seeking to work with the Office of Local Government to develop approaches to fixed asset valuation that meet Australian Accounting Standards and are applied with consistency and certainty across the local government sector. Valuation adjustments, which are notional book entries and non-cash in nature, can have a very significant impact on the financial position of a Council.

At the time of writing, the City's auditor, the Audit Office of NSW, have advised that they are close to finalising their review of the Financial Statements. A delay to commencement of the final audit arose due to the removal of the audit service provider, engaged by the Audit Office of NSW, conducting the audit. The Audit Office of NSW replaced these services with their own staff which presented some resourcing challenges. Nonetheless, audit clearance is expected prior to the 23 October 2023 Council meeting, facilitating Council's signing of the Financial Statements. No significant changes are anticipated to the version of the financial statements attached to this report, and it is expected that an unqualified Audit Report will be issued in due course, subject to confirmation from the Audit Office of NSW.

Recommendation

It is resolved that Council:

- (A) receive the Financial Statements for City of Sydney for the year ended 30 June 2023, as shown at Attachment A to the subject report;
- (B) authorise the Lord Mayor – Councillor Clover Moore, the Deputy Lord Mayor – Councillor Robert Kok (member - Audit, Risk and Compliance Committee), Chief Executive Officer, and the Chief Financial Officer to sign the General Purpose Financial Statements;
- (C) authorise the Lord Mayor – Councillor Clover Moore, the Deputy Lord Mayor – Councillor Robert Kok (member - Audit, Risk and Compliance Committee), Chief Executive Officer, and the Chief Financial Officer to sign the Special Purpose Financial Statements;
- (D) receive the auditor's reports on the 2022/23 Annual Financial Statements as shown at Attachment B to the subject report; and
- (E) authorise that notice be given, through Sydney Your Say, of public presentation of the audited 2022/23 Financial Statements for the City of Sydney at the Council meeting on 20 November 2023.

Attachments

Attachment A. Draft 2022/23 Financial Statements

Attachment B. Audit Engagement Closing Report

Background

1. 2022/23 Financial Statements have been prepared for the City of Sydney in accordance with applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Local Government Act 1993 and Regulations and the Local Government Code of Accounting Practice and Financial Reporting December 2022 (the Code).
2. The Annual Financial Statements comprise the:
 - (a) General Purpose Financial Statements
 - (i) Income Statement
 - (ii) Statement of Comprehensive Income
 - (iii) Statement of Financial Position
 - (iv) Statement of Changes in Equity
 - (v) Statement of Cash Flows
 - (b) Special Purpose Financial Statements
 - (i) Income Statement of Business Activities
 - (ii) Statement of Financial Position of Business Activities
 - (c) Special Schedules (note that these schedules are not subject to audit)
 - (i) Special Schedule – Permissible Income for General Rates
 - (ii) Special Schedule – Report on Infrastructure Assets as at 30 June 2023
3. Notes to the accounts provide supporting information, and these, together with the above Financial Statements, fulfil all related statutory financial reporting requirements and are included within the City's Annual Report.
4. The Office of Local Government requires councils to value non-current assets at fair value on a staged approach of valuing different asset classes in different years, and to continue the cycle on a rolling basis.
5. As a result, the valuation process comprises revaluations of each asset class on a maximum five-year cycle basis. The City has the option to undertake valuations more frequently, if required.
6. In the 2022/23 financial year, comprehensive revaluations of infrastructure assets were undertaken. Chief Finance Office staff revised the valuations for:
 - (a) Land Under Roads (note: only land under road acquired after 1 July 2008 is recognised as an asset)
7. An interim (index-based) revaluation was also undertaken for buildings assets (both specialised and non-specialised classes), infrastructure (roads, bridges, footways, kerb and gutter, and stormwater drainage), open space and land assets (operational land, community land and Crown/third-party land) due to material movements in identified cost indices.

8. In addition, again for the 2022/23 financial year, the City engaged an external valuer to re-assess the value of investment property assets. Owing to market conditions across the portfolio, the valuation resulted in a small net decrease in investment properties value for the financial year.
9. A detailed explanation of the valuation methodologies for the asset classes mentioned above is set out in note E2-1 of the General Purpose Financial Statements.
10. The draft Financial Statements were reviewed by the Audit Risk and Compliance Committee on 5 October 2023 for endorsement to Council for authorisation.
11. The 2022/23 financial statements incorporate mandatory disclosures of financial performance ratios within the Statement of Performance Measurement (Note G6 in the General Purpose Financial Statements) and the Report on Infrastructure Assets.
12. While the City supports the ongoing measurement and monitoring of a range of relevant performance indicators, to assess and report each council's financial and asset management sustainability, there remain a number of reservations about the current definition and mandatory benchmarks for a number of these indicators. The City's management and financial staff have provided submissions on these concerns, as have a number of other local government professionals and auditors, and we will continue to work with the Office of Local Government to refine the current suite of indicators.
13. In cases where the mandatory ratios provide an inadequate or misrepresentative measure of the City's underlying financial performance and/or position, the City has provided supplementary indicators that eliminate some or all of these inadequacies to present a more realistic and balanced view.
14. The importance of providing this additional disclosure to the readers of the financial statements was brought into focus by the NSW Government's 'Fit for the Future' program for local government reform. The City's submission to IPART in 2015 in respect of Fit for the Future articulated the inherent shortcomings of the key ratios and benchmarks, including Operating Performance, Debt Service (benchmark) and Asset Renewal.
15. At the time of writing, the City's auditor, the Audit Office of NSW, have advised that they are close to finalising their review of the Financial Statements. A slight delay occurred following the removal of the audit service provider (PWC), engaged by the Audit Office of NSW, to conduct the audit. The Audit Office of NSW replaced these services with their own staff which presented resourcing challenges. Note that while audit services were sub-contracted to PWC they were acting as the agent Audit Office of NSW who remain statutory auditor for the City and they retain overall responsibility for the audit. Audit clearance is expected prior to the 23 October 2023 Council meeting, facilitating Council's signing of the Financial Statements.
16. No significant changes are anticipated to the version of the financial statements attached to this report, and it is expected that an unqualified Audit Report will be issued in due course, subject to confirmation from the Audit Office of NSW.

Financial Implications

17. The Financial Statements reflect a Net Operating Result for the year of \$183.2M, in accordance with relevant accounting standards and reporting requirements, against a budgeted surplus of \$77.1M and a Net Operating Result excluding Capital Grants and Contributions of \$34.7M versus a budgeted surplus \$8.3M.

18. The favourable result against budget shown in the financial statements is mainly due to higher than anticipated capital contributions, additional interest income and lower employee related expenditure.
19. The Quarter 4 Report to Council in August 2023 reflected a Net Operating Result of \$179.5M. There is a difference of \$3.7M between the Q4 Net Operating Result and the 2022/23 Financial Statements' Net Operating Result.
20. Adjustments made after the Q4 Report largely relate to the finalisation of accounting for completed capital projects, recognition of additional non-cash capital contributions income, asset disposals associated with capital renewal works and depreciation adjustments arising from year end asset accounting finalisation, and can be summarised as follows:

	Fav/(Unfav) \$M
Finalise capital contributions accounting - recognition of Works in Kind completed and land transferred	23.06
Finalise expensing of complete capital works	(13.09)
Finalise Depreciation (based on finalised capitalisation of new assets)	(3.26)
Finalisation of asset disposals associated with capital renewal works	(3.13)
Take up net movement in Investment Properties for 2022/23	(1.20)
Recognise award of Heritage Floor Space for Corporation Building	1.04
Finalise rental abatement offset amount - recognise additional rental income	0.95
Year end accruals - updates and adjustments	(0.64)

21. The significant variances to budget were detailed within the Q4 Report, as presented to Council on 22 August 2023.
22. The City of Sydney remains in a strong, stable financial position. Despite the financial impacts of the Covid-19 pandemic, it remains well placed to fund its operations and programs on an ongoing basis, with sufficient financial resources to support the \$2.1B capital works program identified within the City's 2023/24 to 2032/33 Long Term Financial Plan.

Relevant Legislation

23. The Local Government Act 1993 requires Council's annual financial statements to be prepared and audited within four months after the end of the year concerned (section 416(1)).
24. Section 416(2) of the Local Government Act 1993 allows council to apply to the Departmental Chief Executive for an extension of that period.

25. The Local Government Act 1993 further requires that, as soon as practicable after a Council receives a copy of the auditor's reports:
- (a) it must fix a date for the meeting at which it proposes to present its audited financial statements, together with the auditor's reports, to the public; and
 - (b) it must give public notice of the date so fixed (section 419(1)).

Critical Dates / Time Frames

26. The 2022/23 Financial Statements must be prepared, audited and submitted to the Office of Local Government by 31 October 2023.
27. A public notice must be placed to advise that the 2022/23 Financial Statements and the Auditor's Report will be presented to the public at the Council meeting of 20 November 2023. The Financial Statements will be included in the Annual Report which will be lodged with the Office of Local Government by 30 November 2023.

Public Consultation

28. Following endorsement of the City's 2022/23 Financial Statements by Council, a notice will be issued via the Sydney Your Say website, for the presentation of the audited statements to the public at the Council meeting of 20 November 2023.

BOB WALLACE

Acting Chief Financial Officer

Item 4.

Audit Risk and Compliance Committee Annual Report to Council 2022/23

File No: S083523

Summary

The Audit Risk and Compliance Committee is required to report annually to Council. This report covers the period from 1 July 2022 to 30 June 2023.

This Audit Risk and Compliance Committee is responsible for oversight and monitoring of the City's audit, risk, and governance activities, including reviewing the implementation of recommendations resulting from internal audit, compliance and governance reviews.

The Audit Risk and Compliance Committee highlights the following key points for 2022/23:

The Audit Risk and Compliance Committee sought assurance on the management of areas of risk, including Payroll (including CHRIS21); Delegations Framework; Management of Fees and Charges; GIPA Compliance; Integrated Planning and Reporting Framework; Review of the City's non-residential register methodology and plan for the 2021 and 2024 local government elections; Risk Management Framework; Accounts Payable (including the TechnologyOne module); and Parking Meter Income. In addition, the regular periodic reviews were conducted of Councillors' Expenses 2022 (not tabled until after 30 June 2023 due to timing issues), Access to Transport for NSW DRIVES24 system, and the City of Sydney's Street Safety Camera Program (not tabled until after 30 June 2023 due to timing issues).

Recommendation

It is resolved that the Council note the Audit Risk and Compliance Committee's 2022/23 Annual Report, as shown as Attachment A to the subject report.

Attachments

Attachment A. Audit Risk and Compliance Committee Annual Report (1 July 2022 to 30 June 2023)

Background

1. The Audit Risk and Compliance Committee is required by its Charter to report annually to Council. This report covers the period from 1 July 2022 to 30 June 2023.
2. The primary objectives of the Audit Risk and Compliance Committee are to:
 - (a) assist the Council in discharging its responsibilities in relation to:
 - (i) financial reporting practices;
 - (ii) business ethics, policies and practices;
 - (iii) accounting policies;
 - (iv) risk management and internal controls; and
 - (v) compliance with laws, regulations, standards and best practice guidelines; and
 - (b) ensure the integrity of the internal audit function.
3. The Council authorises the Audit Risk and Compliance Committee, within the scope of its role and responsibilities, to:
 - (a) obtain any information it needs from any employee or external party (subject to their legal obligations to protect information);
 - (b) discuss any matters with the external auditor or other external parties;
 - (c) request the attendance of any employee or councillor at Audit Risk and Compliance Committee meetings; and
 - (d) subject to confidentiality considerations, obtain external legal or other professional advice considered necessary to meeting its obligations.
4. The Audit Risk and Compliance Committee sought assurance on the management of areas of risk, including:
 - (a) DRIVES24 Compliance Review 2022;
 - (b) Payroll (including CHRIS21);
 - (c) Delegations Framework;
 - (d) Management of Fees and Charges;
 - (e) GIPA Compliance;
 - (f) Integrated Planning and Reporting Framework;
 - (g) Review of the City's non-residential register methodology and plan for the 2021 and 2024 local government elections;
 - (h) Risk Management Framework;

- (i) Accounts Payable (including the TechnologyOne module);
 - (j) DRIVES24 Compliance Review 2023; and
 - (k) Parking Meter Income.
5. Further detail regarding the activities of the Audit, Risk and Compliance Committee are contained in Confidential Attachment A.
6. The Audit Risk and Compliance Committee notes the Audit Office of NSW is responsible for conducting financial and performance audits of all NSW local government entities and will oversee the City's Audit Service Provider (ASP) on the financial audit of the Council of the City of Sydney. The Audit Service Provider reports directly to the Director Financial Audit, who as a delegate of the Auditor-General for NSW oversees their audit work to ensure it complies with legislative and professional requirements before the Audit Office of NSW issues the Independent Auditor's Report and other reports to those charged with governance. The City's Audit Service Provider for 2024/25 has not yet been appointed.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

7. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 1 - Responsible governance and stewardship - the Audit Risk and Compliance Committee's operations meet the Internal Audit Guidelines issued by the Office of Local Government and the Audit Risk and Compliance Committee Charter approved by Council. A risk-based internal audit program has been undertaken to provide an independent and objective review of the City's operations. The Committee reviews all internal audit reports and monitors the implementation of recommendations at its meetings. Additionally, the Committee reviews the external auditor's reports. The Committee also monitors the implementation of the risk management, governance and compliance programs and receives briefings on significant matters relevant to the City's operations.

Relevant Legislation

8. Section 428A of the Local Government Act 1993 requires councils to have an Audit Risk and Improvement Committee. The City currently complies with this requirement through its existing Audit Risk and Compliance Committee. The previous Internal Audit Guidelines issued by the Office of Local Government (September 2010) are in accordance with section 23A of the Local Government Act 1993. A council must take any relevant guidelines issued to this section into consideration before exercising any of its functions.

9. Updated draft Office of Local Government guidelines for risk management and internal audit in local government in New South Wales were issued in December 2022 and remain a "final draft" pending the making of supporting regulations, which will mandate some aspects for future arrangements. Draft regulations have not been published or put out for consultation as at this time, although Councils are required to be compliant with the new guidelines by 1 July 2024.
10. Once updated guidelines and any relevant Regulations are finalised and published, the City will implement any required changes.

KIRSTEN MORRIN

Director Legal and Governance

Barry Munns, Chief Internal Auditor

Debra Marschall, Business Support Officer - Internal Audit

Attachment A

**Audit, Risk and Compliance Committee
Annual Report (1 July 2022 to 30 June 2023)**

2022/23 ARCC Annual Report to Council



Table of Contents

2022/23 Annual Report to Council	3
Introduction	3
Membership	4
Meetings and attendance	5
Summary: Committee Report Card	7
Internal Audit	7
Rating scale for internal audit reports	8
Internal Audits tabled, 2022/23	9
Forward Audit Plan, 2023/24	12
External Audit	13
Risk management, compliance and governance	13
Fraud and corruption prevention	14
Legal	14
Workplace health and safety	14
Other	15

2022/23 Annual Report to Council

Introduction

The Audit Risk and Compliance Committee (ARCC) plays an important role in the City of Sydney Council's governance framework. Its primary objectives are to assist Council in discharging responsibilities with respect to:

- financial reporting
- business ethics, policies and practices
- accounting policies
- internal controls
- risk management
- governance
- fraud and corruption prevention
- major legal matters
- work health safety
- regulatory compliance
- alignment with standards and best practice guidelines.

The ARCC provides advice to Council on the integrity of the City's assurance functions, including internal audit, risk management, compliance, and governance.

The Committee's Charter sets out the ARCC's role and responsibilities and provides for oversight of the internal and external audit functions. Its structure and operations conform to the Office of Local Government guidelines issued in September 2010 and NSW Treasury's TPP 20-05, incorporating best practice for monitoring finance, audit, risk management, compliance, and governance activities within the City.

This report covers the period 01 July 2022 to 30 June 2023.

Update on new charter (based on OLG model charter)

In December 2022 the OLG issued a "final draft" of guidelines for a new model charter for Audit and Risk Committees pending the making of supporting regulations, which will mandate some aspects of the arrangements. Draft regulations have not been published or put to out for consultation.

The ARCC has agreed with a request from the City's management that the current charter remain in force in the meantime until the OLG finalise the regulations.

However, the draft updated ARCC charter, based on the new OLG model, was endorsed by the ARCC with minor amendments at the 30 May 2023. Once the regulations are made and the draft Guidelines are finalised, an updated Audit Risk and Compliance Committee Charter will be submitted to Council for approval.

Membership

In accordance with its current Charter, the Committee comprises two councillors and three independent members, one of whom holds the role of Independent Chair.

Councillor members:

- Lord Mayor Clover Moore
- Councillor Jess Scully (from September 2016), resigned from Council, 12 May 2023)
- Councillor Robert Kok (from May 2023)
- Councillor HY William Chan (from December 2021, as the Lord Mayor's alternate)

Independent members:

- Carolyn Walsh (appointed October 2014, reappointed October 2018. Appointed as Independent Chairperson from 01 July 2021 to 30 June 2025)
- Elizabeth Crouch AM (appointed July 2013, reappointed August 2016, Chairperson from October 2014 to 30 June 2021. Reappointed as an Independent Member from 01 June 2021)
- Ken Barker (appointed October 2014, reappointed October 2018 to 30 November 2022, and then extended to 23 November 2023 on 12 August 2022)

Ex-officio attendees include:

- Chief Executive Officer
- Director Legal and Governance
- Chief Financial Officer
- Chief Internal Auditor
- Manager Risk and Governance

Invitees include:

- Representatives of the Audit Office of New South Wales
- External Auditors, PwC
- Other officers, as requested by the Committee to present on priority issues.

Recruitment Process for Independent Members

The draft OLG Guidelines provide that recruitment of independent members should be done in consultation with the Chair. The ARCC Chair and the Director Legal & Governance held discussions on the recruitment process for the new independent members. The recruitment process will be conducted by way of a publicly advertised expressions of interest.

As at 30 June 2023, draft regulations have not been published or put out for consultation.

Given the uncertainties of timing and issues outlined above, the CEO put a memorandum to the 26 June 2023 council meeting providing an update on the current status as advised by the OLG and with the following recommendations:

Endorsing the new position descriptions for independent members and independent chairs for the purposes of recruitment

- Noting that the Chair and the CEO will undertake a recruitment process by way of public Expression of Interest
- Noting that appointment of independent members will be reported back to Council for resolution in accordance with the draft OLG Guidelines and new draft ARCC Charter.

Meetings and attendance

The Audit Risk and Compliance Committee (ARCC) meets a minimum of five times annually to consider matters relating to the financial, audit and risk management issues of the City of Sydney. In 2022/23 the ARCC:

- considered the City's enterprise risk management framework
- received regular reports on workplace health and safety and other compliance related matters
- received briefings, updates, demonstrations, or presentations on:
 - progress made on the City's Asset Management Improvement Plan
 - Crown and Community Plans of Management Program
 - Fraud & Corruption Control Plan 2022
 - Privacy Management Plan
 - the Office of Local Government's Draft Guidelines on Risk Management and Internal Audit
 - the Office of Local Government's membership requirements for audit, risk and improvement committees
 - a demonstration of City's new Risk Management software (CAMMS)
 - the City's cybersecurity service delivery
 - the personal data protection at the City
 - the outcome of the Street Safety Camera Program's Best Practice Self-Assessment Survey 2022
 - the City's Improvement and Transformation (an overview of key projects delivering efficiency, effectiveness, and community experience improvement)
 - the OLG's Guideline on the use and management of credit cards
 - the City's waste management contractual performance and operating environment
 - Presentation on the City's Heritage Assets (trachyte kerbstones)
 - the Audit Office of NSW's reports on –
 - Local Government 2021
 - Local Government 2022
 - Regulation and Monitoring of Local Government
 - Natural disasters
 - the City's major projects

- annual Procurement and Contracts Management update
- PwC services to the Audit Office of NSW in relation to significant matters arising from the Commonwealth Senate Inquiry
- maintained oversight of risks recorded in the City's risk register including consideration of new risks that reflected changes to the City's operational environment and risk appetite
- focused internal audit activity in line with the City's risk profile and governance arrangement
- maintained oversight of financial reporting and endorsement of the financial statements including securing relevant attestations from the Chief Financial Officer
- assessed whether appropriate policies and procedures were in place and routinely reviewed those related to delegations, making recommendations on changes as appropriate.

During the 2022/23 reporting period, the Committee held three virtual meetings (August, October, and December 2022) and two meetings held in person (March and June 2023). A quorum was present for all meetings.

The Committee met *in camera* with representatives of the Audit Office of NSW, prior to the review of the draft financial statements at the October 2022 meeting. No management representatives were present.

The City of Sydney has adopted a staggered approach to rotation of ARCC independent members, including the Chairperson, to ensure continuity of knowledge and skills. Each current independent member is pre-qualified on the NSW Treasury Panel for NSW Government Audit and Risk Committees.

Summary: Committee Report Card

ARCC Charter – Roles and Responsibilities	Compliance
Committee composition	Yes
Tenure	Yes
Skills and experience, including financial, legal and/or business expertise	Yes
Induction of new members (for FY2021/22)	Yes
Declarations of Conflict of Interests	Yes
Internal Audit updates, as well as preparation of three year internal audit plan, monitoring recommendations, review Charter annually, provide performance feedback on service providers	Yes
Risk Management, Compliance, and Governance updates, including Fraud and Corruption Prevention	Yes
Financial Management	Yes
External Audit	Yes
Meetings	Yes
Closed sessions	Yes
Minutes and papers (accurate and timely provision)	Yes
Assessment arrangements (annual)	Yes
Reporting to Council (at least annually) – this report	Yes

Internal Audit

The role of Internal Audit is to provide independent assurance to Council's operations. It assists Council by evaluating and assessing the effectiveness of risk management, control and governance processes.

The City's Internal Audit unit is led by a chief audit executive (Chief Internal Auditor). Most fieldwork is undertaken through an outsourced model under the control of the Chief Internal Auditor. A panel of two service providers (RSM Australia and O'Connor Marsden & Associates) provided outsourced internal audit services during 2022/23.

For the 2022/23 reporting period, the Committee:

- approved the four-year strategic audit program for the period 2023-2027 and the annual operational audit plan for 2023/24

- considered regular reports from the Chief Internal Auditor on progress against the plan
- reviewed the Internal Audit Charter, which will remain in force until the OLG finalises the regulations, and
- received audit reports, as well as updates, from the Chief Internal Auditor on the status of actions taken by management to address high-risk rated findings identified in previous audit reports.

The Internal Audit Plan

The 2022/23 audit plan was endorsed by the Committee at the 26 May 2022 meeting and comprised 25 reviews. Three of these reviews were deferred to the 2023/24 program due to client priorities and requests. The reviews deferred were (1) Financial Planning and Reporting; (2) Information Protection and Security; and (3) Contract Management.

During 2022/23, 11 reports were delivered, including three reports that were unable to be finalised in 2021/22 (due to Covid-19 related issues).

The Committee reviewed the agreed actions undertaken by management to address recommendations from all audit reports.

The Committee is satisfied that the internal audit plan is aligned with and responds to the major risks identified in the City's risk profile.

Monitoring internal audit recommendations

There are processes in place to monitor management actions arising from audit recommendations and make sure the recommendations are being actioned. The processes include:

- ensuring each Director is accountable for monitoring the status of outstanding issues for their respective Divisions including reporting completion details to Internal Audit throughout the year
- regular internal audit status reporting to the Executive to assist in monitoring progress of outstanding audit actions
- reporting all overdue management action items to monitor implementation and providing follow-ups at each meeting of the Audit Risk and Compliance Committee.

The Committee receives regular reports on the appropriateness of the management actions taken on high-rated, closed actions items through follow-up reviews and new audits.

Rating scale for internal audit reports

An overall rating scale for each engagement has been set by senior management and the Audit Risk and Compliance Committee as appropriate to allow allocation of resources to the areas of greatest concern.

Outlined below are the ratings and their definitions:

Overall Rating Scale for Reviews	Definition
Unsatisfactory	Numerous very high and/or high-risk issues
Requiring improvement	A small number of very high- or high-risk issues and/or many medium risk issues
Satisfactory	Only isolated instances of high issues and/or a small number of medium risk issues
Low	Only isolated instances of low to medium risk issues
Not Rated	Applies to focused reviews where a rating may not be representative of the overall control environment. High-level or specific reviews where only a small section of an area/process is examined, and investigation outcomes are not rated.

Internal Audits tabled, 2022/23

Meeting 1 - August 2022

Review Name	Objectives and Outcomes	Overall Rating
2022 Review of Access to Transport for NSW's DRIVES24	<p>Requirements of the Terms of Access Agreement include an annual audit of access and security, and to provide TfNSW with a compliance certificate signed by the CEO and Chief Internal Auditor.</p> <p>There were no recommendations or improvement opportunities arising from this review. Based on the attestation by the Chief Internal Auditor, a Compliance Audit Certificate declaration was issued to TfNSW, signed by the CEO.</p>	Not rated

Meeting 2 – October 2022 (draft financial statements only – no audit reports tabled)

Meeting 3 – December 2022

Review Name	Objectives and Outcomes	Overall Rating
Payroll (including CHRIS21) Review	<p>The primary objective of the engagement was to review the adequacy of the City's payroll processes, controls, and application controls relevant to the CHRIS21 system, for the period 1 January 2021 to 31 December 2021 (the audit period).</p> <p>An application review of CHRIS21 was undertaken in line with the Institute of Internal Auditors Global Technology Audit Guide Auditing Application Controls (IIA GTAG 8).</p> <p>All management actions have been completed.</p>	Low
Delegations Framework Review	<p>The audit focused on the design and effectiveness of the controls relating to the implementation and operation of delegations, and specifically assessed the following:</p> <ul style="list-style-type: none"> • The Instruments of Delegations are: <ul style="list-style-type: none"> - current - appropriately set - personnel responsible are aware of and complying with the relevant instrument of delegations - executed within the officer's delegated limits. 	Low

2022/23 ARCC Annual Report to Council

	<ul style="list-style-type: none"> • Discretionary Authority - to ensure that all levels of authority are appropriate. • Transparency of approval process - to ensure that the approval process is transparent. • Segregation of duties - changes to temporary delegations are adequacy maintained e.g., withdrawn after the period of cover has expired and staff understand their obligations when changes to their delegations are applied. • Managed properly for absences – adequate and relevant delegations are actioned to cover absences. • Delegations are reviewed regularly to ensure appropriateness. <p>All management actions have been completed.</p>	
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Meeting 4 – March 2023

Review Name	Objectives and Outcomes	Overall Rating
Management of Fees and Charges	<p>The objective of this internal audit was to provide limited assurance that internal controls over the management of fees and charges are adequate, effective, and efficient, in all material respects in managing risks to the City.</p> <p>Two medium-rated management actions are in progress.</p>	Low
GIPA Compliance	<p>The objective of the internal audit was to assess the policy and procedures as well as the design and operating effectiveness of controls that mitigate the compliance risks associated with nominated divisions within Part 3 and Part 4 of the GIPA Act.</p> <p>All management actions have been completed.</p>	Low
Integrated Planning & Reporting Framework Review	<p>The overall objective of this review was to provide independent assurance that the City is meeting the legislative requirements of the IP&R Framework.</p> <p>All management actions have been completed.</p>	Low
Review of City of Sydney non-residential register methodology & plan for the 2021 and 2024 local government elections	<p>The key objectives of this engagement were to provide the Chief Executive Officer and Audit Risk and Compliance Committee an internal attestation on the Council Elections Unit's implementation of the non-residential register methodology and plan 2017-2021, and assurance on the Unit's methodology and plan to deliver the scheduled 2024 non-residential electoral rolls.</p> <p>All management actions have been completed.</p>	Low
Risk Management Framework Review	<p>The primary objective of the engagement was to review and report to senior management and the Audit Risk and Compliance Committee (ARCC) on the design and operational effectiveness of the Risk Management Framework (RMF) and associated practices.</p> <p>Three management actions have been completed. One management action is in progress.</p>	Satisfactory

Meeting 5 – June 2023

Review Name	Objectives and Outcomes	Overall Rating
Accounts Payable (including TechnologyOne applications) Review	<p>The primary objective of the engagement was to review and report to senior management and the Audit Risk and Compliance Committee (ARCC) on the adequacy of the City's accounts payable processes and controls, in addition to application controls relevant to the Tech1 system, for the period 1 July 2021 to 31 December 2021 (audit period). For audit representative sampling purposes, accounts payable processing for the audit period will be assessed.</p> <p>The application review of Tech1 was undertaken in line with the Institute of Internal Auditors Global Technology Audit Guide ("IIA GTAG") 8 Auditing Application Controls.</p> <p>All management actions have been completed.</p>	Low
2023 Review of Access to Transport for NSW's DRIVES24	<p>Requirements of the Terms of Access Agreement include an annual audit of access and security, and to provide TfNSW with a compliance certificate signed by the CEO and Chief Internal Auditor.</p> <p>There were no recommendations or improvement opportunities arising from this review. Based on the attestation by the Chief Internal Auditor, a Compliance Audit Certificate declaration was issued to TfNSW, signed by the CEO.</p>	Not Rated
Parking Meter Income Review	<p>The key objectives of this engagement were to provide the Chief Executive Officer and Audit Risk & Compliance Committee an assurance on the effectiveness of controls and procedures surrounding the collection, recording and completeness of the Parking Meter revenue.</p> <p>Three management actions are in progress.</p>	Low

Management of internal audit actions/recommendations

The ARCC actively monitors the status of outstanding action items to ensure timely closure of relevant items. There were no overdue high or medium actions overdue as at 30 June 2023. The Audit Risk and Compliance Committee and Internal Audit are satisfied with the progress of outstanding and overdue actions as at 30 June 2023.

