

**11 March 2024**

At 5.00 pm

**Council**

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## Agenda

1. **Confirmation of Minutes**
2. **Statement of Ethical Obligations and Disclosures of Interest**
3. **Minutes by the Lord Mayor**
  - 3.1 Wentworth Park
  - 3.2 Cost Shifting onto Local Government
4. **Memoranda by the Chief Executive Officer**
5. **Matters for Tabling**
6. **Report of the Corporate, Finance, Properties and Tenders Committee**
  - 6.1 Confirmation of Minutes
  - 6.2 Statement of Ethical Obligations and Disclosures of Interest
  - 6.3 Investments Held as at 29 February 2024
  - 6.4 Lease Approval - Mandible Street, Alexandria Properties
  - 6.5 Lease Approval - 343 George Street, Sydney
  - 6.6 Tender - T-2023-1033 and Contract Variation - 343 George Street Facade Remediation Stage 2
  - 6.7 Exemption from Tender and Contract Variation - Green Square Water Reuse Scheme
  - 6.8 Exemption from Tender - IT Licence, Subscription, Maintenance and Support Contracts
  - 6.9 Exemption from Tender and Contract Variation - Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals

## Agenda

### 7. Report of the Environment Committee

- 7.1 Confirmation of Minutes
- 7.2 Statement of Ethical Obligations and Disclosures of Interest
- 7.3 Project Scope - Dixon Street Upgrade
- 7.4 Revised Project Scope - Sydney Park Brick Kilns Precinct Renewal

### 8. Report of the Housing For All Committee

- 8.1 Confirmation of Minutes
- 8.2 Statement of Ethical Obligations and Disclosures of Interest
- 8.3 Grants and Sponsorship - Affordable and Diverse Housing Fund - William Booth House Redevelopment, Surry Hills
- 8.4 City of Sydney Affordable Housing Contributions Distribution Plan

### 9. Report of the Cultural and Creative Committee

- 9.1 Confirmation of Minutes
- 9.2 Statement of Ethical Obligations and Disclosures of Interest
- 9.3 Grants and Sponsorship - Accommodation Grant Program - Museum of Chinese in Australia

### 10. Report of the Transport, Heritage, Environment and Planning Committee

- 10.1 Confirmation of Minutes
- 10.2 Statement of Ethical Obligations and Disclosures of Interest
- 10.3 Fire Safety Reports

### 11. Grants and Sponsorship – Ad Hoc Grant - Support for Sundays at Qtopia Sydney

### 12. Questions on Notice

## Agenda

### 13. Supplementary Answers to Previous Questions

### 14. Notices of Motion

14.1 Share the Dignity – Promotion 2024 Survey on Period Poverty

14.2 Impact of Planning Reforms on Housing Affordability

14.3 Getiela Park – Ongoing Issues

14.4 Shared Use Agreement with Newtown High School of the Performing Arts

14.5 Brown Street Community Hall Accessibility

## Item 1

### Confirmation of Minutes

Minutes of the following meetings of Council are submitted for confirmation:

Meeting of 19 February 2024

Extraordinary Meeting of 4 March 2024

## 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 3.1

### Wentworth Park

File No: S051491

#### Minute by the Lord Mayor

To Council:

The City of Sydney has long opposed greyhound racing, and advocated for the return of Wentworth Park to the community as public open space.

Last month in Parliament, both the Minister for Lands and Property, Steve Kamper, and the Minister for Gaming and Racing, David Harris, acknowledged they are considering supporting the Greyhound Breeders, Owners and Trainers Association's proposal to extend its lease at Wentworth Park after it expires in 2027.

I am extremely concerned that the NSW Government is considering reversing a commitment made to the community and to the City that Wentworth Park would be returned to the public once the Greyhound Breeders, Owners and Trainers Association's lease expired to meet the open space requirements of the adopted Pymont Peninsula Place Strategy.

#### Open Space for Density

Wentworth Park sits in the middle of one of the most densely populated neighbourhoods in Australia. Ultimo/Pymont has one of our highest residential densities at 14,000 people per square kilometre.

The City's Local Housing Strategy aims to provide an additional 56,000 dwellings between 2016 and 2036, with over 30,000 dwellings built or in the pipeline, including in areas around Wentworth Park such as Blackwattle Bay.

We welcomed the former Government's commitment to return Wentworth Park under the Pymont Peninsula Place Strategy. It is critical that this parkland is returned to support the additional residential and commercial uses planned in the area.

***The City has already conducted early consultation and begun a new masterplan for parkland use of this prime inner-city land, and we have included an allowance for embellishment works for the parkland in the Draft Ultimo Pymont Local Infrastructure Contributions Plan 2023.***

Overwhelmingly, the community supported removing the greyhound racing track to create more public parkland as part of the consultation. The early engagement also told us the community want to connect to nature, as well as a place for exercise and play, a place that supports social activity and a place that is easy to move through.

It would be bitterly disappointing if the NSW Government reneged now, which would indicate the greyhound industry is more important than the communities of Pymont, Ultimo and Glebe and this would potentially jeopardise the development in Pymont, as the returned parkland was part of the negotiations to increase housing and other development as part of the Pymont Peninsula Place Strategy.

## Greyhound Racing

Wentworth Park is currently dominated by a greyhound racing track. This parkland should be for the benefit of the community, not an industry that has admitted to killing up to 17,000 healthy dogs each year, has been shown to live-bait, and causes people with a gambling problem real suffering. Reforms introduced by previous NSW Governments have not improved animal welfare.

Since 2020, 17 dogs have been killed and 1,262 injured at Wentworth Park. The number of dogs killed does not include the many who are put down as a result of their injuries. This year alone, two dogs have been killed and 83 dogs injured at Wentworth Park. This is truly heartbreaking and needless. The greyhound racing track at Wentworth Park currently records the fourth highest number of injuries in Australia in 2024.

Council has passed several resolutions condemning greyhound racing and I have written to successive NSW Governments opposing the cruel practice.

On 5 March 2024, I wrote to the Minister for Lands and Property, Minister for Planning and Public Spaces, and Minister for Gaming and Racing expressing serious concern and disappointment that the NSW Government may overturn a previous commitment to the community to remove greyhound racing from Wentworth Park.

Given the NSW Government has already met with Greyhound Racing NSW about this matter, I have sought an urgent meeting with the Ministers to discuss the future of Wentworth Park.

With plans to increase housing, particularly around Blackwattle Bay, Pyrmont and Ultimo, we cannot expect people to thrive in higher densities without improved public amenity, including access to adequate parkland and recreational space.

A community-led petition started by a Glebe resident urges the NSW Government to end the Greyhound Breeders, Owners and Trainers Association's lease and return the land to the local community. The petition notes redevelopment in the area and that where the racetrack is should be green space and used for outdoor recreation.

The Animal Justice Party NSW has also started a petition to End the Tragedy at Wentworth Park Greyhound Track, which I support.

The NSW Government must commit to removing greyhound racing from Wentworth Park when the Greyhound Breeders, Owners and Trainers Association's lease expires in 2027, so it can be returned to the existing and future residents, workers and visitors in this area. This commitment must be made in line with NSW Government directions to increase density.



## Recommendation

It is resolved that:

- (A) Council reaffirm its opposition to the cruel practice of greyhound racing;
- (B) Council express disappointment in Minister Kamper and Minister Harris' comments in Parliament suggesting they are considering reversing the previous commitment to the community to return Wentworth Park to public open space by extending the Greyhound Breeders, Owners and Trainers Association's lease beyond 2027;
- (C) Council note the Lord Mayor recently wrote to the Minister for Lands and Property, Minister for Planning and Public Spaces, and Minister for Gaming and Racing, urging the NSW Government to formally commit to removing greyhound racing from Wentworth Park;
- (D) Council note the [community-led petition](#) calling for a stop to the NSW Government's plan to keep greyhound racing in Wentworth Park, endorse its promotion through the City's various communication channels and encourage the community to write to the NSW Government urging Wentworth Park to be returned to the community as public open space when the Greyhound Breeders, Owners and Trainers Association's lease ends in 2027;
- (E) Council endorse the requests in the [petition by the Animal Justice Party NSW](#) to End the Tragedy at Wentworth Park Greyhound Track; and
- (F) the Chief Executive Officer be requested to report back to Council via the CEO Update with the outcomes of the City's early consultation and progress on the City's masterplan for a consolidated Wentworth Park when the Greyhound Breeders, Owners and Trainers Association's lease ends in 2027.

## COUNCILLOR CLOVER MOORE AO

Lord Mayor

## Item 3.2

### Cost Shifting onto Local Government

File No: S051491

#### Minute by the Lord Mayor

To Council:

This Minute requests that Council join with other NSW Councils in requesting the NSW Government to address the unrelenting growth of cost shifting to Local Government.

Cost shifting occurs when one level of government transfers a function to another level of government. This includes provision of services, programs or capital works and regulatory compliance. Legislation passed by the NSW Parliament may also impose additional costs on Local Government. Such cost shifting, coupled with rate pegging, is increasingly eroding any possibility of financially sustainable local government. Many Councils risk losing the capacity to deliver tailored, grassroots services to their communities and properly deliver and maintain vital local infrastructure.

Local Government NSW (LGNSW) has been conducting periodic surveys of the extent of cost shifting by the Federal and State Governments on to NSW local government for several years. In the 2006/2007 financial year, \$380 million in costs were shifted onto local government. The most recent report, produced for Local Government NSW by independent consultants Morrison Low, found that \$1.36 billion had been passed onto NSW Councils in the 2021/2022 financial year. This is an increase of \$540 million since the last report from the 2017/2018 financial year. On average, this represents an additional cost of \$460.67 for every NSW ratepayer across the state, effectively a hidden tax to other levels of government.

The Morrison Low Report, "How State Costs Eat Council Rates", is shown at Attachment A to the subject Minute.

#### Impact on the City of Sydney

Other levels of government shift costs onto City of Sydney ratepayers in various ways, including through the imposition of waste and emergency services levies; reducing or ceasing funding for vital services and programs, such as Meals on Wheels; and compliance with regulations such as those related to companion animals and noxious weeds.

The City bears other costs by filling service gaps such as contributing to crime prevention through our CCTV network, providing homelessness services and providing a community sharps bins service. We are denied the opportunity to raise additional revenue due to rate exemptions for government owned properties, certain non-government properties and community housing.

The total costs that were shifted onto the City of Sydney in the 2021/2022 financial year is estimated to exceed \$48 million.

There are other areas where the actual costs being shifted are unknown, such as the costs associated with Crown Land being transferred to the City, undergrounding electricity cables and aerial bundling of wires.

Meeting these myriad costs impacts on our capacity to provide the services, programs and infrastructure to our communities and fulfill our responsibilities in meeting the needs of Australia's leading international city.

A copy of cost shifting examples onto the City of Sydney for the financial year 2021/2022 that was provided to Local Government NSW is shown at Attachment B to the subject Minute.

Prior to the 2023 NSW state election, the then Minns Labor Opposition wrote to Local Government NSW acknowledging that cost shifting had undermined the financial sustainability of the local government sector. It is now time for the Minns Labor Government to move beyond mere acknowledgement and urgently address cost shifting through a combination of regulatory reform, budgetary provision and appropriate funding.

Addressing cost shifting must be part of the wider issue of Local Government funding. The United Services Union has advised that it has secured an agreement with the NSW and Commonwealth Government for Parliamentary Inquiries into this issue. The Union seeks the support of all councils for both Inquiries.

I propose that the City of Sydney participate in both Inquiries when they are announced with the aim of ensuring that an appropriate modern and sustainable financial funding model for all councils is achieved.

### **Recommendation**

It is resolved that:

- (A) Council receive and note the findings of the Local Government NSW Cost Shifting Report - How State Costs eat Council Rates, for the 2021/2022 financial year as shown at Attachment A to the subject Minute;
- (B) a copy of the cost shifting report be placed on the City of Sydney website so that our communities can access it;
- (C) the Lord Mayor be requested to write to the NSW Premier, the NSW Treasurer and the NSW Minister for Local Government requesting them to urgently address these costs through a combination of regulatory reform, budgetary provision and appropriate funding;
- (D) Council welcome the agreement achieved with the Commonwealth and NSW Governments to hold Parliamentary Inquiries into Local Government funding; and
- (E) the Chief Executive Officer be requested to prepare submissions to both Inquiries when their Terms of Reference are announced.

### **COUNCILLOR CLOVER MOORE AO**

Lord Mayor

**Attachments**

**Attachment A.** How State Costs Eat Council Rates

**Attachment B.** Cost Shifting Examples onto the City of Sydney for the Financial Year 2021/2022

**Attachment C.** United Services Union Letter Relating to Proposed Parliamentary Inquiries into Local Government Funding

# **Attachment A**

**How State Costs Eat Council Rates**



# **LGNSW Cost Shifting Report – How State Costs Eat Council Rates**



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# 1 Executive Summary

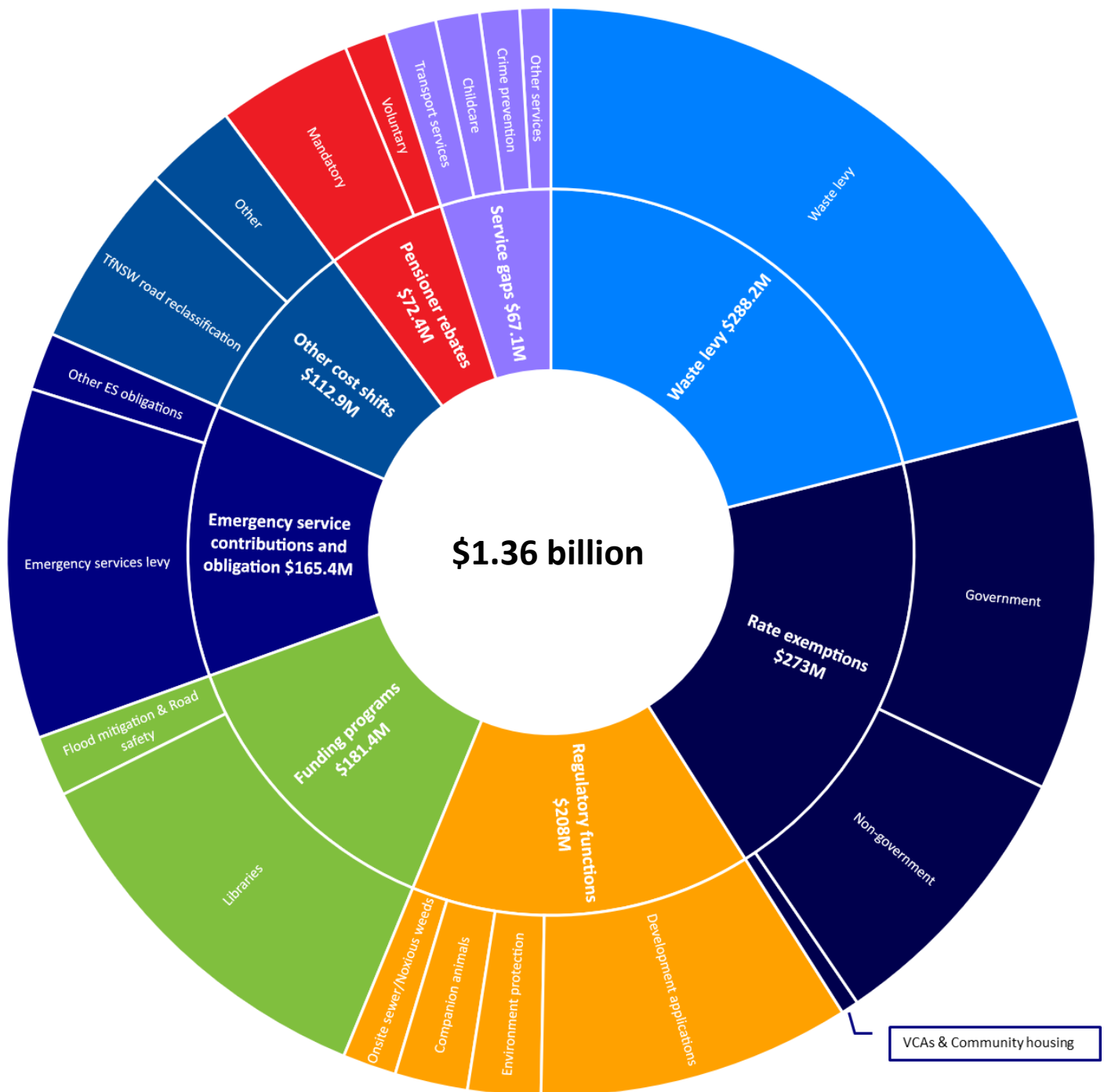
Cost shifting remains one of the most significant challenges facing the NSW local government sector. As the peak organisation representing the interests of all 128 general purpose councils in NSW, as well as special purpose councils and related entities, Local Government NSW (LGNSW) regularly monitors the extent of cost shifting onto local government via its Cost Shifting Survey.

The 2021–22 Cost Shifting Survey has revealed that cost shifting totalled **\$1.36 billion** in 2021–22 (see figure on the next page), far exceeding historical records and representing an increase of \$540 million since the Cost Shifting Survey was last carried out in 2017–18. Alarmingly, the increase in cost shifting has been accelerated by various State Government policies, with the most significant examples of cost shifting in 2021–22 being:

- The **waste levy**, which remains the largest single contributor to cost shifting in NSW, totalling \$288.2 million, because the NSW Government did not fully reinvest the waste levy, paid by local councils, back into waste and circular economy infrastructure and programs.
- The **Emergency Services Levy** and associated **emergency service contributions**, which totalled \$165.4 million and represented the largest direct cost shift to local councils. In 2021–22, councils contributed \$142 million through the Emergency Services Levy, \$12.7 million through Rural Fire Service (RFS) obligations, and \$10.7 million in depreciation expenses on RFS assets.
- The NSW Government’s failure to fully reimburse local councils for mandatory **pensioner rate rebates**, resulting in councils losing \$55.2 million.
- The NSW Government’s failure to cover the originally committed 50 per cent of the cost of libraries operations, resulting in an additional \$156.7 million in costs to councils.

Local councils and their communities are facing unprecedented challenges. As they lead the recovery efforts from both the COVID pandemic and repeated natural disasters across much of NSW, local councils are also grappling with the same challenges affecting the State and Federal Governments, such as rising costs, increased economic uncertainty, and severe skills and labour shortages – all of which are impacting council budgets and affecting service and infrastructure delivery in local communities. The continual shifting of the obligations and costs for State and Federal functions and services onto local government coupled with a defective rate peg system, is only making the situation worse. In 2021-22, each ratepayer of NSW has approximately \$460.67 from councils’ rates eaten by state government costs.

Figure 1 2021–22 cost shifting components



## 2 Background

### 2.1 What is cost shifting?

Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset, or regulatory function is imposed onto local government from a higher level of government (Commonwealth or State Government) without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity other than out of general rates.

As the council cannot raise or receive sufficient revenue to fund the imposed service concession asset or function, cost shifting forces councils to divert funding collected from ratepayers away from planned projects or services that the council has committed to the community to deliver in its Delivery Program.

In NSW, cost shifting has taken a number of forms including:

- **The Emergency Service contributions:** Councils are required to fund 11.7 per cent of the cost of Fire & Rescue NSW, Rural Fire Service (RFS) NSW and the NSW State Emergency Service (SES) through an Emergency Service Levy (ESL). 73.7 per cent of emergency services costs is funded through insurance premiums and the remaining 14.6 per cent from the NSW Government's treasuries. Councils provide additional financial contributions to emergency services agencies in addition to the ESL.
- **The waste levy:** The waste levy is not as much a cost shift to councils as an invisible tax levied on ratepayers through councils. The waste levy is a levy paid by all waste facilities to the NSW Government, the cost of this levy is recovered through the waste collection fees levied by councils, in effect shifting the burden of this tax on to ratepayers.
- **Forced rates exemptions:** Councils are required to exempt government and other organisations from paying rates in the local government area. These organisations utilise local government services and infrastructure. As they are exempt from paying rates, the burden of the costs they incur is shifted to the ratepayers to fund. Examples of exempt organisations include government departments, private schools, and non-government social housing providers.
- **Imposing additional regulatory functions:** State and Federal levels of government implement or increase regulatory requirements through legislation that is then administered by local government. The costs of this new or increased regulatory function is often not funded by the determining level of government and councils must fund this through their own revenue sources including rates.
- **Cutting or failing to adequately continue to fund programs for services that need to continue:** Many funding programs announced by State or Federal government are required to be delivered by local government but are either not fully funded from their initiation or, if an ongoing initiative, funding is reduced over time leaving councils with the decision to either continue the program and make up the burden of the cost or cease the program entirely. An example of this in Libraries, where the original commitment from State Government was to fund 50 per cent of libraries cost, it now covers approximately 8 per cent of the total costs, leaving councils to fund an additional \$156.7 million to make up the difference.