Audit Name	Meeting Tabled	Overall Rating	Total actions				Total actions in progress				Percent completion for each rating			Overall completion rate as a percentage at 30 June 2023	
			High	Medium	Low	Total	High	Medium	Low	Total	High	Medium	Low	Total	
DRIVES24 Compliance Review 2022	August 2022	Not rated (no findings)													
Payroll (including CHRIS21) Review	December 2022	Low		1	1	2							100%	100%	100%
Delegations Framework Review	December 2022	Low			4	4								100%	100%
Management of Fees and Charges *recommendations are not yet due	March 2023	Low		2		2		2*			2*				
GIPA Compliance	March 2023	Low			1	1								100%	100%
Integrated Planning & Reporting Framework Review	March 2023	Low			2	2								100%	100%
Review of City of Sydney non-residential register methodology & plan for the 2021 and 2024 local government elections	March 2023	Low			2	2								100%	100%
Risk Management Framework Review *recommendation is not yet due	March 2023	Satisfactory		4		4		1*			1*		75%		75%
Accounts Payable (including TechnologyOne applications) Review	June 2023	Low		1		1								100%	100%
DRIVES24 Compliance Review 2023	June 2023	Not rated (no findings)													
Parking Meter Income Review *recommendations are not yet due	June 2023	Low		2	1	3		2*	1*		3*				
		Total		10	11	21		5	1	6		88%	100%		96.4%

The table below summarises the City's management of internal audit actions/recommendations at the end of each financial year. These actions are assigned to a business unit to be actioned by an agreed date.

Year	Outstanding Actions at Start of Year	New Actions from Audits	Actions closed	Current Actions at Year End	Actions Overdue ¹
30/06/2020	48	63	64	47	9
30/06/2021	47	50	78	19	6
30/06/2022	19	15	16	18	0
30/06/2023	18	21	33	6	0

For FY2022/23 there were no audits tabled for which high risk issues were identified.

Forward Audit Plan, 2023/24

The updated Four-Year Strategic Audit Program, incorporating the annual operational audit plan, was endorsed by the Executive and approved by the Audit Risk and Compliance Committee on 22 June 2023.

¹ Actions not completed by agreed date.

The approved plan for 2023/24 comprises a risk-based program of 22 reviews mapped to the City's Executive Risks, as well as Improvement Focus Areas.

The Audit Program provides assurance coverage of key business performance themes i.e., expenditure, revenue, business performance, resilience, compliance, fraud and corruption control, environment, and attestation requirements.

External Audit

Following amendments to the *Local Government Act 1993*, the Audit Office of New South Wales formally notified the City in 2016 that they will resume their role as the City's external auditors for 2016/17 and beyond.

The external auditor provides independent audit opinions on both the general and special purpose financial reports of Council. They are also required to audit the statutory returns relating to a number of the City's activities.

The Chief Internal Auditor meets with representatives of the external auditor periodically to provide insights on the control environment and to minimise overlap of audit areas of focus.

The external auditor is invited to attend each ARCC meeting as well as join the Committee on site visits as appropriate.

During the 2022/23 financial year, the ARCC:

- considered the program and status reports covering the preparation of the previous financial year (2021/22)
- received and noted the external auditor's letter covering the final audit for 2021/22
- considered and endorsed the 2021/22 General and Special Purpose Financial Reports prior to Council's authorisation
- reviewed Directors' attestations
- reviewed the external audit plan for 2022/23.

Risk management, compliance and governance

For the 2022/23 reporting period the ARCC received presentations and updates on:

- the launch of the new risk management system
- updates to the risk management framework and proposed new guidelines for risk management from the OLG
- the City's risks including changes to the City's risk profile and related metrics
- new compliance obligations
- non-compliances and data breaches
- the City's insurance portfolio
- claims against the City
- the City's governance framework and processes.

Fraud and corruption prevention

For the 2022/23 reporting period the ARCC received updates on:

- Internal investigations and customer complaints referred from the NSW Ombudsman
- Implementation of the fraud and corruption control plan
- Governance training undertaken by employees.

One public interest disclosure received in the previous reporting period, alleging theft and misuse of council resources, was found to be partially substantiated. Three public interest disclosures were received, and investigations completed during this period. One related to alleged fraudulent overtime claims (time theft) and favourable treatment and was found to be unsubstantiated. The second matter related to alleged undeclared conflicts of interest and favourable treatment in relation to a recruitment process and was found to be unsubstantiated. The third matter related to alleged misuse of council resources, fraudulent approval of overtime (time theft), favourable treatment and failure to follow proper recruitment processes. This matter was found to be partially substantiated.

Legal

For the 2022/23 reporting period the ARCC received:

- updates on major legal matters
 - briefings on any material litigation affecting the City.
-

Workplace health and safety

On a quarterly basis, the Committee regularly reviews workplace health and safety updates, including injuries, notifiable incidents, and workers compensation claims.

Other

The ARCC is satisfied that the City has:

- appropriate mechanisms in place to review and implement relevant State Government reports and recommendations related to local government; and
- developed a performance management framework linked to organisational objectives and outcomes.

The Committee assesses the currency of its Charter and evaluates its performance annually.

Finally, I would like to acknowledge that, while the pandemic is now officially over, the impact on the City has been profound. As we transition back to “BAU” it is important that the impact of the pandemic is recognised in future risk assessments. The Committee has confidence that the City has an effective risk control framework to manage this and continues to strive to further mature its risk management and governance processes.

CAROLYN WALSH

Chair, Audit Risk and Compliance Committee

October 2023

Item 5.

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 and respond to changes in economic, investment and legislative environments. The annual review of the Policy and Strategy, together with the proactive management of funds, has resulted in a secure investment portfolio that aims to continue to outperform the benchmark returns required by the policy.

The scope of the City's investments like 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 (SRI) 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 and the City now holds \$54.5M in explicitly SRI investments.

The City has developed good relationships with its financial institutions, partnered with them to help launch new products and continued to meet regularly with them to advocate for new investment vehicles and products that will achieve our desire to increase our commitments to social and responsible investment.

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

In this annual update of the Investment Policy a number of minor amendments are proposed to streamline the administration of the portfolio. This includes updating the current credit rating structure to align to the formalised rating structures that are published by credit rating agencies, increasing the investment threshold for A+ and A rated institutions and clarifying maturity period assessment criteria. These changes are intended to make operation of the portfolio simpler, more efficient to administer and better aligned with industry standards.

The key objectives of the current Investment Strategy remain valid for the challenging economic and investment legislative requirements. The Strategy remains unchanged aside from some minor administrative adjustments 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 allowing 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.** Investment Policy 2023/24
- Attachment B.** Investment Strategy 2023/24
- Attachment C.** Credit Rating Structure Comparison

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).
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 may 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 post 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 and 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 City of Sydney currently classifies each investment under an AAA, AA, A and BBB credit rating scale, set out in the existing Investment Policy, for the purpose of our approved threshold requirements. The credit risk investment parameters utilise credit rating bands that have been in place for over a decade that summarise the ratings published by the credit rating agencies. When considering an investment, typically in amounts of \$5M, institutional credit ratings, provided by rating agencies are aligned to the nearest appropriate rating within the City of Sydney's more summarised categorizations. For example, the Big 4 Banks (Westpac, NAB, ANZ and CBS) are currently rated as AA in the City's Investment rating framework. In the differentiated long-term rating structure used by Standard & Poor's (S&P) they are classified as AA-
10. It is proposed that the existing credit rating structure should be amended to align the City's credit rating structure to the formalised rating structures that are published by credit rating agencies S&P, Moody's and Fitch, in that order. This will continue to ensure a consistent, accurate and conservative credit rating approach is maintained but with the benefit of being simpler, more efficient to administer and aligned with industry standards.
11. A second amendment proposed is to place investments based on the long term credit rating of an institution only and not consider short term. Short-term ratings are generally assigned to those investments considered short-term in the relevant market, that is investments with an original maturity of no more than 365 days. Placing investments based on long term credit ratings only is a more conservative approach for the City and simpler to administer.
12. The third amendment is in relation to the maximum threshold exposure to a single institution for institution rated A+ to A. The current investment policy allows for up to \$75M to be placed with an A rated institution. The threshold for these institutions is recommended to be raised to \$100M per institution. The institutions in this category are mid-tier banks that also have substantial equity. Increasing the thresholds for these institutions will assist the City with diversification of portfolio as this amendment is proposed in accordance with the credit rating and equity of the institutions.
13. The fourth amendment proposed is to incorporate the maximum and minimum threshold by terms to maturity within a single table. Minimum thresholds are set to ensure adequate liquidity in earlier maturity bands before funds are committed to longer term investments. The minimum thresholds are obviously higher in the shorter term where liquidity is of greater priority. The cumulative nature of the minimum threshold limits inherently generates corresponding maximum thresholds; that is, maximum amounts that can be invested in each maturity band while remaining compliant with the minimum threshold limits. This provides better flexibility and simplification for monitoring and review purposes.

14. There are a number of other minor administrative changes including revising the language of the definitions and formatting updates that were also incorporated to the policy.
15. The amendments above do not change the overall intent of the Policy but clarifying the City's intent and simplify the administration of the policy.
16. 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.
17. 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 \$45 million in this Westpac product.
18. The City currently holds \$5M in a sustainability bond/floating rate note (FRN) with Bank Australia due to mature on 24 November 2025 and an additional \$4.5M invested in February 2023 due to mature on 22 February 2027. This is based on an investment framework that is in line with the 2021 versions of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). This Socially Responsible investment opportunity meets both the credit risk and maturity profile requirement of the City.
19. The key objectives of the current Investment Strategy remain valid for the present economic, investment and legislative environments. The Strategy remains unchanged, aside from some minor administrative adjustments, as it presently meets liquidity requirements for Council's ongoing capital works program, 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.
20. The proposed Investment Policy and Strategy continue to satisfy the compliance requirements of the Ministerial Investment Order.
21. 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

22. 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

23. 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 provides a high level of security.
24. The annual inflation rate in Australia was 6.0 per cent as at June 2023, down from a high of 7.8 per cent as at December 2022. While global factors explain much of the increase in inflation, domestic factors also play a role. There are widespread continuing upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy.
25. In response, the RBA has responded with 13 interest rate increases. The current official cash rate is now 4.10 per cent up from the record low 0.10 per cent level in May 2022. At the July and August RBA Board meetings official interest rates were held steady, however, further increases have been foreshadowed in an attempt to curb inflation.
26. The City's returns from the investment portfolio are in line with cash managed funds in the market. The recent increases to official cash rates have seen improvements in rates of return offered by the market, allowing maturing deposits to be re-invested at higher rates. This trend is anticipated to continue as investments placed during the period of suppressed interest rates reach maturity and are re-invested.
27. In 2022/23 the City earned \$23.5M on its financial investments. The annual budget was set at \$7.5M prior to the escalation in the rate of inflation and the resultant series of cash rate increases.

Relevant Legislation

28. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
29. The Local Government (General) Regulation 2021 (section 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
30. 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.

BOB WALLACE

Acting Chief Financial Officer

Attachment A

Investment Policy 2023/24

Investment Policy

Purpose

The Investment Policy sets out the requirements for the management of the City of Sydney’s (“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 on invested funds
- 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 portfolio that balances risk and return, an important component of its ongoing prudent financial management practices.

The Investment Strategy supports the policy by defining investment objectives and actions for the coming year.

The City’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 resources.

Scope

This policy applies to all managers and employees who actively manage the City’s Cash and Investments or have 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
Authorised Deposit-taking Institution (ADI)	An institution that is authorised under Section 9 of the <i>Banking Act 1959</i> to carry on banking business in Australia in accordance with that Act and under the prudential supervision of the Australian Prudential Regulation Authority (APRA).
Amortised Cost	The amount at which the financial asset is measured at initial recognition, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount (i.e. discount or premium on acquisition). Any premium or discount on acquisition is amortised on a straight-line basis over the term of the investment. Where no premium or discount applies, amortised cost will reflect both acquisition and maturity amount of the financial asset.
Benchmark rates	Benchmark rates comprise: <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).
Term	Meaning
Business Model	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 to generate cash from collecting contractual cash flows over the life of the instrument or collecting contractual cash flows over the life of the instrument and selling financial assets or other.
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). 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>
Credit Ratings	Credit rating agencies (see below) assign letters to represent the risk of default and financial viability of the debt issuer, based on quantitative, qualitative, and contextual analyses.
Credit Rating Agencies (CRAs)	Credit rating agencies (CRAs) evaluate and rate the creditworthiness of debt securities and their issuers, including companies and countries. These agencies assign credit risk ratings to such entities based on quantitative and qualitative analyses. Ratings show the likelihood of a borrower to default or repay a loan with interest. Three agencies, Standard & Poor's, Moody's, and Fitch, control nearly the entire credit rating market.
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; or • other investments over which additional investment activity is temporarily prohibited due to unintentional breaches of investment thresholds and limitations arising from changes in the portfolio subsequent to the acquisition of the affected investment/s.
Investments	<p>Investments comprise:</p> <ul style="list-style-type: none"> • term/tailored deposits (terminology varies by institution) bonds with an active secondary market with government (including NSW T-Corp and other government treasury bodies) and Authorised Deposit-taking Institutions (ADIs). • Investment assets have maturities at the time of placement of 30 days or more
Investment Periods	<p><i>Short-term:</i> those investments with less than 12 months to maturity date</p> <p><i>Long-term:</i> those investments with greater than 12 months to maturity date</p>
Impairment	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.

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/tailored 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/tailored 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 and responsibilities

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 responsibilities
- classification of financial instruments and measurement of investment performance
- performance benchmarks
- investment criteria
- 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.

Delegated authorities and investment responsibilities

Delegations

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 to the following positions:

- 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.

Investments

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 approval 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 corporate 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 approval by any two of the CEO, COO, CFO, Financial Planning and Reporting Manager or Business Planning and Performance Manager.

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 instruments and measurement of investment performance

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, periodic adjustments to 'Fair Value' are not 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.

The limited investment types permitted under the Ministerial Investment Order are not typically considered to be susceptible to default. In the unlikely event of a financial institution default on an investment held by the City, an impairment entry shall be recognised, to reflect any reduction in expected recoverable amount of the investment.

Performance benchmarks

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

The City uses 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.

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 Criteria

Scope

Investments must comply with the legislative authorities as described in the *Legislative Authority for Investments* section 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 a period of ten (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:

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 to AA-	100%	33 ⅓ %
ADIs within either the ANZ, Commonwealth Bank, NAB or Westpac Banking Groups ('Big Four')	100%	33 ⅓ %
A+ to A	60%	Maximum is the lesser of \$100M or 5% of Net Equity as per the latest published annual financial statements
A- to BBB+	25%	Maximum is the lesser of \$75M or 5% of Net Equity as per the latest published annual financial statements
BBB to BBB-	10%	Maximum is the lesser \$10M or 10% of the total portfolio

- The above table reflects the long-term credit rating scale of S&P, which is the primary rating scale used by the City. 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.
- 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.
- 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.

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.

Minimum thresholds are set to ensure adequate liquidity in earlier maturity bands before funds are committed to longer term investments. The minimum thresholds are obviously higher in the shorter term where liquidity is of greater priority. The cumulative nature of the minimum threshold limits inherently generates corresponding maximum thresholds; that is, maximum amounts that can be invested in each maturity band while remaining compliant with the minimum threshold limits. The liquidity / maturity profile of the total portfolio must comply with the parameters shown in the tables below:

	1 month	up to 12 months	up to 3 Years	up to 5 Years	up to and greater than 5 Years
Cumulative Minimum % of Total Portfolio	10% or \$50M (greater of)	40%	55%	90%	100%

The following example illustrates the effect of the minimum threshold for a \$700M investment portfolio size:

Terms (time to maturity)	Parameter (minimum % cumulative)	Minimum Amount by category (Cumulative)	Maximum Amount by category
1 month	10%	70,000,000	700,000,000
Up to 12 months	40%	280,000,000	630,000,000
Up to 3 Years	55%	385,000,000	420,000,000
Up to 5 Years	90%	630,000,000	315,000,000
Up to and greater than 5 Years	100%	700,000,000	70,000,000

The following example demonstrates the relationship of the maximum and cumulative minimum thresholds. Before an investment can be considered for a particular maturity band, firstly the total portfolio must comply with the cumulative minimum thresholds and secondly, the investment should then not cause the maximum thresholds to be exceeded.

Example: an investment of 2 years duration is being considered. The following thresholds must be complied with:

- First, at least 40% (or \$280M) of the total portfolio must have a maturity date of 12 months or less and 10% of the portfolio, in this case \$70M, 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 to 3 years must not exceed 60% of the total portfolio (i.e. \$420M).

The cumulative thresholds are primarily aimed at ensuring minimum liquidity requirements are always met while allowing an appropriate spread of investment maturity dates across the portfolio. Accordingly, if investment holdings of shorter-term investments exceed a minimum threshold for a maturity band, the excess may also be applied to the succeeding maturity band/s. For the example portfolio of \$700M above, if 40% of the portfolio (\$280M) or more has a maturity date of less than one month, the threshold level for investments of up to 12 months has also been met, and investments of greater than 12 months can be considered. Upon reinvestment, consideration must be given to ensuring that the minimum thresholds of the respective maturity bands are maintained as shorter-term investments mature.

The minimum requirement for very short term (30 days) access to investments is set at the greater of \$50M or 10% of the portfolio balance to ensure adequate liquidity to meet the City's working capital requirements.

The City may utilise pre-approved overdraft facilities to manage short-term liquidity shortfalls 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.

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.

Evaluation

The policy is evaluated through the measured results incorporated in monthly reporting of investment performance to Council.

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 testing the adequacy of 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 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 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 term industry standard credit ratings by 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 continue to advocate for the further development of SRI options through engagement with financial institutions.

References

Laws and Standards

- 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

- Code of Conduct
- Disciplinary Policy & Procedures
- Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing
- Investment Strategy

Review period

This policy will be reviewed every year.

Approval Status

The Council approved this policy on

Approval History

Stage	Date	Comment	TRIM Reference
Original Policy	29 October 2018	Approved by Council	2019/018769
Reviewed	28 October 2019	Approved by Council	2019/604444, 2019/018769 (pdf)
Reviewed	26 October 2020	Approved by Council	2020/483244
Reviewed	18 October 2021	Approved by Council	2020/483244
Reviewed	31 October 2022	Approved by Council	2020/483244
Commence Review Date	31 January 2023		
Approval Due Date	31 October 2023		

Ownership and approval

Responsibility	Role
Author	Financial Planning and Reporting Manager
Owner	Chief Financial Officer
Endorser	Chief Executive Officer
Approver	City of Sydney Council

Attachment B

Investment Strategy 2023/24

Investment Strategy

Purpose

The annual Investment Strategy (“the Strategy”) sets out the City of Sydney’s (“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 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 requirements are met 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 annual inflation rate in Australia was 6.0 per cent as at June 2023, down slightly from a high of 7.8 per cent as at December 2022. While global factors explain much of the increase in inflation, domestic factors also play a role. There are widespread upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy.

In response, the RBA responded with 13 consecutive interest rate increases. The current official cash rate is now 4.10 per cent up from the record low 0.10 per cent level in May 2022. At the July, August and September RBA Board meetings official interest rates were held steady, however, further increases have been foreshadowed in an attempt to curb inflation

In Australia, a history of judicious 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.

These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sector’s investments. They effectively limit the City’s investment profile to something similar to a cash managed fund, which generally produce lower returns but provide a high level of security. The City’s returns from the investment portfolio remain in line with cash managed funds in the market.

Composition of the City’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 August 2023):

Investment	Split
Big Four banks	67%
Australian mid-tier banks	23%
Australian government treasury bodies	1%
Foreign controlled Australian based ADIs	9%
Total	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, ensure adequate 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 coming years, including the funding of an expansive capital works program, 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 generally become more concentrated in the short and medium term rather than the longer term. 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. All of these investments are held with APRA regulated financial institutions so that credit risk likewise remains minimal.

The most favourable market for term deposits is often with APRA regulated Australian mid-tier banks. Accordingly, investments with these banks comprise approximately 23% of the City's total holdings at the time of writing and provide diversity within the portfolio.

Liquidity / Maturity

A significant portion 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 Delivering Sustainable Sydney 2030-2050 Community Strategic Plan.

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

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:

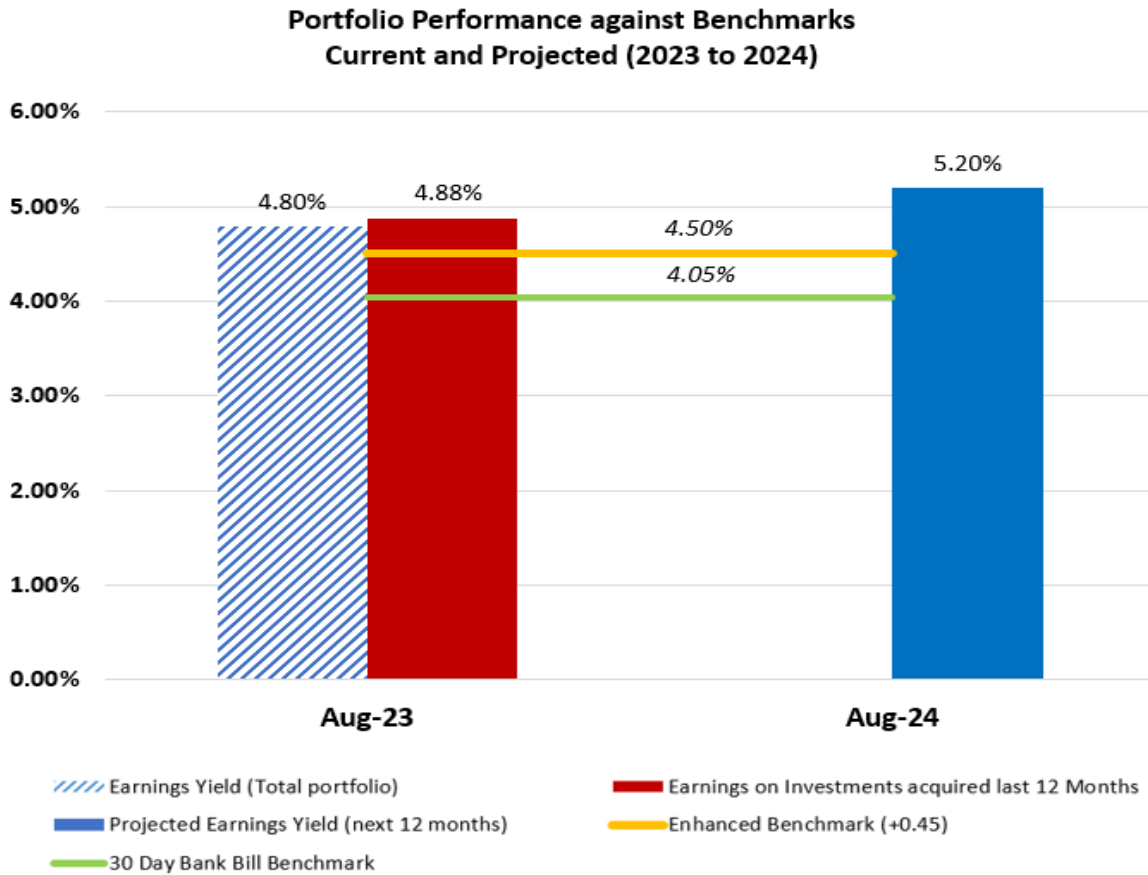
- Bloomberg AusBond Bank Bill Index
- 30 day Bank Bill Rate as published by the Reserve Bank of Australia

The City aims to achieve portfolio 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. This includes immediate operational and capital commitments as well as future years’ capital commitments.

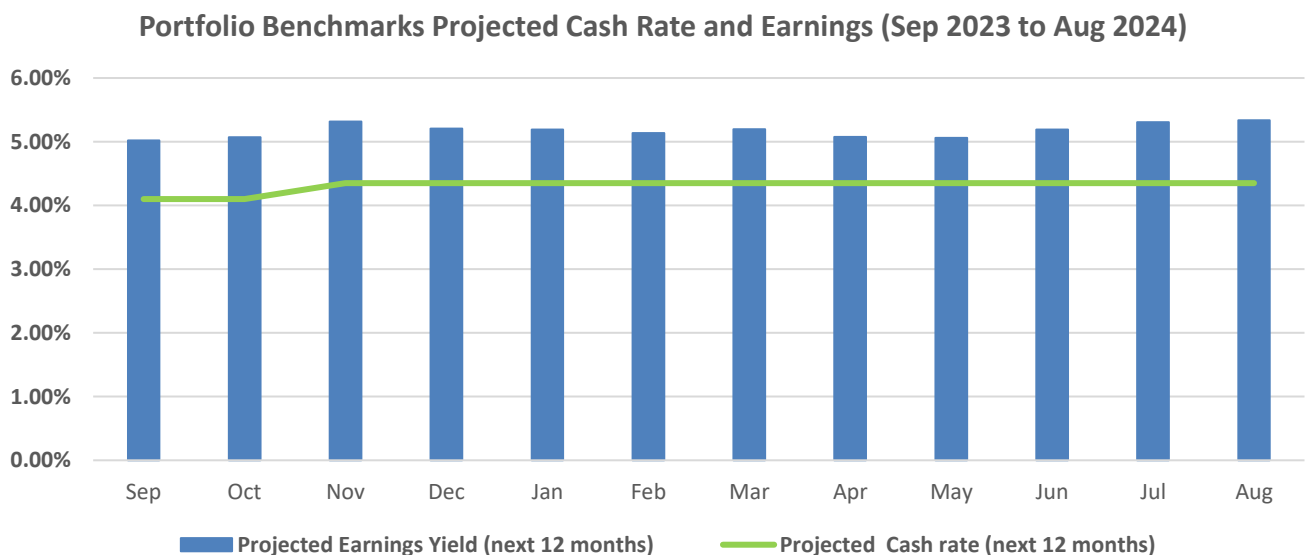
In addition, the City has utilised an additional strategic benchmark rate to measure its investment performance - exceeding the 30 day benchmark returns by at least 45 additional basis points (0.45% p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or 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.

The City’s returns from the investment portfolio are in line with cash managed funds in the market. Recent increases to official cash rates have seen improvements in rates of return offered by the market, allowing maturing deposits to be re-invested at higher rates. This trend is anticipated to continue as investments placed during the period of suppressed interest rates reach maturity and are re-invested. As at August 2023 around 74 per cent of the portfolio, including at call account, is due to mature in the coming year and the City will be able to take advantage of improving returns.

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 recent increases to official cash rates have seen improvements in rates of return offered by the market which will allow future maturing deposits and surplus funds to be re-invested at higher rates.



This trend is anticipated to continue beyond the current financial year which is represented in the chart below. The below chart represents a correlation between cash rate increases and projected earnings yield for the next 12 months.



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
- excess demand for environmentally and socially responsible investments has reduced market rates of return on these products.

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 result in additional sustainable investment offers in the medium to long term. The City has been active in acquiring environmentally and socially responsible investments, but opportunities to invest further are constrained by market conditions, particularly the credit rating of investments and associated investment limits under the City’s Investment Policy. 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 2023	

Attachment C

Credit Rating Structure Comparison

Comparison - Credit Rating Structure under current Investment Policy and proposed amended Investment Policy

Credit rating structure as per current policy		
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 ‘Big Four’ (i.e. ANZ Bank, Commonwealth Bank, National Australia Bank or Westpac Banking Group)	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%	Maximum is the lesser \$10M or 10% of the City's total portfolio

Thresholds as per August 2023 Investment report - based on current policy			
Rating	Total	Percentage of total portfolio	Threshold of Direct Investment Products (% of the Portfolio)
AA *	\$558,508,959	68.32%	100.00%
A	\$218,250,010	26.70%	60.00%
BBB	\$40,750,000	4.98%	10.00%
Grand Total	\$817,508,969		

Proposed amendment to credit rating structure		
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 to AA-	100%	33 ⅓ %
ADIs within either the ‘Big Four’ (i.e. ANZ Bank, Commonwealth Bank, National Australia Bank or Westpac Banking Group)	100%	33 ⅓ %
A+ to A	60%	Maximum is the lesser of \$100M or 5% of Net Equity as per the latest published annual financial statements
A- to BBB+	25%	Maximum is the lesser of \$75M or 5% of Net Equity as per the latest published annual financial statements
BBB to BBB-	10%	Maximum is the lesser \$10M or 10% of the City's total portfolio

Thresholds as per August 2023 Investment report - as per proposed policy amendments			
Rating	Total	Percentage of total portfolio	Threshold of Direct Investment Products (% of the Portfolio)
Big 4's	\$548,508,959	67%	100%
AAA to AA- *	\$10,000,000	1%	100%
A+ to A	\$63,250,010	8%	60%
A- to BBB+	\$182,000,000	22%	25%
BBB to BBB-	\$13,750,000	2%	10%
Grand Total	\$817,508,969		

* Included in the AA Rating grouping under the current policy are two investment parcels (\$10M total) held with the Northern Territory Treasury Corporation. While rated AA-, these investments do not constitute 'Big 4' investments as described under the proposed amended policy

Item 6.

Investments Held as at 30 September 2023

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance to 30 September 2023.

The City's total Investment and Cash position was \$816.41M at 30 September 2023, with investments earning interest of \$3.2M for the month.

The 2022/23 financial year saw the Australian economy enter a sustained period of inflation well in excess of the Reserve Bank of Australia's (RBA) target range of two to three per cent. Annual CPI inflation was 6.0 per cent in the June 2023 quarter, lower than the 7.0 per cent annual rise in the March 2023 quarter. This marks the second consecutive quarter of lower annual inflation from the peak of 7.8 per cent in the December 2022 quarter. While global factors explain much of the variation in inflation, domestic factors also play a role. There are widespread upward pressures on prices from strong demand, a continuing tight labour market and capacity constraints in some sectors of the economy.

The current official cash rate is now 4.10 per cent up from the record low 0.10 per cent level in May 2022. At the August and September RBA Board meetings official interest rates were held steady, however, further increases have been foreshadowed to curb inflation.

The City's cash and investments portfolio is substantially restricted in both internal (\$235.5M) and external (\$90.8M) 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 Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision.

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 commercial property and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualized monthly return of 4.87 per cent for September which remains above the 30-Day Bank Bill Rate (BBR) of 4.05 per cent, the latest AusBond Bank Bill Index of 4.32 per cent and the enhanced benchmark of 4.50 per cent (BBR + 0.45 per cent).

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 per cent 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 City's annual rolling return of 4.74 per cent continues to exceed the 12 month average 30 Day Bank Bill Rate of 3.52 per cent, the latest AusBond Bank Bill Index of 3.57 per cent and the enhanced benchmark of 3.97 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy which was approved by Council in October 2022.

It is worth noting that Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister for 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 sector's investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which generally produce lower returns but provide a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

This 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 2023 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 30 September 2023

Attachment B. Investment Performance as at 30 September 2023

Background

1. In accordance with the principles of sound 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 Days 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 2023 is \$816.4M, a decrease of \$1.1M from the \$817.5M reported as at 31 August 2023. The monthly movement even though not substantial reflects capital works expenditure, other operational payments for the period in excess of operating income, most of which was received from the first instalment of rates receipts in later half of August 2023 and into early September 2023. A schedule detailing all of the City's investments as at the end of September 2023 is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$235.5M) or externally restricted (\$90.8M) 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 Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision.
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 commercial property and 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 annualized monthly return of 4.87 per cent for September which remains above the 30-Day Bank Bill Rate (BBR) of 4.05 per cent, the latest AusBond Bank Bill Index of 4.32 per cent and the enhanced benchmark of 4.50 per cent (BBR + 0.45 per cent).
8. 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 per cent 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 to 90 day investments.
9. The City's annual rolling return of 4.74 per cent continues to exceed the 12 month average 30 Day Bank Bill Rate of 3.52 per cent, the latest AusBond Bank Bill Index of 3.57 per cent and the enhanced benchmark of 3.97 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy which was approved by Council in October 2022.
10. 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 ensuring adequate liquidity for operational purposes.

11. 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 provides a high level of security.
12. The City's returns from the investment portfolio are in line with cash managed funds in the market. The recent increases to official cash rates have seen improvements in rates of return offered by the market, allowing maturing deposits to be re-invested at higher rates. This trend is anticipated to continue as investments placed during the period of suppressed interest rates reach maturity and are re-invested.
13. The 2022/23 financial year saw the Australian economy enter a sustained period of inflation well in excess of the Reserve Bank of Australia's (RBA) target range of two to three per cent. Annual CPI inflation was 6.0 per cent in the June 2023 quarter, lower than the 7.0 per cent annual rise in the March 2023 quarter. This marks the second consecutive quarter of lower annual inflation from the peak of 7.8 per cent in the December 2022 quarter. While global factors explain much of the variation in inflation, domestic factors also play a role. There are widespread upward pressures on prices from strong demand, a continuing tight labour market and capacity constraints in some sectors of the economy.
14. In response to the current sustained period of inflation, well in excess of the it's target range of two to three per cent, the RBA has lifted official cash rates a record 13 consecutive times from the record low 0.1 per cent level in May 2022. The current rate is 4.10 per cent. While following their September Board meeting the RBA held interest rates steady, further increases remain a possibility if inflation remains high.
15. Despite these recent increases in interest rates, low investment yields on a number of older existing investments are expected to continue to adversely impact the City's portfolio return over the next twelve months. Most of the investment portfolio (currently 75.94 per cent) is held in fixed return term deposits. Improved returns are anticipated as these investments mature and are reinvested in products offering higher rates where the funds are not otherwise required for operating purposes. As around 70.44 per cent of the portfolio, including at call account, is due to mature in the coming year the City will be able to take advantage of improving returns.
16. 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.
17. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy which was last revised and approved by Council in October 2022 remains appropriate for the current global and domestic economic conditions.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

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

Financial Implications

19. The City's investments earned interest of \$3.2M for the month of September 2023, which is well above the monthly budgeted earnings of \$1.7M.
20. The interest income budget for the 2023/24 financial year has been set at \$20M. Anticipated higher interest rates offered in the market are forecast to be offset by reducing cash balances as the City's capital works program is delivered over the course of the coming financial year. The annual forecast will be further reviewed as part of the preparation of the Quarter 1 report to Council. At this stage it is anticipated that interest revenue will be at least \$25.0M.

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 (section 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 2022, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
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 31 October 2022.

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 legislative and 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 \$45.0M in seven tranches with this Green Tailored deposit.
30. The City currently holds \$5.0M in a sustainability bond/FRN with Bank Australia due to mature on 24 November 2025 and the City also invested an additional \$4.5M in February 2023 due to mature on 22 February 2027. This is based on an investment framework that is in line with the 2021 versions of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). This Socially Responsible investment opportunity meets both the credit risk and maturity profile requirement of the City.

BOB WALLACE

Acting Chief Financial Officer

Attachment A

**Register of Investments and Cash
as at 30 September 2023**

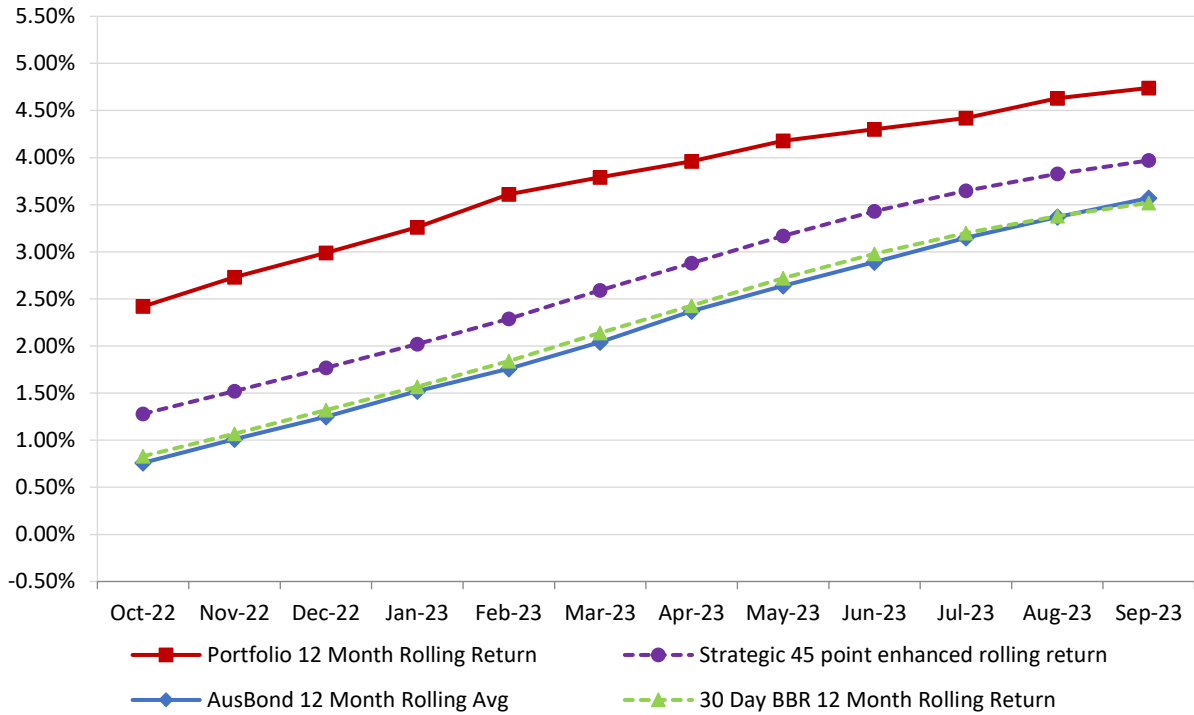
Summary of Net Investment Movements - September 2023

Financial Institution	Fund Rating	Net Investment/(Reduction) Amount \$	Commentary
<u>General Fund</u>			
Westpac Banking Corporation	AA	(20,700,000)	Surplus funds were received in General Fund account in August 2023 due to rates income
<u>Call Account</u>			
Westpac Banking Corporation	AA	(1,000,000)	Funds moved between call accounts for operational purposes.
Commonwealth Bank	AA	1,100,000	
<u>Term Deposits (TDs)</u>			
National Australia Bank	AA	5,000,000	Redeemed matured investments and additional income placed in higher yielding term deposits.
Westpac Banking Corporation	AA	30,000,000	
Bank of Queensland	A/BBB	(10,000,000)	Redeemed matured investments and additional income placed in higher yielding investments
ING Bank	A	(5,000,000)	
<u>Floating Rate Notes (FRNs)</u>			
ANZ Bank	AA	3,500,000	Redeemed matured investments and additional income placed in higher yielding floating rate note.
Macquarie Bank Ltd	A	4,000,000	
National Australia Bank	AA	(3,500,000)	Redeemed matured investments and additional income placed in higher yielding investments
Suncorp Bank	A	(4,500,000)	

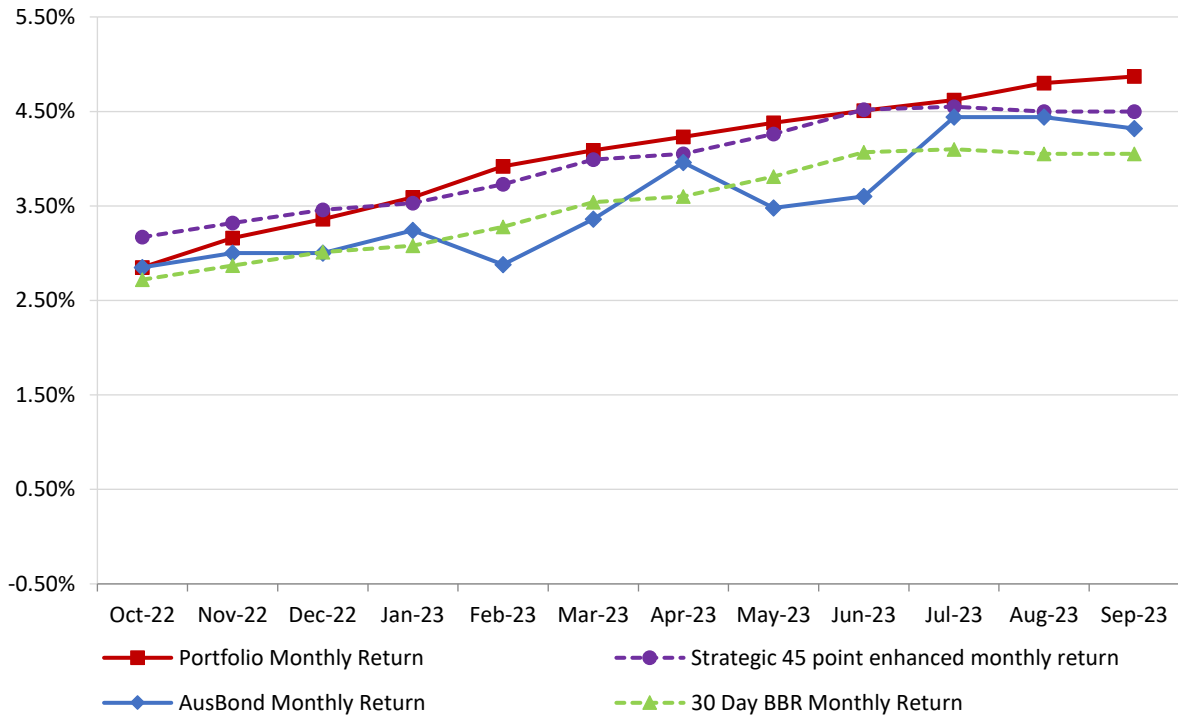
Attachment B

**Investment Performance
as at 30 September 2023**

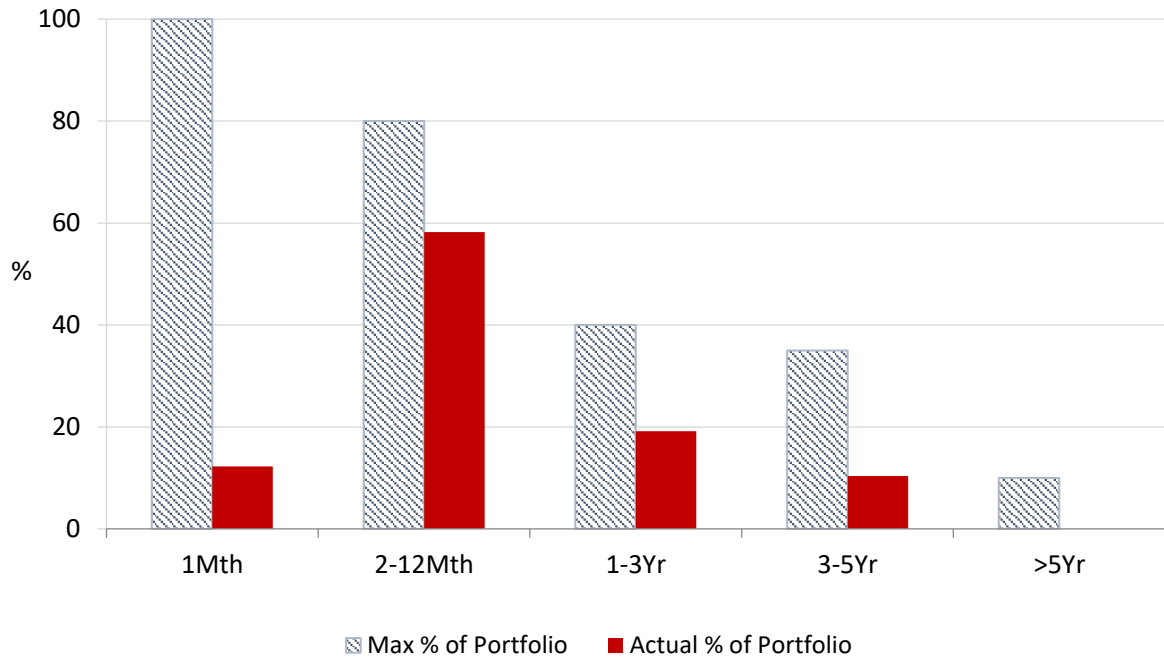
12 Month Rolling Averages
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
September 2023



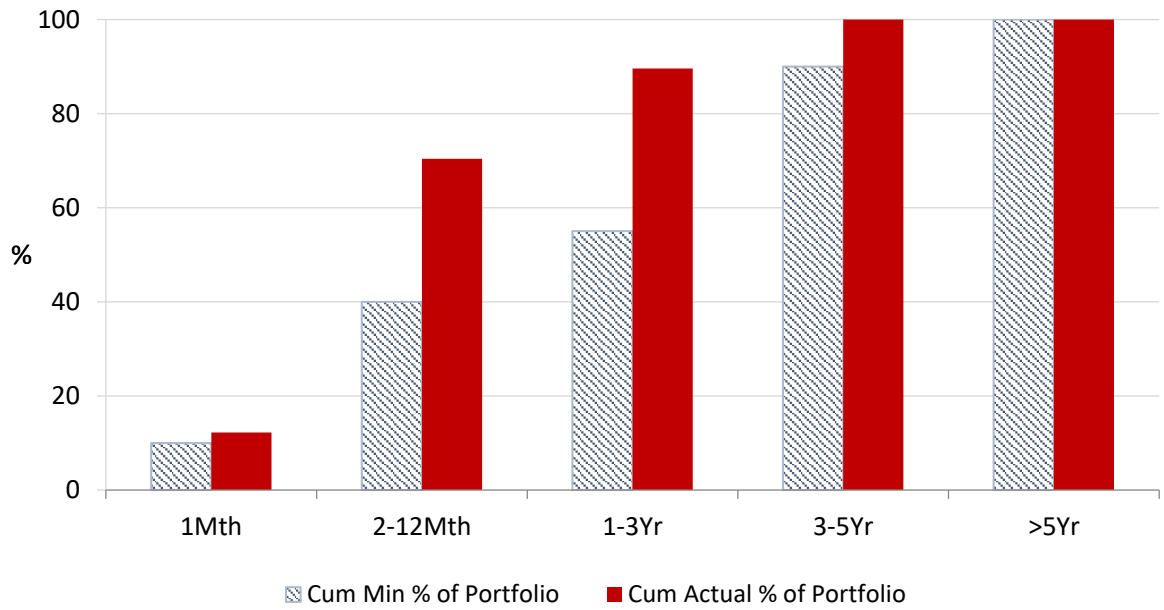
Monthly Results
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
September 2023



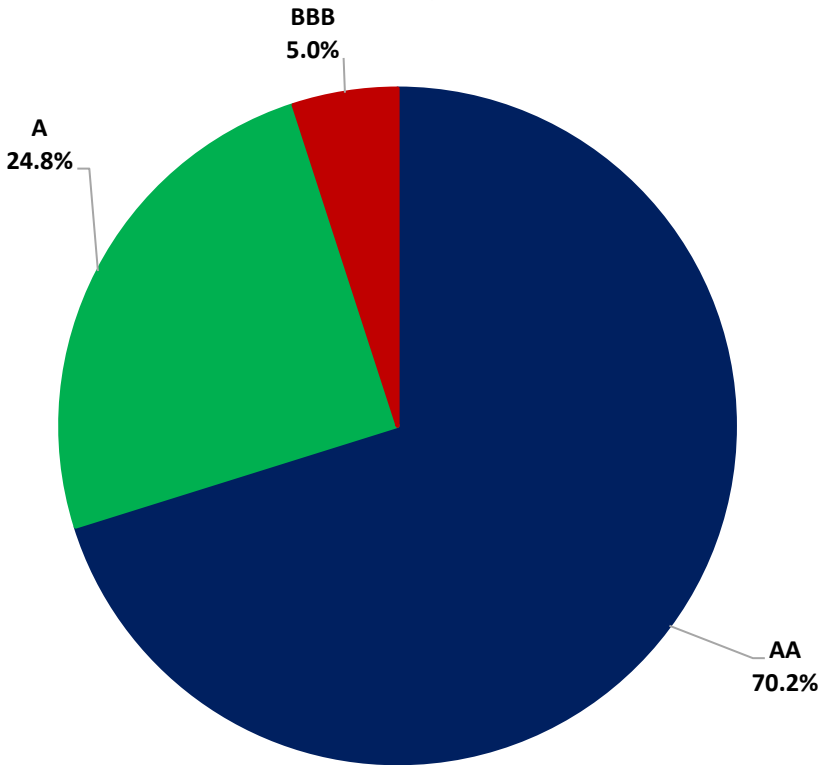
Portfolio Liquidity - Maximum Allowances as at 30 September 2023



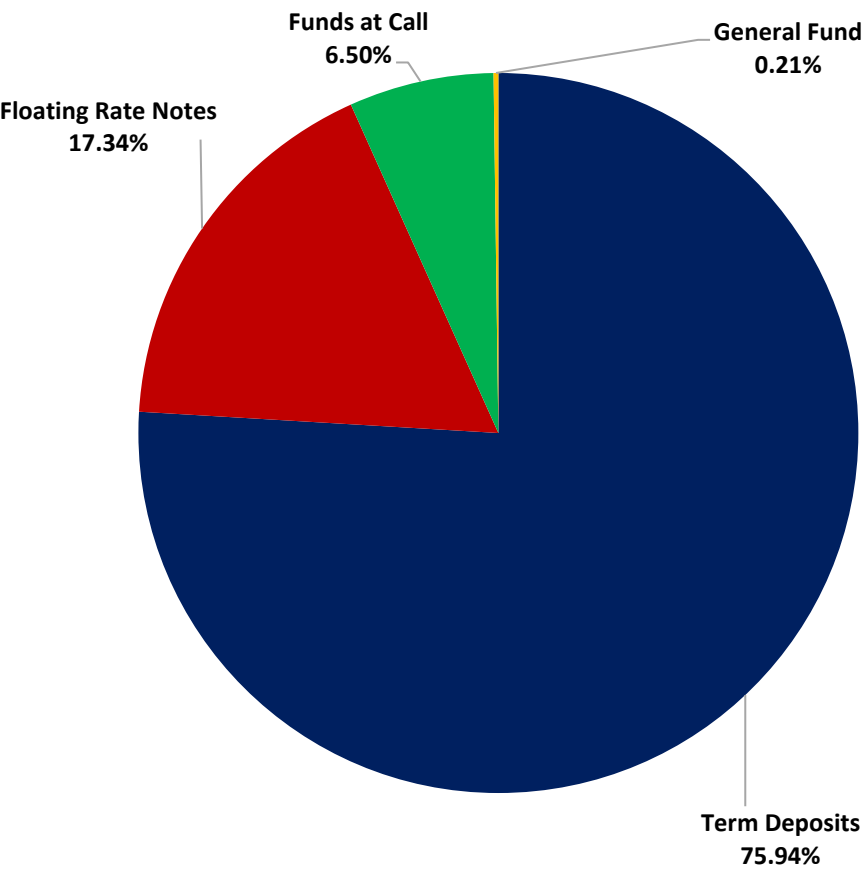
Portfolio Liquidity - Minimum Allocations as at 30 September 2023



Risk Profile as at 30 September 2023



Risk Profile as at 30 September 2023

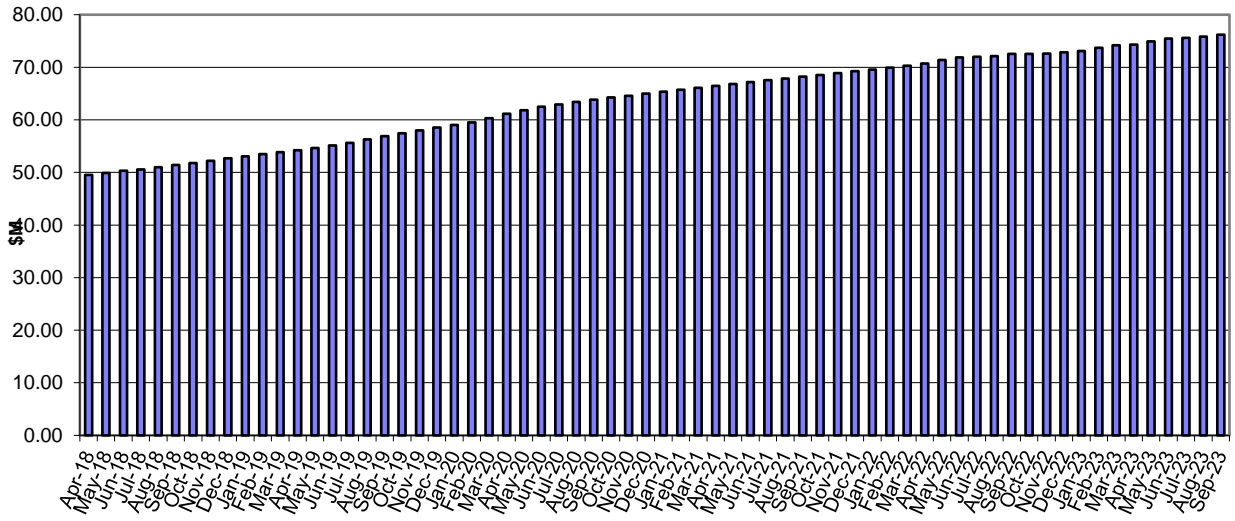


INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION

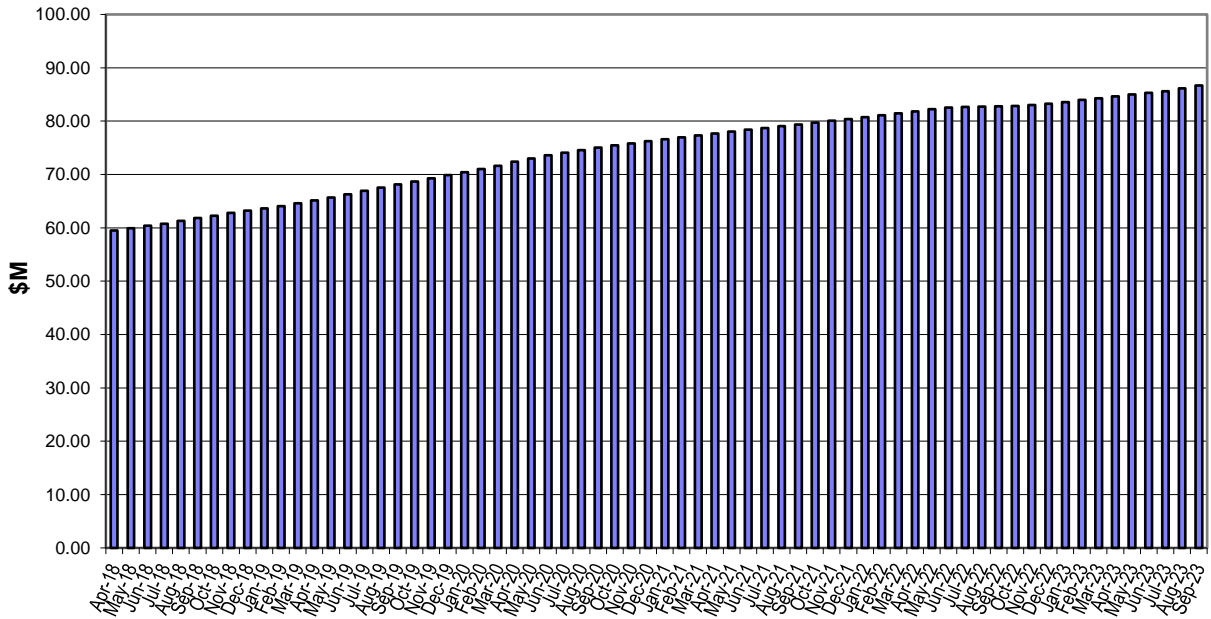
as at 30 September 2023

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	24.5	3.0	
	Commonwealth Bank	250.3	30.7	
	National Australia Bank	80.4	9.8	
	Westpac Banking Corporation	207.7	25.4	
Big 4 Total		562.9		68.9
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	9.5	1.2	
	Bank of Queensland	18.0	2.2	
	Bendigo & Adelaide Bank	69.5	8.5	
	Great Southern Bank (formerly Credit Union Australia)	6.5	0.8	
	ING Bank	70.0	8.6	
	Suncorp Bank	48.8	6.0	
	Macquarie Bank Ltd	14.0	1.7	
	Northern Territory Treasury Corporation	10.0	1.2	
Newcastle Permanent Building Society	7.3	0.9		
Other ADI Total		253.5		31.1
Grand Total		816.4	100.0	100.0

Cumulative Outperformance over AusBond Benchmark - 2018-2023



Cumulative Outperformance over 30 Day BBR Benchmark - 2018-2023



Item 7.

Post Exhibition - Naming Proposal - Mount Carmel Place, Waterloo

File No: X084997

Summary

In August 2021, Sydney City South Parish Priest Fr Paul Smithers wrote to the City of Sydney to request formal recognition of a small lane in Waterloo as "Mount Carmel Way". The City's internal Naming Proposals Working Group considered the request to ensure it aligned with naming standards and the City's Naming Policy.