- **Pensioner rebates:** Councils are required to provide pensioner rebates on rates and other charges, for which the State government only subsidises 55 per cent of the cost, the remaining 45 per cent is funded by other ratepayers.
- **Councils absorbing the costs of service and market gaps that should have been provided by State or Federal governments:** This is particularly an issue in rural and regional NSW, where councils often must step in to provide or support a service that is traditionally delivered either directly or through subsidised private providers. This can be for a diverse range of services from aged, disability or childcare through to medical services, education, or public transport services.

## 2.2 Cost shifting and the rate peg

Cost shifting has been a term used for many years to describe the cost impact on local government of decisions made at the State and Federal level. It is particularly relevant in NSW where a rate pegging system is applied to restrict how local government can raise rates revenue.

The issue of State and Federal decisions having a direct financial impact on local government exists in all States and territories of Australia to some extent. In many cases, local government can be the best and most efficient partner for State and Federal government to deliver its programs or services.

Challenges arise with respect to how the State and Federal initiatives are, or continue to be, funded. In States where there is not a rate pegging system in place, local councils are able to better manage the financial impacts by adjusting rates or levying specific fees and charges to reflect the change in costs of providing the imposed service, concession, asset, or regulatory function.

The rate peg in NSW sets out the maximum amount that local councils can increase their rates by and is set by the Independent Pricing and Regulatory Tribunal (IPART) each year. In determining the rate peg, IPART does not adequately consider the cost shifting impacts on councils. As a result, increases in the costs shifted to councils identified here are not covered by a commensurate increase in rates revenue. This means that councils have to divert funding from other commitments agreed with their communities in their Community Strategic Plan and Delivery Program to fund the cost shift incurred. This has a direct impact on councils' ability to deliver services to the community and their overall financial sustainability.

## 2.3 This report

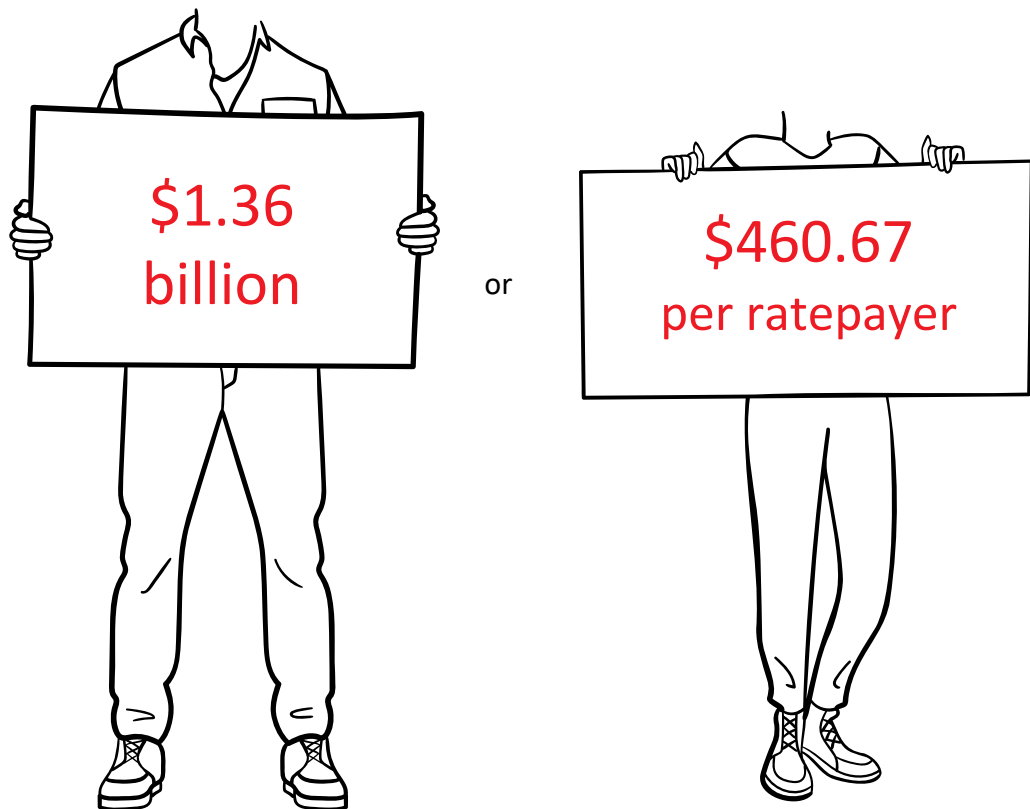
This report provides analysis and insights from the 2021–22 Cost Shifting Survey conducted in May 2023.

Section 3 of this report provides more detail on the findings from the survey, breaking down the findings into their key cost shifting areas, as identified in section 2.1 above, and Section 4 outlines the approach and methodology used in the survey and analysis..

### 3 Findings

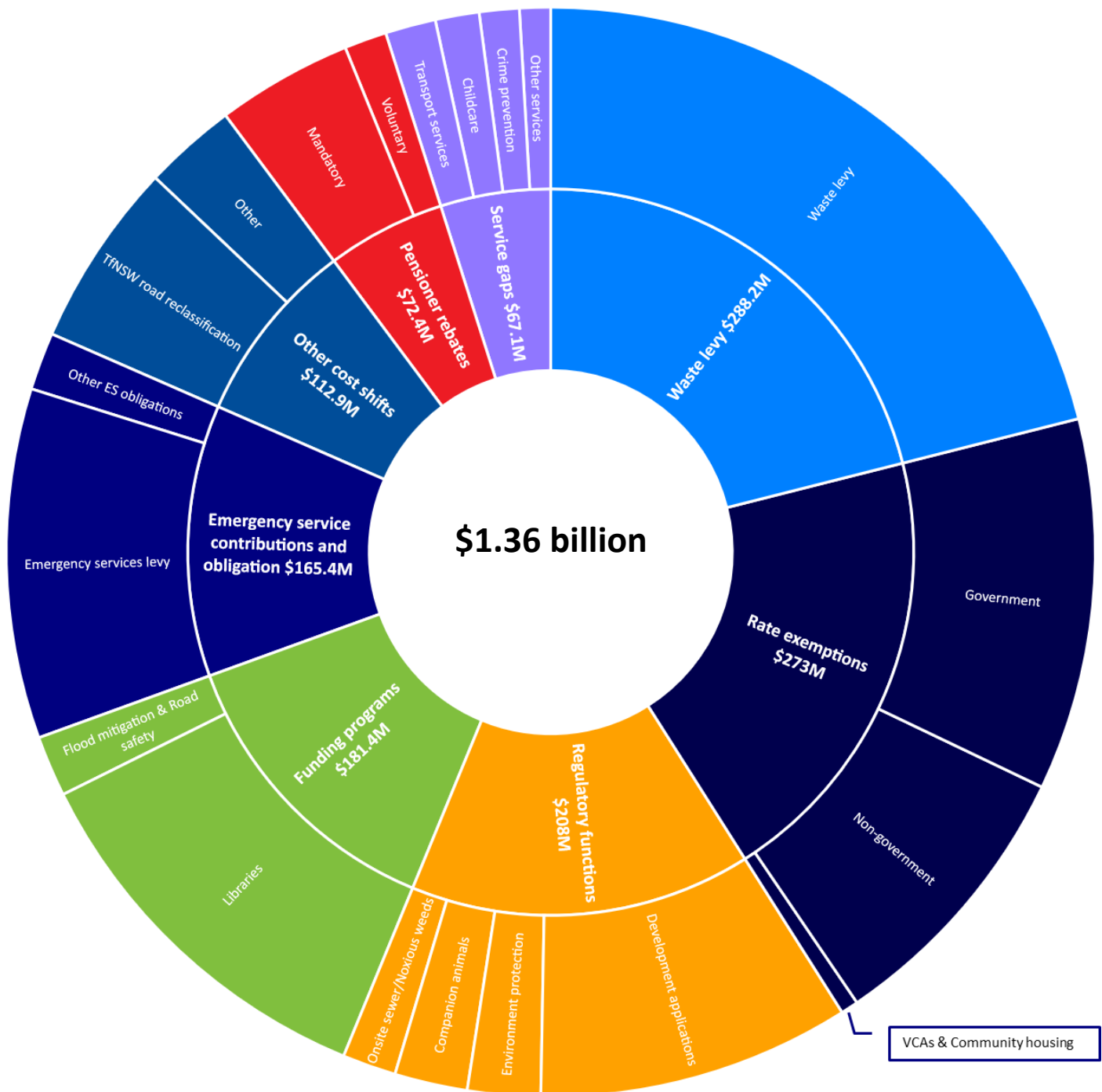
Our survey found that cost shifting cost NSW councils \$1.36 billion in 2021–22, which represents \$460.67 for each ratepayer. In effect, this is the average amount of rates that councils must divert from the services and infrastructure that council has committed to provide the community in order to fund the unrecoverable cost services, programs and functions that are imposed from the State or Federal governments.

In 2021/22,  
the cost to  
NSW  
Councils of  
cost shifting  
was:



Many services, programs, and functions that the State and Federal governments require local councils to deliver, in turn provide benefits to the local communities they serve. This report does not provide an assessment on the merit of these costs, only to bring them to light. Due to the nature of how the services, programs and functions are provided and funded, cost-shifting can be hidden from view. This analysis helps to quantify and highlight these costs for all tiers of government and the community.

**Figure 2 2021–22 cost shifting components**



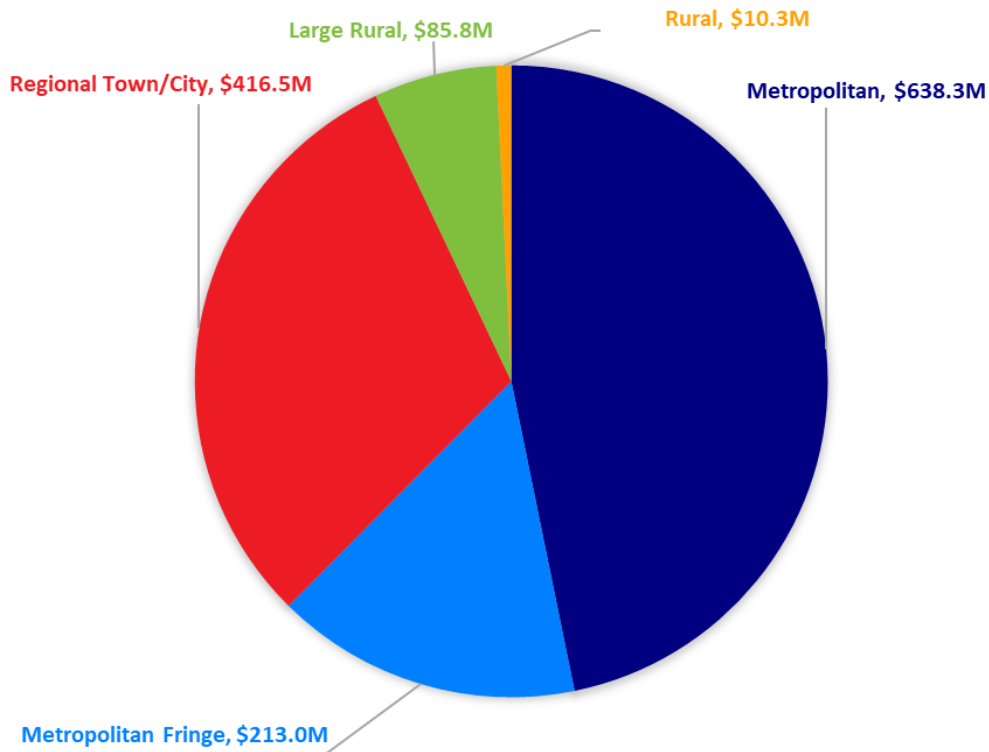
The largest direct cost shift to councils is from emergency service contributions and other emergency service obligations, totalling \$165.4 million.

However, the cost of rate exemptions are higher still, representing a total of \$273.1 million of potential rates that are exempted and redistributed to other ratepayers to pay. An additional \$288.2 million in waste levies are passed onto the ratepayers through the waste collection fees in their rates bill. A further \$156.7 million

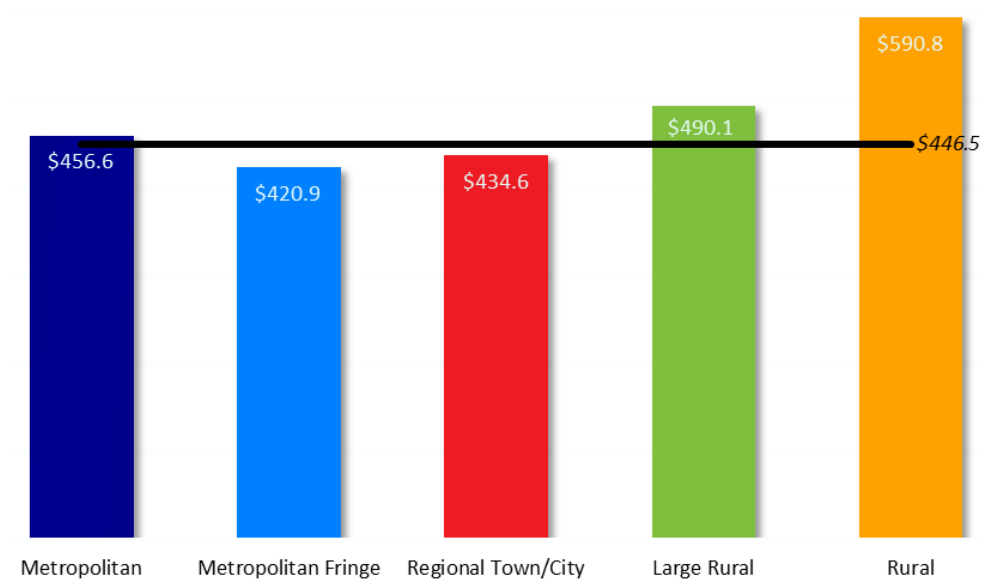
in costs for libraries has been covered by councils to make up the difference between the committed funding for councils' libraries and the subsidies received.

While in nominal terms the largest total cost shifts have been seen metropolitan councils, was on a per ratepayer basis rural and large rural councils have seen a greater impact, as the graphs below indicate.

**Figure 3 Total cost shift by council classification**



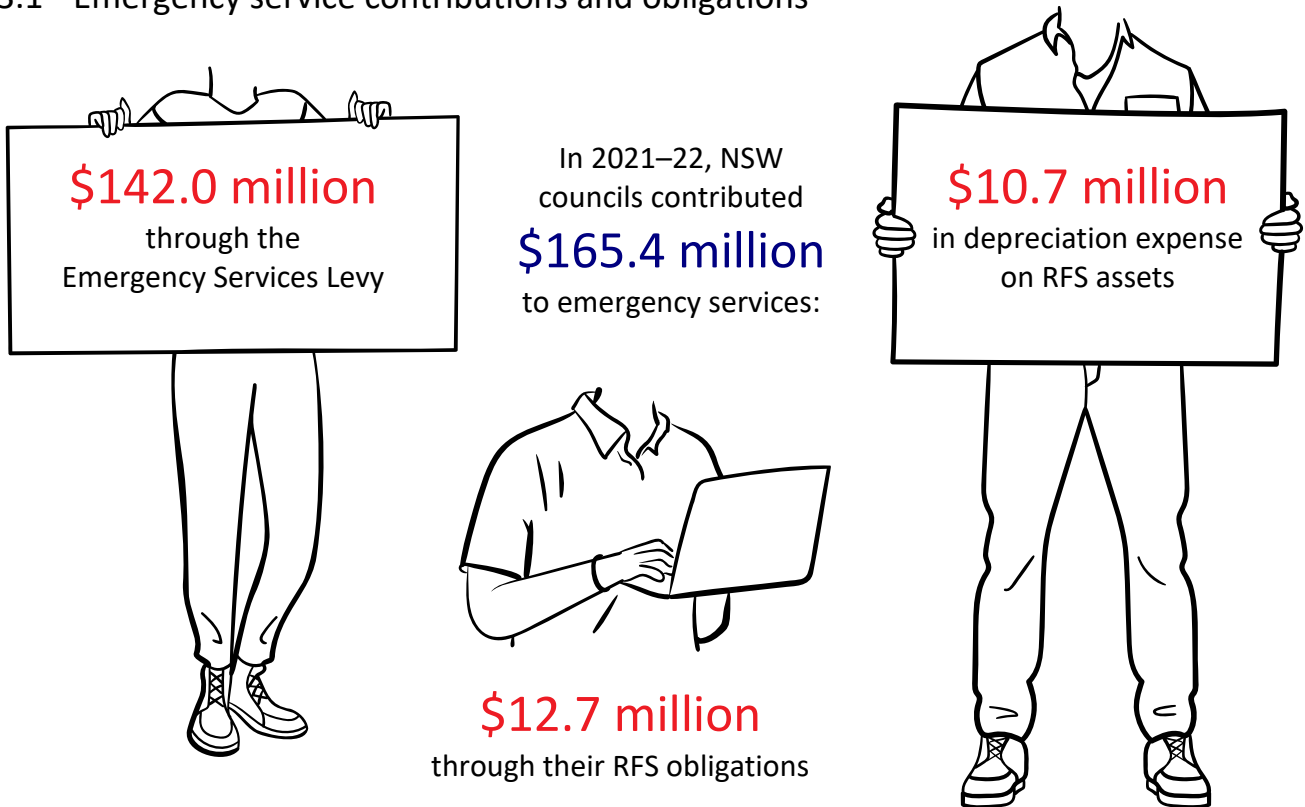
**Figure 4 Cost shift per ratepayer by council classification**



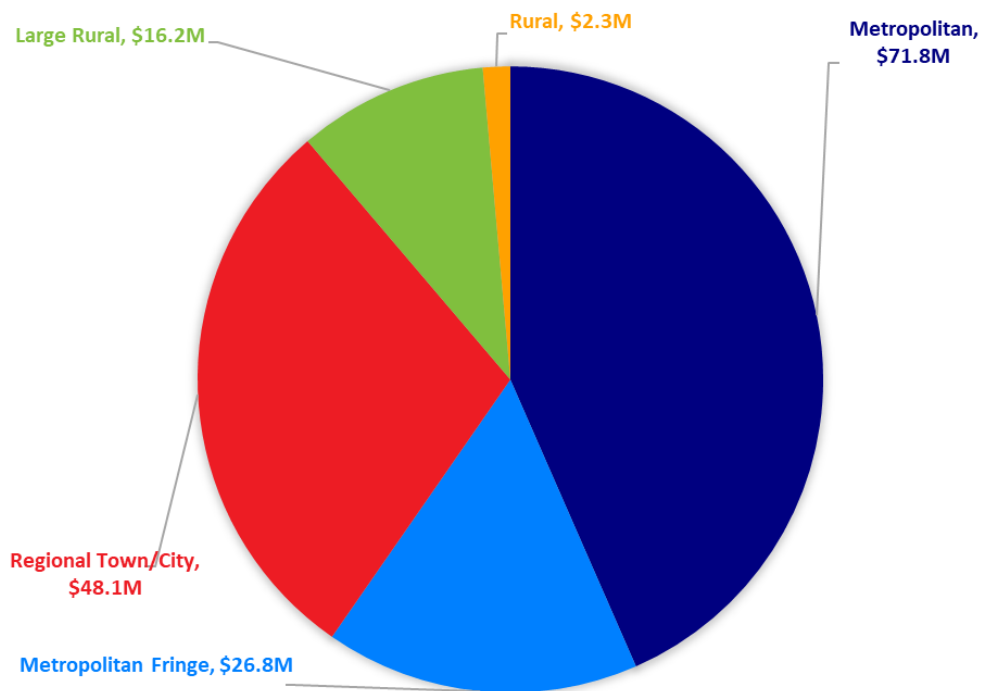


We will explore each component of rate shifting in the following sections.