To formally register the name with the NSW Geographical Names Board and meet its current standards, the City will not be able to use the road suffix type "Way"; the road will need to be named "Mount Carmel Place". This name has been tested on the NSW Place and Road Naming Portal and has been given pre-approval status acknowledging it meets their standards.

The City undertook community consultation on the proposed name "Mount Carmel Place" from 3 May to 9 June 2023.

The majority of feedback from the community supported the proposed name on the grounds that it was an appropriate name for this location, that this name reflected the history of the area and that its formal registration would make it easier for emergency services/tradespeople /road assistance to more easily locate it.

It is recommended that Council support the naming of the road "Mount Carmel Place" for the road that runs along the rear boundary of Our Lady of Mount Carmel School from Kellick Street through Waterloo Park, Waterloo.

Recommendation

It is resolved that:

- (A) Council approve the name "Mount Carmel Place"; and
- (B) an application be made to the Geographical Names Board for the naming of the place as approved in (A), in accordance with the Geographical Names Act 1996.

Attachments

- Attachment A.** Map Showing the Location of the Road
- Attachment B.** Historical Justification
- Attachment C.** 3 April 2023 Resolution of Council
- Attachment D.** Engagement Report

Background

1. As part of the Our Lady of Mount Carmel School sesquicentenary celebrations in 2008, Council resolved on 2 June 2008 to approach the Crown Lands office to seek their endorsement and ratification of the naming of the service lane in Waterloo Park to "Mount Carmel Way".
2. The NSW Geographical Names Board was approached about naming the service roadway, however, as it is a private road, it was not formally gazetted at the time.
3. A sign identifying the road as Mount Carmel Way was installed by City staff.
4. In August 2021, Sydney City South Parish Priest Fr Paul Smithers wrote to the City of Sydney to request formal recognition of the small lane that runs along the boundary of the school with Waterloo Park, Waterloo, as "Mount Carmel Way". The road leads to the Priest's residence and a back entrance to the school. Fr Smithers proposed that formally registering the name will ensure it is in databases used by emergency services and would improve safety for those using the road.
5. After investigation into the background, current naming standards and policies, and the 2008 Resolution of Council to name the road, the City's internal Naming Proposal Working Group agreed to respond to the request from the school community to commence the process to formalise "Mount Carmel Place" at its September 2021 meeting.
6. The proposed name aligns with Principle 1 of the Naming Policy: names must be meaningful, clear and concise, and can reflect the location and purpose; and principle 2: names must have local or cultural relevance, reflecting the heritage and history of local people, events, the community or landscape. The name is also in common usage.
7. The road is technically a private access road on Crown Land (Waterloo Park). It is only used to access the rear of the school property and the Priest's residence.
8. Under the new NSW Place and Road Naming Proposal System, private roads can be registered and (if they comply with standards) can be endorsed by the NSW Geographical Names Board and included in the official list of road names (Gazetteer of Road Names).
9. The City of Sydney is the responsible authority for managing Waterloo Park and may legally name the private road.
10. To formally register the name with the NSW Geographical Names Board and meet its current standards, the City will not be able to use the road suffix type "Way"; because the road is not a thoroughfare to another street. The road will need to be named "Mount Carmel Place".
11. The name "Mount Carmel Place" has been tested on the NSW Place and Road Naming Portal and has been given pre-approval status acknowledging it meets their standards.
12. Mount Carmel Place recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School in the district of Waterloo. Further details on the history of the site are provided in Attachment B.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

13. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 1 - Responsible governance and stewardship - formally naming the lane will ensure its gazettal and recognition with the NSW Geographical Names Board.
 - (b) Direction 4 - A city for walking, cycling and public transport - formally naming the lane will assist in wayfinding.

Organisational Impact

14. Naming of the road will have minimal organisational impact. Signage will be installed once the name is gazetted.

Social / Cultural / Community

15. The community had an opportunity to comment on the naming proposal for the road during the exhibition period. The name acknowledges the social and cultural history of the site.

Financial Implications

16. There are funds available in the 2023/24 operational budget for the installation of signage for the road.

Relevant Legislation

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

Public Consultation

18. As the authority responsible for Road Naming, the City has sought feedback from the community on the proposed names.
19. The naming proposal was placed on public exhibition from 3 May to 9 June 2023. It was placed on the Sydney Your Say website with a survey feedback form, a letter was sent to 867 properties surrounding the site, a public notice was placed on site and it was included in two editions of the Sydney Your Say email newsletter.

20. A total of 22 submissions were received.
21. The majority of people supported the proposed name 'Mount Carmel Place'. Overall, 18 people (82 per cent) supported the proposed name and four people (18 per cent) did not support it.
22. People were given the option to comment on why they supported or did not support the proposed name. Reasons given in support of the proposal included:
 - (a) Important to officially name road so emergency services/tradespeople/road assistance can more easily locate it.
 - (b) Appropriate name for this location.
 - (c) This name reflects the history of the area.
23. Reasons given in objection to the proposal included:
 - (a) Disagree with a name that is associated with a Catholic institution or religion.
 - (b) Prefer the road be given an Indigenous name.

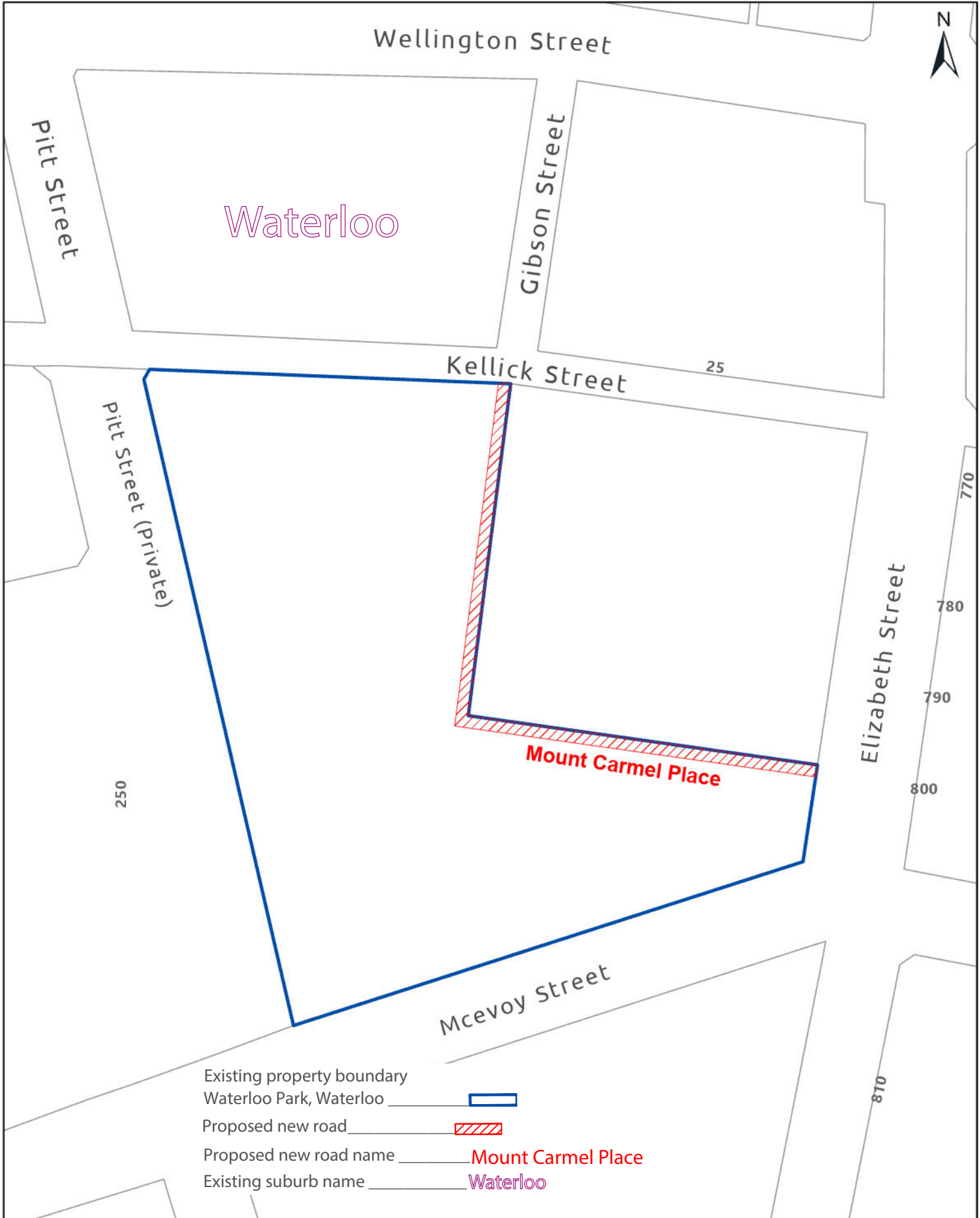
KATE DEACON




Director Strategic Development and Engagement

Gareth Jenkins, Senior Community Engagement Coordinator

Attachment A

Map Showing Location of the Road



- Existing property boundary _____ 
- Waterloo Park, Waterloo _____ 
- Proposed new road _____ 
- Proposed new road name _____ **Mount Carmel Place**
- Existing suburb name _____ **Waterloo**

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Attachment B

Historical Justification

Attachment B: Historical Justification

Mount Carmel Way recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School in the district of Waterloo. The school and church have provided educational facilities and a place of worship to the local community continuously since the 1850s.

The site is located on the traditional lands of the Gadigal people. Early grantee Daniel Cooper donated over an acre of land for the church and school in 1858. It originally formed part of his Mount Lachlan Estate. Situated at the top of a sandhill before the land dropped down to the Waterloo Swamp, the site commanded fine views across to Newtown and Botany. Our Lady of Mount Carmel Primary School commenced teaching the local children of Waterloo in November 1858.

The foundation stone for the Catholic Church was laid by Archbishop Polding on 15 August 1859. Around 600 people gathered for the ceremony. The church was ambitiously designed by architect William Monroe, although his vision was never fully realised. Our Lady of Mount Carmel Church was officially blessed and opened by Archbishop Polding on Sunday 7 April 1861.

Waterloo Municipal Council had been formed the previous year in 1860 and the church was well-placed to serve the growing community of Waterloo. The church on the hill was a landmark in the district and was sketched by renowned artist Conrad Martens.

Originally associated with the Benedictine order, the Presbytery was converted to a convent for the Sisters of Mercy in 1885. By 1909 there were between 3,000 and 4,000 parishioners.

A working-class district, the parishioners of the church have cared for the poor through charity and practical support. Picnics of the Sunday School and the Church were popular affairs throughout the 19th and early 20th centuries.

In 2000 the church became a diocesan Shrine to Our Lady of Mount Carmel.

The church and school precinct celebrated its bicentenary in 2008. As part of the Our Lady of Mount Carmel sesquicentenary celebrations in 2008, Council resolved on 2 June 2008 to approach the Crown Lands office to seek their endorsement and ratification of the naming of the service lane in Waterloo Park to "Mount Carmel Way".

A sign designating Mount Carmel Way was installed by City staff.

References

State Heritage Inventory Listing, Our Lady of Mt Carmel Church and School Buildings Incl. Interiors And Grounds,

<https://www.hms.heritage.nsw.gov.au/App/Item/ViewItem?itemId=2420845>

W. Malone, The Centenary of Mount Carmel, Waterloo, 1858-1959, M.S. Simpson & Sons, Sydney, 1959.

Dr Lisa Murray

City Historian

Attachment C

3 April 2023 Resolution of Council

Resolution of Council

3 April 2023

Item 6.3

Public Exhibition - Naming Proposal - Mount Carmel Place, Waterloo

It is resolved that Council:

- (A) provide in-principle approval to name the road "Mount Carmel Place" and that the name be placed on public exhibition for community comment for a minimum period of 28 days; and
- (B) note that a further report will be submitted to Council, detailing the results of the public consultation process.

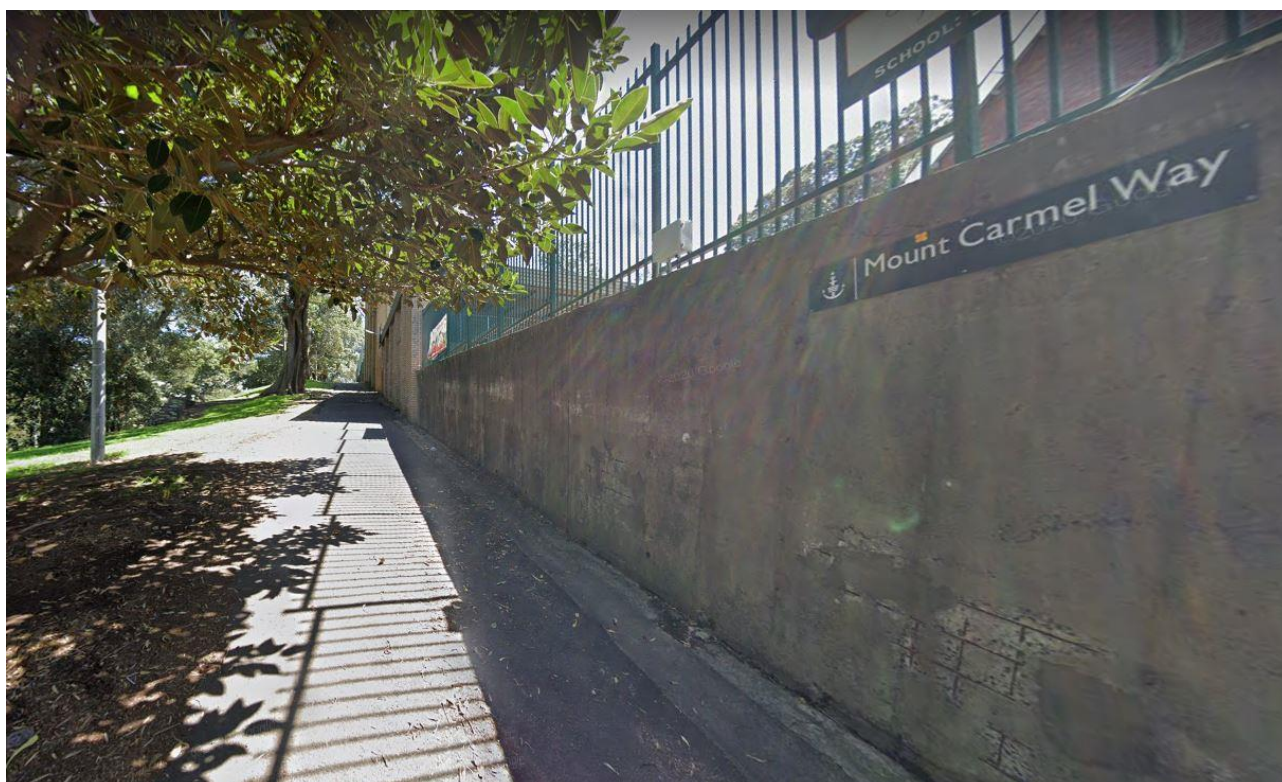
Carried unanimously.

X084997

Attachment D

Engagement Report

Engagement report – Mount Carmel Place



Overview

Background

In 2008, local school, Our Lady of Mount Carmel, approached the City of Sydney to name a private road on the boundary of the school, Mount Carmel Way.

The name recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School in the district of Waterloo. The school and church have provided educational facilities and a place of worship to the local community since the 1850s.

The City of Sydney sought to name the road in 2008. It was not formally registered but it was sign posted "Mount Carmel Way."

In 2021, Parish Priest, Fr Paul Smithers, requested that it be officially endorsed. The road provides access to the rear of the school and the priest's residence.

To formally register the name with the Geographical Names Board of NSW and meet its current standards, we cannot use the road suffix type "Way"; the road will need to be named "Mount Carmel Place". The name has been pre-approved by the Geographical Names Board of NSW.

In line with Geographical Names Board of NSW policies, we propose to name the road 'Mount Carmel Place' instead of 'Mount Carmel Way'.

Council resolved at its meeting on 27 March 2023 to seek community feedback on the proposed name 'Mount Carmel Place'. This is the first step in officially naming the road.

This report summaries the outcomes of feedback we received during the consultation period.

From 3 May 2023 to 9 June 2023, we asked for community feedback on the proposed name 'Mount Carmel Place'

The consultation provided the community with an opportunity to comment on the City of Sydney's proposal to name the private road that runs from Kellick Street behind the school in Waterloo Park, 'Mount Carmel Place'.

The purpose of this engagement was to notify the community of the proposed road name change and gather feedback to determine community sentiment of the new name.

Outcomes of engagement

We received 22 submissions during the public exhibition period (3 May – 9 June 2023).

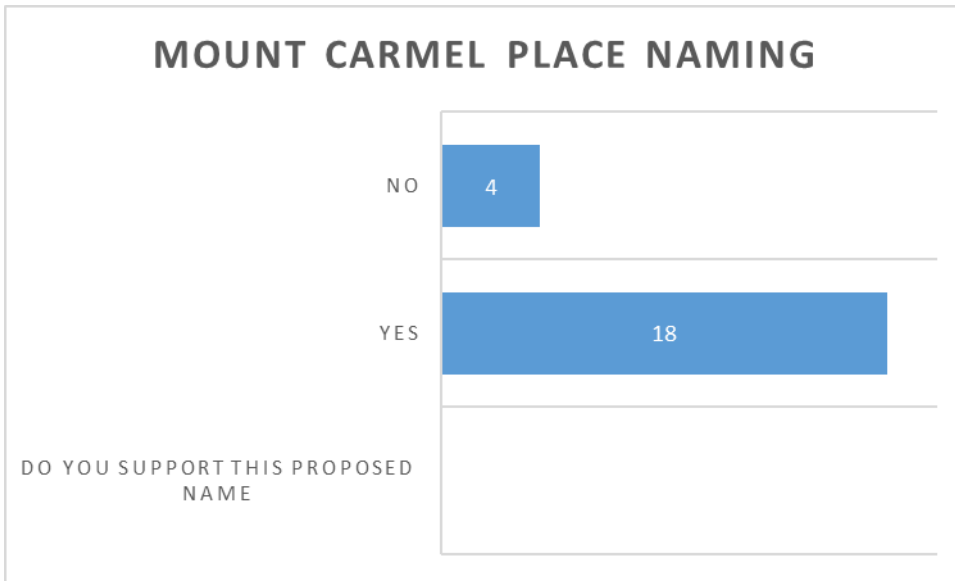
- 20 online survey submissions, one submission by phone and one by email
- 180 webpage visits to Sydney Your Say
- 6 downloads of the historical justification for the road name.

Key findings

Overview of key findings

The majority of people support the proposed name 'Mount Carmel Place'.

Overall, 18 people (82%) supported the proposed name and 4 people (18%) did not support it.



People were given the option to comment on why they supported or did not support the proposed name.

Reasons given in support of the proposal included:

- Important to officially name road so emergency services/tradespeople/road assistance can more easily locate it
- Appropriate name for this location
- This name reflects the history of the area.

Reasons given in objection to the proposal included:

- Disagree with a name that is associated with a catholic institution or religion.
- Prefer the road be given an Indigenous name.

Engagement activities

Overview of engagement undertaken

Sydney Your Say webpage

A Sydney Your Say webpage [LINK](#) was created. The page included an electronic copy of a map showing the location of the road to be named, a downloadable historical justification for the road naming, and a survey link.

Online feedback form via Survey Monkey

The community and stakeholders were able to give feedback using an online feedback form. A link to the feedback form was provided on the Sydney Your Say website.

Sydney Your Say e-news

The consultation information was included twice in Sydney Your Say e-newsletters during May: sent 10 May (6938 subscribers) and 25 May (6905 subscribers).

Consultation letter

A letter from the Lord Mayor Clover Moore AO was posted to residents, inviting them to give feedback on the proposal. 867 letters were distributed.

Stakeholder email

An email was sent to key stakeholders, including the principal of Our Lady of Mt Carmel Catholic Primary School and the Sydney City South parish priest, inviting them to give feedback on the proposal.

On-site signage

5 notice boards were installed along the present site of Mount Carmel Way, inviting people to give feedback on the proposal.

Appendix

On-site signage

CITY OF SYDNEY

Have your say

On naming Mount Carmel Place
We invite your feedback on our proposal to officially name the small road behind Our Lady of Mount Carmel Primary School.

This small road is already informally known as **Mount Carmel Way**. However, we cannot use 'Way' under the standards set by the NSW Geographical Names Board.

We're proposing to name the road **Mount Carmel Place** instead.

The name recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School with the communities of Waterloo.

cityofsydney.nsw.gov.au

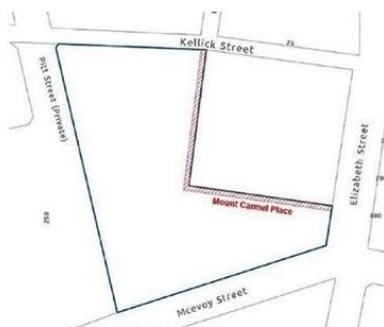
How to give feedback
visit cityofsydney/mount-carmel or use the QR code.

Consultation closes at: **5pm 9 June 2023.**
For more information, please contact Gareth Jenkins, Senior Community Engagement Coordinator on: **02 9265 9333**
sydneyyoursay@cityofsydney.nsw.gov.au



E-newsletters

The proposal featured in two Sydney Your Say e-newsletters in May 2023



Your say on the proposed name Mount Carmel Place in Waterloo

We're proposing to name the private road that runs from Kellick Street behind Our Lady of Mount Carmel Primary School in Waterloo Park, Mount Carmel Place.

The name recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School with the communities of Waterloo.

Provide your feedback by Friday 9 June.

[Read more](#)

Letter from the Lord Mayor Clover Moore AO to residents.



8 May 2023

Dear Resident

Waterloo street name proposal

I write to invite your feedback on the City of Sydney's proposal to name a street in Waterloo 'Mount Carmel Place'.

The road runs along the rear boundary of Our Lady of Mount Carmel School from Kellick Street through Waterloo Park. It provides access to the rear of the school and the Priest's residence.

The small road is already informally known as Mount Carmel Way. However, we are not able to use 'Way' under the standards set by the NSW Geographical Names Board, as the road is not a thoroughfare to another street.

We are therefore proposing the name 'Mount Carmel Place', which recognises the long historical association of Our Lady of Mount Carmel Catholic Church and School on this site.

Your feedback will help us assess the level of community support for this proposed name.

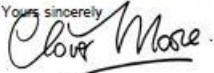
Next steps

Following consultation, City staff will prepare a report for Council to endorse. We will then send our proposal to the Geographical Names Board for approval.

You can view the naming proposal and provide feedback at sydneyyoursay.com.au until 5pm on 9 June 2023.

You can also email submissions to Gareth Jenkins, Senior Community Engagement Coordinator – City Engagement, on 02 9265 9333 or at sydneyyoursay@cityofsydney.nsw.gov.au.

Yours sincerely



Clover Moore
Lord Mayor of Sydney

Item 8.

Adoption - Public Interest Disclosure Policy

File No: S121629.035

Summary

A new Public Interest Disclosures Act 2022 (NSW) commenced on 1 October 2023. The City of Sydney is required to have a public interest disclosure policy under section 42 of the Public Interest Disclosures Act 2022 that supports public officials who report suspected serious wrongdoing and specifies our procedures for receiving, assessing and dealing with public interest disclosures (PIDs).

The draft Public Interest Disclosure Policy is based on the NSW Ombudsman's recently released model policy.

This report seeks Council approval of the draft Public Interest Disclosure Policy and rescission of the previous policy dealing with public interest disclosures.

Recommendation

It is resolved that:

- (A) Council adopt the draft Public Interest Disclosure Policy, as shown at Attachment A to the subject report;
- (B) Council rescind the Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing, as shown at Attachment B to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to make amendments to the Public Interest Disclosure Policy in order to update the contact information from time to time in Annexure A, correct any minor drafting errors and to finalise design and accessible formats for publication.

Attachments

Attachment A. Draft Public Interest Disclosure Policy

Attachment B. Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing

Background

1. The new Public Interest Disclosures Act 2022 (NSW) (PID Act) commenced on 1 October 2023. The City of Sydney is required to have a public interest disclosure policy under the PID Act. This will replace the current Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing, which was made under the previous legislation.
2. The draft Public Interest Disclosure Policy (PID Policy) is based on the NSW Ombudsman’s model public interest disclosure policy in accordance with section 45 of the PID Act.
3. Council approval of the draft Public Interest Disclosure Policy is sought at the first available Council meeting following the release of the NSW Ombudsman’s model public interest disclosure policy.

An overview of the new PID Act

4. The PID Act provides a framework to support a ‘speak up’ culture that encourages public officials to report wrongdoing by:
 - protecting those who speak up from detriment;
 - taking active steps to maintain confidentiality of reports; and
 - imposing duties on agencies who receive reports of wrongdoing to take appropriate action to investigate or otherwise deal with them.

Protections for whistleblowers include:

- protections from detrimental action;
 - protections from civil and criminal liability for making a disclosure; and
 - the protection of information that may identify the maker of a PID.
5. The new legislation protects a broader range of people, including those who make PIDs, investigators involved in the investigation of PIDs, as well as witnesses in investigations, all of whom could be at risk of detrimental action.
 6. Public officials will have multiple pathways to report serious wrongdoing. This includes reporting to a nominated disclosure officer, their manager and integrity agencies. The new PID Act has increased the number of required disclosure officers.
 7. Public officials at the City of Sydney include:
 - Councillors, Council committee members and members of wholly advisory committees.
 - City of Sydney workers including all City of Sydney employees including permanent (whether full-time or part time), temporary and casual employees and apprentices, together with agency contractors (labour hire), work experience students and volunteers.

- Any person providing services or exercising functions on behalf of the City of Sydney, including contractors and subcontractors.
 - Any employee, partner or officer of an entity that provides services, under contract, subcontract or other arrangement, on behalf of the City of Sydney or exercises City of Sydney functions, and are involved in providing those services or exercising those functions.
8. The PID Act outlines what agencies are expected to do with a report when it is received and how it must be dealt with, including processes for maintaining confidentiality, welfare support mechanisms and procedures for assessing the risk of detrimental action.

Key Implications

Disclosure officers and managers

9. The number of disclosure officers has been significantly widened under the new PID Act to also include the most senior ongoing employee who ordinarily works at a permanently maintained work site where more than one employee works. The purpose of this is to ensure all public officials have access to someone who is appropriately authorised and trained to receive public interest disclosures.
10. Governance staff have consulted with the NSW Ombudsman and City of Sydney managers and prepared an updated disclosure officer list to meet the requirements of the new PID Act, which is attached to the PID Policy as Annexure A. Detailed contact information will be provided on a separately maintained list on the City of Sydney's intranet to ensure accuracy of information can be maintained in a timely manner. Governance staff will review and update this list on a regular basis for currency and coordinate the distribution of hard copy work site disclosure officer lists and guidance on our PID Policy.
11. Managers have obligations under the PID Act including receiving and passing on public interest disclosures from staff they supervise. At the City of Sydney, managers are advised to pass on reports they receive to the disclosure coordinator, Director Legal & Governance.

Contractors providing services on behalf of the City of Sydney

12. The new expanded definition of public official includes any person providing services or exercising functions on behalf of the City of Sydney, including contractors and subcontractors.

Awareness and training

13. All public officials associated with the City of Sydney must be made aware of:
- how to make a voluntary public interest disclosure;
 - our public interest disclosure policy; and
 - the fact a person who is dissatisfied with the way in which a voluntary public interest disclosure has been dealt with may be entitled to take further action under the PID Act or another act or law.

14. Section 48 of the PID Act requires all disclosure officers and managers to be trained. This training must be provided within a reasonable time after they become associated with the City of Sydney and no later than the day that is the later of:
 - 6 months after the commencement of the PID Act (1 April 2024); or
 - the day that is 3 months after the person commences in the relevant role.
15. Arrangements are being made for this training to take place within the required timeframes.

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

16. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This policy is aligned with the following strategic direction and objective:
 - (a) Direction 1 - Responsible governance and stewardship - The City's Public Interest Disclosure Policy addresses the requirements of the Public Interest Disclosures Act 2022 to have a policy that provides for the City's procedures for receiving, assessing and dealing with public interest disclosures.

Organisational Impact

17. The policy will be the subject of staff communications and training following adoption, the contact details for disclosure officers will be displayed across work sites and Governance staff will continue to work across the organisation to ensure the policy is being appropriately implemented.

Relevant Legislation

18. Public Interest Disclosures Act 2022 (NSW).

Public Consultation

19. Governance staff consulted with the NSW Ombudsman on the development and implementation of this policy. No public consultation is required in relation to this policy.