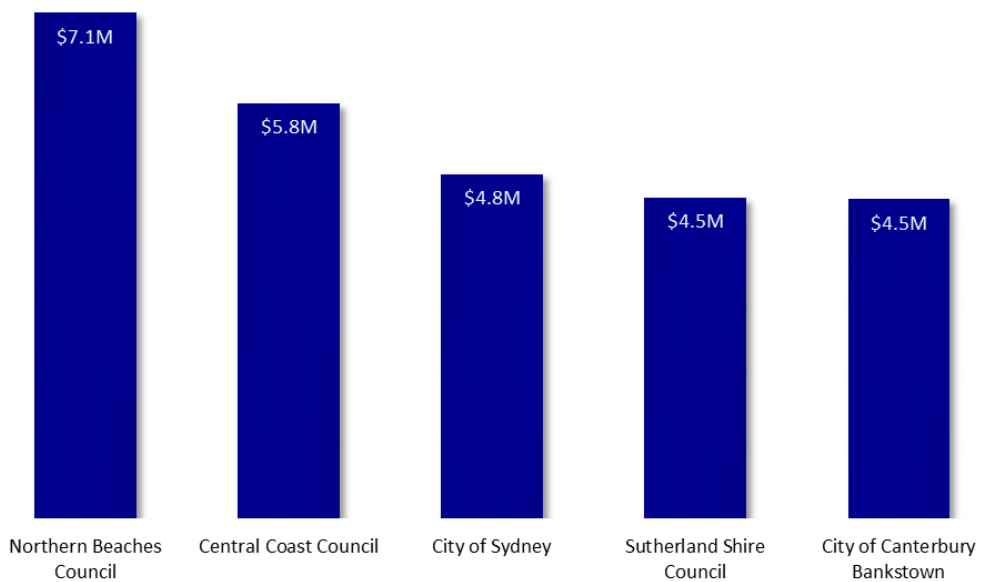
### 3.1 Emergency service contributions and obligations



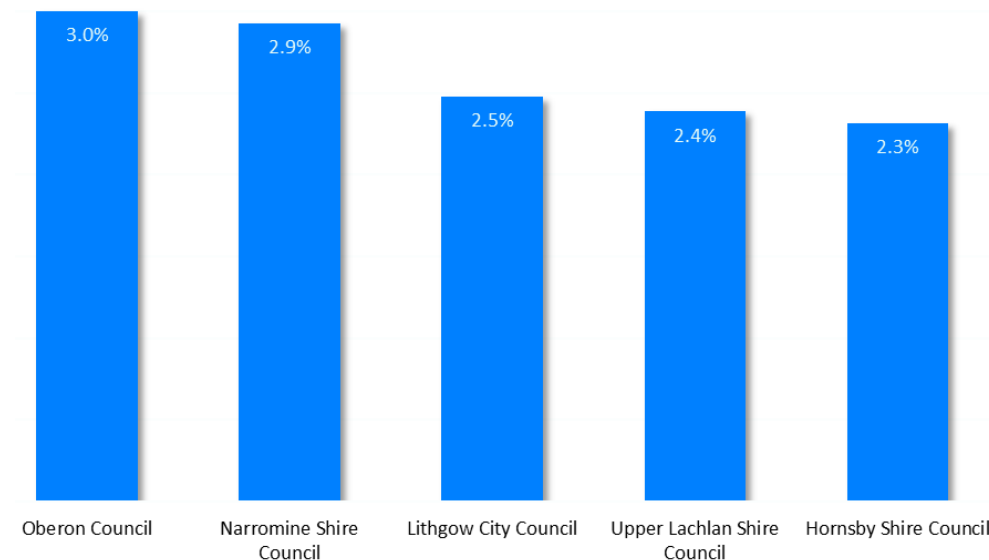
**Figure 5 Emergency services contributions and obligations by council classification**



**Figure 6 Respondent councils with the highest emergency services contributions and obligations burden**



**Figure 7 Respondent councils with the highest emergency services contributions and obligations burden as a proportion of total operating expenditure**

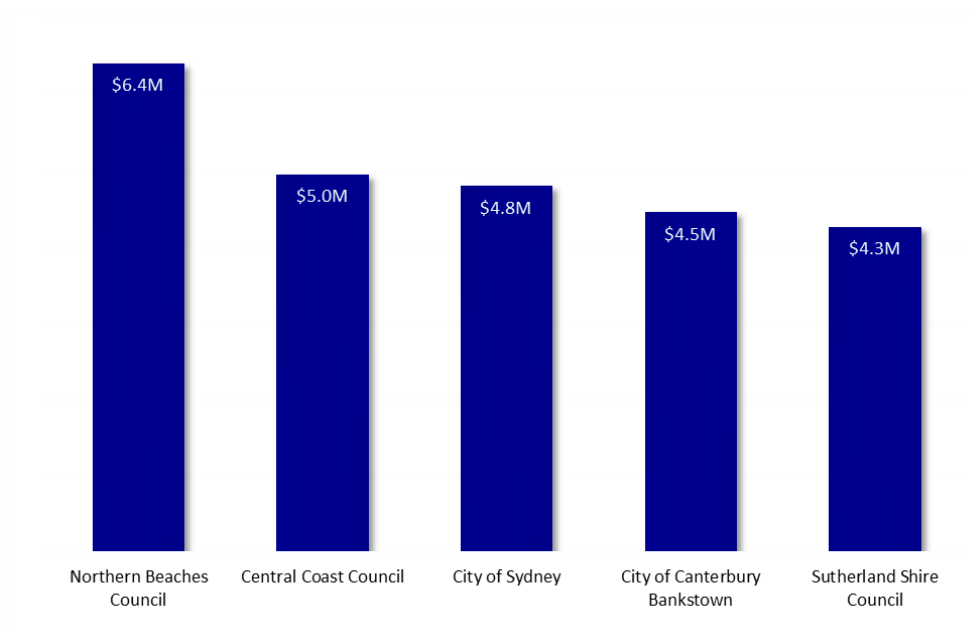


NSW councils are required to fund 11.7 per cent of the NSW SES, NSW Fire and Rescue and NSW RFS budgets through a direct contribution levied each year by the State Revenue Office. This is funded directly from general revenue, primarily rates, as councils have no ability to raise revenue to fund this in any other way.

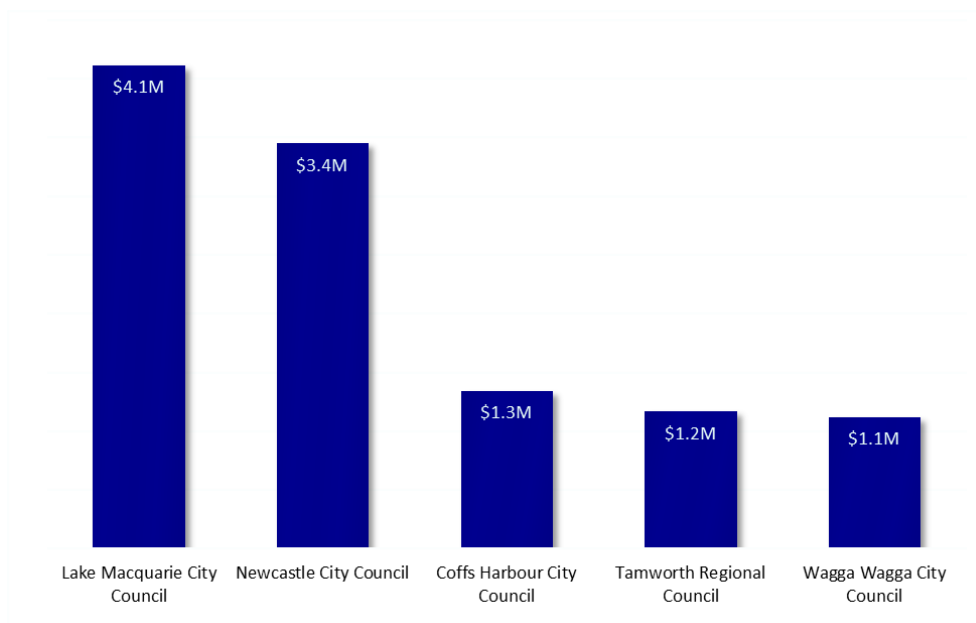
Councils also have no influence on the costs or budget setting of these organisations. This contribution of ratepayers' funds is in addition to the Emergency Services Insurance Contribution that is extracted through insurance companies, who cover 73.7 per cent of the agencies' budgets and results in higher insurance premiums for policy holders

The emergency service levy is estimated to have cost NSW councils overall \$142.0 million in 2021–22. That is a total of \$46.23 per ratepayer, which goes directly to the NSW Government as part of the emergency services contribution.

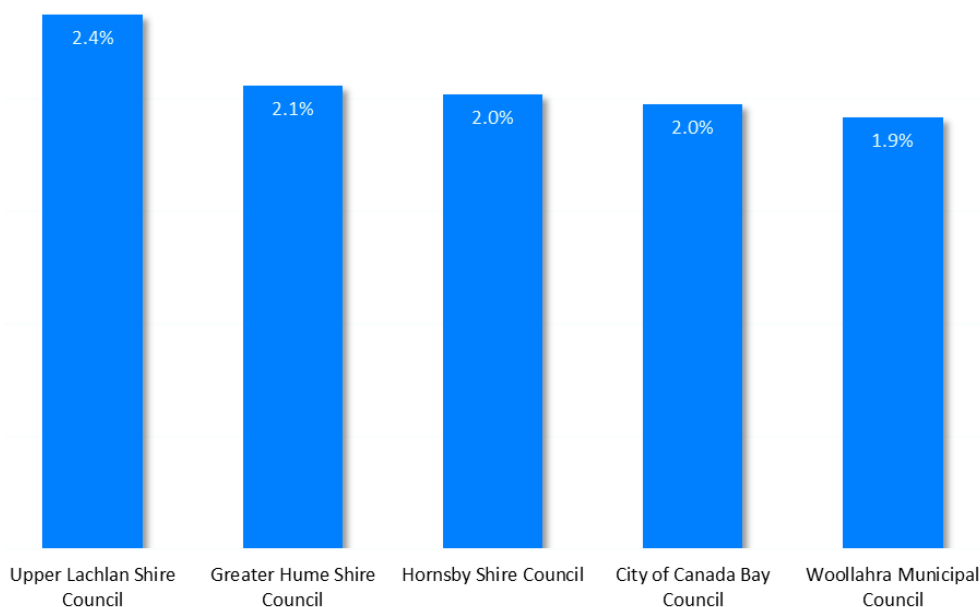
**Figure 8 Respondent metropolitan and fringe councils with the largest ESL bill for 2021–22**



**Figure 9 Respondent regional and rural councils with the largest ESL bill for 2021–22**



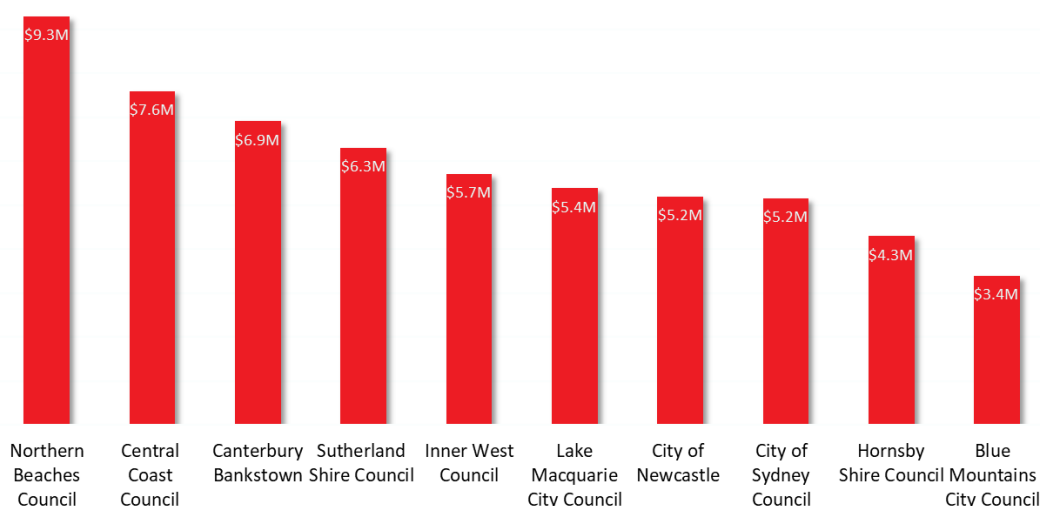
**Figure 10 Respondent councils with the largest ESL bill as a proportion of total operating expenditure**



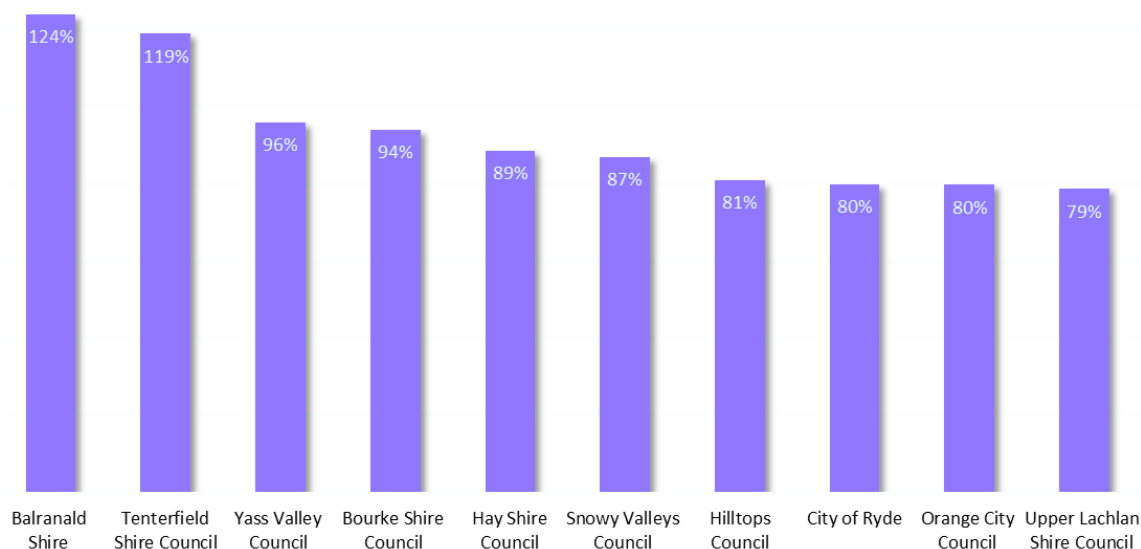
In 2019, the NSW Government subsidised councils for the increase in Emergency Service Contribution costs, because of a large increase in the ESL resulting from large increase in workers compensation costs followed by the Black Summer Bushfires and the unfolding COVID pandemic. From the 2023–24 financial year, the NSW Government increased the budgets and therefore costs for the three relevant agencies and removed the subsidy at the same time. Councils were not advised of this change until after they had developed and put their 2023–24 budget on public exhibition as they are required to do. The increase represented a \$41.2 million cost increase from the prior 2022–23 financial year.

With the rate peg set at 3.7 per cent for the 2023–24 rating year, the increase in emergency services contributions has put substantial pressure on the financial sustainability of local government.

**Figure 11 Top 10 councils with the highest ESL bill in 2023–24**



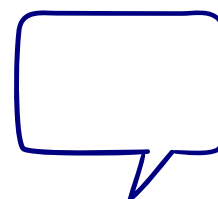
**Figure 12 Top 10 councils with the highest 2023–24 ESL increase as a percentage of the rate revenue increase**



The increases in emergency services contributions from councils have hit both the largest and smallest of councils.

“Two of the four biggest expense payments that Central Coast Council must make each year are for State government levies: the emergency services levy and the waste levy. They are in the millions each and are funded straight out of our rates and waste revenue.”

**David Farmer, CEO, Central Coast Council**



“Central Darling Shire is the largest shire in NSW covering an area of 53,000 square kilometres in Far Western NSW, but it has the smallest (and declining) population of less than 2000. CDS is not a typical shire as it consists of a series of isolated communities (Menindee, Ivanhoe, Wilcannia and White Cliffs) and large pastoral holdings. It borders the large unincorporated area of the Far West.

For Council, the Emergency Services Levy has increased by \$70,000 for 2023/24, bringing the total Council contribution to \$318,989. The increase is some \$70,000 which is more than double the increase in rates due to rate pegging.

For the 2023/2024 financial year the Council income from rates is budgeted to be \$913,000. This includes the rate peg increase of 3.7 per cent, which looks like being eaten up by the hike in the ESL.

For a Council like Central Darling this level of increase is simply unsustainable and will result in the further reduction of services to our residents.

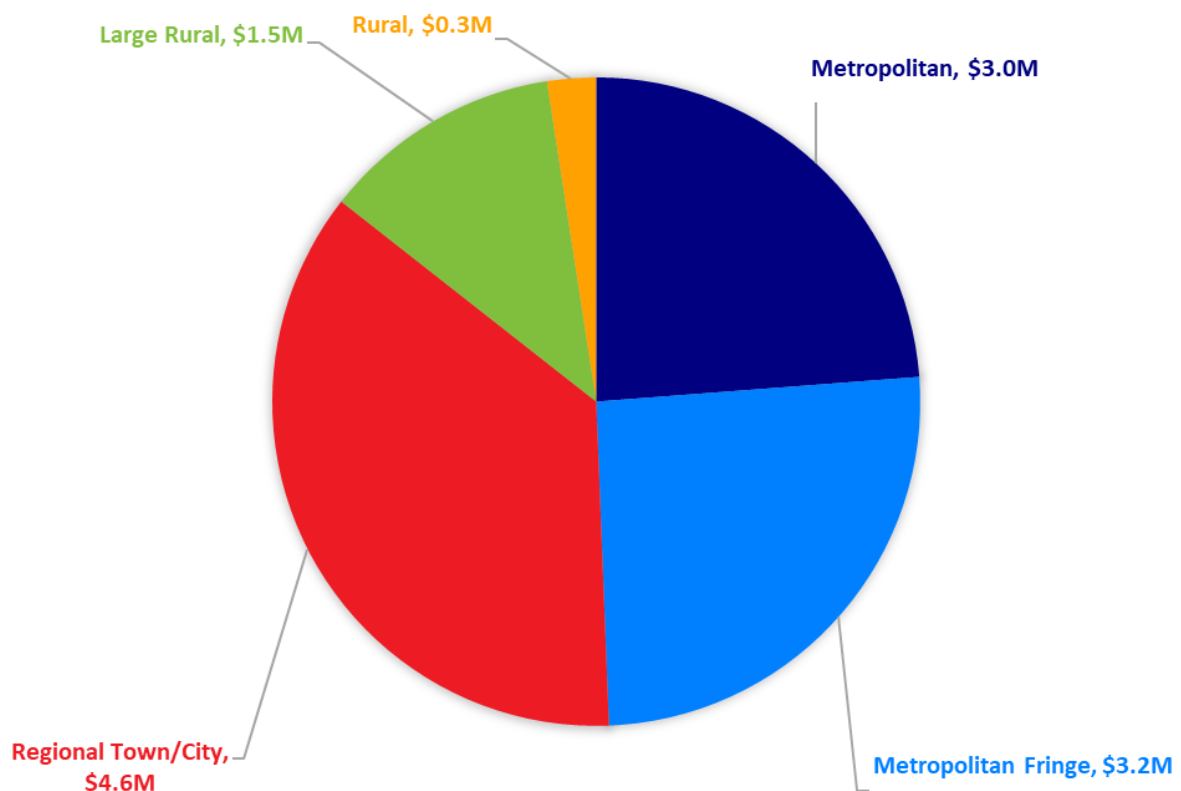
There is a clear case for the NSW Government to fully fund this increase as part of its community service obligation as small rural councils with a limited rate base cannot afford to continue to pay.”

**Bob Stewart, Administrator, Central Darling Council<sup>1</sup>**

<sup>1</sup> Figure 11 does not include Central Darling’s actual result as it was not provided to LGNSW.

In addition to the emergency service levy, local councils are required to support the RFS and SES in other ways. This commitment seems to be different for different Councils. For example, for some councils, when the RFS annual budget is allocated back to the districts, some of these funds are vested in councils through the Rural Fire Fighting Fund (RFFF). These funds are then administered by councils to deliver repairs and maintenance of buildings and a small amount of plant and equipment. In some cases, Councils also fund other functions such as training and provision of office supplies. If the RFFF is insufficient to provide these in any one year, some councils will then provide further financial support directly to the districts to meet the difference. In 2021–22, the cost of this additional support has been estimated at \$12.7 million.

**Figure 13 Additional RFS contributions by council classification**

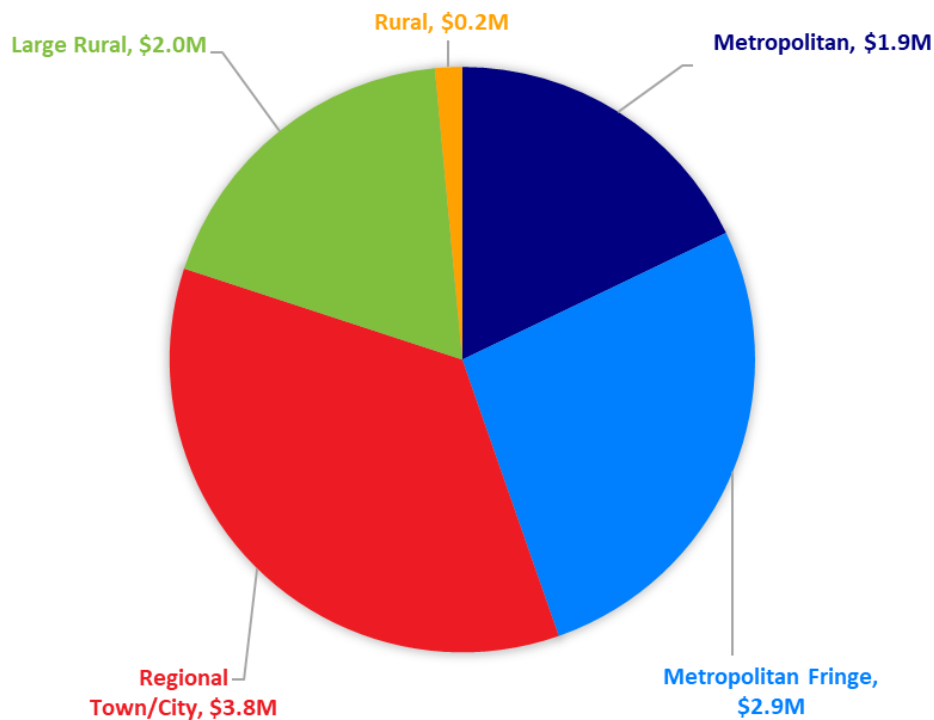


The RFS funding arrangements are the most complex of all the emergency services and creates challenges for both councils and the RFS. While councils are aware that their obligations to provide financial support to the RFS are generally over and above the RFFF, the costs at a district level are extremely volatile from one year to the next and dependent on whether there is a bushfire in the district (in which instance the district will fund some aspects of other districts’ costs if they come to support the local bushfire response) or if the district comes to the aid of another district (in which instance they will receive additional funding which reduces the pressure on its own budget and therefore the financial support required from the local council).

What results is that councils have to bear the budget risk of the volatility of RFS costs and funding, while RFS districts don’t have accountability for their own budgets and costs, and are not able to help to provide certainty because they don’t know where the next emergency will be. Much of these volatility issues are resolved at a State level, when looking at the RFS services overall.

In addition to the direct repair and maintenance costs, councils are also required to recognise RFS red fleet assets and account for their depreciation expense in council financial reports. In 2021–22, this depreciation cost is estimated at \$10.7 million.

**Figure 14 RFS Depreciation Expense by council classification**



This has been a somewhat contentious issue in recent years and ultimately comes down to identifying where control of these assets lie. In summary, the NSW Government has concluded under the *Rural Fire Services Act 1997*, which states that these assets are vested to councils and therefore “on balance, councils control this equipment” under the Australian Accounting Standards<sup>2</sup>. The NSW Audit Office has accepted this position in undertaking their audit function of local government.

Many councils, with the support of LGNSW, have refused to accept this position, which has resulted in 43 NSW councils receiving a qualified audit opinion of their 2021–22 financial reports. Their position is that control of these assets sits with the RFS, and therefore the NSW Government, based on the Australian Accounting Standards Board Conceptual Framework, which does not necessarily define control as a legal ownership right, but rather:

*“... the present ability to direct the use of the economic resource and obtain the economic benefits that may flow from it. Control includes the present ability to prevent other parties from directing the use of the economic resource and from obtaining the economic benefits that may flow from it. It follows that, if one party controls an economic resource, no other party controls that resource.”<sup>3</sup>*

<sup>2</sup> Audit Office of New South Wales (2023) *Regulation and monitoring of local government*, NSW Government, 23 May 2023.

<sup>3</sup> Australian Accounting Standards Board (2022) *Conceptual Framework for Financial Reporting*, AASB, 7 April 2022.



This issue is ongoing, and while depreciation itself is not a cash expense, the accounting for depreciation in local government has two key financial implications. Firstly, the increase in depreciation expense will reduce a council's overall surplus or increase its deficit, which has implication for a council's measures of financial sustainability. Secondly, for most local government assets, depreciation is used as the estimate of required renewal expenditure for councils to maintain assets at their current condition. In other words, councils must fund depreciation with a similar level of capital cashflow to ensure assets are kept at required standards, this is not the case for firefighting equipment, which is funded through the State Government's budget allocation to the RFS. This remains an ongoing issue at the time of writing this report.

## 3.2 Waste levy

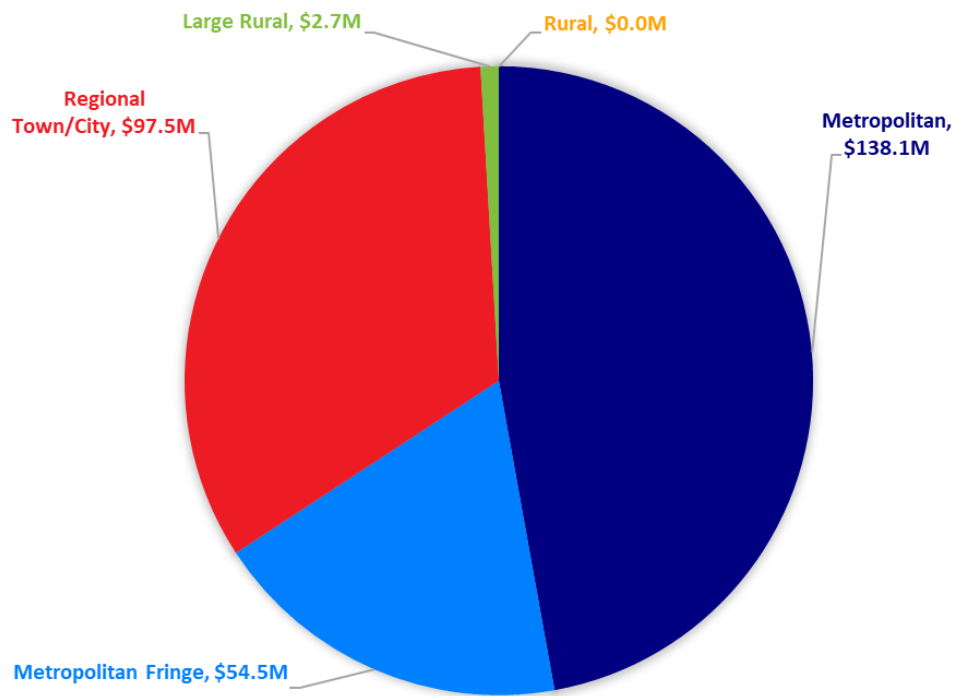
The waste levy is a tax on landfill facilities and only applies to 42 metropolitan and 19 regional levy areas shown in Figure 18. Although, not technically a "cost shift" – as the cost of the levy is recovered through waste charges – it represents a somewhat "invisible tax".

The purpose of the waste levy is to provide economic incentive to alternative waste management processes, such as recycling and resource recovery. The funds raised by the waste levy go directly to NSW Government general revenue. Some funds do come back to communities and councils through grants for a variety of projects, but this only represents 10 to 15 per cent of the funds raised through the tax.

The metropolitan levy at \$147.10 per tonne in 2021–22 is nearly twice the amount per tonne of the regional levy at \$84.70 per tonne in 2021–22. Some councils, such as Central Coast and Newcastle, operate their own landfill facilities and pay the levy directly to the NSW Government. Not all councils operate landfills directly, many councils have their waste managed through contracts with private providers. While these providers will incur the levy directly, councils in the levy areas will collect waste charges that include the waste levy as a component of the waste fees. Depending on how their waste management contracts are structured, some councils have been able to provide an estimate of this levy collected in the waste fees while others have not.

Of the 51 councils surveyed who are in the levy area, 36 provided an estimate of the amount paid, which totalled \$287.8 million in 2021–22. Based on this data, we have estimated the total amount of the waste levy paid through waste collection fees in 2021–22 at \$292.9 million.

**Figure 15 Waste levy by council classification**



**Figure 16 Respondent councils with the highest waste levy**

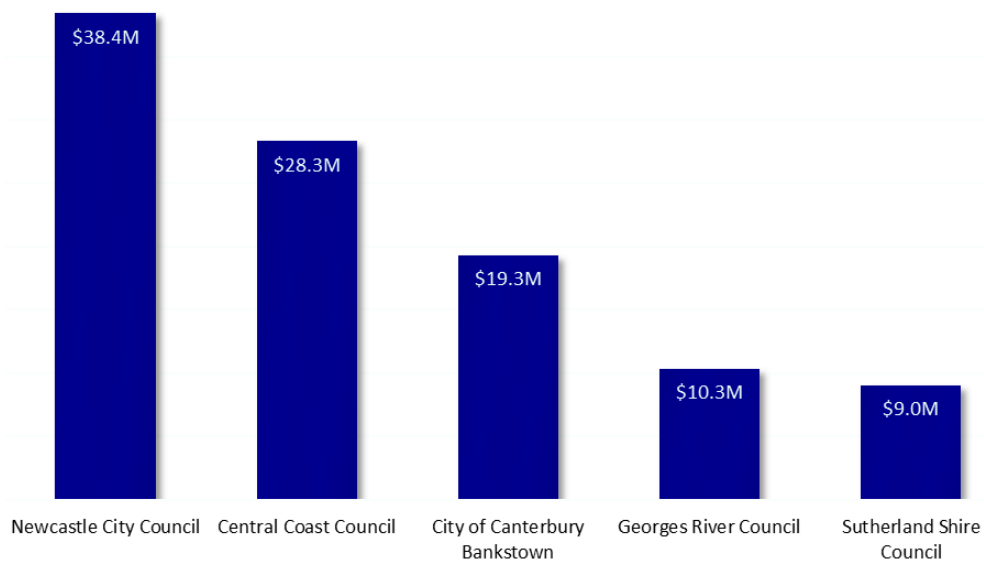
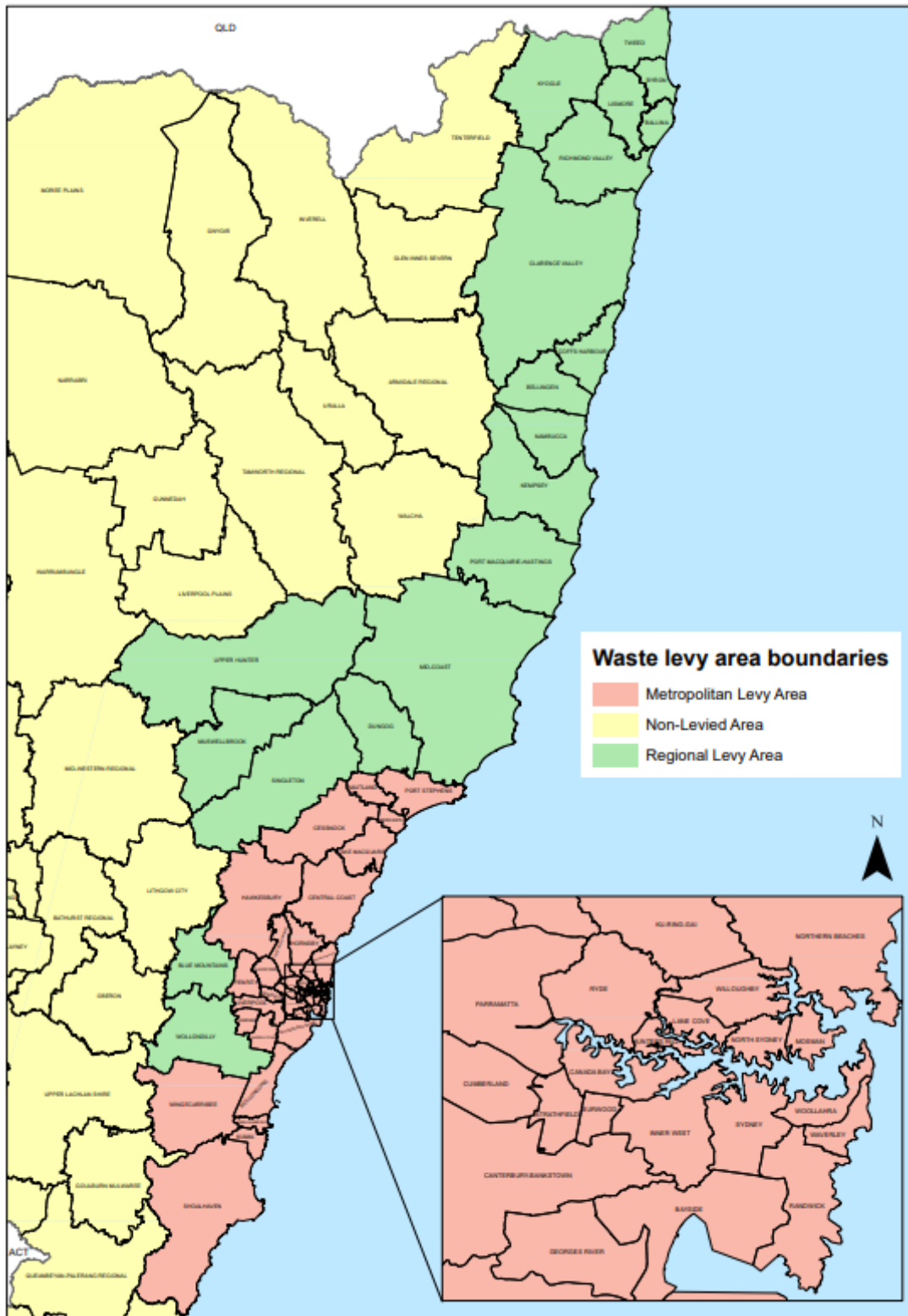


Figure 17 Waste levy area map<sup>4</sup>



<sup>4</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/wasteregulation/levy-area-map.pdf?la=en&hash=C00135E31055627BB8A41EAEB222864C2655B186>.

### 3.3 Rate exemptions

Many government and private property owners in a local government area are exempt from paying rates to councils. Due to the way rates are calculated, this doesn't usually affect the total amount of revenue that councils are able to raise through rates. It does mean that the distribution of the rates burden falls more heavily on the existing ratepayer base.

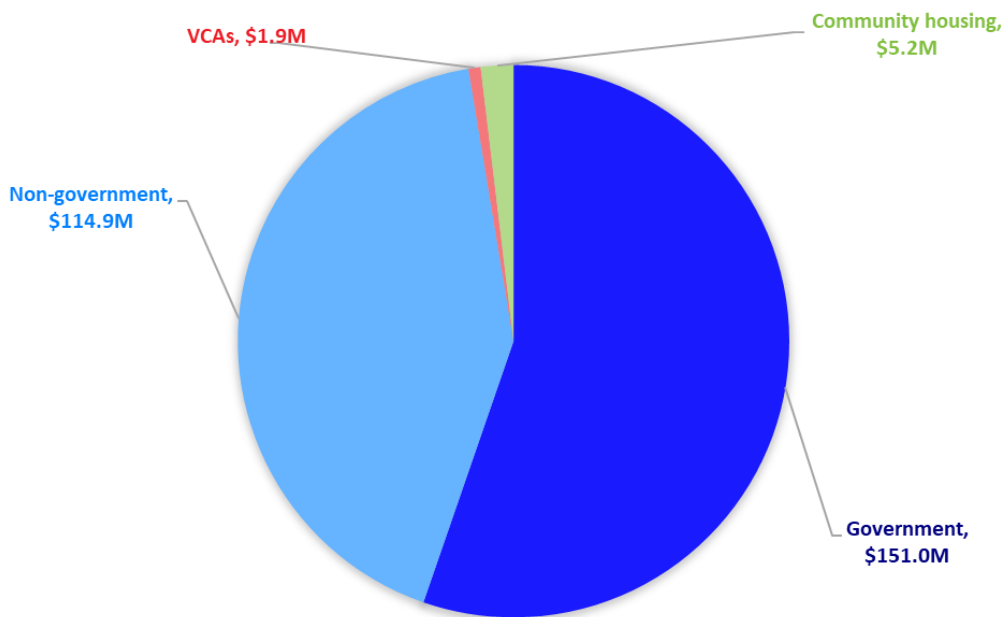
For government-owned properties, rate exemptions are a part of a complex set of arrangements for exemptions of some taxes between the different tiers of government. State Owned Corporations (SOCs and GTEs) pay tax on lands owned and used for commercial purposes. This is provided for under competitive neutrality policy/National Competition Policy (a notable exception to this arrangement is the Forestry Corporation). Councils are exempt from most State and Federal taxes (for example land tax, payroll tax, stamp duty, and income tax). Councils are also involved in delivering a wide range of services or regulatory functions under various State and Commonwealth Acts and they receive a large number of different grants from State and Federal governments, including the untied Financial Assistance Grants that the States administer and distribute to councils.

Additionally, there are many non-government organisations that are also exempt from paying rates, including private schools, hospitals and retirement villages, as well as not-for-profit organisations such as religious organisations. While these organisations are exempt from paying rates; all expect and receive services and infrastructure from councils, the cost of which is funded by ratepayers.

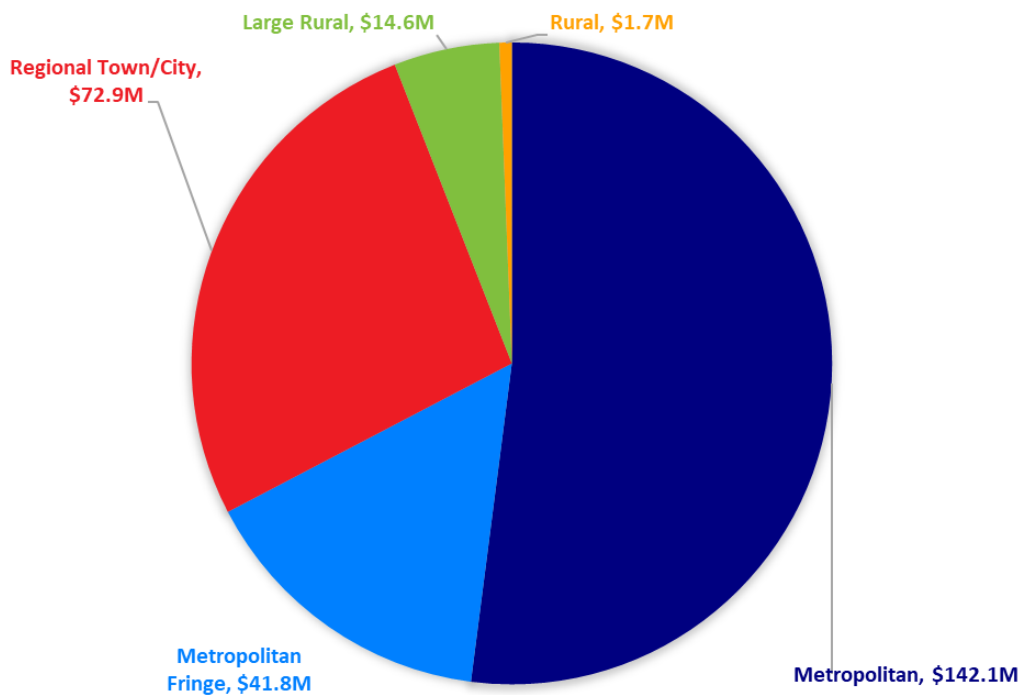
Community housing was an area that we asked councils about specifically as the NSW government has been in the process of transitioning the ownership and management of public and social housing to non-government Community Housing Providers. Under past practice, social and public housing provided by State Government agencies paid rate equivalents on all their properties. CHPs are exempt from rates and more and more social and public housing is moving into this category. As a result, the rates exempt status seems to be moving with the community housing property.