KIRSTEN MORRIN

Director Legal and Governance

Ailsa Crammond, Coordinator Governance

Attachment A

Draft Public Interest Disclosure Policy

Public Interest Disclosure Policy



Purpose 3

Who does this policy apply to?..... 3

Who does this policy not apply to? 4

What is contained in this policy?..... 4

Definitions..... 5

1. How to make a report of serious wrongdoing..... 6

Reports, complaints and grievances 6

When will a report be a PID? 6

Who can make a voluntary PID? 8

What is serious wrongdoing? 8

Who can I make a voluntary PID to? 8

What form should a voluntary PID take? 9

What should I include in my report? 10

What if I am not sure if my report is a PID? 10

Deeming that a report is a voluntary PID..... 10

Who can I talk to if I have questions or concerns? 11

2. Protections..... 11

How is the maker of a voluntary PID protected? 11

Protections for people who make mandatory and witness PIDs..... 12

3. Reporting detrimental action..... 13

4. General support..... 13

5. How we will deal with voluntary PIDs..... 13

How the City of Sydney will acknowledge that we have received a report and keep the person who made it informed..... 13

How the City of Sydney will protect the confidentiality of the maker of a voluntary PID..... 15

How the City of Sydney will assess and minimise the risk of detrimental action..... 16

How the City of Sydney will deal with allegations of a detrimental action offence..... 17

What the City of Sydney will do if an investigation finds that serious wrongdoing has occurred 17

6. Review and dispute resolution..... 18

Internal review 18

Voluntary dispute resolution..... 18

7. Other agency obligations..... 18

Record-keeping requirements 18

Reporting of voluntary PIDs and City of Sydney annual return to the Ombudsman 18

How the City of Sydney will ensure compliance with the PID Act and this policy..... 19

Awareness and training 19

8. Responsibilities..... 19

Consultation 21

References..... 22

Review period..... 22

Approval Status..... 22

Approval History 23

Ownership and approval..... 23

Annexure A - City of Sydney Disclosure Officers 24

Annexure B - List of integrity agencies 27

Purpose

All agencies in NSW are required to have a Public Interest Disclosure (PID) Policy under section 42 of the Public Interest Disclosures Act 2022 (PID Act).

At the City of Sydney we take reports of serious wrongdoing seriously. We are committed to building a 'speak up' culture where public officials are encouraged to report any conduct that they reasonably believe involves wrongdoing. The integrity of our organisation relies upon our Workers speaking up when they become aware of wrongdoing.

This policy sets out:

- how the City of Sydney will support and protect you if you come forward with a report of serious wrongdoing
- how we will deal with the report and our other responsibilities under the PID Act
- who to contact if you want to make a report
- how to make a report
- the protections which are available to you under the PID Act.

This policy also documents our commitment to building a speak up culture. Part of that speak up culture is having in place a framework that facilitates public interest reporting of wrongdoing by:

- protecting those who speak up from detrimental action
- taking appropriate action to investigate reports.

We deal with these reports in accordance with the PID Act.

This policy should be read in conjunction with our [Code of Conduct](#) and our [Complaint Management Policy](#). Workplace disputes, harassment or bullying complaints, or health and safety concerns are covered by:

- [Equal Employment Opportunity and Anti-Discrimination Policy](#)
- [Grievance and Conflict Resolution Policy](#)
- [Harassment and Bullying Policy](#)
- [Work Health and Safety Policy](#).

This policy is available on our website as well as on CityNet. A copy of the policy is provided to all Workers at the City of Sydney on their commencement. A hard copy of the policy can also be requested from the Manager Risk & Governance.

Who does this policy apply to?

This policy applies to, and for the benefit of, all public officials in NSW.

In particular, at the City of Sydney, this policy applies to:

- Councillors, Council committee members and members of wholly advisory committees
- City of Sydney Workers including all City of Sydney employees including permanent (whether full-time or part time), temporary and casual employees and apprentices, together with agency contractors (labour hire), work experience students and volunteers

- any person providing services or exercising functions on behalf of the City of Sydney, including contractors and subcontractors
- any employee, partner or officer of an entity that provides services, under contract, subcontract or other arrangement, on behalf of the City of Sydney or exercises City of Sydney functions, and are involved in providing those services or exercising those functions.

It is noted that consultants, such as a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management, are not considered public officials under the PID Act.

The Chief Executive Officer, the Director Legal & Governance and other nominated Disclosure Officers and Managers within the City of Sydney have specific responsibilities under the PID Act. This policy also provides information on how people in these roles will fulfil their responsibilities. Other public officials who work in and for the public sector, but do not work for the City of Sydney may use this policy if they want information on who they can report wrongdoing to within the City of Sydney.

Who does this policy not apply to?

This policy does not apply to:

- people who have received services from the City of Sydney and want to make a complaint about those services
- people, such as contractors, who provide services to the City of Sydney (for example, employees of a company that sold computer software to the City of Sydney)
- consultants.

This means that if you are not a public official, this policy does not apply to your complaint (there are some circumstances where a complaint can be deemed to be a voluntary PID, see [section 1](#) of this policy for more information).

However, you can still make a complaint to the City of Sydney. Our [website](#) provides detailed guidance on how to make a complaint or provide feedback and includes links to an online form and our [Complaint Management Policy](#).

What is contained in this policy?

This policy will provide you with information on the following:

- ways you can make a voluntary PID to the City of Sydney under the PID Act
- the nominated Disclosure Officers at the City of Sydney
- the roles and responsibilities of people who hold particular roles under the PID Act and who are Employees of the City of Sydney
- what information you will receive once you have made a voluntary PID
- protections available to people who make a report of serious wrongdoing under the PID Act and what we will do to protect you
- the City of Sydney's procedures for dealing with disclosures
- the City of Sydney's procedures for managing the risk of detrimental action and reporting detrimental action

- the City of Sydney’s record-keeping and reporting requirements
- how the City of Sydney will ensure it complies with the PID Act and this policy.

If you require further information about this policy, how public interest disclosures will be handled and the PID Act you can:

- confidentially contact a nominated Disclosure Officer within the City of Sydney
- contact the PID Advice Team within the NSW Ombudsman by phone: (02) 9286 1000 or email: pidadvice@ombo.nsw.gov.au, or
- access the NSW Ombudsman’s PID guidelines which are available on its [website](#).

If you require legal advice with respect to the PID Act or your obligations under the PID Act, you may need to seek independent legal advice.

Definitions

Term	Meaning
Disclosure Coordinator	Director Legal & Governance
Disclosure Officer	<p>A person responsible for receiving voluntary PIDs on behalf of the City of Sydney including:</p> <ul style="list-style-type: none"> • the Chief Executive Officer • the Lord Mayor (for PIDs about the conduct of the Chief Executive Officer) • the Disclosure Coordinator • all divisional Directors (including the Chief Financial Officer and the Chief Operating Officer), Manager Risk & Governance and Chief People & Culture • for each worksite that is permanently maintained and at which more than one person is employed, the most senior ongoing Employee who ordinarily works at the site.
Employees	All City employees including permanent (whether full-time or part-time), temporary, casual employees and apprentices.
Manager	<p>A manager of a public official and, in particular, for the City of Sydney:</p> <ul style="list-style-type: none"> • an Employee to whom the public official reports directly or indirectly, or • an Employee who directly or indirectly supervises the public official in the exercise of the public official’s functions.
Public official	<p>A public official means one or more of the following:</p> <ul style="list-style-type: none"> • a person employed in or by an agency (including a Council) or otherwise in the service of an agency

Term	Meaning
	<ul style="list-style-type: none"> • a person having public official functions or acting in a public official capacity whose conduct or activities an integrity agency is authorised by another Act or law to investigate • an individual in the service of the Crown • a statutory officer • a person providing services or exercising functions on behalf of an agency, including a contractor, subcontractor or volunteer • an employee, partner or officer of an entity that provides services, under contract, subcontract or other arrangement, on behalf of an agency or exercises functions of an agency, and are involved in providing those services or exercising those functions • a judicial officer • a Member of Parliament (MP), including a Minister • a person employed under the Members of Parliament Staff Act 2013.
Workers	All Employees, agency contractors (labour hire), work experience students and volunteers.

1. How to make a report of serious wrongdoing

Reports, complaints and grievances

When a public official reports suspected or possible wrongdoing in the public sector, their report will be a PID if it has certain features which are set out in the PID Act.

Some internal complaints or internal grievances may also be PIDs, as long as they have the features of a PID. If an internal complaint or grievance is a report of serious wrongdoing, we will consider whether it is a PID. If it is a PID, we will deal with it as set out in this policy.

The internal reporting system established under this policy is not intended to be used for employee grievances, which should be raised through our [Grievance and Conflict Resolution Policy](#). If a Worker makes a report under this policy which is substantially a grievance, the matter will be referred to People & Culture to be dealt with in accordance with our Grievance and Conflict Resolution Policy. It is important that we quickly recognise that we have received a PID. This is because once a PID is received, the person who has made the report is entitled to certain protections and we have certain decisions that we have to make on how we will deal with the PID and how we will protect and support the person who has made the report.

When will a report be a PID?

There are three types of PIDs in the PID Act. These are:

1. Voluntary PID: This is a PID where a report has been made by the public official because they decided, of their own accord, to come forward and disclose what they know.

2. **Mandatory PID:** This is a PID where the public official has made a report about serious wrongdoing because they have a legal obligation to make that report, or because making that report is an ordinary aspect of their role or function in an agency.
3. **Witness PID:** This is a PID where a person discloses information during an investigation of serious wrongdoing following a request or requirement of the investigator.

This policy mostly relates to making a voluntary PID and how we will deal with voluntary PIDs. People who make a mandatory PID or a witness PID are still entitled to protection. More information about protections is available in [section 2](#) of this policy.

You can find more information about mandatory and witness PIDs in the Ombudsman's guidelines [Dealing with mandatory PIDs](#) and [Dealing with witness PIDs](#).

Voluntary PIDs are the kind of PIDs most people have in mind when they think about public interest reporting and 'whistleblowing'. They involve a public official making a report because they have information that they believe shows (or tends to show) serious wrongdoing, where they are not under a legal obligation to make that report and where it is not an ordinary part of their role to report such wrongdoing.

A report is a voluntary PID if it has the following five features, which are set out in sections 24 to 27 of the PID Act:

1. the report is made by a public official
2. it is made to a person who can receive voluntary PIDs
3. the public official honestly and reasonably believes that the information they are providing shows (or tends to show) serious wrongdoing
4. the report was made orally or in writing
5. the report is voluntary (meaning it is not a mandatory or witness PID).

If the report has all five features, it is a voluntary PID.

You will not be expected to prove that what you reported actually happened or is serious wrongdoing. You *do* have to honestly believe, on reasonable grounds, that the information you are reporting shows or tends to show serious wrongdoing.

Even though you do not have to prove the serious wrongdoing happened or provide evidence, a mere allegation with no supporting information is unlikely to meet this test.

If we make an error and do not identify that you have made a voluntary PID, you will still be entitled to the protections under the PID Act.

If you make a report and believe we have made an error by not identifying that you have made a voluntary PID, you should raise this with the Disclosure Coordinator or your contact officer for the report. If you are still not satisfied with this outcome, you can seek an internal review through the Disclosure Coordinator or we may seek to conciliate the matter. You may also contact the NSW

Ombudsman. Further information on rights to internal review and conciliation is found in [section 7](#) of this policy.

Who can make a voluntary PID?

Any public official can make a voluntary PID — see ‘Who this policy applies to’.

You are a public official at the City of Sydney for the purposes of this policy if:

- you are a Councillor, Council committee member or member of a wholly advisory committee
- you are a City of Sydney Worker
- you are a contractor, subcontractor or volunteer who provides services, or exercises functions, on behalf of the City of Sydney, or
- you work for an entity (such as a non-government organisation) who is contracted by the City of Sydney to provide services or exercise functions on behalf of the City of Sydney - if you are involved in undertaking that contracted work.

A public official can make a PID about serious wrongdoing relating to any agency, not just the agency they are working for. This means that we may receive PIDs from public officials outside the City of Sydney. It also means that you can make a PID to any agency, including an integrity agency like the Independent Commission Against Corruption (ICAC) and the NSW Ombudsman. [Annexure B](#) of this policy has a list of integrity agencies.

What is serious wrongdoing?

Reports must be of one or more of the following categories of serious wrongdoing to be a voluntary PID (in addition to having the other features set out above). Serious wrongdoing is defined in the PID Act as:

- corrupt conduct — such as a public official accepting a bribe
- serious maladministration (that is, conduct that is unlawful, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives) — such as an agency systemically failing to comply with proper recruitment processes when hiring staff
- a government information contravention — such as destroying, concealing or altering records to prevent them from being released under a Government Information Public Access application
- a local government pecuniary interest contravention — such as a senior council staff member recommending a family member for a council contract and not declaring the relationship
- a privacy contravention — such as unlawfully accessing a person’s personal information on an agency’s database
- a serious and substantial waste of public money — such as an agency not following a competitive tendering process when contracting with suppliers to undertake government work.

When you make your report, you do not need to state to us what category of serious wrongdoing you are reporting or that you are reporting serious wrongdoing.

Who can I make a voluntary PID to?

For a report to be a voluntary PID, it must be made to certain public officials.

Making a report to a public official who works for the City of Sydney.

You can make a report inside the City of Sydney to:

- the Chief Executive Officer
- the Disclosure Coordinator

- a Disclosure Officer - a list of the City of Sydney's Disclosure Officers can be found at Annexure A of this policy
- your Manager — this is the person who directly, or indirectly, supervises you. It can also be the person who you directly, or indirectly, report to. You may have more than one Manager. Your Manager will make sure that the report is communicated to the Disclosure Coordinator on your behalf or may accompany you while you make the report to a Disclosure Officer or the Disclosure Coordinator.

Making a report to a recipient outside of the City of Sydney

You can also make your report to a public official in another agency (meaning an agency you do not work for) or an integrity agency. These include:

- the head of another agency — this means the head of any public service agency
- an integrity agency — a list of integrity agencies is located at Annexure B of this policy
- a disclosure officer for another agency — ways to contact disclosure officers for other agencies is located in an agency's PID policy which can be found on their public website
- a Minister or a member of a Minister's staff but the report must be made in writing.

If you choose to make a disclosure outside of the City of Sydney, it is possible that your disclosure will be referred back to us so that appropriate action can be taken.

Making a report to a Member of Parliament or journalist

Disclosures to MPs or journalists are different to other reports. You can only disclose a report of wrongdoing as a voluntary PID to an MP or journalist in the following circumstances:

- you must have first made substantially the same disclosure (described here as a 'previous disclosure') to someone who can receive disclosures
- the previous disclosure must be substantially true
- you did not make the previous disclosure anonymously
- you did not give a written waiver of your right to receive information relating to your previous disclosure
- you did not receive the following from the City of Sydney:
 - notification that the City of Sydney will not investigate the serious wrongdoing and will also not refer the previous disclosure to another agency, or
 - the following information at the end of the investigation period:
 - notice of the City of Sydney's decision to investigate the serious wrongdoing
 - a description of the results of an investigation into the serious wrongdoing
 - details of proposed or recommended corrective action as a result of the previous disclosure or investigation.

Investigation period means:

- after six months from the previous disclosure being made, or
- after 12 months if you applied for an internal review of the agency's decision within six months of making the disclosure.

If all the above requirements are met, your disclosure to an MP or journalist may be a voluntary PID.

What form should a voluntary PID take?

You can make a voluntary PID:

- in writing — this could be an email or letter to a person who can receive voluntary PIDs.

- orally — have a private discussion with a person who can receive voluntary PIDs. This can be face-to-face, via telephone or virtually.
- anonymously — write an email or letter or call a person who can receive PIDs to make a report without providing your name or anything that might identify you as the maker of the report. A report will only be considered anonymous if there is no reasonable or practical way of communicating with the person making the report. It may be difficult, however, for us to investigate the matter(s) you have disclosed if we cannot contact you for further information.

You can also make a voluntary PID by using the [online form](#) on our website.

What should I include in my report?

You should provide as much information as possible so we can deal with the report effectively.

The type of information you should include is:

- date, time and location of key events
- names of person(s) involved in the suspected wrongdoing, their role, title and how they are involved
- your relationship with the person(s) involved, such as whether you work closely with them
- your explanation of the matter you are reporting
- how you became aware of the matter you are reporting
- possible witnesses
- other information you have that supports your report.

What if I am not sure if my report is a PID?

You should report all wrongdoing you become aware of regardless of whether you think it is serious wrongdoing. It is important for us to understand what is or may be occurring.

We are then responsible for making sure your report is handled appropriately under the PID Act, or if it is not a PID, in line with our other policies and procedures. Even if your report is not a PID, it may fall within another one of our policies for dealing with reports, allegations or complaints.

Deeming that a report is a voluntary PID

The Disclosure Coordinator can, in certain circumstances, determine that a report is a voluntary PID even if the report does not otherwise have all the features of a voluntary PID. This is known as the 'deeming power'.

By deeming that a report is a voluntary PID, it ensures that reporters are provided with protections under the PID Act.

If you make a report that has not met all the requirements of a voluntary PID, you can refer your matter to the Disclosure Coordinator to request that they consider deeming your report to be a voluntary PID.

A decision to deem a report to be a voluntary PID is at the discretion of the Disclosure Coordinator. For more information about the deeming power, see the Ombudsman's guideline '[Deeming that a disclosure is a voluntary PID](#)'.

Who can I talk to if I have questions or concerns?

You can contact the Disclosure Coordinator who can provide further information so that your concerns can be addressed. Your inquiries will be treated as confidential.

2. Protections

How is the maker of a voluntary PID protected?

When you make a voluntary PID you receive special protections under the PID Act.

We are committed to taking all reasonable steps to protect you from detriment as a result of having made a PID. We are also committed to maintaining your confidentiality as much as possible while the PID is being dealt with.

We will not tolerate any type of detrimental action being taken against you because you have made a report, might make a report or are believed to have made a report.

The maker of a voluntary PID is protected in the following ways:

Protection from detrimental action

A person cannot take detrimental action against another person because they have made a voluntary PID or are considering making a PID. Detrimental action includes bullying, harassment, intimidation or dismissal.

Once we become aware that a voluntary PID by a person employed or otherwise associated with the City of Sydney that concerns serious wrongdoing relating to the City of Sydney has been made, we will undertake a risk assessment and take steps to mitigate the risk of detrimental action occurring against the person who made the voluntary PID.

It is a criminal offence for someone to take detrimental action against a person because they have made or may make a voluntary PID. It is punishable by a maximum penalty of 200 penalty units or imprisonment for five years or both.

A person may seek compensation where unlawful detrimental action has been taken against them.

A person can apply for a court order (injunction) where detrimental action is threatened or has occurred (for example, an order to prevent dismissal or to require reinstatement).

Note that a person who makes a PID can still be subject to reasonable management action (such as ordinary performance reviews and performance management). Provided such action is not taken because of the PID, it is not detrimental action under the PID Act.

Immunity from civil and criminal liability

Some public officials are often subject to a duty of confidentiality that prevents them disclosing certain information that they obtain or become aware of at work. Sometimes, in order to make a PID, public officials will need to breach or disregard such confidentiality duties. If that happens, a public official cannot be disciplined, sued or criminally charged for breaching confidentiality.

Confidentiality

Public officials and agencies must not disclose information tending to identify a person as the maker of a voluntary PID unless doing so is permitted by the PID Act.

Protection from liability for own past conduct

The Attorney General can give the maker an undertaking that a disclosure of their own past conduct will not be used against them if a person discloses their own wrongdoing or misconduct while making a report. This undertaking can only be given on application by an integrity agency to the Attorney General.

Protections for people who make mandatory and witness PIDs

Apart from PIDs that are made voluntarily by public officials, there are other types of reports that are recognised as PIDs under the PID Act:

- A mandatory PID: This is a PID where the public official has made the report about serious wrongdoing because they have a legal obligation to make that report, or because making that report is an ordinary aspect of their role or function in an agency.
- A witness PID: This is a PID where a person discloses information during an investigation of serious wrongdoing following a request or requirement of the investigator.

Protections for makers of mandatory and witness PIDs are detailed in the table below.

Protection	Mandatory PID	Witness PID
Detrimental action - It is an offence to take detrimental action against a person based on the suspicion, belief or awareness that a person has made, may have made or may make a PID.	✓	✓
Right to compensation - A person can initiate proceedings and seek compensation for injury, damage or loss suffered as a result of detrimental action being taken against them.	✓	✓
Ability to seek injunction - An injunction can be sought to prevent the commission or possible commission of a detrimental action offence against a person. For example, an order to prevent dismissal or to require reinstatement.	✓	✓
Immunity from civil and criminal liability - A person will not incur civil or criminal liability if the person breaches a duty of confidentiality while making a disclosure. This means that legal action cannot be taken against a person for: <ul style="list-style-type: none"> • breaching a duty of secrecy or confidentiality, or • breaching another restriction on disclosure. 	✓	✓

3. Reporting detrimental action

If you experience adverse treatment or detrimental action, such as bullying or harassment, you should report this immediately. You can report any experience of adverse treatment or detrimental action directly to us by contacting any of the Disclosure Officers listed in [Annexure A](#) of this policy, or to an integrity agency. A list of integrity agencies is located at [Annexure B](#) of this policy.

4. General support

If you make a PID report, the City of Sydney's responsible officers will allocate to you a key contact person who will also take steps to protect your interests, for example, if you are at risk of detrimental action. We will also link you to wellbeing support through our Employee Assistance Program (EAP) under our [Employee Assistance Program Policy](#). Our EAP offers independent, confidential, short-term counselling and coaching support. This is available for all employees for personal and work-related issues and is available 24 hours a day, 7 days a week. More information on this program can be found on [CityNet](#).

Access to support may also be available for other employees involved in the internal reporting process where appropriate. Makers of PIDs and other employees involved in the process can discuss their support options with the Disclosure Coordinator or the contact person for their matter.

The City of Sydney may also refer you to the NSW Ombudsman if you have questions about the PID Act and reporting generally.

5. How we will deal with voluntary PIDs

How the City of Sydney will acknowledge that we have received a report and keep the person who made it informed

When a Disclosure Officer in the City of Sydney receives a report which is a voluntary PID, or looks like it may be a voluntary PID, the person who made the report will receive the following information:

- You will receive an acknowledgment that the report has been received. This acknowledgement will:
 - state that the report will be assessed to identify whether it is a PID
 - state that the PID Act applies to how we deal with the report
 - provide clear information on how you can access this PID policy
 - provide you with details of a contact person and available supports.

- If the report is a voluntary PID, we will inform you as soon as possible how we intend to deal with the report. This may include:
 - that we are investigating the serious wrongdoing
 - that we will refer the report to a different agency (if appropriate) to deal with the voluntary PID. If we do this, we will provide you with details of this referral
 - If we decide to not investigate the report and to not refer it to another agency for it to be investigated, we will tell you the reasons for this decision. We will also notify the NSW Ombudsman of this decision.

- If we decide to investigate the serious wrongdoing, we will provide you with updates on the investigation at least every three months. During this time, if you would like more frequent updates, you should contact the contact person who was nominated when you made the report.
 - If we investigate the serious wrongdoing, we will provide you with the following information once the investigation is complete:
 - a description of the results of the investigation — that is, we will tell you whether we found that serious wrongdoing took place.
 - information about any corrective action as a result of the investigation/s — this means we will tell you what action we took in relation to the person who engaged in the serious wrongdoing or if the serious wrongdoing was by our agency, what we have put in place to address that serious wrongdoing.
 - Corrective action could include taking disciplinary action against someone or changing the practices, policies and procedures that we have in place which led to the serious wrongdoing.
- There may be some details about both the findings made as a result of the investigation and the corrective action taken that cannot be revealed to you. We will always balance the right of a person who makes a report to know the outcome of that report, with other legal obligations we have.
- If you have made an anonymous report, in many cases we may not be able to provide this information to you.

Report not a voluntary PID

Even if the report is not a voluntary PID, it will still need to be dealt with in a manner consistent with our applicable policies including the Code of Conduct, Procedures for the Administration of the Code of Conduct and/or Grievance and Conflict Resolution Policy or through an alternate process.

If the report is not a voluntary PID, we will let you know that the PID Act does not apply to the report and how we will deal with the concerns raised in the report.

If you are not happy with this assessment or otherwise disagree with it, you can raise it with the person who has communicated the outcome with you or the Disclosure Coordinator, request an internal review through the Disclosure Coordinator or request that the matter be conciliated. We can, but do not have to, request the NSW Ombudsman to conciliate the matter.

Cease dealing with report as voluntary PID

The City of Sydney may stop dealing with a voluntary PID because it is not actually a voluntary PID (meaning it does not have all the features of a PID). In this case, we will notify the maker of the report that we have ceased to deal with their matter as a voluntary PID and will provide reasons to the maker of a purported PID if we have ceased dealing with the report as a voluntary PID.

Where the report is a voluntary PID

If the report is a voluntary PID:

- In most cases we will conduct an investigation to make findings about whether the serious wrongdoing disclosed in the report occurred, who was involved, who was responsible, and whether the people involved, or the agency engaged, in serious wrongdoing. There may be

circumstances where we believe an investigation is not warranted — for example, if the conduct has previously been investigated.

- There may also be circumstances where we decide that the report should be referred to another agency, such as an integrity agency. For example, reports concerning possible corrupt conduct may be required to be reported to the ICAC in accordance with section 11 of the Independent Commission Against Corruption Act 1988.
- Before referring a matter, we will discuss the referral with the other agency, and we will provide you with details of the referral and a contact person within the other agency.
- If we decide not to investigate a report and to not refer the matter to another agency, we must let you know the reasons for this and notify the NSW Ombudsman.

How the City of Sydney will protect the confidentiality of the maker of a voluntary PID

We understand that people who make voluntary PIDs may want their identity and the fact that they have made a report to be confidential.

Under the PID Act, information tending to identify a person as the maker of a voluntary PID (known as identifying information) is not to be disclosed by a public official or the City of Sydney.

There are certain circumstances under the PID Act that allow for the disclosure of identifying information. These include:

- where the person consents in writing to the disclosure
- where it is generally known that the person is the maker of the voluntary PID because of their voluntary self-identification as the maker
- when the public official or we reasonably consider it necessary to disclose the information to protect a person from detriment
- where it is necessary the information be disclosed to a person whose interests are affected by the disclosure
- where the information has previously been lawfully published
- when the information is disclosed to a medical practitioner or psychologist for the purposes of providing medical or psychiatric care, treatment or counselling to the individual disclosing the information
- when the information is disclosed for the purposes of proceedings before a court or tribunal
- when the disclosure of the information is necessary to deal with the disclosure effectively
- if it is otherwise in the public interest to disclose the identifying information.

We will not disclose identifying information unless it is necessary and authorised under the PID Act.

We will put in place steps to keep the identifying information of the maker and the fact that a report has been made confidential. It may not be possible for us to maintain complete confidentiality while we progress the investigation, but we will do all that we practically can to not unnecessarily disclose information from which the maker of the report can be identified.

We will do this by:

- limiting the number of people who are aware of the maker's identity or information that could identify them
- if we must disclose information that may identify the maker of the PID, we will still not disclose the actual identity of the maker of the PID, unless we have their consent to do so
- ensuring that any person who does know the identity of the maker of a PID is reminded that they have a legal obligation to keep their identity confidential
- ensuring that only authorised persons have access to emails, files or other documentation that contain information about the identity of the maker
- undertaking an assessment to determine if anyone is aware of the maker's identity and if those persons have a motive to cause detrimental action to be taken against the maker or impede the progress of the investigation
- providing information to the maker of the PID about the importance of maintaining confidentiality and advising them how best to protect their identity, for example, by telling them not to discuss their report with other staff.

If confidentiality cannot be maintained or is unlikely to be maintained, we will:

- advise the person whose identity may become known
- update the risk assessment and risk management plan
- implement strategies to minimise the risk of detrimental action
- provide additional supports to the person who has made the PID
- remind persons who become aware of the identifying information of the consequences for failing to maintain confidentiality and that engaging in detrimental action is a criminal offence and may also be a disciplinary matter.

How the City of Sydney will assess and minimise the risk of detrimental action

The City of Sydney will not tolerate any detrimental action being taken by any person against a person who has made a PID, investigators, witnesses or the person the report is about.

We will assess and take steps to mitigate detrimental action from being taken against the maker of a voluntary PID, the person whose conduct is the subject of a PID, investigators and witnesses.

We will take steps to assess and minimise the risk of detrimental action by:

- explaining that a risk assessment will be undertaken, and a risk management plan will be created (including reassessing the risk throughout the entirety of the matter)
- providing details of the person that will be responsible for undertaking a risk assessment
- explaining the approvals for risk assessment and the risk management plan, that is, position or role of the person who has final approval
- explaining how we will communicate with the maker to identify risks
- listing the protections that will be offered, that is, we will discuss protection options with the maker which may including remote working or approved leave for the duration of the investigation
- outlining what supports will be provided.

Detrimental action against a person is an act or omission that causes, comprises, involves or encourages detriment to a person or a threat of detriment to a person (whether express or implied). Detriment to a person includes:

- injury, damage or loss

- property damage
- reputational damage
- intimidation, bullying or harassment
- unfavourable treatment in relation to another person's career, profession, employment or trade
- discrimination, prejudice or adverse treatment
- disciplinary proceedings or disciplinary action, or
- any other type of disadvantage.