The total amount of rate exemptions represented \$273.1 million, shifting approximately \$89.04 to each NSW ratepayer.

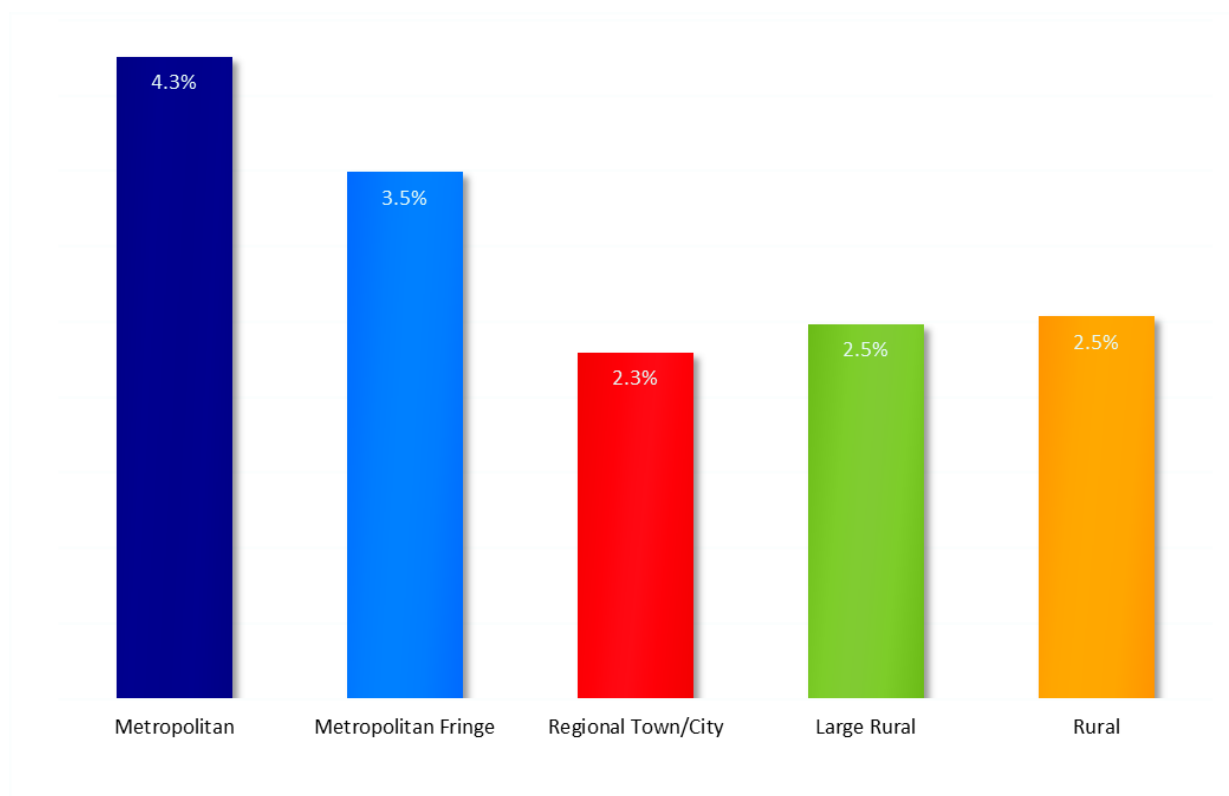
**Figure 18 Rate exemptions by category**



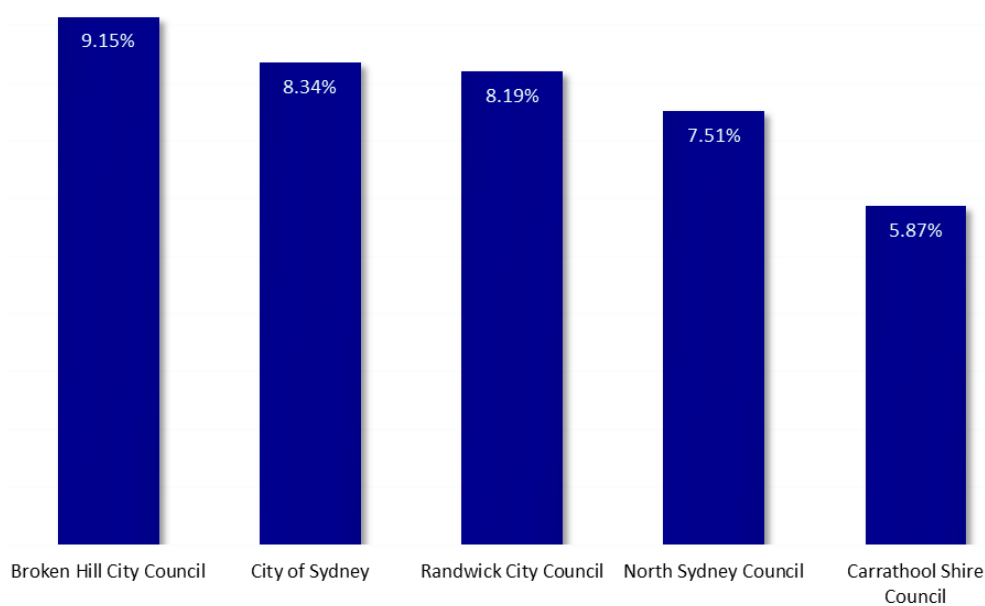
**Figure 19 Rate exemptions by council classification**



**Figure 20 Average rate exemption for respondent councils as a proportion of rates revenue by council classification**



**Figure 21 Respondent councils with the highest rate exemptions as a proportion of rates revenue**



**Table 1 Cost for rate exemptions**

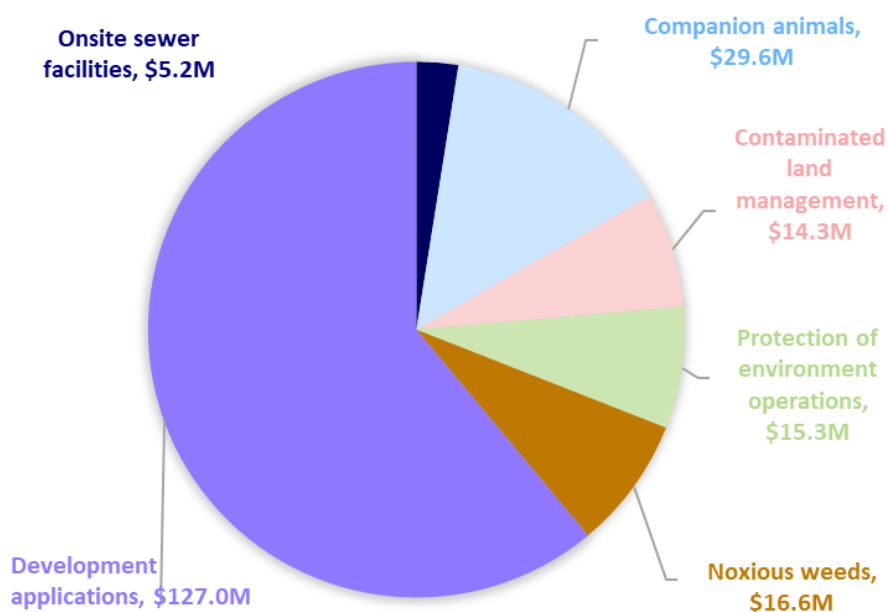
Rate exemption	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
<b>Government-owned property</b>	62 (from which two councils put a figure of 0)	\$95.5M	\$151M
<b>Non-government-owned property</b>	61 (from which one council put a figure of 0)	\$72M	\$115M
<b>Voluntary conservation agreements</b>	47 (from which ten councils put a figure of 0)	\$1.2M	\$1.9M
<b>Community housing</b>	53 (from which 11 councils put a figure of 0)	\$3.3M	\$5.2M

### 3.4 Regulatory functions

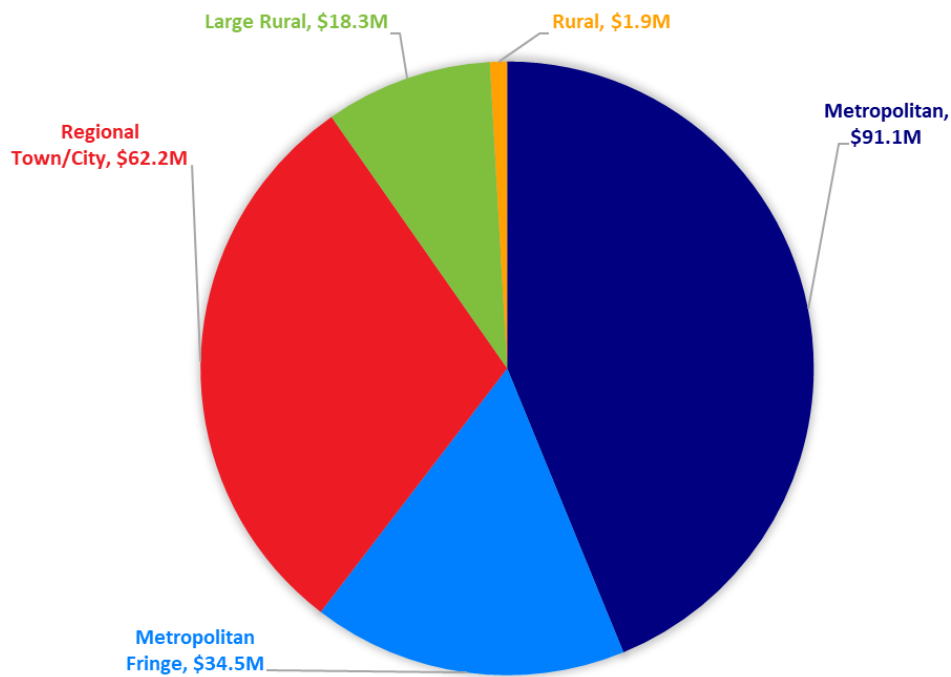
In addition to the obligations under the *Rural Fire Services Act 1997*, *Fire and Rescue NSW Act 1989* and the *State Emergency Service Act 1989*, councils incur additional costs of increased regulatory responsibilities. These are additional functions or requirements that are not fully funded by increases in fees and charges.

In 2021–22, the unfunded costs for regulatory functions represented \$208.0 million.

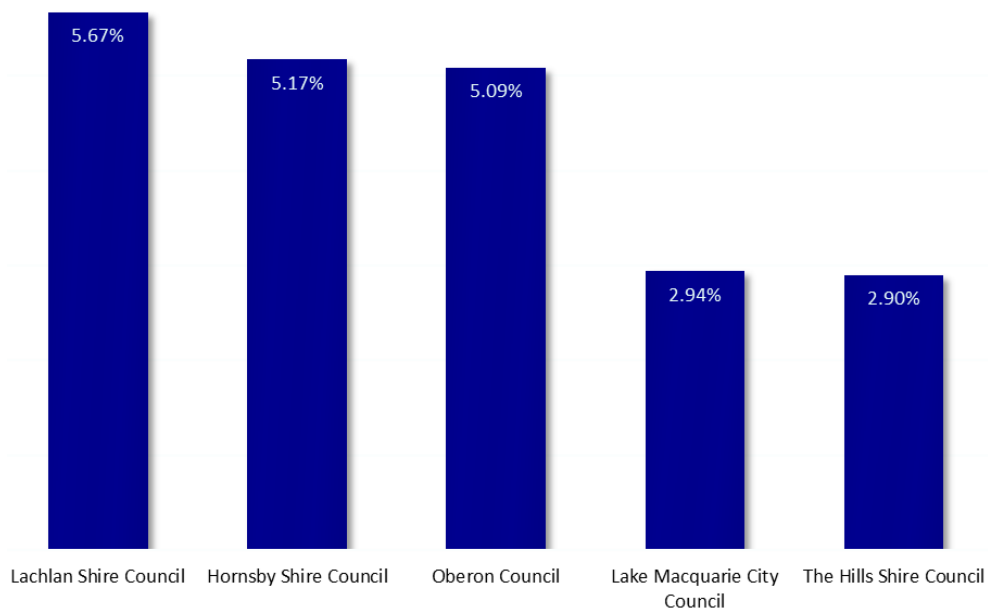
**Figure 22 Unfunded regulatory costs by category**



**Figure 23 Unfunded regulatory costs by council classification**



**Figure 24 Respondent councils with the largest regulatory cost as a proportion of total operating expenditure**



The function and total estimated costs from councils are outlined in the table below.



**Table 2 Cost for increased regulatory functions that cannot be recovered through fees and charges**

Regulatory function	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
<b>Onsite sewer facilities</b>	35 (from which 15 councils put a figure of 0)	\$3.4M	\$5.2M
<b>Companion animals</b>	69 (from which four councils put a figure of 0)	\$19.6M	\$29.6M
<b>Contaminated land management</b>	45 (from which nine councils put a figure of 0)	\$7.2M	\$14.3M
<b>Protection of environment operations</b>	48 (from which four councils put a figure of 0 and one a negative amount)	\$9.9M	\$15.3M
<b>Noxious weeds</b>	64 (from which eight councils put a figure of 0)	\$11.1M	\$16.6M
<b>Development applications</b>	64 (from which five councils put a figure of 0 and one a negative amount)	\$86.7M	\$127.0M

### 3.5 Funding programs

Councils are occasionally required to fund the continuation of several funding programs that were instigated by the NSW Government, but for which funding commitments have, over time, either been reduced or removed entirely. The three main funding programs councils currently continue to fund are:

- **Library subsidies:** the original library funding subsidy was 50 per cent of the library services costs, however this has reduced over time. In 2021–22, councils paid an estimated \$156.7 million on library services that would have been covered by the originally committed 50 per cent State government subsidy.
- **Flood mitigation:** the program was originally established with the State and Federal governments providing 80 per cent of the costs and councils funding 20 per cent, the shortfall of this funding is estimated to be costing councils \$18.2 million in 2021–22.
- **Road safety program:** funding for programs and ongoing staff for education, however councils were not able to reduce the costs with the removal of the funding program. In 2021–22, councils have an estimated cost burden of \$6.4 million as result.

The total cost to council to continue to meet the funding shortfall of these programs was \$181.3 million, the vast majority which was the shortfall in the library subsidy of \$156.7 million.

Figure 25 Funding program costs shifted by category

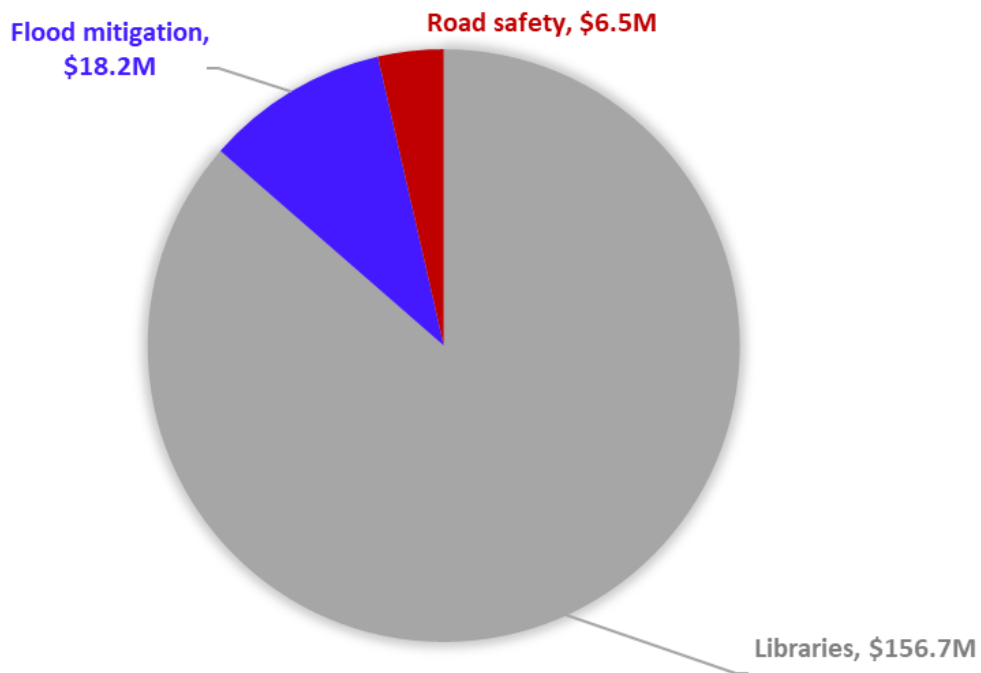
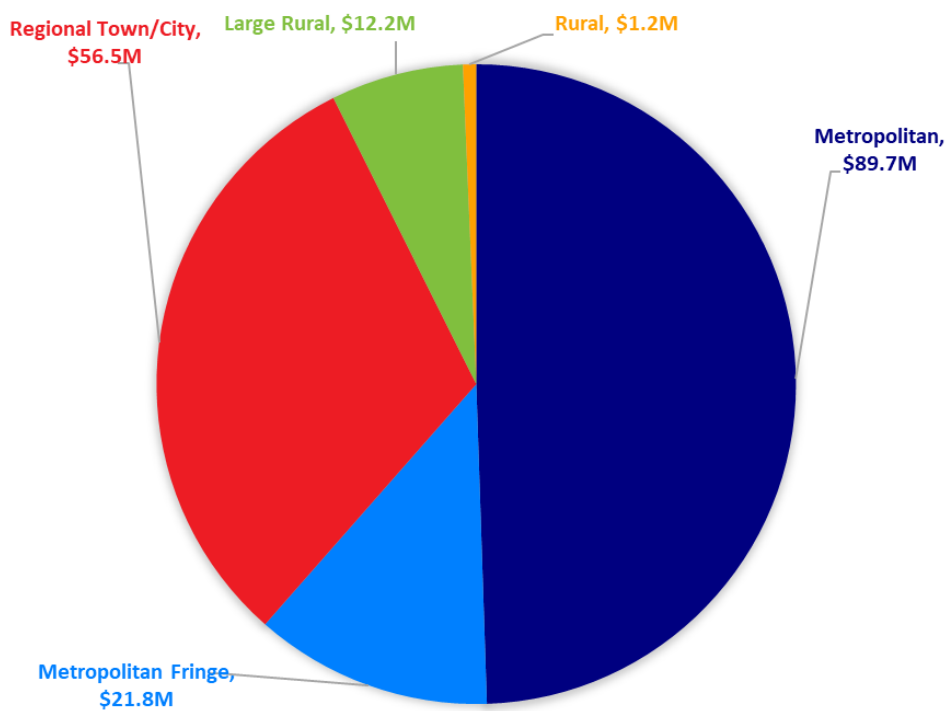
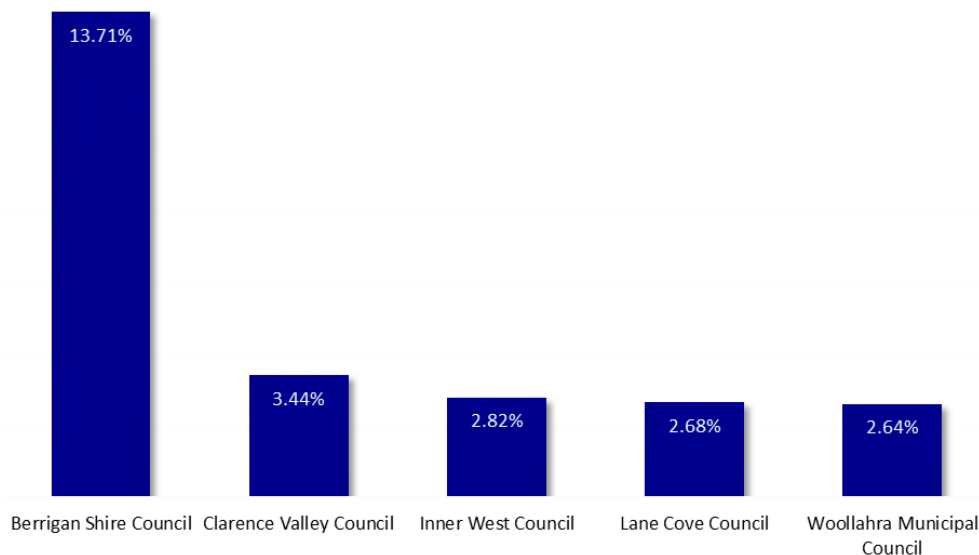


Figure 26 Funding program costs shifted by council classification



**Figure 27 Respondent councils with the largest funding program costs shifted as a proportion of total operating expenditure**

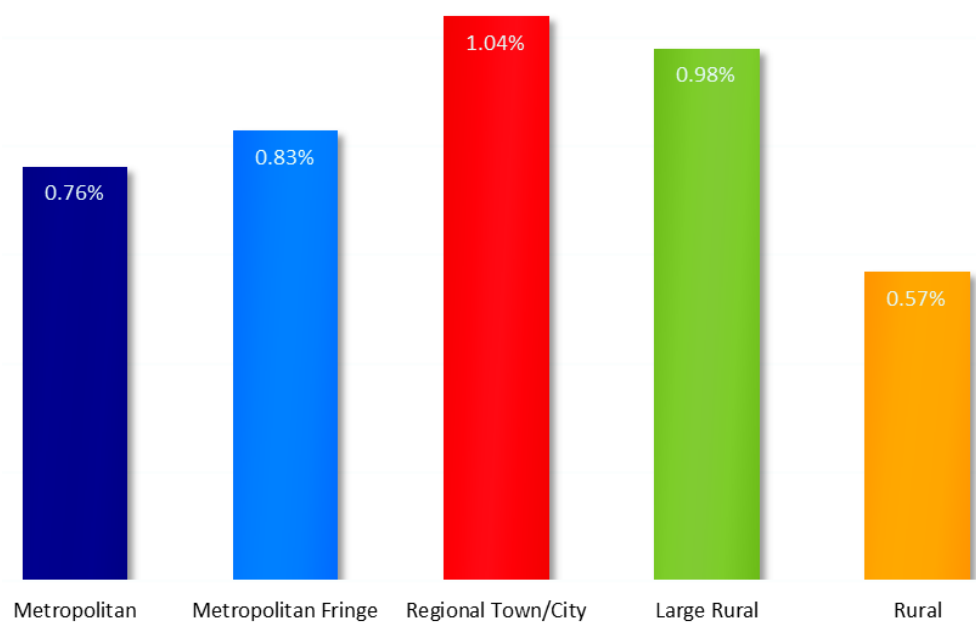


### 3.6 Pensioner rebates

Councils are required to provide rates rebates to pensioners, which are partially subsidised by the NSW Government. This mandatory pensioner rebate is an estimated net cost to councils of \$55.2 million. This does not include the cost of administering the mandatory pensioner rebates, as each pensioner claim needs to be registered and their details checked by the council.

The level of mandatory rebate has not risen substantially over many years, and therefore has not kept pace with inflation. As a result, many councils have elected to apply further voluntary rebates to ease the financial burden on pensioners. NSW councils incur an additional \$17.2 million in voluntary pensioner rebates. The total cost of pensioner rebates is estimated to be \$72.4 million.

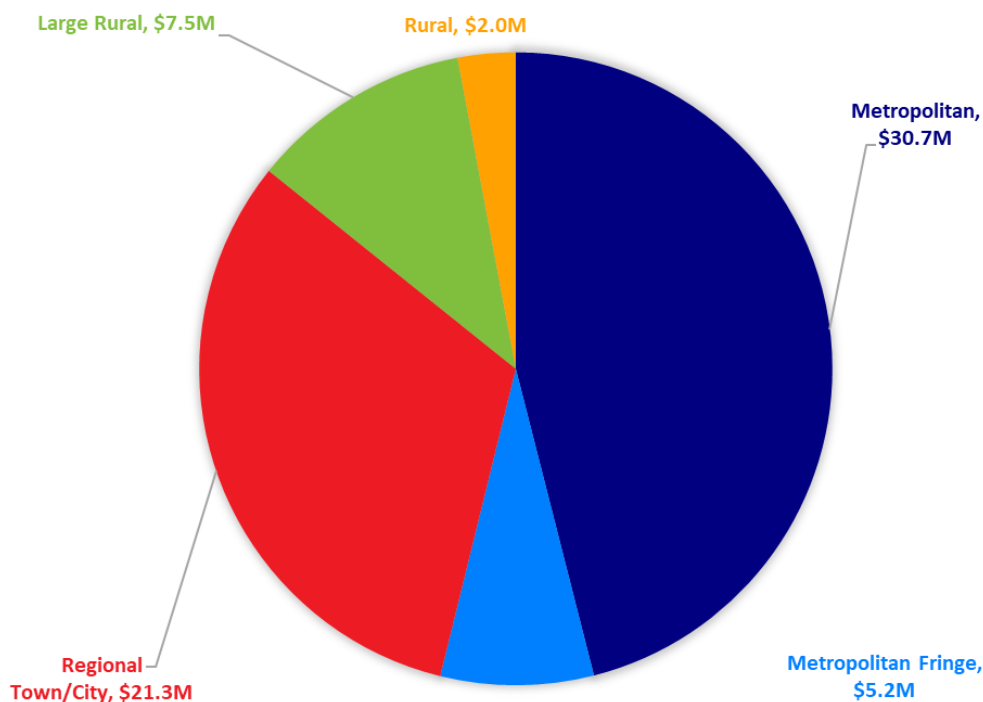
**Figure 28 Average total pensioner rebates as a proportion of total rates revenue by council classification**



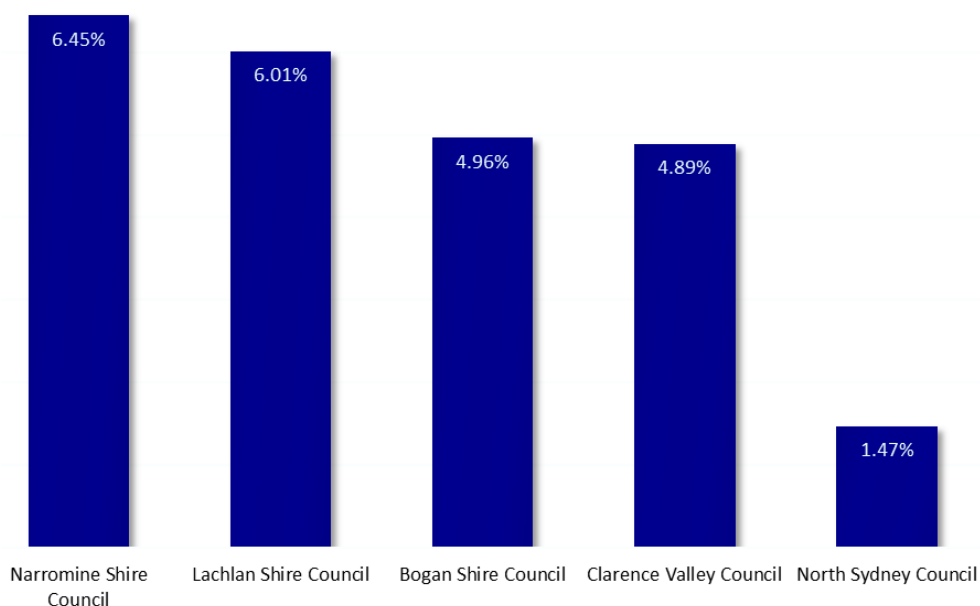
### 3.7 Service gaps

This section captures costs incurred by councils in providing services as a result of insufficient service provision by another level of government or a market failure of a subsidised or privatised public service. In 2021–22, it is estimated that councils spent \$66.6 million on filling these gaps.

**Figure 29 Service gap costs by council classification**



**Figure 30 Respondent councils with the highest service gap cost as a proportion of total operating expenditure**



The estimated costs are set out in Table 3, below.

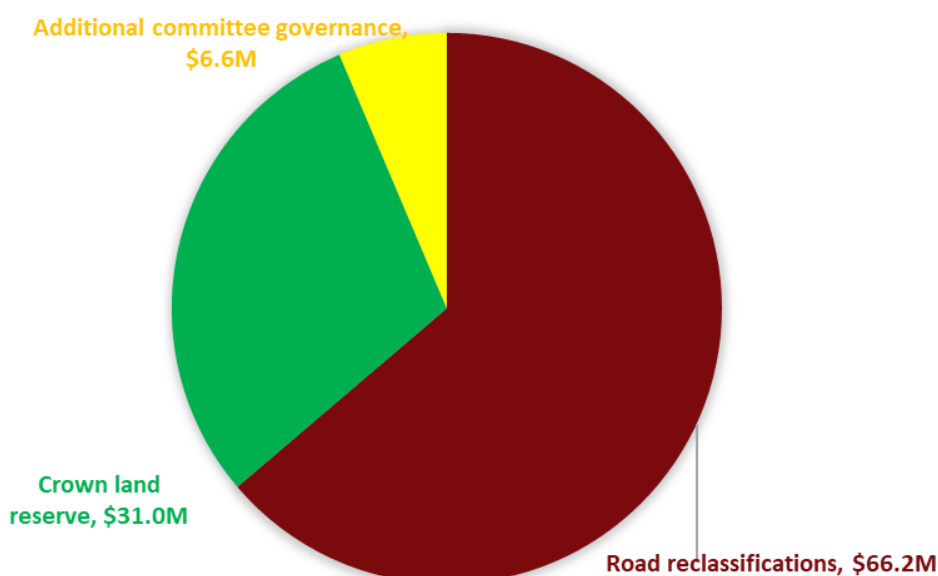
**Table 3 Cost for services provided by Council as a result of a State or Federal service gap or market failure**

Regulatory function	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
Immigration and citizenship ceremonies	60 (from which ten councils put a figure of 0)	\$1.1M	\$1.6M
Crime prevention and policing	51 (from which 11 councils put a figure of 0)	\$10.2M	\$16.2M
Medical services	33 (from which 15 councils put a figure of 0)	\$2.2M	\$3.2M
Aged care services	36 (from which 19 councils put a figure of 0)	\$3.9M	\$5.6M
Disability care services	28 (from which 17 councils put a figure of 0)	\$1.4M	\$2.2M
Childcare services	49 (from which 19 councils put a figure of 0 and two councils a negative figure)	\$12.0M	\$17.8M
Transport services	37 (from which 20 councils put a figure of 0)	\$14.1M	\$20.5M

### 3.8 Other cost shifts

A number of other areas for cost shifting were identified and gathered in the survey and are outlined here.

**Figure 31 Other cost shifts by category**



Under the Transport for NSW (formerly RMS) road reclassification program in the 1990s, many roads were reclassified as local or regional road for councils to own and maintain. Of the 68 councils that responded to the survey, 32 were able to estimate the cost of this reclassification, 12 were not able to reliably estimate, and 24 stated that it was not applicable. The total estimate of costs provided by councils was \$26.7 million in 2021–22.

Under the Crown Lands Act 1989, councils have full responsibility to maintain crown reserves under council management and are expected to subsidise shortfalls in maintenance cost from general revenue. This is considered appropriate as the benefits from crown reserves under council management generally accrue to the local community. However, as a result, councils should also be entitled to any current or potential revenue from crown reserves that is required to cover maintenance and improvement cost (e.g., revenue from refreshment facilities, telecommunication facilities). The NSW Government will on occasion take over allowable revenue raising activities on council managed crown reserve land (not including national parks) or will require councils to transfer revenue from council managed crown reserve land to the State Government.

Of the 68 councils surveyed, 22 estimated the lost revenue at \$14.8 million in 2021–22. A further 27 councils were not able to reliably estimate the costs and 19 councils advised that this item didn't apply to them. This estimate does not represent the total net cost of managing (maintaining) crown lands. Nor does it include in transfers associated with the caravan park levy. Only any action by the State Government to limit revenue raising capacity or require the transfer revenue to the State Government has been considered cost shifting.

### 3.9 Future survey considerations

We asked councils what other areas that should be considered for future surveys. The key areas that respondents identified as costs to be captured in future surveys included:

- Monopoly services costs:
  - NSW Audit Office being the monopoly on local government external audits.
  - NSW Electoral Commission holding a near monopoly on council election administration.
- Cost of Joint Regional Planning Panels (JRPPs) requirement to access councils DAs as per mandated policy.
- Costs of mandatory On-Line Planning Portal – Implementation and ongoing operational costs.
- The Sydney Regional Development Fund Levy.
- Costs associated with Forestry NSW and impact of logging on council owned infrastructure. Rates foregone on State Forest land.
- Capturing the additional cost of Emergency Services administration staff.
- Heritage advisor costs, whilst there is some grant funding towards this it still needs to be administered by council who hand out the grant funds and do general administration.
- Cost involved in Special Variations applications given that councils have to undertake this process to recover costs shifted. This is a lengthy and resource intensive process, which is particularly challenging for smaller councils.
- Net cost of Street Lighting (Less subsidy from Transport for NSW).

- Cost of ongoing maintenance associated with the Community Water Bore program from early 2000s (the program was in conjunction with NSW Office of Water).
- Cost of management of overabundant native species doing damage to infrastructure. This is a NSW government function which is not being undertaken by the State and therefore some councils are doing it.
- Crown Land right to native title compensation (falling to Councils instead of the State).
- Any costs imposed by Service NSW (e.g., disability parking).
- Costs of sharing of facilities especially with Department of Education (schools, parks, playgrounds etc).
- Costs of maintaining State facilities that are located on Crown land.
- Provision of stormwater trunk drainage.

These additional items will need to be validated in terms of the details of what is entailed and whether they are indeed cost shifts before inclusion in any future survey.

We also recommend that some items in the current survey be considered for exclusion in future survey on the basis that they are onerous for councils to quantify and do not materially contribute to the total estimated cost shift for councils, nor are they expected to increase over time. The following items should be reviewed for exclusion:

- Road safety program (Q7) – (0.5% of total cost shift estimate).
- Onsite sewer facilities (Q10) – (0.4% of total cost shift estimate).
- Immigration and citizenship services (Q16) – (0.1% of total cost shift estimate).
- Waste management license fee (Q29) – (0.03% of total cost shift estimate).



## 4 About the survey

This section outlines the methodology employed to develop and administer the 2021–22 cost shifting survey.

### 4.1 Development of the survey

The last cost shifting survey of NSW councils was undertaken with 2015–16 financial data. We have used this last survey as the starting point for the 2021–22 Cost Shifting Survey questions. We undertook a review of the previous questionnaire guided by the following guiding principles:

- Ensure that questions are still relevant.
- Where possible maintain questions so that there can be direct year on year comparisons if required.
- Ensure that interpretation of questions is understood and consistent across all councils.
- Identify new areas of cost shifting where required.

An initial review of questions was undertaken by the project team, consisting of Morrison Low and LG NSW staff. We also established a working group that included representatives of senior leaders and financial staff of a cross section of rural, regional, and metropolitan councils. The working group undertook a review of the questions and provided their feedback through a facilitated workshop and feedback gathering tool. We also asked two leading local government academics to provide their feedback through email and one on one meetings on the questionnaire and our approach to understanding cost shifting in local government.

### 4.2 Conducting the survey

The final survey was provided in a Microsoft Excel format to councils on 17 April 2023 along with a request of councils' 2021–22 Financial Data Return (FDR), which contained council's audited financial Statement information. The FDR was used to gather a small amount of cost shifting information, but predominantly for data validation purposes.

### 4.3 Responses to the survey

Councils were asked to return their survey responses and FDRs by 8 May 2023. Some councils requested extensions to this date, which were granted up to 19 May 2023. A total of 75 out of 128 councils provided completed surveys (a 58.6% response rate), although not all answers were completed by all responding councils. Only 72 councils provided their FDRs, as three councils were still finalising their 2021–22 financial Statements at the time of survey completion date.

### 4.4 Data validation and analysis

Data validation included review of outliers both in total terms as well as a proportion of the council's proportion of total operating expenditure. Where possible, we also compared survey responses with councils FDR data returns to understand if there may have been discrepancies or misinterpretations of questions. This

required us to seek further information and validation with some councils on their responses to some questions.

We also utilised State Government financial reports for the Emergency Services agencies to validate to estimate of the ESL against the contributions that these agencies reported in their financial Statements.

For most questions, we have used population as the basis for estimating the total cost shift to all NSW councils for the survey data received. For some we were able to directly estimate through published reports. For example, we used the State Library's 2021–22 report on local council libraries with included operating costs and subsidies received. For other questions, such as the waste levy, where it is not relevant to all councils and there are different levels of the levy between metropolitan and regional councils, we used populations within the relevant and group councils as a basis for estimating the total cost of the waste levy.

# **Attachment B**

**Cost Shifting Examples onto the City of  
Sydney for the Financial Year 2021/2022**

# LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2021/22

## Introduction and Rules

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Thank you for taking part in LGNSW's cost shifting survey.

### What are you asked to do?

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Please provide cost estimates and/or data for the given cost shifting examples you might want to add for the financial year 2021/22 subject to the rules outlined below.

Accurate data is critical to producing quality analysis and strong advocacy on the issue of cost shifting to NSW councils

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Please read and/or make sure that the relevant officer reads the entire survey question when calculating your estimate. Some questions require complex calculations. Many errors occur because questions are not fully understood. Please contact **Shaun McBride** for clarification on **02 9242 4072**, or at [costshifting@lgnsw.org.au](mailto:costshifting@lgnsw.org.au).

Estimate the net direct annual cost to council including depreciation, do not include overhead allocations or capital costs

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Please estimate/calculate the annual ongoing net operational cost for your council of the cost shifting examples. Net ongoing cost generally refers to the total annual cost of providing the service/function (operational and administrative) less any annual revenue related to the provision of the service/function (e.g. grants or subsidies from state or commonwealth government, fees or contributions collected by councils).

Your estimate should include any depreciation expense on assets directly used in the provision of the service or function outline in the cost shifting example.

Do not apportion corporate overheads to any items when determining your estimate.

Unless otherwise stated, do not include any capital expenditure in your estimate.

Complete all the questions

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Please ensure that all the survey questions are answered, either by placing an estimate (in dollars NOT thousands) in estimate cell or selecting a reason for not providing an estimate.

Please provide any comments in the comments section of the survey.

Attach Financial Data Return (FDR) file

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Please ensure that when you submit the survey questionnaire you also provide the Financial Data Return file (as submitted to Office of Local Government NSW).

# LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2021/22

## Council and Completing Officer Information

---

Council	Please select: <u>City of Sydney</u>
Name of completing officer	<u>Bob Wallace</u>
Position	<u>Manager, Financial Planning and Reporting</u>
Direct telephone number	<u>+612 9246 7543</u>
Email address	<u>rwallace@cityofsydney.nsw.gov.au</u>

# LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2021/22

## Cost Shifting Examples

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
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### Emergency Services Levy: Fire & Rescue NSW, Rural Fire Service NSW and State Emergency Service

In this section, it is expected to include the amount of the emergency services levy as invoiced from Revenue NSW.

**Emergency services levy:** as invoiced from Revenue NSW.

Q1	\$4,807,899		As per statement
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### Pensioner Rebates

This section captures the costs to councils of the pensioner concession rebates, both through the net cost to council of the mandatory pensioner rate rebate and the other voluntary pensioner rate rebates that Council have voluntarily implemented.

**Mandatory pensioner rate rebate:** Net cost incurred by Council due to the mandatory pensioner rebates for rates and charges. That is the total amount of the mandatory concession minus the State reimbursement. Do not include any additional rebate that Council has resolved to apply to rates in addition to the mandatory amount.

Q2	\$301,689		
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**Voluntary pensioner rate rebate:** Net cost incurred by Council for voluntarily increasing the pensioner rate rebate above the mandatory amount. Council's Financial Data Return (FDR) provides the total amount of the total cost of the pension rate rebate to Council and the amount of the subsidy received.

Please provide only the amount of the rebate for pensioners on rate only that Council has determined to provide to pensioners in excess of the mandatory amount.

Q3	\$2,853,489		
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### Funding Programs

This section captures the net additional cost to councils of programs that commenced with partial or full funding from State or Federal Government. Over time these funding commitment have reduced or ceased, but the expectation for councils to continue to deliver the associated service have remained.

#### Public library operations:

Total operational expenditure for libraries (include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure).

Q4	\$20,827,594		
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State Government subsidy received for library services.

Q5	\$715,362		
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**Flood mitigation program:** Cost representing the proportion of expenditure that was not funded by other levels of government but would have been funded had the original funding arrangement been applied (originally the Australian Government and State Government provided 80% of the required funds; whereas now the Australian Government provides one third and the State Government is required to provide another one third, and the rest has to be made up by council). Please estimate shortfall in actual funding from other levels of government in comparison with what council would have obtained under the original funding arrangement. Please only include activities that are eligible for or receive funding from other levels of government under the flood mitigation program. Please include in your calculation funding for infrastructure projects. Do not include the costs and funding associated with any flood recovery programs.