Detrimental action does not include:

- lawful action taken by a person or body to investigate serious wrongdoing or other misconduct
- the lawful reporting or publication of a finding of serious wrongdoing or other misconduct
- the lawful making of adverse comment, resulting from investigative action
- the prosecution of a person for a criminal offence
- reasonable management action taken by someone in relation to a person who made or may make a PID (for example, a reasonable appraisal of a PID maker's work performance).

It is a detrimental action offence to take detrimental action against another person if you suspect, believe or are aware, when taking detrimental action, that the other person or a third person:

- has made, or may have made, or may make a PID, or
- is, has been or may be investigating serious wrongdoing whether or not the investigation relates to a PID,

and the suspicion, belief or awareness is a contributing factor to the taking of the detrimental action.

How the City of Sydney will deal with allegations of a detrimental action offence

If we become aware of an allegation that a detrimental action offence has occurred or may occur, we will:

- take all steps possible to stop the action and protect the person(s)
- take appropriate disciplinary action against anyone that has taken detrimental action
- refer any evidence of a detrimental action offence to the Commissioner of Police and the ICAC
- notify the NSW Ombudsman about the allegation of a detrimental action offence being committed.

The Disclosure Coordinator is responsible for making referrals about alleged detrimental action offences and will provide updates to the person against whom the alleged detrimental action has been taken.

What the City of Sydney will do if an investigation finds that serious wrongdoing has occurred

If, after an investigation, it is found that serious wrongdoing or other misconduct has occurred, we will take the most appropriate action to address that wrongdoing or misconduct. This is also known as corrective action.

Corrective action can include:

- a formal apology
- improving internal policies to adequately prevent and respond to similar instances of wrongdoing

- providing additional education and training to staff where required
- taking disciplinary action against persons involved in the wrongdoing (such as termination of employment, counselling or warning)
- payment of compensation to people who have been affected by serious wrongdoing or other misconduct.

6. Review and dispute resolution

Internal review

People who make voluntary PIDs can seek internal review of the following decisions made by the City of Sydney:

- that the City of Sydney is not required to deal with the report as a voluntary PID
- to stop dealing with the report because the City of Sydney decided it was not a voluntary PID
- to not investigate the serious wrongdoing and not refer the report to another agency
- to cease investigating the serious wrongdoing without either completing the investigation or referring the report to another agency for investigation.

The City of Sydney will ensure internal reviews are conducted in compliance with the PID Act.

If you would like to make an application for an internal review, you must apply in writing to the Disclosure Coordinator within 28 days of being informed of our decision. The application should state the reasons why you consider our decision should not have been made. You may also submit any other relevant material with your application.

Voluntary dispute resolution

If a dispute arises between the City of Sydney and a person who has made a report which is, or may be, a voluntary PID, we may request that the NSW Ombudsman conciliate the dispute. Conciliation is a voluntary process and will only be suitable for disputes where the City of Sydney and the maker of the report are willing to resolve the dispute.

7. Other agency obligations

Record-keeping requirements

The City of Sydney must keep full and accurate records with respect to all information received in connection with the PID Act. These records must be retained in our dedicated records management system TRIM with restricted access and security settings to prevent unauthorised access, destruction, alteration, deletion or loss. This ensures that the City of Sydney complies with its obligations under the State Records Act 1998 and our [Records Management Policy](#).

Reporting of voluntary PIDs and City of Sydney annual return to the Ombudsman

Each year we provide an annual return to the NSW Ombudsman which includes:

- information about voluntary PIDs received by the City of Sydney during each return period (yearly with the start date being 1 July)
- action taken by the City of Sydney to deal with voluntary PIDs during the return period
- how the City of Sydney promoted a culture in the workplace where PIDs are encouraged.

How the City of Sydney will ensure compliance with the PID Act and this policy

We have a number of mechanisms in place for monitoring the effectiveness of our PID policy and for ensuring compliance with the PID Act. Specific oversight responsibilities are outlined below. We will report on a regular basis to the Executive and our Audit Risk Compliance Committee (ARCC) in addition to our external reporting obligations.

Awareness and training

The City of Sydney will ensure that the CEO and all Disclosure Officers and Managers are given training in relation to their responsibilities under the PID Act and this policy in accordance with the requirements of the PID Act. We will also ensure refresher training takes place at intervals of no more than 3 years.

The City of Sydney will take regular steps to ensure all public officials are aware of this policy and how to make a PID.

8. Responsibilities

The Chief Executive Officer will:

- foster a workplace culture where reporting is encouraged
- receive disclosures from public officials
- ensure there is a system in place for assessing disclosures
- ensure that the City of Sydney has appropriate systems for:
 - overseeing internal compliance with the PID Act
 - supporting public officials who make voluntary PIDs, including by minimising the risk of detrimental action
 - implementing corrective action if serious wrongdoing is found to have occurred
 - complying with reporting obligations regarding allegations or findings of detrimental action
 - complying with yearly reporting obligations to the NSW Ombudsman
- refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) and any evidence of a reprisal offence under section 34 of the PID Act to the Commissioner of Police or the ICAC, as required.

The Lord Mayor

The Lord Mayor can receive reports from public officials about the CEO.

Where the Lord Mayor receives a report, the Lord Mayor will:

- assess to determine whether or not it should be treated as a PID and to decide how it will be dealt with
- deal with reports made under the City's Code of Conduct in accordance with the City of Sydney's adopted Code of Conduct Procedures
- refer reports to an investigating authority, where appropriate
- liaise with the Disclosure Coordinator to ensure there are strategies in place to support public officials who make a report, protect them from reprisal and manage workplace conflict that may arise in relation to a report
- refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) and any evidence of a reprisal offence under section 34 of the PID Act to the Commissioner of Police or the ICAC, as required.

The Disclosure Coordinator will:

- receive reports from public officials
- assess reports to determine whether or not a report should be treated as a public interest disclosure, and to decide how each report will be dealt with (either under delegation or in consultation with the CEO)
- appoint an investigator for each report (Investigator)
- oversee any internal reviews in accordance with s60 of the PID Act
- ensure all public officials at the City of Sydney with roles outlined in this policy receive training on their responsibilities
- provide an annual return to the NSW Ombudsman in accordance with section 78 of the PID Act
- ensure the City of Sydney complies with this policy and the PID Act
- refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) and any evidence of a reprisal offence under section 34 of the PID Act to the Commissioner of Police or the ICAC, as required.

Disclosure Officers will:

- receive reports from public officials
- receive reports when they are passed on to them by Managers
- make arrangements to ensure makers of reports can meet privately and discreetly when requested, which may include away from the workplace
- discuss with the maker of the report any concerns they may have about reprisal or workplace conflict
- pass on reports they receive to the Disclosure Coordinator
- ensure that any oral reports that have been received are recorded in writing
- implement local management strategies, in consultation with the Disclosure Coordinator or their delegate, to minimise the risk of reprisal or workplace conflict in relation to a report
- notify the Disclosure Coordinator or CEO immediately if they believe a Worker is being subjected to reprisal as a result of reporting wrongdoing, or in the case of suspected reprisal by the CEO, notify the Lord Mayor
- have a comprehensive understanding of this policy and complete all ongoing training requirements
- action any recommendations arising from an investigation that are approved by the CEO and where they are responsible.

Managers will:

- receive reports from persons that report to them or that they supervise
- pass on reports they receive to the Disclosure Coordinator
- accompany, if requested, a person making a report while they make the report to a Disclosure Officer
- have a comprehensive understanding of this policy and complete all ongoing training requirements
- create a local work environment where Workers are comfortable and confident about reporting wrongdoing
- encourage Workers to report known or suspected wrongdoing within the organisation and support them when they do

- implement local management strategies, in consultation with the Disclosure Coordinator or their delegate, to minimise the risk of reprisal or workplace conflict in relation to a report
- notify the Disclosure Coordinator or CEO immediately if they believe a Worker is being subjected to reprisal as a result of reporting wrongdoing, or in the case of suspected reprisal by the CEO, notify the Lord Mayor
- action any recommendations arising from an investigation that are approved by the CEO and where they are responsible.

Investigators will:

- deal with reports made under the City's Code of Conduct in accordance with the City of Sydney's Procedures for the Administration of the Code of Conduct
- have a comprehensive understanding of this policy
- coordinate the City of Sydney's response to a report
- acknowledge reports and provide updates and feedback to public officials who made reports
- undertake risk assessments and take steps to mitigate the risk of detrimental action occurring against public officials who make reports
- assess whether it is possible and appropriate to keep the public official's identity confidential
- request specific consent from a public official to disclose their identity to any external agency prior to referring a report of actual or suspected corrupt conduct or any evidence of a reprisal offence assess the risk of reprisal and workplace conflict related to or likely to arise out of a report, and develop strategies to manage any risk identified
- provide or coordinate support to public officials involved in the reporting or investigation process, where required, including protecting the interests of any public official who is the subject of a report.

All Workers and Councillors will:

- report suspected serious wrongdoing or other misconduct
- use their best endeavours to assist in an investigation of serious wrongdoing if asked to do so by a person dealing with a voluntary PID on behalf of the City of Sydney
- treat any person dealing with or investigating reports of serious wrongdoing with respect.

They must not take detrimental action against any person who has made, may in the future make, or is suspected of having made, a PID.

Consultation

Governance consulted with the NSW Ombudsman and internally with Legal Services, People & Culture, Learning & Development, Creative City, Social City, City Greening & Leisure, Parking, Fleet & Depot Services and Cleansing & Waste in developing this policy.

References

Laws and Standards
• Independent Commission Against Corruption Act 1988 (NSW)
• Local Government Act 1993 (NSW)
• Ombudsman Act 1974
• Public Interest Disclosures Act 2022 (NSW)
• Public Interest Disclosures Regulation 2022
• NSW Ombudsman Guidelines: <ul style="list-style-type: none"> - Core concepts in the PID Act - Dealing with voluntary PIDs - Deeming that a disclosure is a voluntary PID - Overview of the new Public Interest Disclosures Act 2022 - Protections under the PID Act - What is a public interest disclosure - What is serious wrongdoing
Policies and Procedures
• Code of Conduct
• Complaint Management Policy
• Conflict of Interest Policy
• Equal Employment Opportunity and Anti-Discrimination Policy
• Employee Assistance Program Policy
• Fraud and Corruption Control Plan
• Grievance and Conflict Resolution Policy
• Harassment and Bullying Policy
• Privacy Management Plan
• Procedures for the Administration of the Code of Conduct
• Records Management Policy
• Work Health and Safety Policy

Review period

This policy will be reviewed every 2 years.

Approval Status

Council approved this policy on [] 2023.

Approval History

Stage	Date	Comment	TRIM Reference
Original Policy	[] October 2023	New policy referencing PID Act 2022 and NSW Ombudsman’s model policy. Replaced Internal Reporting Policy (PID Act 1994).	[To be populated by Governance on approval.]
Commence Review Date	[] January 2025		
Approval Due Date	[] October 2025		

Ownership and approval

Responsibility	Role
Author	Coordinator Governance
Owner	Manager Risk & Governance
Endorser	City of Sydney Executive
Approver	City of Sydney Council

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Annexure A - City of Sydney Disclosure Officers

Town Hall House	Contact details
Chief Executive Officer Monica Barone	mbarone@cityofsydney.nsw.gov.au 02 9265 9118
Lord Mayor (for reports about the CEO) Clover Moore	cmoore@cityofsydney.nsw.gov.au 02 9265 9229
Disclosure Coordinator Director Legal & Governance Kirsten Morrin	kmorrin@cityofsydney.nsw.gov.au 02 9265 9361
Manager Risk & Governance Nellette Kettle	nkettle@cityofsydney.nsw.gov.au 02 9265 9084
Chief Financial Officer Bill Carter	bcarter@cityofsydney.nsw.gov.au 02 9265 9386
Chief Operating Officer Kim Woodbury	kwoodbury@cityofsydney.nsw.gov.au 02 9246 7370
Director City Life Emma Rigney	erigney@cityofsydney.nsw.gov.au 02 9246 7320
Director City Planning Development & Transport Graham Jahn	gjahn@cityofsydney.nsw.gov.au 02 9265 9945
Director City Services Veronica Lee	vlee@cityofsydney.nsw.gov.au 02 9265 9092
Director People, Performance & Technology Susan Pettifer	spettifer@cityofsydney.nsw.gov.au 02 9265 9221
Director Strategic Development & Engagement Kate Deacon	kdeacon@cityofsydney.nsw.gov.au 02 9246 7252
Chief People & Culture Chris Youness	cyouness@cityofsydney.nsw.gov.au 0458 124 849

Community and Recreation Centres	
Leisure Contracts Relationship & Performance Manager, City Greening & Leisure	Andrew (Boy) Charlton Pool
	Cook & Phillip Park Pool
	Gunyama Park Aquatic and Recreation Centre
	Ian Thorpe Aquatic Centre
	Prince Alfred Park Pool
	Victoria Park Pool
Area Manager, Social City	Cliff Noble Community Centre
	Juanita Nielsen Centre
	King George V Recreation Centre
	Maybanke Community Centre
	Pyrmont Community Centre
	Redfern Community Centre
	Reginald Murphy Community Centre
	Ron Williams Community Centre
St Helens Community Centre	

Community and Recreation Centres

	Ultimo Community Centre
Centre Manager – Perry Park Recreation Centre	Perry Park Recreation Centre
Manager Programs and Learning, Creative City	Pine Street Creative Arts Centre

Depots

Manager, City Cleansing & Resource Recovery Manager Parking Fleet & Depot Services	Alexandra Canal Depot 67A Bourke Road
City Cleansing Operations Manager	Bay Street Depot, Ultimo
	Bourke Street Depot, Woolloomooloo

Education and Care Services

Early Childhood Services Coordinator	Broughton St Kindergarten, Glebe
	Eveleigh Early Learning and Preschool
	Hilda Booler Kindergarten, Glebe
	Redfern Occasional Child Care
Middle Childhood Services Coordinator	KGV Outside School Hours Care, KGV Recreation Centre
	Pymont Outside School Hours Care, Pymont Community Centre
	Redfern Outside School Hours Care, Redfern Community Centre
	Surry Hills Outside School Hours Care, Girls and Boys Brigade Building
	Ultimo Outside School Hours Care, Ultimo Community Centre
	Woolloomooloo Outside School Hours Care, Juanita Nielsen Community Centre

Libraries/Mixed Use Venues

Manager Libraries & Learning Area Team Leader South, Libraries & Learning Visitor and Destination Ambassador Manager	Customs House
Manager Libraries & Learning Area Team Leader – Library Business	Darling Square (Exchange) Library
	Glebe Library
	Ultimo Library
Manager Libraries & Learning Area Team Leader South, Libraries & Learning	Kings Cross Neighbourhood Library
	Newtown Library & Community Hall
Manager Libraries & Learning Area Team Leader North, Libraries & Learning	Green Square Library & Plaza
	Surry Hills Library
	Waterloo Library

Libraries/Mixed Use Venues	
Neighbourhood Service Centre Manager – Glebe, Kings Cross & Green Square	Neighbourhood Service Centres, Glebe, Kings Cross & Green Square

307 Pitt Street	
Manager City Rangers	City Rangers

Note: Please go to [add link to Governance page] for current list of City of Sydney Disclosure Officers including names and contact details.

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Annexure B - List of integrity agencies

Integrity agency	What they investigate	Contact information
The NSW Ombudsman	Most kinds of serious maladministration by most agencies and public officials (but not NSW Police, judicial officers or MPs)	Telephone: 1800 451 524 between 9am to 3pm Monday to Friday Writing: Level 24, 580 George Street, Sydney NSW 2000 Email: info@ombo.nsw.gov.au
The Auditor-General	Serious and substantial waste of public money by auditable agencies	Telephone: 02 9275 7100 Writing: GPO Box 12, Sydney NSW 2001 Email: governance@audit.nsw.gov.au
Independent Commission Against Corruption	Corrupt conduct	Telephone: 02 8281 5999 or toll free on 1800 463 909 (callers outside Sydney) between 9am and 3pm, Monday to Friday Writing: GPO Box 500, Sydney NSW 2001 or faxing 02 9264 5364 Email: icac@icac.nsw.gov.au
The Inspector of the Independent Commission Against Corruption	Serious maladministration by the ICAC or the ICAC officers	Telephone: 02 9228 3023 Writing: PO Box 5341, Sydney NSW 2001 Email: oiicac_executive@oiicac.nsw.gov.au
Office of the Local Government	Local government pecuniary interest contraventions	Email: olg@olg.nsw.gov.au
The Privacy Commissioner	Privacy contraventions	Telephone: 1800 472 679 Writing: GPO Box 7011, Sydney NSW 2001 Email: ipcinfo@ipc.nsw.gov.au
The Information Commissioner	Government information contraventions	Telephone: 1800 472 679 Writing: GPO Box 7011, Sydney NSW 2001 Email: ipcinfo@ipc.nsw.gov.au

Attachment B

**Internal Reporting Policy – Corrupt
Conduct and Serious Wrongdoing**

Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing

Purpose

To document our internal reporting system which enables City of Sydney (City) employees and councillors, in addition to others covered by the policy's scope, to report wrongdoing without fear of reprisal. This policy sets out what can be reported, who you can report wrongdoing to at the City and how reports of wrongdoing will be dealt with.

This policy is designed to complement normal communication channels between supervisors and employees. Employees are encouraged to raise matters of concern at any time with their supervisors, but also have the option of making a report about a public interest issue in accordance with this policy and the Public Interest Disclosures Act 1994 (PID Act). This policy complies with the requirement under s 6D of the PID Act for the City to set out its procedures for receiving, assessing and dealing with public interest disclosures.

The internal reporting system established under this policy is not intended to be used for employee grievances, which should be raised through our [Grievance and Conflict Resolution Policy](#). If an employee makes a report under this policy which is substantially a grievance, the matter will be referred to Corporate Human Resources to be dealt with in accordance with our Grievance and Conflict Resolution Policy.

Scope

This policy applies to:

- Councillors
- City employees, including permanent (whether full-time or part-time), temporary and casual employees, agency staff, volunteers, trainees and students on work placements.

Under the PID Act this policy also applies to consultants, employees of contractors providing services to the City and public officials of another council or public authority who report wrongdoing relating to the City.

This policy is just one in the suite of the City's complaint handling policies. Workplace disputes, harassment or bullying complaints, or health and safety concerns are covered by:

- [Equal Employment Opportunity and Anti-Discrimination Policy](#)
- [Grievance and Conflict Resolution Policy](#)
- [Harassment and Bullying Policy](#)
- [Work Health and Safety Policy](#)

Definitions

Term	Meaning
Disclosures Coordinator	Director Legal & Governance
Disclosures Officers	All Directors, Manager Risk & Governance and Chief People & Culture. Directors refer to the Director of a Division, the Chief Financial Officer and the Chief Operating Officer and not to any other position with the word Director in its title.
Employees	Permanent (whether full-time or part-time), temporary and casual employees, agency staff, volunteers, trainees and students on work placements
GIPA Act	Government Information (Public Access) Act 2009
ICAC Act	Independent Commission Against Corruption Act 1988
PID Act	Public Interest Disclosures Act 1994
Principal Officer	Chief Executive Officer (CEO)
Reporter	An employee, councillor or other person to whom this policy applies that has reported any suspected wrongdoing within the City, or any activities or incidents within the City that they believe are wrong, in accordance with this policy
Subject	Employee, councillor or other person to whom this policy applies who is the subject of a report of wrongdoing

Policy Statement

The City is committed to the highest standard of ethical and accountable conduct and will support and protect the reporting of wrongdoing. Individuals who come forward and report wrongdoing are helping to promote integrity, accountability and good management within the City.

The City will:

- create a climate of trust, where people are comfortable and confident about reporting wrongdoing
- make this policy available on our internal and external website
- encourage individuals to come forward if they become aware of wrongdoing within the City
- keep the identity of the person disclosing wrongdoing confidential, where this is possible and appropriate
- take steps to protect Reporters from reprisal and manage workplace conflict
- assess all reports of wrongdoing it receives from Reporters and deal with them appropriately, fairly, reasonably and impartially, respecting the rights of any person who is the subject of a report
- if some form of wrongdoing has been found, take appropriate action to rectify it
- keep the individual who makes a report informed of its progress and the outcome

- encourage the reporting of wrongdoing within the City, but respect any decision to disclose wrongdoing outside the City
- ensure managers and supervisors at all levels understand the benefits of reporting wrongdoing, are familiar with this policy and aware of the needs of those who report wrongdoing
- review this policy periodically to ensure it is relevant and effective
- provide adequate resources to:
 - encourage reports of wrongdoing
 - protect and support those who make them
 - provide training about how to make reports
 - assess and review, investigate or otherwise deal with allegations
 - manage any workplace issues that the allegations identify or that result from a report
 - appropriately address any identified problems.

Once wrongdoing has been reported, the City decides whether a report should be investigated, and if so, how it should be investigated and by whom.

The City must report on our obligations under the PID Act and statistical information about public interest disclosures in our Annual Report and to the NSW Ombudsman every six months.

The City has a responsibility to refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) and any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC.

The City will request specific consent from a Reporter to disclose their identity to any external agency prior to referring a report of actual or suspected corrupt conduct or any evidence of a reprisal offence. If the Reporter does not grant consent, the City will keep the identity of the Reporter anonymous subject to any legal requirements for disclosure.

To ensure the City complies with the PID Act and deals with all reports of wrongdoing properly, all employees and councillors with roles outlined below and elsewhere in this policy will receive training on their responsibilities.

Roles

Position	Responsibility
Principal Officer (CEO)	<ul style="list-style-type: none"> • Ensures the City has an internal reporting policy and Employees are aware of this policy and the protections of the PID Act. • Ensures the City’s compliance with this policy and its obligations under the PID Act. • Ensures at least one officer is responsible for receiving public interest disclosures within the City.

Position	Responsibility
Disclosures Coordinator	<ul style="list-style-type: none"> Receives and assesses reports and is the primary point of contact in the City for the Reporter.
Disclosures Officers	<ul style="list-style-type: none"> Provides advice about the internal reporting system and the City’s Internal Reporting Policy – Corrupt Conduct and Serious Wrongdoing. Receives reports of wrongdoing and assist employees and councillors to make reports.

What you should report

You should report any suspected wrongdoing within the City, or any activities or incidents you see within the City that you believe are wrong.

Reports about five categories of serious misconduct will be dealt with under this policy. If they meet the criteria of a public interest disclosure, they will also be dealt with under the PID Act.

The five categories are:

- a. corrupt conduct
- b. maladministration
- c. serious and substantial waste of public money
- d. breach of the GIPA Act, and
- e. local government pecuniary interest contravention.

There are more details below about these types of conduct. Furthermore, information about what can be reported under the PID Act can also be found in the NSW Ombudsman’s *Guideline B2: What should be reported?* Even if these reports are not dealt with as public interest disclosures, the City recognises such reports may raise important issues. We will respond to all reports and make every attempt to protect the employee making the report from reprisal.

All other wrongdoing or suspected wrongdoing should be reported to your manager, supervisor or Corporate Human Resources staff to be dealt with in line with the relevant policies. This might include:

- harassment or unlawful discrimination
- practices that endanger the health or safety of employees or the public.

a) Corrupt conduct

Corrupt conduct is defined in Sections 7, 8 and 9 of the ICAC Act and is deliberate or intentional wrongdoing, not negligence or a mistake. It has to involve or affect a NSW public official or public sector organisation.

While it can take many forms, some examples of corrupt conduct include when:

- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for their own personal gain or the advantage of others

- a public official dishonestly exercises his or her official functions, or improperly exercises his or her official functions in a partial manner, breaches public trust or misuses information or material acquired during the course of his or her official functions
- a member of the public influences or tries to influence a public official's exercise of functions.

b) Maladministration

Maladministration is conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives.

For example, this could include:

- making a decision and/or taking action that is unlawful
- refusing to grant an approval for reasons that are not related to the merits of the application.

c) Serious and substantial waste of public money

Serious and substantial waste is the uneconomical, inefficient or ineffective use of resources that could result in losing or wasting public money.

For example, this could include:

- not following a competitive tendering process for a large-scale contract
- having no or poor processes in place for a system involving large amounts of public funds.

d) Breach of the GIPA Act

A breach of the GIPA Act is a failure to properly fulfil functions under that Act.

For example, this could include:

- destroying, concealing or altering records to prevent them from being released
- knowingly making decisions that are contrary to the legislation
- directing another person to make a decision that is contrary to the legislation.

e) Local government pecuniary interest contravention

A local government pecuniary interest contravention is a failure to comply with requirements under the *Local Government Act 1993* relating to the management of pecuniary interests. These include obligations to lodge disclosure of interests returns, disclose pecuniary interests at council and council committee meetings and leave the meeting while the matter is being discussed.

A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.

For example, this could include:

- a senior City employee recommending a family member for a City contract and not declaring the relationship
- a Councillor participating in consideration of a tender for a service they or their family have an interest in.

Assessment of Reports

All reports will be promptly and thoroughly assessed to determine what action will be taken to deal with the report and whether or not the report will be treated as a public interest disclosure.

The Disclosures Coordinator is responsible for assessing reports, in consultation with the CEO where appropriate. All reports will be assessed on the information available to the Disclosures Coordinator at the time. It is up to the Disclosures Coordinator to decide whether a review or investigation should be carried out and how it should be carried out.

In assessing a report, the Disclosures Coordinator may decide that the report should be referred elsewhere or that no action should be taken.

When will a report be treated as a public interest disclosure?

The City will treat a report as a public interest disclosure if it meets the criteria of a public interest disclosure under the PID Act. These requirements are:

1. the report must be about one of the following five categories of serious wrongdoing – corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPA Act or local government pecuniary interest contravention
2. the person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing
3. the report has to be made to the CEO (or, for reports about the CEO, the Lord Mayor), a position nominated in this policy (see below), an investigating authority or (in limited circumstances) to an MP or journalist.

Reports by employees are not public interest disclosures if they:

- mostly question the merits of government policy
- are made with the sole or substantial motive of avoiding dismissal or other disciplinary action.

Who you can report to at the City

The PID Act requires that for a report to be a public interest disclosure it must be made to certain public officials identified in this policy or any supporting procedures.

The following positions are the only people within the City who are authorised to receive a public interest disclosure:

- Principal Officer - CEO
- Lord Mayor
- Disclosures Coordinator - Director Legal & Governance
- Disclosures Officers - all Directors, Manager Risk & Governance and Chief People & Culture.

Contact details for these positions are provided in Appendix A.

If your report involves a councillor, you should make it to the CEO. If your report relates to the CEO, you should make it to the Lord Mayor.

Any manager or supervisor who receives a report that they believe may be a public interest disclosure is obliged to assist the employee to make the report to one of the positions listed above.

If you would like additional information before making a public interest disclosure you can contact the City's Governance team on 02 9265 9333.

Who you can report to outside the City

Employees and councillors are encouraged to report wrongdoing within the City, but internal reporting is not your only option. You can also make a public interest disclosure to:

- An investigating authority.
- A Member of Parliament or a journalist, but only in the limited circumstances outlined below.

a) Investigating authorities

The PID Act lists a number of investigating authorities in NSW that employees and councillors can report wrongdoing to and the type of wrongdoing each authority deals with. In certain circumstances it may be preferable to make a report of wrongdoing to an investigating authority.

The relevant investigating authorities for the City are:

- the ICAC - for reports about corrupt conduct
- the NSW Ombudsman - for reports about maladministration
- the Auditor General - for reports about serious and substantial waste
- the Information Commissioner - for disclosures about a breach of the GIPA Act
- the Office of Local Government - for disclosures about local councils (e.g. pecuniary interest contraventions).

You should contact the relevant investigating authority for advice about how to make a disclosure to them. Contact details for each investigating authority are provided in Appendix A.

You should be aware that the investigating authority may discuss any such reports with the City. We will make every effort to assist and cooperate with the investigating authority to ensure the matter is dealt with appropriately. We will also provide appropriate support and assistance to employees or councillors who report wrongdoing to an investigating authority, if we are made aware that this has occurred.

b) Members of Parliament or journalists

To have the protections of the PID Act, employees reporting wrongdoing to a Member of Parliament (MP) or a journalist must have already made substantially the same report to at least one of the following:

- the CEO
- a person nominated in this policy; or
- an investigating authority.

Additionally, the City or the investigating authority that received your initial report must have either:

- decided not to investigate the matter
- decided to investigate the matter, but not completed the investigation within six months of the original report
- investigated the matter but not recommended any action as a result; or

- not told the person who made the report, within six months of the report being made, whether the matter will be investigated.

Furthermore, to be protected under the PID Act – if you report wrongdoing to an MP or a journalist you will need to be able to prove that you have reasonable grounds for believing that the disclosure is substantially true. The disclosure must also in fact be substantially true.

c) Other external reporting

If you report wrongdoing to a person or authority that is not listed above or make a report to an MP or journalist without following the steps outlined above, you will not be protected under the PID Act. This may also mean that you could be in breach of legal obligations or our Code of Conduct, for example, by disclosing confidential information.

For more information about reporting wrongdoing outside the City, contact the Disclosures Coordinator or the [NSW Ombudsman's Public Interest Disclosures Unit](#).

How you can make a report

You can report wrongdoing in writing or verbally, but you are encouraged to make a report in writing as this can help to avoid any confusion or misinterpretation.

The City's [Internal Report Form](#) and external [online reporting form](#) are also available to make a report.

If a report is made verbally, the person receiving the report will make a comprehensive record of the report and ask the person making the report to sign this record. The Reporter should keep a copy of this record.

Can your report be anonymous?

There will be some situations where you may not want to identify yourself when you make a report. Although these reports will still be dealt with by the City, it is best if you identify yourself. This allows us to provide you with any necessary protection and support, as well as feedback about what action has or will be taken and the outcome of any review or investigation.

It is important to realise that making a disclosure anonymously may not prevent you from being identified by the subjects of the report or your colleagues.

If we do not know who made the report, it is very difficult for us to prevent any reprisal should others identify you.

Feedback to employees who report wrongdoing

Employees and councillors who report wrongdoing and provide their contact details will be told what is happening in response to their report.

a) Acknowledgement

When you make a report, the City will contact you to confirm that your report has been received and to advise:

- the timeframe within which you will receive further updates
- the name and contact details of the people who can tell you what is happening or handle any concerns you may have.

After a decision is made about how your report will be dealt with, the City will send you an acknowledgment letter, providing:

- information about how we will respond to your report
- the likely timeframes for any review or investigation or other action
- information about the internal and external resources or services available that you can access for support.

We will provide this information to you within ten working days from the date you make your report. We will also advise you if we decide to treat your report as a public interest disclosure and provide you with a copy of this policy at that time, as required by the PID Act.

Please note, if you make a report which meets the requirements of the PID Act but the report was made under a statutory or legal obligation or incidental to the performance of your day to day functions, you will not receive an acknowledgement letter or a copy of this policy.

b) Progress updates

While your report is being dealt with, such as by a review or investigation or making other enquiries, you will be given:

- information about the progress of the review/investigation or other enquiries and reasons for any delay
- advice of any decisions by the City not to proceed with the matter
- advice if your identity needs to be disclosed for the purposes of investigating the matter or making enquiries, and an opportunity to talk about this beforehand.

c) Feedback

Once the matter has been finalised you will be given:

- enough information to show that adequate and appropriate action was taken and/or is proposed to be taken in response to your disclosure and any problem that was identified
- advice about whether you are likely to be called as a witness in any further matters, such as disciplinary or criminal proceedings.

Maintaining Confidentiality

The City realises Reporters may want their identity and the fact they have made a report to remain confidential. This can help to prevent any action being taken against them for reporting wrongdoing.

Where possible and appropriate we will take all necessary steps to keep your identity, and the fact you have reported wrongdoing, confidential. We will discuss with you whether it is possible to keep your identity confidential.

If confidentiality cannot be maintained, we will develop a plan to support and protect you from reprisal in consultation with you.

If you report wrongdoing, it is important that you only discuss your report with those responsible for dealing with it. This will include the Disclosures Coordinator and the CEO, or in the case of a report about the CEO, the Disclosures Coordinator and the Lord Mayor. The fewer people who know about your report, before and after you make it, the more likely it will be that we can protect you from any reprisal.

Any employees or councillors involved in the investigation or handling of a report, including witnesses, are also required to maintain confidentiality and not disclose information about the process or allegations to any person except for those people responsible for handling the report.

Managing the risk of reprisal and workplace conflict

When an employee or councillor reports wrongdoing, the City will undertake a thorough risk assessment, using the NSW Ombudsman's PID Risk Assessment template, to identify the risk to you of detrimental action in reprisal for reporting, as well as indirect but related risks of workplace conflict or difficulties. The risk assessment will also identify strategies to deal with those risks and determine the level of protection and support that is appropriate.

Depending on the circumstances, the City may:

- relocate the Reporter or the employee who is the subject of the allegation within the current workplace
- transfer the Reporter or employee who is the subject of the allegation to another position for which they are qualified
- grant the Reporter or the employee who is the subject of the allegation leave of absence during the investigation of the disclosure.

These courses of action are not punishment and will only be taken in consultation with the reporter.

Protection against reprisals

The City will not tolerate any reprisal against employees or councillors who report wrongdoing or are believed to have reported wrongdoing.

The PID Act provides protection for employees and councillors who have made a public interest disclosure by imposing penalties on anyone who takes detrimental action against another person substantially in reprisal for that person making a public interest disclosure or because they believe or suspect the other person has made or may have made a public interest disclosure, even if they did not do so.

Detrimental action means action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

A person who is found to have committed a reprisal offence or has disclosed the identity of a Reporter (or information that is likely to lead to the identification of the Reporter) may face criminal penalties such as imprisonment and/or fines and may be required to pay the victim damages for any loss suffered as a result of the detrimental action. Taking detrimental action in reprisal is also a breach of our Code of Conduct and may result in disciplinary action. In the case of councillors, such disciplinary action may be taken under the misconduct provisions of the *Local Government Act 1993* and may include suspension or disqualification from civic office.

The PID Act does not protect Reporters from disciplinary or other management action where the City has reasonable grounds to take such action. For example, if a Reporter accesses

confidential information in order to support their disclosure/s or the Reporter has performance issues unrelated to the allegation/s.

a) Responding to allegations of reprisal

If you believe that detrimental action has been or is being taken against you or someone else in reprisal for reporting wrongdoing, you should tell your supervisor, the Disclosures Coordinator or the CEO immediately. In the case of an allegation of reprisal by the CEO, you can alternatively report this to the Lord Mayor.

All supervisors must notify the Disclosures Coordinator or the CEO if they suspect that reprisal against an employee is occurring or has occurred, or if any such allegations are made to them. In the case of an allegation of reprisal by the CEO, the Lord Mayor can alternatively be notified.

If the City becomes aware of or suspects that reprisal is being or has been taken against a person who has made a disclosure, the City will:

- assess the allegation of reprisal to decide whether the report should be treated as a public interest disclosure and whether the matter warrants investigation or if other action should be taken to resolve the issue
- if the reprisal allegation warrants investigation, ensure this is conducted by an appropriate employee or an external investigator
- if it is established that reprisal is occurring against someone who has made a report, take all steps possible to stop that activity and protect the Reporter
- take appropriate disciplinary action against anyone proven to have taken or threatened any action in reprisal for making a disclosure
- refer any breach of Part 9 of the City's Code of Conduct (detrimental action) by a councillor or the CEO to the Office of Local Government.
- refer any evidence of an offence under section 20 of the PID Act to the ICAC or NSW Police Force.

If you allege reprisal, you will be kept informed of the progress and outcome of any investigation or other action taken in response to your allegation.

If you have reported wrongdoing and are experiencing reprisal which you believe is not being dealt with effectively, contact the Office of Local Government, the Ombudsman, ICAC or the Auditor General (depending on the type of wrongdoing you reported).

b) Protection against legal action

If you make a public interest disclosure in accordance with the PID Act, you will not be subject to any liability, and no action, claim or demand can be taken against you for having made the public interest disclosure. You will not have breached any confidentiality or secrecy obligations and you will have the defence of absolute privilege in defamation.

Support for those reporting wrongdoing

The City will make sure that employees who have reported wrongdoing, regardless of whether their report is treated as a public interest disclosure, are provided with access to our Employee Assistance Program under the City's Employee Assistance Program Policy for any professional support they may need as a result of the reporting process – such as stress management or counselling services.

Access to support may also be available for other employees involved in the internal reporting process where appropriate. Reporters and other employees involved in the process can discuss their support options with the Disclosures Coordinator.

Sanctions for making false or misleading statements

It is important all employees and councillors are aware that it is a criminal offence under the PID Act to wilfully make a false or misleading statement when reporting wrongdoing. The City will not support employees or councillors who wilfully make false or misleading reports. Such conduct may also be a breach of the Code of Conduct and may result in disciplinary action. In the case of councillors, such disciplinary action may be taken under the misconduct provisions of the *Local Government Act 1993* and may include suspension or disqualification from civic office.

Your rights if you are the subject of a report

The City is committed to ensuring employees or councillors who are the subject of a report of wrongdoing are treated fairly and reasonably. This includes keeping the identity of any person the subject of a report confidential where this is practical and appropriate.

If you are the subject of the report and if there may be adverse findings against you, at the appropriate time you will be:

- advised of substance of the allegation
- advised of your rights and obligations under the relevant related policies and procedures
- kept informed about the progress of any investigation
- given a reasonable opportunity to respond to any allegation made against you
- told the outcome of any investigation, including any decision made about if action will be taken against you.

Procedural fairness and natural justice will be considered at each stage of the investigation. However in some cases, there may be an overriding public interest in not adhering to certain procedural fairness requirements, such as situations involving serious risks to personal safety or where we are obliged to maintain confidentiality due to the requirements of an external body (e.g. ICAC, NSW Police).

Where the reported allegations against the subject are clearly wrong, or have been reviewed/investigated and unsubstantiated, the subject will be supported by the City. The fact of the allegations and any investigation will be kept confidential, where possible, unless otherwise agreed to by the subject.

Reporting investigation findings internally

On the completion of an investigation, a report, including any recommendations will be provided to the CEO for review and approval through the Disclosures Coordinator.

Where the investigation concerns the conduct of the CEO, a report and any recommendations will be provided to the Lord Mayor.

Responsibilities

City employees and councillors will:

- report all known or suspected wrongdoing and support those who have made reports of wrongdoing
- assist those assessing, reviewing or investigating a report if requested, including supplying information on request, cooperating with any assessment, review or investigation and maintaining confidentiality
- treat any person dealing with a report of wrongdoing under this Policy with courtesy and respect
- respect the rights of any person who is the subject of reports
- adhere to the City's Code of Conduct
- not make false or misleading reports of wrongdoing
- not victimise or harass anyone who has made a report.

Lord Mayor

The Lord Mayor can receive reports from employees and councillors about the CEO. Where the Lord Mayor receives such reports, the Lord Mayor will:

- assess the reports to determine whether or not they should be treated as a public interest disclosure, and to decide how they will be dealt with
- deal with reports made under the City's Code of Conduct in accordance with the City's adopted Code of Conduct Procedures
- refer reports to an investigating authority, where appropriate
- liaise with the Disclosures Coordinator to ensure there are strategies in place to support Reporters, protect Reporters from reprisal and manage workplace conflict that may arise in relation to a report
- refer actual or suspected corrupt conduct to the ICAC
- refer any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC.

CEO

The CEO, as the Principal Officer, has ultimate responsibility for maintaining the internal reporting system and workplace reporting culture, and ensuring the City complies with the PID Act.

The CEO can receive reports from employees and councillors and will:

- assess reports received by or referred to them, to determine whether or not the report should be treated as a public interest disclosure, and to decide how the report will be dealt with
- deal with reports made under the City's Code of Conduct in accordance with the City's adopted Code of Conduct Procedures
- refer reports to an investigating authority, where appropriate
- ensure there are strategies in place to support Reporters, protect Reporters from reprisal and manage workplace conflict that may arise in relation to a report
- make decisions following any investigation or appoint an appropriate decision-maker
- take appropriate remedial action where wrongdoing is substantiated, or systemic problems are identified

- refer actual or suspected corrupt conduct to ICAC
- refer any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC.

Disclosures Coordinator will:

- assess reports to determine whether or not a report should be treated as a public interest disclosure, and to decide how each report will be dealt with (either under delegation or in consultation with the CEO)
- deal with reports made under the City's Code of Conduct in accordance with the City's Code of Conduct Procedures
- coordinate the City's response to a report
- acknowledge reports and provide updates and feedback to the Reporter
- assess whether it is possible and appropriate to keep the Reporter's identity confidential
- request specific consent from a Reporter to disclose their identity to any external agency prior to referring a report of actual or suspected corrupt conduct or any evidence of a reprisal offence.
- assess the risk of reprisal and workplace conflict related to or likely to arise out of a report, and develop strategies to manage any risk identified
- provide or coordinate support to staff involved in the reporting or investigation process, where required, including protecting the interests of any officer who is the subject of a report
- ensure the City complies with the PID Act
- ensure all employees and councillors with roles outlined in this policy receive training on their responsibilities
- provide six-monthly reports to the NSW Ombudsman in accordance with section 6CA of the PID Act
- refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) and any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC, as required.

Disclosures Officers will:

- document in writing any reports received verbally, and have the document signed and dated by the Reporter
- make arrangements to ensure Reporters can make reports privately and discreetly when requested, which may include away from the workplace
- discuss with the Reporter any concerns they may have about reprisal or workplace conflict
- forward reports to the Disclosures Coordinator or CEO for assessment
- action any recommendations arising from an investigation that are approved by the CEO and where you are responsible.

Supervisors and managers will:

- have a comprehensive understanding of this Fraud and Corruption Internal Reporting Policy
- create a local work environment where employees are comfortable and confident about reporting wrongdoing
- encourage employees to report known or suspected wrongdoing within the organisation and support employees when they do

- identify reports made to them in the course of their work which could be public interest disclosures, and assist the employee to make the report to an officer authorised to receive public interest disclosures under this policy
- implement local management strategies, in consultation with the Disclosures Coordinator, to minimise the risk of reprisal or workplace conflict in relation to a report
- notify the Disclosures Coordinator or CEO immediately if they believe an employee is being subjected to reprisal as a result of reporting wrongdoing, or in the case of suspected reprisal by the CEO, notify the Lord Mayor
- action any recommendations arising from an investigation that are approved by the CEO and where you are responsible.

Consultation

Governance consulted with ICAC and NSW Ombudsman and internally with Legal Services, Internal Audit, Corporate Human Resources, Procurement, Office of the CEO and Financial Planning and Reporting.

References

Laws and Standards
• Corporations Act 2001 (Clth)
• Government Information (Public Access) Act 2009 (NSW)
• Independent Commission Against Corruption Act 1988 (NSW)
• Local Government Act 1993 (NSW)
• <u>NSW Ombudsman’s Guideline B2: What should be reported?</u>
• NSW Ombudsman PID e-news (June 2019 Issue 38) - New Commonwealth whistleblower laws.
• Public Interest Disclosures Act 1994 (NSW)
• Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019 (Clth)
• NSW Ombudsman’s Public Interest Disclosures templates
Policies and Procedures
• Code of Conduct
• Code of Conduct Procedures
• Conflict of Interest Policy
• EEO and Anti-Discrimination Policy
• Employee Assistance Program Policy
• Fraud and Corruption Control Plan
• Grievance and Conflict Resolution Policy

Policies and Procedures

- Harassment and Bullying Policy
- Work Health and Safety Policy

Review period

This policy will be reviewed every 2 years.

Approval Status

Council approved this policy on 22 August 2022.

Approval History

Stage	Date	Comment	TRIM Reference
Original Policy	23 June 2014	Approved by Council	2014/288568
Reviewed	6 April 2020	Update based on NSW Ombudsman model internal reporting policy and new whistleblower protection provisions in Corporations Act 2001 (Cth). Approved by Council	2014/288568
Reviewed	22 August 2022	Reviewed against NSW Ombudsman model internal reporting policy. Internal reporting contact list added. Approved by Council.	2014/288568
Commence Review Date	22 November 2023		
Approval Due Date	22 August 2024		

Ownership and approval

Responsibility	Role
Author	Governance Officer
Owner	Manager Risk and Governance
Endorser	City of Sydney Executive
Approver	City of Sydney Council

Appendix A – Internal Reporting Contacts

Position	Contact details
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Chief People & Culture Chris Youness	0458 124 849 cyouness@cityofsydney.nsw.gov.au
Director Strategic Development & Engagement Kate Deacon	02 9246 7252 kdeacon@cityofsydney.nsw.gov.au

If you have any questions about this policy or any governance matter, contact our

Governance team:

Telephone 02 9265 9333 (City of Sydney switchboard and ask for Governance)

Email governance@cityofsydney.nsw.gov.au

Website [City of Sydney – About Council - Our responsibilities – Governance.](#)

External Reporting Authorities

The contact details for external investigating authorities that employees can make a report or public interest disclosure to or seek advice from are listed below.

For disclosures about:	External reporting authority
Corrupt conduct	<p>Independent Commission Against Corruption (ICAC) Phone: 02 8281 5999 Toll free: 1800 463 909 NRS Speak and Listen Telephone: 1300555727 then ask for 028281 5999 Email: icac@icac.nsw.gov.au Web: www.icac.nsw.gov.au Address: Level 7, 255 Elizabeth Street Sydney NSW 2000</p>
Maladministration	<p>NSW Ombudsman Phone: 02 9286 1000 1800 451 524 NRS Speak and Listen Telephone: 1300 555 727 then ask for 02 9286 1000 Email: nswombo@ombo.nsw.gov.au Web: www.ombo.nsw.gov.au Address: Level 24, 580 George Street, Sydney NSW 2000</p>
Serious and substantial waste	<p>Auditor General Phone: 02 9275 7100 Email: mail@audit.nsw.gov.au Web: www.audit.nsw.gov.au Address: Level 15, 1 Margaret Street, Sydney NSW 2000</p>
Breaches of the GIPA Act	<p>Information Commissioner Phone: 1800 472 679 Email: ipcinfo@ipc.nsw.gov.au Web: www.ipc.nsw.gov.au Address: Level 15, McKell Building, 2-24 Rawson Place, Haymarket NSW 2000 Postal: GPO Box 7011, Sydney NSW 2001</p>
Local councils (e.g. pecuniary interest contravention)	<p>Office of Local Government Phone: 02 4428 4100 Tel. typewriter (TTY): 02 4428 4209 Facsimile: 02 4428 4199 Email: olg@olg.nsw.gov.au Web: olg.nsw.gov.au Address: 5 O'Keefe Avenue, Nowra, NSW 2541 Postal: Locked Bag 3015, Nowra NSW 2541 Sydney Office: Level 16, 320 Pitt Street, Sydney NSW 2000</p>

Item 9.

External Memberships

File No: S076031

Summary

The City of Sydney is a member of a wide range of associations and organisations which provide staff and Councillors with access to up-to-date information and information-sharing opportunities, forums and conferences for professional and policy development.

The memberships held by the City of Sydney are reviewed regularly to ensure they remain relevant to the work of the City and are provided to Council for their information. The City's current memberships are outlined in Attachment A.

The total cost of these memberships is estimated to be \$986,709 for the current financial year and provisions have been provided for in the 2023/24 budget.

In accordance with the Register of Delegations from Council to the Chief Executive Officer dated 22 August 2022, new memberships of a value less than \$10,000 excluding GST can be approved by the Chief Executive Officer. New memberships worth over \$10,000 are brought to Council for consideration.

This report seeks Council's endorsement of the existing memberships as outlined in Attachment A. The City's memberships will continue to be reviewed and any significant changes reported to Council.

Recommendation

It is resolved that:

- (A) receive and note the City's membership of the associations outlined in Attachment A to the subject report; and
- (B) note that final membership amounts change from time to time and any significant changes will be reported back to Council via the CEO Update.

Attachments

Attachment A. List of Existing Memberships

Background

1. The City of Sydney is a member of a range of associations which provide access to professional support, updated industry information and information sharing, forums and conferences for professional and policy development and accreditation.
2. Memberships cover a wide range of associations to reflect the breadth of City activities.
3. The City contributes to and works with these groups to achieve our goals.
4. The total cost of these memberships is \$986,709 per annum.
5. These memberships were included in the budget for 2023/24.
6. The top three memberships account for \$302,377 and include the Council of Capital City Lord Mayors (CCCLM), Local Government NSW (LGNSW) and the Southern Sydney Regional Organisation of Councils (SSROC).
7. The other smaller memberships make up the remaining \$684,332.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

8. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 1 - Responsible governance and stewardship - external memberships provide staff and Councillors with access to up-to-date information and information-sharing opportunities, forums and conferences for professional and policy development.

Financial Implications

9. The existing cost of these memberships is estimated to be \$986,709 for the current financial year which has been provided for in the 2023/24 operating budget.

MONICA BARONE

Chief Executive Officer

Erin Cashman, Manager OCEO

Item 10.

Lease Approval - Woolstores Alexandria

File No: X091665.001

Summary

This report seeks approval from Council to grant a new lease within the 'Woolstores Alexandria'.

The 'Woolstores Alexandria' is a high-standard commercial office complex at 4C-4F Huntley Street, Alexandria, and is comprised of four separately titled buildings and associated car parking. It forms part of the City's Commercial Investment Portfolio and is a key income asset for the City.

Details of the lease proposal are outlined in Confidential Attachment A and the essential lease terms and conditions are contained within Confidential Attachment B.

Council approval is required to grant this lease.

Recommendation

It is resolved that:

- (A) Council note the lease proposal information included in Confidential Attachment A to the subject report;
- (B) Council approve the lease in accordance with the essential lease terms and conditions contained within Confidential Attachment B to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease, including in relation to the exercise of the option, in accordance with the essential terms and conditions contained within Confidential Attachment B to the subject report.

Attachments

Attachment A. Lease Proposal (Confidential)

Attachment B. Essential Lease Terms and Conditions (Confidential)

Background

1. The City of Sydney has a diverse commercial portfolio comprising offices, retail, industrial and stratum (air space bridges and tunnels over and under roads).
2. The income derived from the commercial portfolio is the City of Sydney's second highest revenue source and provides a vital role in contributing to the financial sustainability of Council, enabling the City to continue to support community-based organisations and infrastructure projects.
3. The City of Sydney acquired the 'Woolstores Alexandria' in September 2022. The property is a high-standard commercial office complex at 4C-4F Huntley Street, Alexandria, comprising four separately titled buildings and associated car parking.
4. The 'Woolstores Alexandria' has a total lettable area of 9,958.9m² and forms part of the City's Commercial Investment Portfolio. It is a key income asset for the City.
5. This report seeks approval from Council to grant a new lease within the 'Woolstores Alexandria'.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

6. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 1 - Responsible governance and stewardship - specifically expanding revenue from commercial operations and the property portfolio.

Financial Implications

7. Financial Implications are outlined in Confidential Attachment A.

Relevant Legislation

8. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business and if discussion of the information in an open meeting would, on balance be contrary to public interest.
9. Attachment A and Attachment B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City of Sydney is conducting (or proposes to conduct) business.

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

KIM WOODBURY

Chief Operating Officer

Scott Young, Development Manager

Document is Restricted

Document is Restricted

Item 11.

Tender - T-2022-901 - George Street North Pedestrianisation

File No: X089947.006

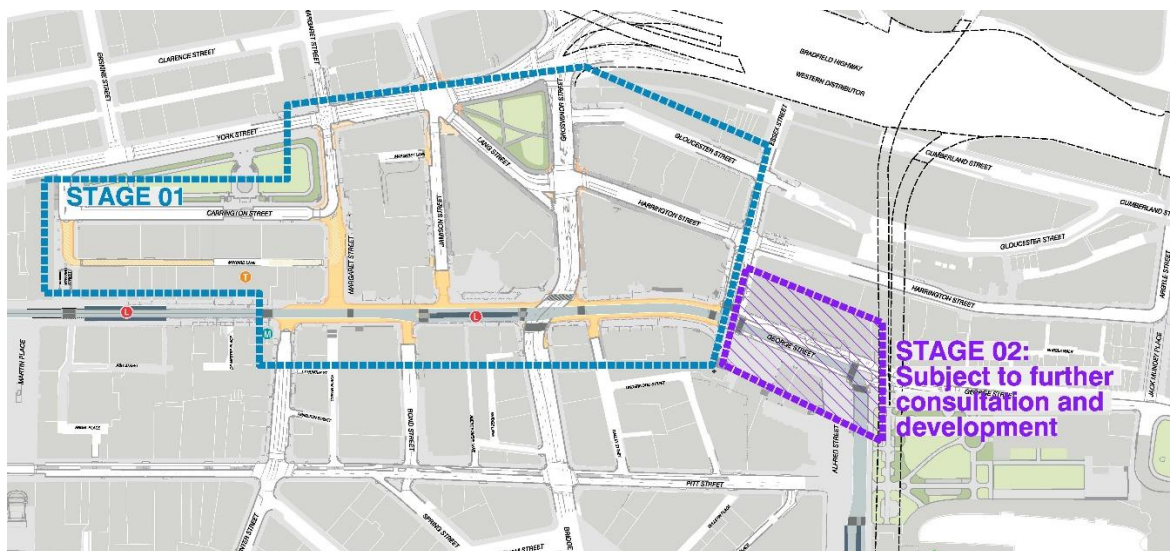
Tender No: T-2022-901

Summary

On 5 December 2022, Council approved the concept design for the George Street North Pedestrianisation project.

The project will be delivered in two stages:

- (a) Stage 1 from Hunter Street to Essex Street and
- (b) Stage 2 from Essex Street to Alfred Street.



This report provides details of the tenders received for the George Street North Pedestrianisation - Stage 1 permanent works.

This tender builds on the following temporary vehicle closures and early works:

- (a) George Street, between Hunter and Bridge Grosvenor Streets - completed in January 2023; and
- (b) George Street, between Bridge/ Grosvenor and Essex Street - completed in July 2023.

The temporary closure was implemented to remove vehicle traffic along George Street by using interim measures, like concrete barriers and coloured road markings.

Stage 1 of the George Street North Pedestrianisation project includes public domain improvements to:

1. Hunter Street and George Street footpath continuation;
2. Wynyard Street and Wynyard Land shared zones and upgrades;
3. Margaret Street improvements - closure between George Street and Wynyard Lane; the shared zone between Wynyard Lane and Carrington Street, and the footpath extensions and upgrades between Carrington Street and York Street;
4. Bond Street closure at George Street and creation of public plaza;
5. Jamison Street closure at George Street and the creation of a public plaza;
6. Jamison Street, Lang Street and York Street - intersection upgrade, including footpath extension on Jamison Street and footpath continuation across Margarete Lane;
7. Footpath extension of Grosvenor Street and intersection upgrades at Grosvenor Street, Lang Street and Harrington Street; and
8. Dalley Street closure at George Street and creation of a public plaza.

The streetscape improvement works will deliver approximately 4,500m² of additional public space for pedestrians and contributes towards the Sustainable Sydney 2030-2050 Continuing the Vision goal for George Street to establish a world-class civic spine for our city centre. Additional trees will be delivered that help the City reach its canopy cover targets and cooling of our city.

As a result of recent community, stakeholder and Transport for NSW feedback, the project will also deliver additional scope on the surrounding street network due to legacy intersection configurations and accessibility issues. This extra work will deliver public domain improvements to existing footpaths, roadways and street lighting that do not comply with current standards. Refer to Attachment A for details on the additional scope.

This additional scope of work and the recent significant increases in market prices for construction works have required extra budget to be allocated to the project.

Once upgraded, these pedestrian-friendly streetscape upgrades are likely to attract more footfall for businesses over time and provide more space for people to congregate and continue the activation of the city centre, as has been successfully demonstrated with the implementation of the George Street South Pedestrianisation project.

To support freight and servicing tasks in the city centre area, the City of Sydney has been working with Transport for NSW to assess and validate that there is no impact on delivery bays and that there are adequate access routes to service the area.

This report recommends that the Council accept the tender offer of Tenderer U for the design and construction of Stage 1 of the pedestrianisation of George Street North.

Recommendation

It is resolved that:

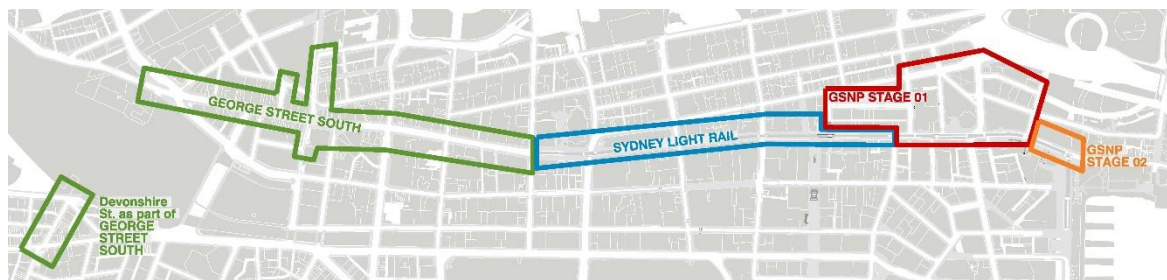
- (A) Council accept the tender offer of Tenderer U for the design and construction of Stage 1 of the George Street North Pedestrianisation project;
- (B) Council note the total contract sum and contingency for Stage 1 of the George Street North Pedestrianisation project as outlined in Confidential Attachment B to the subject report;
- (C) Council note the tendered rates provided in Confidential Attachment C to the subject report;
- (D) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (E) Council approve the additional funding for the project, as outlined in Confidential Attachment B to the subject report.