Q6	\$30,000		
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**Road safety:** Net cost of road safety officer/road safety program incurred due to the NSW Government's (TfNSW) withdrawal of funding or cost of net contribution to other authorities that provide such officer/program.

Q7	\$130,224		
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### Regulatory Functions

This section captures the costs to councils of being restricted in seeking full cost recovery on regulatory functions imposed by State legislation, either through the absence of a fee, inability to increase ordinary rates (except through a Special Rate Variation

**Rural fire service obligations:** Operating cost of services/functions under the Rural Fires Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Includes net cost of assistance provided to the Rural Fire Service to fight bushfires declared under s44 of the Rural Fires Act (NSW) 1997 on any land within the council area. Do not include Emergency Services Levy (already covered in question above). Do not include depreciation expense on red fleet assets (the question will be covered below). Note: Councils are required to administer and remedy complaints about fire hazards on council property, and to map and administer bushfire prone land (e.g. asset protection work, fire trails).

Q8		Not applicable	NA
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**Rural fire service depreciation:** Please include depreciation expenses on red fleet assets.

Q9		Not applicable	NA
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**Onsite sewer facilities:** Operating cost of services/functions less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Note: Councils are required to regulate the installation, approve and monitor the operation and keep a register of all on-site sewage management systems (section 68 of the Local Government Act (NSW) 1993).

Q10		Not applicable	NA
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**Companion animals:** Operating cost of services/functions under the Companion Animals Act (NSW) 1998 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure. Note: Councils' role was expanded from a pure enforcement role to a regulatory body with functions including preparation of companion animal management plan, operation of lifetime registration system, separation of cats and dogs, maintaining facilities, enforcement, and the collection of fees for the Office of Local Government which returns only a small proportion of those fees to Local Government.

Q11	\$146,195		
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**Contaminated land management:** Operating cost of services/functions under the Contaminated Land Management Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Note: Councils are required to respond to contaminated land issues, undertake the administration, registration and mapping of contaminated sites not regulated by the NSW Environment Protection Authority, develop policies, and consider contamination in land-use planning processes.

Q12	\$200,000		Estimate
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**Protection of environment operations:** Cost of services/functions under the Protection of the Environment Operations Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Note: Councils are required to administer the licensing system and enforce protective regulation (issuing of environmental notices, prosecution of environmental offences, undertaking of environmental audits) in relation to all non-scheduled activities not regulated by the NSW Environment Protection Authority.

Q13		Not applicable	NA
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**Noxious weeds:** Operating cost of services/functions as the control authority for noxious weeds less any revenue related to them (fees, state government payments/subsidies) or cost of net contributions to other authorities for reasonably necessary regulation

# LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2021/22

## Cost Shifting Examples

of noxious weeds on land other than council land and council managed Crown land. Only includes necessary costs that cannot be recovered as a result of regulatory constraints. For Councils who are a member of a County Council please include contribution cost amounts.

Does not include cost of other environmental weeds control or general bushland care.

Note: Councils are required to regulate and control noxious weeds pursuant to the Noxious Weeds Act (NSW) 1993 and s183 of the Local Government Act (NSW) 1993.

**Development applications:** Cost of processing development applications under the Environmental Planning and Assessment Act (NSW) 1979 and associated regulations less any revenue related to this function (e.g. development application fees, state government payments/subsidies). Please estimate the amount of costs of processing development applications that cannot be recovered through development application fees or any other related income. Please include costs associated with services by other agencies (e.g. initial fire safety reports from the NSW Fire Brigades, s144 of the Environmental Planning and Assessment Regulation (NSW) 2000).

### Filling a service gap

This section captures costs incurred by councils in providing services as a result of insufficient service provision by another level of government or a market failure of a subsidised or privatised public service.

For each cost shifting example that is relevant to your council, please provide a brief description on the service shortfall that the council is providing.

**Immigration and citizenship services:** Net cost providing immigration and citizenship services necessary on behalf of other levels of government (e.g. citizenship ceremonies). Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

**Crime prevention / policing:** Net cost providing crime and policing services necessary because of insufficient services by other levels of government (i.e. CCTV surveillance, security patrols, other crime prevention actions or strategies in place). Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

Note: only applies to crime prevention or policing activities that should have been undertaken by other spheres of government (e.g. police). It should not include council activities to protect community from other risks (e.g. surfer and swimmer injuries (beach patrols), safety at council events, or security of council facilities).

**Medical services:** Net cost providing medical services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

**Aged care:** Net cost providing aged care services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

**Disability care:** Net cost providing disability care services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

**Childcare:** Net cost providing childcare services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

**Transport services:** Net cost providing transport services necessary because of insufficient services by other levels of government. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).

Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.

Note: only applies to transport activities that should have been undertaken by other spheres of government (e.g. Transport for NSW). It should not include council activities that are the functions of council (e.g. roads and transport infrastructure).

### Other services description:

Safe City Program - City Life
Homelessness is a complex issue with no single solution. Our homelessness unit works 7 days a week to reduce homelessness and its impact in Sydney. Working in partnership with government, non-profit organisations and the corporate sector, we aim to: - facilitate rough sleepers out of homelessness - prevent people from becoming entrenched in homelessness - help reduce homelessness in other regions - make sure people are assisted out of homelessness quickly - enact a compassionate and proactive approach to the management of public space.
Resilient Sydney

### Rate exemptions

This section captures the cost of provide rate exemptions on government and other properties.

**Government-owned property exemptions:** Estimation of the rates revenue that would be applied to government owned properties within the LGA. Do not include National Parks.

**Non-government-owned property exemptions:** Estimation of the rates revenue that would be applied to non-government owned properties within the LGA (churches/religious institutions, private schools, private hospitals, private retirement villages, etc).

**Voluntary conservation agreements:** Estimation of rates revenue that would apply to rate exempted properties as a result of voluntary conservation agreements. Note: Pursuant to section 555 of the Local Government Act (NSW) 1993, land (or the proportion of the landholding) that is subject to a voluntary conservation agreement between the landowner and the relevant NSW Minister (environment portfolio) under section 69 of the National Parks and Wildlife Act (NSW) 1974 is exempt from all council rates.

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
Q14	\$10,000		Estimate
Q15	\$8,800,825		
Q16	\$100,000		Estimate
Q17	\$2,349,000		Estimate
Q18	\$175,000		Estimate community sharps bins
Q19	\$900,393		
Q20		Not applicable	NA
Q21	\$2,027,400		
Q22	\$50,000		
Q32	\$1,105,951		
Q33	\$2,300,000		<a href="https://www.cityofsydney.nsw.gov.au/strategies-action-plans/homelessness-action-plan">https://www.cityofsydney.nsw.gov.au/strategies-action-plans/homelessness-action-plan</a>
Q34	\$300,000		Estimate
Q35			
Q36			
Q23	\$21,392,238		
Q24	\$9,719,391		
Q25	\$0		

# LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2021/22

## Cost Shifting Examples

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
<b>Community housing:</b> Estimation of rates revenue that would apply to rate-exempted properties managed by Community Housing Providers.	Q26 \$326,090		
<b>Other cost-shifting examples</b> This section captures the cost shifting examples that do not fit into any of the above categories.			
<b>TfNSW road reclassifications:</b> Net operational cost associated with all roads transferred to council under the Transport for NSW (formerly RMS) reclassification of regionally important roads as local roads or state-important roads as regional or even local roads (since the significant reclassifications in the early 1990s). This is supposed to measure the ongoing maintenance and depreciation cost (or annualised renewal cost) associated with all roads so transferred since the 1990s – not about the cost associated with transfers in any one year. Any compensation received in association with a reclassification need to be deducted for a net operational cost.	Q27	Unable to reliably estimate	Unknown
<b>Waste levy:</b> Cost of paying levy to the NSW Government dependent on the amount of waste produced by council less any amounts recovered through "Waste Less Recycle More" program grants. The waste levy applies to the Sydney metropolitan area; the Illawarra, Hunter and Central Coast area (extended regulated area); and the area including the Blue Mountains, Wollondilly and local government areas along the coast north of Port Stephens to the Queensland border (regional regulated area).	Q28 \$5,900,000		
<b>Waste management site license fee:</b> Cost of license fee (administrative fee, no load based fee) to be paid to State Government. Note: Councils are required to pay this fee council as polluter under the Protection of the Environment Operations Act (NSW) 1997.	Q29	Not applicable	NA
<b>Crown land reserve management:</b> Cost associated with the NSW Government taking over allowable revenue raising activities on council managed crown reserve land (does not include national parks) or with requirements to transfer revenue from council managed crown reserve land to the State Government. This does not represent the total net cost of managing (maintaining) crown lands. Does not include in transfers associated with the caravan park levy. Under the Crown Land Act (NSW) 1989, councils have full responsibility to maintain crown reserves under council management and are expected to subsidise shortfalls in maintenance cost from general revenue. This is considered appropriate as the benefits from crown reserves under council management generally accrue to the local community. However, as a result, councils should also be entitled to any current or potential revenue from crown reserves that is required to cover maintenance and improvement cost (e.g. revenue from refreshment facilities, telecommunication facilities). Any action by the State Government to limit revenue raising capacity or require the transfer revenue to the State Government are considered cost shifting. Does not include any surplus revenue over and above the total amount of maintenance and improvement cost for all of your crown reserve land.	Q30	Not applicable	NA
<b>Additional committee governance:</b> Cost of increased governance and administration associated with the requirements of council to establish and run an Audit Risk & Improvement Committee (ARIC), a Local Planning Panel (LPP), or other required oversight committee.	Q31 \$183,395		Excludes any superannuation to claims for prior years
<b>Other ideas for future consideration</b>			
Crown Land right to title compensation (falling to Councils instead of the State)	Q37		
Anything imposed by Service NSW (e.g. disability parking)	Q38		
Sharing of facilities especially with Department of Education (schools, parks, playgrounds etc), maintaining State facilities that are located on Crown land. Provision of stormwater trunk drainage (e.g. Green Square - cost to City \$79M in capital expenditure), undergrounding or aerial bundling of cables, maintenance of traffic lights,			
Telecommunications Act. This is a Federal Act that empowers telecommunications carriers to undertake works. This in turn results in a lot of work for Councils – would be difficult to quantify. <ul style="list-style-type: none"> <li>Reviewing Land Access Activity Notices</li> <li>Quality of Restorations for underground assets – reduced asset lives</li> <li>Legal challenges</li> <li>Complexity in maintaining and upgrade our assets with telecommunications equipment</li> </ul> Some of these are the same for the legislation associated with other utilities that empower them to install equipment in our roads and undertake restorations like Gas Supply Act, Sydney Water act and Electricity supply act. These also have : <ul style="list-style-type: none"> <li>Notices of their activities</li> <li>Quality of Restorations for underground assets – reduced asset lives</li> <li>Legal challenges</li> <li>Complexity in maintaining and upgrade our assets</li> </ul>	Q39		

## Flagged items for future research/inclusion in future surveys

This section captures a number of items that are flagged for future research and/or inclusion in future surveys. Please provide your feedback on these items.

Description	Data collection (Please select)	Include (Yes/No)	Comments
<b>Social and affordable housing:</b> Net cost providing required social and affordable services necessary because of insufficient services by other levels of government. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure. Note: only applies to required social and affordable that should have been undertaken by other spheres of government (e.g. Housing NSW). It should not include council activities that are discretionary or functions of councils (e.g. land-use planning, development assessment).	Easy	Q40 Yes	
<b>Other regulated/statutory fees and charges:</b> excluding development assessment, capture the costs to councils of being restricted in seeking full cost recovery on other regulatory functions imposed by State legislation that include strategic planning, environmental health, compliance, animals, building, corporate governance, Filming and events, community services and other road related regulations, etc	Difficult	Q41 No	
<b>Development and Planning Assessment:</b> To capture the net cost of the ongoing use of the Planning Portal, imposed by state government	Easy	Q42 No	



# **Attachment C**

**United Services Union Letter Relating to  
Proposed Parliamentary Inquiries into  
Local Government Funding**

21 February 2024

By your side



Sydney City Council  
Ms Monica Barone  
Chief Executive Officer  
GPO Box 1591  
SYDNEY NSW 2001  
Email: [council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Dear Ms Barone,

I take this opportunity to advise Council that after a concerted campaign undertaken by the United Services union (USU) & LGNSW over the past 5 years, agreement has been reached with the Minns Labor Government on an Upper House Parliamentary Inquiry with terms of reference including but not limited to;

- How Councils are funded
- Cost Shifting
- Impacts of rate capping

As we understand the process, arrangements are now being made as to the makeup of the Inquiry positions, including the agreed detailed terms of reference that apply to the Inquiry.

The USU have insisted that every council across NSW must have an opportunity to appear before this Inquiry prosecuting the arguments around the debilitating effects of rate capping, cost shifting and all other cost implications effecting councils' ability to deliver the services that local communities require.

The USU strongly believes that the current funding model for NSW councils is seriously out of touch with council & community needs, this Inquiry will finally shine a spotlight upon this.

Secondly, I advise that for the past six years at a National level the USU/ASU/ALGA have been prosecuting arguments for change and improvements to federal funding of Local Government.

There are 527 Councils across the nation all dependant in some form on additional funding from the Federal Government (federal assistance grants, and others) the allocation methodology of these grants as we understand it are outdated, unfair, inconsistent and need a complete overhaul, again cost shifting, inconsistency and priorities are concerns.

As a result of this campaign I confirm that a Federal Standing Committee Inquiry has been agreed to with the Federal Labor Government and the terms of reference were agreed to last week and will soon be released publicly.

The USU seeks the support of your council in both Inquiries and can assure you that we will be supportive of councils across NSW to ensure that an appropriate modern financial funding model for all councils is achieved.

**UNITED SERVICES UNION**

**NSW LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES  
AND UTILITIES UNION**

T 1300 136 604  
E [united@usu.org.au](mailto:united@usu.org.au)  
[www.usu.org.au](http://www.usu.org.au)  
ABN 95 571 805 442

**Sydney Head Office**

Level 7, 321 Pitt St  
Sydney NSW 2000

**Regional Offices**

Newcastle, Wollongong

**Satellite Offices**

Armidale, Bathurst, Canberra,  
Dubbo, Grafton, Hay, Port  
Macquarie, Wagga Wagga

Communities deserve sustainable jobs and modern facilities in a modern Local Government sector, and you can't have those facilities without appropriate funding.

I am always available to discuss these issues as outlined above, should you wish to do so on mobile no. 0417 420 919.

Please email any written correspondence to [dpapps@usu.org.au](mailto:dpapps@usu.org.au)

Yours faithfully,



Graeme Kelly OAM  
GENERAL SECRETARY

cc. Lord Mayor Clover Moore [cmoore@cityofsydney.nsw.gov.au](mailto:cmoore@cityofsydney.nsw.gov.au)

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T 1300 136 604  
E [united@usu.org.au](mailto:united@usu.org.au)  
[www.usu.org.au](http://www.usu.org.au)  
ABN 95 571 805 442

**Sydney Head Office**  
Level 7, 321 Pitt St  
Sydney NSW 2000  
**Regional Offices**  
Newcastle, Wollongong

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Dubbo, Grafton, Hay, Port  
Macquarie, Wagga Wagga

**Item 4**

**Memoranda by the Chief Executive Officer**

There are no Memoranda by the Chief Executive Officer for this meeting of Council.

## **Item 5**

### **Matters for Tabling**

#### **5.1 Disclosures of Interest**

Disclosure of Interest returns that have been lodged in accordance with the City of Sydney Code of Conduct will be tabled.

#### **Recommendation**

It is resolved that the Disclosures of Interest returns be received and noted.

**Item 6**

**Report of the Corporate, Finance, Properties and Tenders Committee - 4 March 2024**

**Item 6.1**

**Confirmation of Minutes**

Moved by Councillor Kok, seconded by Councillor Davis –

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 12 February 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

## **Item 6.2**

### **Statement of Ethical Obligations and Disclosures of Interest**

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

The Corporate, Finance, Properties and Tenders Committee recommends the following:

**Item 6.3****Investments Held as at 29 February 2024**

It is resolved that the Investment Report as at 29 February 2024 be received and noted.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X020701



The Corporate, Finance, Properties and Tenders Committee recommends the following:

#### **Item 6.4**

#### **Lease Approval - Mandible Street, Alexandria Properties**

It is resolved that:

- (A) Council approve a three-year lease renewal from 9 October 2024 to 8 October 2027 to Murrays Australia Pty Limited ABN 65 008 468 666 for 30 and 33-39 Mandible Street, Alexandria for the amount outlined in Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to finalise the terms of this proposal and to negotiate, execute and administer the lease relating to the proposal in accordance with the Confidential Attachment A to the subject report.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

X039615

The Corporate, Finance, Properties and Tenders Committee recommends the following:

### **Item 6.5**

#### **Lease Approval - 343 George Street, Sydney**

It is resolved that:

- (A) Council note the lease proposal information for 343 George Street included in Confidential Attachment A to the subject report;
- (B) Council approve the granting of a lease for 343 George Street 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.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

S096173.016

The Corporate, Finance, Properties and Tenders Committee recommends the following:

### **Item 6.6**

#### **Tender - T-2023-1033 and Contract Variation - 343 George Street Façade Remediation Stage 2**

It is resolved that:

- (A) Council accept the tender of Tenderer B for 343 George Street Façade Remediation and Lighting Project - Stage 2 for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) Council note that the total contract sum and contingency for the 343 George Street Façade Remediation and Lighting Project - Stage 2 is outlined in Confidential Attachment A to the subject report;
- (C) Council approve additional contract contingency for the Head Design Consultancy Contract for additional design services during the construction stage of 343 George Street Façade Remediation and Lighting Project - Stage 2 as outlined in Confidential Attachment A 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 contract variation for 343 George Street Façade Remediation and Lighting Project - Stage 2; and
- (E) Council approve the additional funds required for the delivery of 343 George Street Façade Remediation and Lighting Project - Stage 2 as outlined in Confidential Attachment A to the subject report.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

X011030.001

The Corporate, Finance, Properties and Tenders Committee recommends the following:

## Item 6.7

### Exemption from Tender and Contract Variation - Green Square Water Reuse Scheme

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the contract to Sydney Water Corporation for the operation and maintenance of the Green Square Water Reuse Scheme (GSWRS);
- (B) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
  - (i) operators of water infrastructure and suppliers of water in NSW must hold relevant licences under the Water Industry Competition Act 2006 specific to the particular scheme, which take an estimated two years to obtain;
  - (ii) Sydney Water Corporation is the current operator of the Green Square Water Reuse Scheme and, as a nominated public water utility in the Water Industry Competition Act 2006, is exempt from the requirement to obtain licences for this scheme; and
  - (iii) it is not possible to procure an alternative operator prior to the exhaustion of the current total value, meaning the only other option is to cease operating the scheme;
- (C) Council approve the variation to increase the total contract value of the contract with Sydney Water Corporation for the operation and maintenance of the Green Square Water Reuse Scheme, as detailed at Confidential Attachment A to the subject report;
- (D) Council note that the revised total contract value for this contract is outlined in Confidential Attachment A to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer the variation to the contract to give effect to the resolutions above.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X094239.001

The Corporate, Finance, Properties and Tenders Committee recommends the following:

## Item 6.8

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

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;
  - (iii) cost to take the arrangement to market would be disproportionate to the potential value of change; and
  - (iv) a lack of availability of alternative suppliers;
- (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 to the subject report;
- (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.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

S064539

The Corporate, Finance, Properties and Tenders Committee recommends the following:

## Item 6.9

### **Exemption from Tender and Contract Variation - Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals**

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals to extend the term of the existing contract to 30 June 2027 (37 months and 13 days) with an optional further 12-month extension (30 June 2028);
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
  - (i) the Commonwealth Government's funding model announcement (expected July 2027) is likely to have significant changes in how grant funding is allocated (post July 2027);
  - (ii) significant uncertainty will continue in the market until the funding model changes are implemented; and
  - (iii) market testing has indicated a lack of suppliers capable of meeting the City's requirements;
- (C) Council approve a contract variation for Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals to:
  - (i) increase the contract value to accommodate an increased need to procure meals through the life of the contract, as shown in Confidential Attachment A to the subject report;
  - (ii) extend the contract by a further three years one month and 13 days to 30 June 2027 to align with the Commonwealth Home Support Grant and enable a tender process to take place in line with any changes to funding provided by the Commonwealth;
  - (iii) include a 12-month option (1 July 2027 to 30 June 2028) as a contingency should the Commonwealth's aged care reforms be further delayed; and
  - (iv) include a five per cent contingency on the extended contract value to allow the service to meet increased community need;
- (D) Council note the total contract sum and contingency for Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals is outlined in Confidential Attachment A to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute, administer the variation to the contract and enter into any necessary documentation with the current supplier to give effect to the resolutions above.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Chan, and carried unanimously.)