Attachments

- Attachment A.** Additional Project Scope of Work
- Attachment B.** Tender Evaluation Summary, Financial and Contractual Implications (Confidential)
- Attachment C.** Schedule of Rates (Confidential)

Background

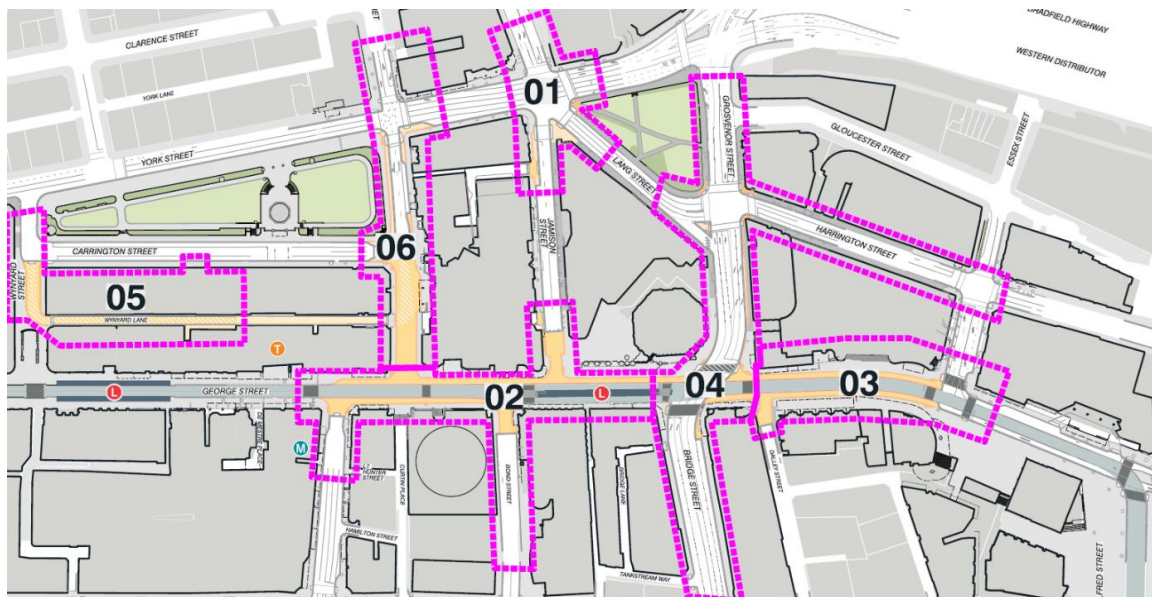
1. In 2007, Gehl Architects recommended transforming the entire length of George Street into a pedestrian boulevard in their Public Spaces, Public Life study. The project was first adopted in the 'Sustainable Sydney 2030 vision' in 2008.
2. The City's 'Sustainable Sydney 2030 Vision' and the 'Sustainable 2030-2050 continuing the Vision' have re-confirmed the goal of George Street becoming a pedestrian boulevard - connecting Circular Quay and Central Station.



3. The NSW Government's Sydney Light Rail project completed the first portion of the George Street pedestrianisation between Bathurst Street and Hunter Street. The CBD and South East Light Rail from Circular Quay to Randwick and Kingsford were opened in stages from December 2019 to April 2020.
4. The City's George Street South Pedestrianisation project completed the pedestrianisation of George Street South between Bathurst Street and Rawson Place. It also extended George Street footpaths between Rawson Place and Pitt Street. The project was completed in July 2023.
5. An early works project facilitated the closure of George Street (between Hunter and Essex Streets) to general traffic by using temporary measures - utilising concrete barriers and coloured road markings in August 2023.
6. The City has developed a concept design that aims to pedestrianise George Street between Hunter Street and Essex Street (and in development Essex to Circular Quay) to continue transforming George Street into a globally recognisable and highly visited boulevard.



7. The George Street North Pedestrianisation project will create more public space to meet the needs of the growing number of people visiting and working in the Sydney city centre while balancing complex access and servicing requirements.
8. The George Street North Pedestrianisation project will be delivered in two stages. Stage 1 is from Hunter Street to Essex Street, and Stage 2 is from Essex Street to Alfred Street.
9. This tender relates to Stage 1 of the project. Construction will be undertaken in packages to reduce the impact on local businesses. The existing footpath will remain in place to provide wide, clear pedestrian access and enable local businesses to continue trading during construction.
10. The project requires the successful tenderer to undertake the detailed design and construction of Stage 1 of the Project, comprising the following packages of work:
 - (a) Package 1: Jamison Street, York Street and Lang Street Intersection, including Margaret Lane;
 - (b) Package 2: George Street between Hunter Street and Grosvenor Street / Bridge Street;
 - (c) Package 3: George Street between Grosvenor Street / Bridge Street and Essex Street;
 - (d) Package 4: Grosvenor Street / Bridge Street between York Street and Pitt Street. Harrington Street at the intersection of Grosvenor Street and Essex Street;
 - (e) Package 5: Wynyard Street and Wynyard Lane; and
 - (f) Package 6: Margaret Street between George Street and York Street.



11. The proposed George Street North Pedestrianisation works for Stage 1 are similar to those successfully completed in the George Street South Pedestrianisation project. Construction works along George Street include removing existing kerbs, extending granite footpaths to the light rail corridor, increasing seating, and planting street trees. Construction works on the side streets include major public domain upgrades to footpaths, additional street furniture, tree planting and street lighting.
12. Stage 2 of the George Street North Pedestrianisation project will not proceed until after the private building development at 1 Alfred Street is complete, and the extent of the upgrade of Circular Quay by TfNSW is better known. Consultation for that stage will now likely take place in mid-2024.

Scope of Work

13. The City has developed a design and construction methodology for the project delivery. In summary, the following design and construct activities are to be undertaken:
 - (a) site investigation and detailed design work to confirm the viability of the City's Preliminary Design for the project and to develop the side street closures;
 - (b) liaison with authorities to obtain 'approval in principle' for the contractor's developed preliminary design;
 - (c) update construction methodology and sequencing;
 - (d) preparation of 'for construction' design drawings - to be completed in stages;
 - (e) 'take-off' of quantities from the 'for construction drawings to establish an updated forecast construction cost for staged implementation (based on approved contract rates);
 - (f) design services during construction to provide quality assurance to ensure that the design intent is achieved; and
 - (g) completion and handover of construction work in stages to the City's asset owners.
14. The detailed design components include, but are not limited to, stormwater modelling and design, traffic design (including Traffic Control Signal (TCS) plan preparation and approval), electrical and lighting design, public domain design (including paving, street tree planting and street furniture), utility services design, structural design for walls, changes to awnings and Smartpole foundations (including reports, calculations and certifications), and road and pavement design.
15. Refer to Attachment A for a more detailed description of the increased scope of work since the project was first approved.

Invitation to Tender

16. The City issued a Request for Tender to appoint a suitably experienced design and construction contractor to undertake the project.

17. The tender was advertised on Tender Link on 27 June 2023 and closed on 29 August 2023, allowing tenderers nine weeks to finalise submissions.

Tender Submissions

18. Six submissions were received from the following organisations:
 - (a) CA&I Pty Ltd (ABN 40 158 442 436)
 - (b) Ford Civil Contracting Pty Ltd (ABN 24 002 542 814)
 - (c) Mack Civil Pty Ltd (ABN 94 163 885 943)
 - (d) Quality Management & Construction Pty Ltd (ABN 29 067 829 323)
 - (e) Sydney Civil Pty Ltd (ABN 90 078 474 665)
 - (f) Ward Civil & Environmental Engineering Pty Ltd (ABN 65 098 942 459)
19. No late submissions were received.

Tender Evaluation

20. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. One member of the panel declared a potential conflict of interest. After a review of the potential conflict, it was decided that he be allowed to act as a non-scoring member of the panel, being provided access to 'anonymised' financial tender submission data only.
21. The Confidential Tender Evaluation Summary- Attachment B provides the relative ranking of tenders as determined from the total weighted score.
22. All submissions were assessed in accordance with the approved evaluation criteria:
 - (a) Company profile with demonstrated experience in carrying out detailed design and construction works of a similar size, complexity, and scale in a similar environment (dense commercial city centre with complex utilities & servicing requirements), proven capacity to deliver high-quality public spaces, robust company quality management system and commitment to sustainability and corporate social responsibility.
 - (b) Personnel allocation, qualifications, technical ability, proven capacity to design and deliver high-quality public spaces, and percentage of time on the project; identified sub-contractors/suppliers and their experience; and Aboriginal and Torres Strait Islander involvement.
 - (c) The tenderer's ability to achieve the proposed program and deliverables based on their current commitments. A well-developed program with staging is shown to achieve the project with a clear overall construction duration.

- (d) Proposed methodologies:
 - (i) Design – methodology to ensure the feasibility of high-quality public spaces, accounting for all project stages, including prompt and efficient integration of all necessary design services throughout the construction process to resolve unforeseen site conditions.
 - (ii) Construction - including staging of works, pedestrian and traffic management, and environmental management.
 - (iii) Supply - include the tenderer's proposal for sourcing and securing items not supplied by the City for the project.
- (e) Work, Health and Safety.
- (f) Financial and commercial trading integrity, including insurances.
- (g) A weighted price assessment of the tender sum, which was determined using provisional quantities issued by the City and rates provided by each tenderer in the returnable schedule of quantities.

Financial Implications

- 23. The combination of the increased scope and the recent significant increases in market prices for construction works has led to the need for extra funding to be allocated to the project.
- 24. The acceptance of the recommended tender will therefore require Council to increase the current budget for the project, as detailed in Confidential Attachment B.
- 25. The total contract sum and contract contingency for Stage 1 of the George Street North Pedestrianisation project are detailed in Confidential Attachment B.

Relevant Legislation

- 26. The tender process and evaluation have been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
- 27. 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.
- 28. Attachments B and C contain confidential commercial information about 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.

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

Critical Dates / Time Frames

30. Key dates for the project are as follows:

(a)	Appointment of Design and Construction Contractor	October 2023.
(b)	Contract Execution	November 2023.
(c)	Detail Design Commencement	December 2023.
(d)	Construction Commencement	Early to Mid 2024.
(e)	Construction Completion in Stages	Mid 2026.

Options

31. No other alternative viable options have been identified during the tender process.

Public Consultation

32. The consultation was undertaken to inform the community that the City of Sydney is working with the NSW Government to pedestrianise the northern end of George Street. The objective was to:
- (a) Ensure affected stakeholders along the route understand how the proposed changes affect them and are kept well-informed throughout the project.
 - (b) Encourage the community – visitors, workers, residents, and key stakeholders to provide feedback during the consultation period.
 - (c) Work with the community to help build a vision for the proposed pedestrianised areas and to help minimise any impacts.
33. The City of Sydney sought feedback about the proposed pedestrian boulevard of George Street from Hunter Street to Essex Street, Sydney, from 10 October to 16 November 2022. Multiple channels were used to allow members of the public to contribute.

34. The City sought community feedback on three documents that were available on the Sydney Your Say webpage, all of which contained information about different aspects of the proposed changes. The documents were:
 - (a) Concept design – proposed plan for the new pedestrian areas.
 - (b) Local access plan – proposed traffic and access arrangements.
 - (c) Review of environmental factors (REF)– addresses the proposal's impacts and how they will be managed.
35. Council unanimously approved the George Street North Pedestrianisation project scoping report on 12 December 2022.
36. The relevant changes to traffic were also unanimously supported by the Local Pedestrian, Cycling and Traffic Calming Committee on 8 December 2022.

KIM WOODBURY

Chief Operating Officer

Bridget Smyth, City Architect / Executive Manager City Design and Public Art

Ana Carrillo Restrepo, Delivery Manager

Attachment A

Additional Project Scope of Work

Attachment A – Additional Project Scope of Work

George Street North Pedestrianisation

Summary of Additions to Initial Project Scope

The project scope has expanded from the City's initial proposal developed in 2021 to incorporate numerous authority and stakeholder requirements.

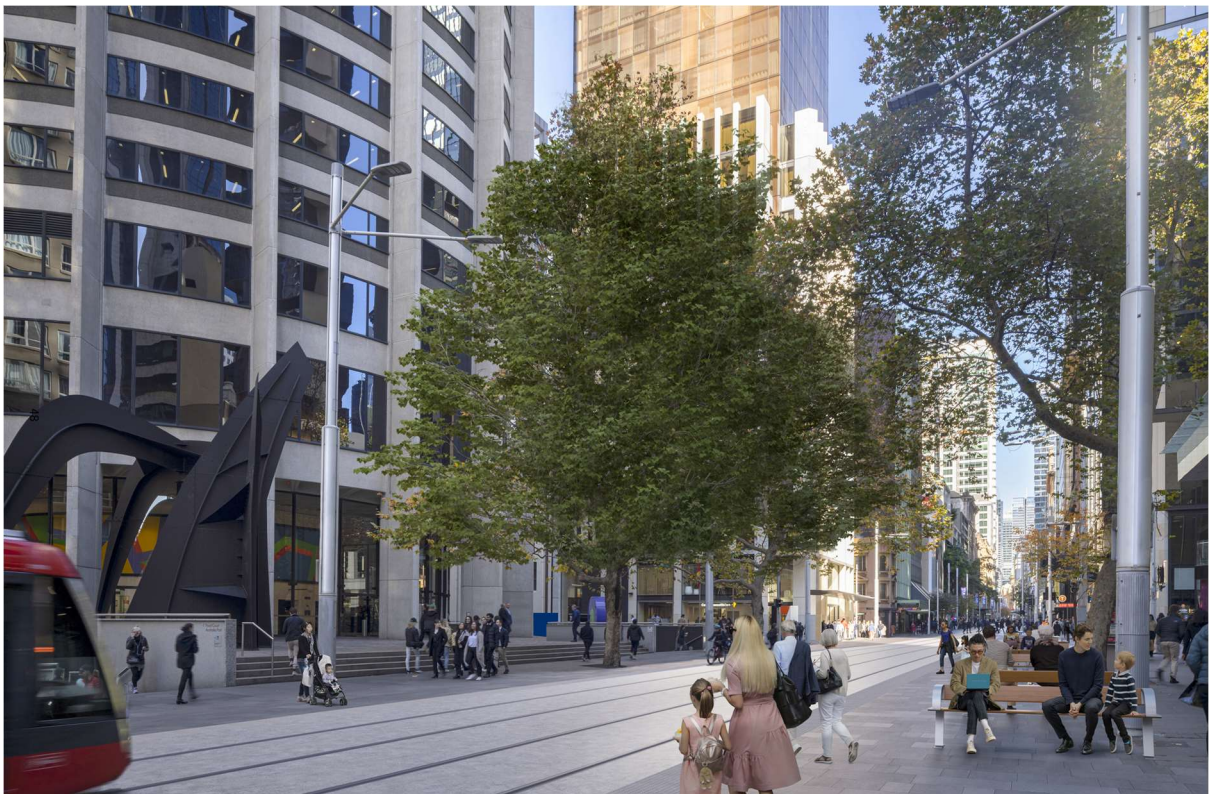
Upon commencing the project, the City formed a project working group with TfNSW and Transdev, the Light Rail operator. The working group has met weekly since June 2022 to refine the scope of work for the project. The working group will continue to meet to help facilitate the successful implementation of the project's proposed substantive changes.

The City has also undertaken extensive community and internal stakeholder consultation.

The resulting expansion of the project site area into the surrounding street network carries with it the need to address an extensive array of legacy intersection configurations and accessibility issues.

The proposed scope of work includes upgrade works required to meet the current City of Sydney, TfNSW and Australian standards.

The following table summarises the changes in project scope associated with authority and stakeholder engagement.



Change Item No.	Change Origin	Location	Change Summary	Additional Scope Required
1	TfNSW	Wynyard Street and Wynyard Lane	Reverse the direction of traffic. Convert trafficked areas into shared zones.	Area to be designed and constructed to adhere to shared zone technical requirements, including upgrading road pavement, street lighting and electrical infrastructure, and stormwater drainage infrastructure.
2	TfNSW	Margaret Street	In response to change item 1, Margaret Street traffic direction of travel is to be amended from 4 lanes bi-directional to one-way westbound.	Four traffic lanes are to be reduced to two traffic lanes. Footpath widening, street lighting, and stormwater drainage infrastructure will be amended to suit the new road geometry. Tree planting and furniture to fit the new footpath environment.
3	TfNSW	Intersection of Margaret Street and Carrington Street	Intersection to be reconfigured to suit changed traffic network arrangements associated with items 1 and 2.	Amend traffic signal poles, lanterns and electrical assets; amend road geometry, kerb and gutter alignment, footpath pavement and grading, street lighting and electrical infrastructure, and stormwater drainage infrastructure.
4	TfNSW	Intersection of Margaret Street and York Street	Intersection to be reconfigured to suit changed traffic network arrangements associated with item 2.	Amend traffic signal poles, lanterns and electrical assets; amend road geometry, kerb and gutter alignment, footpath pavement and grading, street lighting and electrical infrastructure, and stormwater drainage infrastructure.
5	TfNSW	Intersection of Jamison Street, Lang Street and York Street	Existing road geometry was identified as unsuitable for the proposed two-way traffic environment on Jamison Street. The existing	Amend traffic signal poles, lanterns and electrical assets; amend road geometry, signage and line marking, kerb and gutter alignment, footpath pavement and grading, street lighting and electrical infrastructure,

Change Item No.	Change Origin	Location	Change Summary	Additional Scope Required
			intersection does not comply with current technical and accessibility standards - new intersection works require existing non-compliant elements within the project site area to be upgraded.	and stormwater drainage infrastructure.
6	Community stakeholder(s)	Intersection of Jamison Street and Margaret Lane	Construct continuous footpath treatment (CFT) to address accessibility concerns.	Amend road geometry, kerb and gutter, footpath pavement and grading, stormwater drainage infrastructure, bollards and tactile ground surface indicators.
7	Internal stakeholder(s)	Jamison Street and Carrington Street	Existing footpath infrastructure at taxi ranks within the project site was identified as requiring upgrades to meet pending revisions to the Disability Standards for Accessible Public Transport.	Numerous additional footpath kerb ramps are to be constructed at taxi ranks.
8	Community stakeholder(s)	Jamison Street, near Met Centre driveway	The existing footpath does not adhere to equitable access requirements.	Reconstruct footpath pavement, grading, kerb and gutter using City of Sydney standards.
9	TfNSW	Intersection of Grosvenor Street, Harrington Street and Lang Street	Remove the right-turn restrictions and introduce a dedicated right-turn lane. The existing intersection does not comply with current technical and accessibility standards. The new intersection works require all existing non-compliant elements to be upgraded.	Amend traffic signal poles, lanterns and electrical assets; amend road geometry, signage and line marking, kerb and gutter alignment, footpath pavement and grading, street lighting and electrical infrastructure, and stormwater drainage infrastructure.

Change Item No.	Change Origin	Location	Change Summary	Additional Scope Required
10	TfNSW	Grosvenor Street, between George and York Streets and Bridge Street, between George and Pitt Streets	In response to change item 9, the road geometry for the entire length of Grosvenor Street and Bridge Street requires amending to reflect traffic operation changes.	Mill and resheet the entire road surface. Apply new traffic lane line marking.
11	TfNSW	Intersection of George Street, Grosvenor Street and Bridge Street.	Road motor vehicle tracking of reversed curves for opposing lanes of traffic is to be reviewed, as removing turn lanes will likely introduce conflicts.	Amend road geometry, kerb and gutter alignment, footpath pavement and grading, street lighting and electrical and stormwater drainage infrastructure. Tree removal and replacement planting.
12	TfNSW	Intersection of Essex Street and Harrington Street	Alternate construction vehicle egress for current and planned development in Circular Quay is to be facilitated in the project scope.	Turn-path for 19-metre-long semi-trailer construction vehicles requires amendments to traffic signal locations, signage and line marking.
13	TfNSW	Intersection of Harrington Street and Grosvenor Street	Alternate construction vehicle egress for current and planned development in Circular Quay is to be facilitated in the project scope.	Turn-path for 19-metre-long semi-trailer construction vehicles requires amendments to traffic signal locations and line marking.
14	TfNSW	Intersection of Essex Street and Harrington Street	Impacted hotel coach routes to be facilitated in project scope.	Turn paths for coach and tour bus vehicles require amendments to traffic lanes, parking, signage and line marking.
15	TfNSW	Grosvenor Street, between Harrington Street and George Street.	The existing 'open-top' tour bus route will be facilitated in the project scope. The revised route introduces a safety hazard associated with the potential for the 'open-top' bus to clash with an existing mature tree trunk	The existing footpath is to be widened to remove the safety hazard and avoid the removal of an existing mature tree.

Change Item No.	Change Origin	Location	Change Summary	Additional Scope Required
			leaning into the road carriageway.	
16	PMNSW, TfNSW	Intersection of Harrington Street and Grosvenor Street	Increase the length of no-stopping zones to improve the operational efficiency of the intersection.	Adjust kerbside parking signage and posts throughout Harrington Street.
17	Road Safety Auditor	Grosvenor Street	Amendment to road geometry and footpath west of Harrington Street is required to ensure a safe road environment, including a clear line of sight to obstructed traffic signals and safe traffic lane geometry.	Adjust kerb and gutter alignment, reconfigure stormwater drainage infrastructure to suit new kerb alignment, footpath paving works, and relocation of traffic signals.
18	Road Safety Auditor	Grosvenor Street, Bridge Street	Additional road pavement markings are required to comply with AS1742.2	Additional road pavement markings.
19	Road Safety Auditor	Intersection of George Street, Grosvenor Street and Bridge Street	Risk of illegal left turns.	Additional road signage is required.
20	Transdev (light rail operator)	George Street and all project areas upstream of the light rail corridor.	The requirement is to ensure surface stormwater depths do not reach or exceed 15mm on the permanent light rail corridor due to the Aesthetic Power Supply (APS) presence.	Increase stormwater drainage infrastructure upstream of the permanent light rail corridor.
21	Internal stakeholder(s)	Margaret Street	Extension of Non-potable water network to the west.	Installation of additional pipes, hydrants and valves.
22	Internal stakeholder(s)	Intersection of George Street, Grosvenor Street and Bridge Street	The risk of pedestrians walking diagonally through the intersection of the permanent light rail corridor toward the Bridge Street	Reinstate yellow hatched line markings within the light rail corridor throughout the intersection.

Change Item No.	Change Origin	Location	Change Summary	Additional Scope Required
			stop.	
23	Internal stakeholder(s)	George Street	Relocate digital signage impeding pedestrian circulation.	Additional electrical pits and conduit trenches, paving reinstatement and new underground foundation structures.
24	Review of Environmental Factors	Project Wide	Specialist consultants are required on the project to advise on site contamination and landscape designs.	Additional specialised consultants are to be engaged to produce project documentation and reports.
25	Community stakeholder(s)	Margaret Street	Amend streetscape design to improve opportunity for activation associated with adjacent building tenancies.	Relocation of existing streetscape elements, such as a switchboard cabinet and posts, possible amendment to footpath grading and/ or terracing.
26	Design Advisory Panel (DAP)	Side street plaza areas: Margaret Street, Bond Street, Jamison Street, Dalley Street	The Panel advised the introduction of terracing is preferred over designing on a slope.	Introduce paved terraced areas, footpath tie-in grading, low wall structures, steps, tactile ground surface indicators, handrails, utility service lid adjustments, and stormwater drainage infrastructure.
27	Design Advisory Panel (DAP)	George Street intersections with side street plaza areas	Add to the existing avenue of street trees on George Street that might be missing at each side street intersection.	Excavation for tree pits, including structural soil areas, utility service protection and tree planting. Additional furniture is to be installed underneath new tree canopies.

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Item 12.

Exemption from Tender - IT Licence, Subscription, Maintenance and Support Contracts

File No: S064539

Summary

The City uses a broad range of IT applications, platforms and appliances that are critical to the delivery of its business functions. These products perform within an ecosystem of interrelated platforms that are managed via the City's strategy for core systems and digitalisation as set out in the operating plan.

Each application, platform or appliance may have multiple integration points with other systems and inter-dependencies as part of the City's IT architecture. As such, in most cases, these systems cannot simply be swapped for alternate products. Instead, they can be upgraded and/or replaced via planned work over a rolling five-year horizon.

To support this planned approach and to maintain business continuity it is essential to continue the subscription, licencing, maintenance and support arrangements in line with the product management cycle.

Most of these applications have subscription, licencing, maintenance and support contracts in place that were established with suppliers at the time the products were procured and which have been updated as required since.

This report recommends that Council grant an exemption from tender for the IT maintenance, support, subscription and licencing of the software applications, platforms and hardware appliances' agreements with suppliers and for the periods listed in Confidential Attachment A.

The estimated total contract value with each supplier listed in Confidential Attachment A is anticipated to exceed \$250,000 (including GST). The detailed reasons supporting each exemption from the tender request are outlined in Confidential Attachment A.

The requirement to invite tenders in section 55(1) of the Local Government Act 1993 does not apply to those contracts if Council decides by resolution that, because of the extenuating circumstances, as listed in Attachment A, a satisfactory result would not be achieved by inviting tenders (section 55(3)(i) of the Local Government Act 1993).

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the provision of the maintenance, support, subscription and licencing of the software applications, platforms and hardware appliances upon the expiry of the current agreements, for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders differ for each application, platform or appliance and include:
 - (i) high costs and/or extensive business disruption associated with a transition to a new provider;
 - (ii) upgrades or changes to service requirements are planned to be implemented within the next five years; and
 - (iii) cost to take the arrangement to market would be disproportionate to the potential value of change;
- (C) Council note that the detailed reasons as to why a satisfactory result will not be achieved by inviting tenders are outlined further in Confidential Attachment A;
- (D) Council enter into the subscription, licencing, maintenance and support agreements with the suppliers upon the expiry of the current agreements for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer (including exercising options, if appropriate) the subscription, licencing, maintenance and support agreements with the relevant suppliers as listed in Confidential Attachment A to the subject report.

Attachments

- Attachment A.** List of IT Licence, Subscription, Maintenance and Support Agreements Requesting Exemption from Tender (Confidential)

Background

1. The City has a number of software applications, platforms and hardware appliances that are in daily use and are critical to the delivery of its services to the community. The agreements associated with these applications, platforms and appliances have been established with suppliers and will require renewal. The estimated total contract value with each supplier listed in Confidential Attachment A is anticipated to exceed \$250,000 (including GST). The detailed reasons supporting each exemption from the tender request are outlined in Confidential Attachment A.
2. Every organisation maintains software assets that enable efficiencies and productivity gains and enhance internal and external customer relationships.
3. As part of its software asset management strategy, the City is identifying software in use City-wide, confirming current use and contract periods to plan future contract requirements and terms, and also understanding and planning for replacements.
4. Software applications of this type have historically been licensed in perpetuity with additional annual support. However, technological advances have changed the licence model over time to an annual subscription model.
5. Maintenance and support are essential to ensure the availability and reliability of software by guaranteeing suppliers' availability to troubleshoot and rectify errors and / or to extend the lifecycle of an application or appliance through product enhancement. In many cases, retaining maintenance and support payments is integral to the licensing of the software.
6. A previous request for exemption from tender for a select range of IT applications and appliances was granted by the Council on 26 June 2023 for up to six years. That report covered systems and applications whose expiry had lapsed or was imminent.
7. The IT applications, platforms and appliances that are the subject of this exemption request are due in the coming months, and in several cases require Council approval as they are due to exceed the current 2019 exemption ceiling amounts.
8. The relevant IT applications, platforms and appliances were each originally procured using the required procurement processes. The Technology and Digital Services (TDS) unit has consulted relevant business representatives and the procurement team in preparation for this bulk exemption from tender request.
9. Technology and Digital Services frequently examines the market through market scans and tendering related to project work to identify alternatives to ensure IT applications, platforms and appliances deliver the best value for the City, its residents and visitors.
10. Due to the essential nature of some IT applications, platforms or appliances, it is anticipated that there will be future reports to Council to approve other exemptions from tender, as required.
11. This report recommends approval of the exemption from tender for the provision of the maintenance, support, subscription and licencing of the software applications, platforms and hardware appliances upon the expiry of the current agreements for the respective extension period, along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report.

Performance Measurement

12. Operational and financial performance targets are monitored monthly, quarterly and annually through a combination of meetings, audits, inspections and reporting.

Financial Implications

13. There are sufficient funds allocated for these subscriptions, licencing, maintenance and support agreements within the current year's operational budget and future years' forward estimates.

Relevant Legislation

14. 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.
15. Attachment A contains confidential commercial information of the suppliers which, if disclosed, would:
 - (a) confer a commercial advantage on a person or company with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person or company who supplied it.
16. 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

17. The majority of the current subscription, licencing, maintenance and support agreements listed in Confidential Attachment A are due to expire on different dates within the next year (as further specified in Confidential Attachment A).

Options

18. Other than retendering for these services, there are no other options available for this proposal. Maintenance and support not only extends the lifecycle of an application or appliance through product enhancements, but in many cases is also integral to the licencing of the software.

SUSAN PETTIFER

Director People, Performance and Technology

Adam Major, Manager IT Technical Services

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