S074367

**Item 7**

**Report of the Environment Committee - 4 March 2024**

**Item 7.1**

**Confirmation of Minutes**

Moved by Councillor Worling, seconded by Councillor Kok –

That the Minutes of the meeting of the Environment Committee of Monday 12 February 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

## **Item 7.2**

### **Statement of Ethical Obligations and Disclosures of Interest**

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter on the agenda for this meeting of the Environment Committee.



The Environment Committee recommends the following:

### **Item 7.3**

#### **Project Scope - Dixon Street Upgrade**

It is resolved that Council:

- (A) endorse the scope of works for Dixon Street upgrade as describe in the subject report and as generally indicated at Attachment B to the subject report for progression to detailed design, documentation and construction of works; and
- (B) note the financial implications as outlined in Confidential Attachment D to the subject report.

(Note – at the meeting of the Environment Committee, this recommendation was moved by Councillor Worling, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X097162

#### **Speaker**

Kevin Cheng (Soul of Chinatown) addressed the meeting of the Environment Committee on Item 7.3.

The Environment Committee recommends the following:

**Item 7.4**

**Revised Project Scope - Sydney Park Brick Kilns Precinct Renewal**

It is resolved that Council:

- (A) endorse the revised scope of works to Sydney Park Brick Kilns Precinct Renewal as described in the subject report and shown in Attachment A to the subject report, for progression of tendering and construction; and
- (B) note the financial implications as outlined in Confidential Attachment B to the subject report.

(Note – at the meeting of the Environment Committee, this recommendation was moved by Councillor Worling, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X082505.008

**Item 8**

**Report of the Housing For All Committee - 4 March 2024**

**Item 8.1**

**Confirmation of Minutes**

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

That the Minutes of the meeting of the Housing For All Committee of Monday 6 November 2023, as circulated to Councillors, be confirmed.

Carried unanimously.

## **Item 8.2**

### **Statement of Ethical Obligations and Disclosures of Interest**

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter on the agenda for this meeting of the Housing For All Committee.

The Housing For All Committee recommends the following:

### Item 8.3

#### **Grants and Sponsorship - Affordable and Diverse Housing Fund - William Booth House Redevelopment, Surry Hills**

It is resolved that:

- (A) Council approve a \$3,000,000 (excluding GST) cash grant to The Trustee for the Salvation Army (NSW) Social Work to support the redevelopment of William Booth House located at 56-60 Albion Street, Surry Hills for the purposes of residential rehabilitation services as outlined in Attachment A to the subject report, and subject to the following conditions:
- (i) Council reserves the right to withdraw the grant offer:
    - (a) if the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines; or
    - (b) if The Trustee for the Salvation Army (NSW) Social Work is not able to demonstrate that funding is available to the agreed value of the project within 18 months of Council approval of this grant;
  - (ii) the grant funds are only to be paid when all of the following are satisfied:
    - (a) no sooner than 1 July 2024; and
    - (b) when a Construction Certificate for the project has been issued;
  - (iii) the City reserves the right to require the grant to be repaid in full indexed annually by CPI if:
    - (a) The Trustee for the Salvation Army (NSW) Social Work does not achieve practical completion of the development by 27 June 2028; or
    - (b) the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project as outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines;
  - (iv) the property supported though this grant will remain as residential rehabilitation services as outlined in Attachment A to the subject report into the future to fulfil the aims of the Affordable and Diverse Housing Fund, unless Council exercises a right under paragraph (i) or (iii) above; and
  - (v) the City will require a covenant to be registered on the land title to protect the land use referred to in paragraph (iv) unless the grant funds are repaid in accordance with paragraph (iii); and
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations, execute and administer a grant agreement with The Trustee for the Salvation Army (NSW) Social Work relating to the project described and on the terms described in A).

(Note – at the meeting of the Housing For All Committee, this recommendation was moved by Councillor Ellsmore, seconded by the Chair (the Lord Mayor), and carried unanimously.)

**Speakers**

Andrew Hill (Salvation Army) and Matt Fisher (Salvation Army) addressed the meeting of the Housing For All Committee on Item 8.3.

**Item 8.4****City of Sydney Affordable Housing Contributions Distribution Plan**

The Housing For All Committee decided that consideration of this matter shall be deferred to the meeting of Council on 11 March 2024.

**Officer's Recommendation**

The officer's recommendation to the Housing For All Committee was as follows -

It is resolved that:

- (A) Council approve the City of Sydney Affordable Housing Contributions Distribution Plan, shown at Attachment A to the subject report, noting it will come into effect on 1 July 2024;
- (B) Council repeal the City of Sydney Affordable Housing Contributions Interim Distribution Plan, that was adopted by Council in June 2023, but that has not yet come into effect; and
- (C) authority be delegated to the Chief Executive Officer to make minor variations to the City of Sydney Affordable Housing Contributions Distribution Plan to correct any minor errors prior to finalisation.

**Officer's Report**

The officer's report on this matter can be found at Item 4 on the agenda of the meeting of the Housing For All Committee on 4 March 2024.

X100083

**Speakers**

Leonie King (City West Housing), Robin Fletcher (St George Community Housing), Andrew Brooks (St George Community Housing), and Simone Parsons (Bridge Housing) addressed the meeting of the Housing For All Committee on Item 8.4.

**Item 9**

**Report of the Cultural and Creative Committee - 4 March 2024**

**Item 9.1**

**Confirmation of Minutes**

Moved by Councillor Gannon, seconded by Councillor Worling –

That the minutes of the meeting of the Cultural and Creative Committee of Monday 6 November 2024, as circulated to Councillors, be confirmed.

Carried unanimously.



## **Item 9.2**

### **Statement of Ethical Obligations and Disclosures of Interest**

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter on the agenda for this meeting of the Cultural and Creative Committee.

The Cultural and Creative Committee recommends the following:

### Item 9.3

#### Grants and Sponsorship - Accommodation Grant Program - Museum of Chinese in Australia

It is resolved that:

- (A) Council approve a new subsidy level for Museum of Chinese in Australia Limited at 744 George Street, Haymarket for Option Year 1 and Option Year 2 of its current lease (which commenced 21 April 2021) on the following rental subsidy:

Lease year	Period	Market Rent	Subsidy Level	Subsidy Amount	Rent payable
Option Year 1	April 2024	\$639,729	100%	\$639,729	\$0
Option Year 2	April 2025	\$658,921	100%	\$658,921	\$0

- (B) authority be delegated to the Chief Executive Officer to enter into any documentation required to vary the lease for Option Year 1 and Option Year 2 to reflect the new rental subsidy;
- (C) Council approve an Accommodation Grant for Museum of Chinese in Australia Limited at 744 George Street Haymarket for five years from April 2026 to April 2030 with an option for a further term of five years;
- (D) Council note that the rent and subsidy level of the lease term and option commencing in April 2026 cannot be calculated now, but the amount of the Accommodation Grant in the form of a rental subsidy will be a maximum of:

	Maximum subsidy
Year 1	\$658,328
Year 2	\$678,078
Year 3	\$698,420
Year 4	\$719,373
Year 5	\$740,954
Year 6	\$763,182
Year 7	\$786,078
Year 8	\$809,660

Year 9	\$833,950
Year 10	\$858,969

- (E) authority be delegated to the Chief Executive Officer to finalise the Accommodation Grant to Museum of Chinese in Australia Limited provided that the maximum subsidy is no more than the amounts set out at (D);
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the lease agreement for years 2026 to 2030 with an option for a further five-year term with the Museum of Chinese in Australia Limited for 744 George Street, Haymarket;
- (G) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipients will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution; and
- (H) Council note that at expiry of option term, there is opportunity for future renewal according to the usual Accommodation Grants program process.

(Note – At the meeting of the Cultural and Creative Committee, this recommendation was moved by Councillor Gannon, seconded by Councillor Davis, and carried unanimously.)

X035101

**Speaker**

Daphne Lowe Kelley (Museum of Chinese in Australia) addressed the meeting of the Cultural and Creative Committee on Item 9.3.

## **Item 10**

### **Report of the Transport, Heritage and Planning Committee - 4 March 2024**

#### **Item 10.1**

##### **Confirmation of Minutes**

Moved by Councillor Chan, seconded by Councillor Worling –

That the Minutes of the meeting of the Transport, Heritage and Planning Committee of Monday 12 February 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

#### **Item 10.2**

##### **Statement of Ethical Obligations and Disclosures of Interest**

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter on the agenda for this meeting of the Transport, Heritage and Planning Committee.

The Transport, Heritage and Planning Committee recommends the following:

### **Item 10.3**

#### **Fire Safety Reports**

It is resolved that Council note:

- (A) the contents of the Fire Safety Report Summary Sheet, as shown at Attachment A to the subject report;
- (B) the inspection reports by Fire and Rescue NSW, as shown at Attachments B to F to the subject report;
- (C) the contents of Attachment B and exercise its power under the Environmental Planning and Assessment Act 1979 to issue a Fire Safety Order at 10-24 Flinders Street, Darlinghurst;
- (D) the contents of Attachment C and not exercise its power under the Environmental Planning and Assessment Act 1979 to issue a Fire Safety Order at 6/4 Huntley Street, Alexandria at this time;
- (E) the contents of Attachment D and not exercise its power under the Environmental Planning and Assessment Act 1979 to issue a Fire Safety Order at 316 Elizabeth Street, Surry Hills at this time;
- (F) the contents of Attachment E and not exercise its power under the Environmental Planning and Assessment Act 1979 to issue a Fire Safety Order at 208-218 Riley Street, Surry Hills at this time; and
- (G) the contents of Attachment F and not exercise its power under the Environmental Planning and Assessment Act 1979 to issue a Fire Safety Order at 20-28 Maddox Street, Alexandria at this time.

(Note – at the meeting of the Transport, Heritage and Planning Committee, this recommendation was moved by Councillor Chan, seconded by the Chair (the Lord Mayor), and carried unanimously.)

S105001.002

## Item 12

### Questions on Notice

#### 1. Parking Inspections in the City of Sydney

By Councillor Scott

##### Question

On 22 February 2024, 7NEWS reported that City of Sydney documents titled 'Parking Ranger Goals' expected parking inspectors to be 'highly productive' in issuing fines, and that the City of Sydney had given a statement to 7NEWS that parking inspectors had 'targets' with monthly productivity reports.

1. How many tickets does a City of Sydney parking inspector have to issue per month to meet their 'productivity target'?
2. What financial quantum of tickets does a City of Sydney parking inspector have to issue per month to meet their 'productivity target'?
3. What consequences are there for City of Sydney parking inspectors who do not meet their 'productivity target'?
4. Are any financial or non-financial incentives offered to encourage City of Sydney parking inspectors to meet or exceed their 'productivity target'?
5. Over the past five years, have any City of Sydney parking inspectors been disciplined, demoted or otherwise penalised for failing to meet their 'productivity target'?
6. What safeguards are in place to ensure City of Sydney parking inspectors, under pressure to meet their 'productivity target', do not issue tickets for trivial or marginal infringements?
7. Over the past 12-months, how many parking tickets issued by City of Sydney parking inspectors have been challenged or appealed?
8. Over the past 12-months, how many challenges or appeals against parking tickets issued by City of Sydney parking inspectors have been successful?
9. Broken down by financial year, what is the total income the City has received from parking tickets in each of the past twenty financial years?

X086668

## 2. Asbestos

By Councillor Scott

### Question

1. Please detail, for all City parks where asbestos has been found, the date which asbestos was laid.
2. Please detail, for all City parks where asbestos has been found, the date which asbestos was tested for.
3. Please detail, for all City parks where asbestos has been found, the date and time when asbestos was discovered.
4. Please detail, for all City parks where asbestos has been found, the date and time when the discovery of asbestos was communicated to:
  - (a) the Lord Mayor;
  - (b) Councillors;
  - (c) the media; and
  - (d) the public.
5. Please detail, for all City parks where asbestos has been found, what investigations the City has undertaken to trace the source of the mulch?
6. What investigations has the City undertaken to identify why we were not aware that contaminated mulch had entered the City's supply chain? In the past, the City has bugged our waste to investigate where it is being sent. Were similar steps taken with our mulch? If not, why not?
7. Given the NSW Environmental Protection Authority (EPA) has announced they are investigating possible asbestos contamination in mulch from a second supplier, what steps have been taken to ascertain which City facilities mulch from the second supplier has been used at?
8. Given recent reports that asbestos contaminated-mulch has been found has been found at a Queensland supplier, indicating the contamination crisis is far more wide-spread than initially believed, what steps has the City taken to identify all suppliers for all mulch used at City facilities?
9. Given the potential for the contamination of mulch with asbestos to have occurred at a much earlier date than originally thought, at which City facilities has mulch from either affected supplier been used within the last 12 months?
10. Has the City set up any measures to investigate the contamination?
  - (a) If yes, what is the composition of that team in FTE positions and at what level and what roles?
  - (b) If no, how many staff across the City are engaged in responding to the asbestos contamination crisis, in FTE positions and at what level and with what roles?

11. Given reports that the contaminated mulch included inappropriate building residue like plastic and metal as well as asbestos, what quality control measures did the City have to ensure rate-payers are getting safe and value-for-money product when the City purchases mulch, prior to the discovery of asbestos?
12. What quality control measures has the City now put into place to ensure no future contaminated mulch is used at City facilities?
13. Over the past 12-months, how many different suppliers have been engaged in the provision of mulch to City facilities?
14. What steps has the City taken to meet our duty-of-care to employees and contractors who have been potentially exposed to asbestos at City facilities over the past six months (or potentially longer) and who may well need long-term health monitoring?
15. What provisions have been made available for any future claim against the City?
16. What provisions have been made for testing?
17. What provisions have been made for staff time to manage the City's asbestos crisis?
18. What provisions have been made by the City's contractors for any future claim against them or the City?
19. What provisions have been made by the City's contractors for testing?
20. What provisions have been made by the City's contractors for staff time to manage the City's asbestos crisis?
21. What random testing has the City done, outside that recommended by the EPA?
22. Why has the City chosen to test the parks we have tested? Please list the parks and other sites tested, and on what date, with results.
23. How has the City triaged the sites to be tested?
24. The Lord Mayor provided an inaccurate measure of time and cost for testing all parks to Council on 4 March 2024. Did City staff provide this advice to her office? If not, where did these incorrect figures come from? If not, will staff undertake to provide corrected figures to Council?

X086668

### **3. Plaques**

By Councillor Scott

#### **Question**

1. What is the City's annual expenditure or budget for the creation and installation of plaques with the Lord Mayor's name and/or signature on them, broken down by financial year since 2004?



2. Please list, broken down by year, since 2004, where City plaques with the Lord Mayor's name and/or signature on them, have been installed.
3. Please include photos of all plaques.
4. Please detail the process for the selection of sites for the installation of plaques.
5. Please list, broken down by year, since 2004, where City plaques with any Lord Mayor's name and/or signature on them, have been removed. If any, please detail the cost.

X086668

#### **4. Status of Public Housing Redevelopment in the City of Sydney as at 11 March 2024**

By Councillor Ellsmore

##### **Question**

1. In answers to Questions on Notice tabled at the November 2023 Council meeting, Council advised the following development applications, modification applications and/or other planning proposals relating to public housing in the City of Sydney Local Government Area are proposed or underway:
  - (a) 17-31 Cowper Street Glebe;
  - (b) 14-36 Wentworth Park Road, Glebe;
  - (c) 82 Wentworth Park Road, Glebe;
  - (d) 600 Elizabeth Street Redfern; and
  - (e) Explorer Street South, Eveleigh.

Are there updates on the status of these projects?

2. In relation to 82 Wentworth Park Road, Glebe, please provide information on the timeline for demolition and construction.
3. Has there been conversations with the NSW Government regarding the future use of the old Glebe Fire Station at 113 Mitchell Street, Glebe? If so, please provide details.
4. Since November 2023, have any public housing sites in other parts of the Local Government Area been identified for potential planning changes, arising from other City of Sydney's strategic planning processes or reviews? If yes, please provide details.
5. Since November 2023, is the City of Sydney aware of any further proposals for the development of public housing in the Local Government Area (other than those noted above), that are not yet lodged but in early stages of planning, including consultation pre lodgement?

This includes expressions of interest for public housing sites which are the rezoning of the former NSW Government's public call for rezoning proposals for public housing sites.

6. Have there been any discussions between Council and the NSW Government in relation to changes to Council planning controls in relation to public housing in the Local Government Area generally (i.e. not related to one specific site) in the last three months? If yes, please provide details.

**5. Status of NSW Government Redevelopment and Rezoning on Public Land in the City of Sydney as at 11 March 2024**

By Councillor Ellsmore

**Question**

1. In answers to Questions on Notice tabled at the November 2023 Council meeting about current state significant planning proposals within the City of Sydney Local Government Area, a detailed table was provided. Since the answers to Questions on Notice in November 2023, could the Chief Executive Officer please advise:

- (a) Are there updates on the status of these projects?
- (b) Are there any additional development applications, modifications, or other form of planning proposals?

If yes, please provide details or updates in text or in the form of an updated table.

2. Since November 2023, have City staff had any further discussions with any NSW Government representatives about new, future or additional applications or state significant projects on public land in the Local Government Area,, including pre-DA discussions?
3. If yes:
  - (a) Which NSW Government agencies or representatives sought information or attended meetings?
  - (b) Which sites were discussed?
  - (c) What did the NSW Government advise regarding its intentions in relation to each site?
  - (d) What advice or information did Council provide?

X086664

## 6. Asbestos Contamination in City of Sydney Parks

By Councillor Jarrett

### Question

1. Did the tender documents and contracts for the provision and laying of mulch in any City of Sydney public space, include the requirement to comply with the appropriate Australian Standards and state laws?
2. Did those tender documents, and therefore, the contract for supply, and laying of mulch, in fact comply with both the Australian Standards and NSW law, with regards contamination with asbestos products?
3. If there is no specific requirement that the supply and installation of garden mulch must comply with the Australian Standards and the provisions of NSW environmental law in the tender documents or the City of Sydney's contract with the mulch supplier, why was that essential requirement not included?
4. What compliance actions were undertaken by the City of Sydney, before the contracts were certified as being complete and payment for their completion was authorised?
5. What compliance actions were undertaken by the City of Sydney to ensure compliance was maintained throughout the duration of its contract with the mulch supplier/s?
6. Why has there been no public comment from the City of Sydney on what investigations have been or are going to be conducted to determine the legality of the City's compliance with Australian Standards and NSW environmental law in regards to the finding of asbestos in our parks?
7. Under the terms of the *Local Government Act 1993*, all such unrealised liabilities must be reported in the Council's annual financial reports, and specific provision made for their potential. Has the City of Sydney identified the upper potential limits of its potential future legal liabilities from the potential breaches of state law and, made those potential liabilities public, and, if not, why not?
8. Is the asbestos incident covered by the council's public liability insurance and what impact on the future cost of that cover is made by any potential illegal action, or potential incompetence, of council undertaking their duties in this specific case?
9. Can ratepayers, and the general public using City of Sydney public spaces, be certain that this incident does not also extend to every garden bed installed and therefore maintained by City, in any footpath and along any road and in front of their homes within the City of Sydney Local Government Area, and if not, why not?

X086666

## **7. Costs of the 4 March 2024 Extraordinary Council Meeting**

By Councillor Gannon

### **Question**

1. What was the cost of hosting the extraordinary Council meeting on Monday 4 March 2024?
2. How many staff hours were dedicated to the meeting, including in producing briefing materials? What is the estimated cost of this?
3. Were any external guests paid to attend the extraordinary Council meeting or briefing session beforehand, including Carolyn Walsh or Dr Jeremy McNulty?
4. What was the additional cost of catering the meeting and briefing session?
5. How many senior staff attended the briefing session and extraordinary Council meeting? What is the estimated lost productivity of their attendance?
6. How many staff monitored the Council meeting remotely?

X086665

## **8. On-Street Dining**

By Councillor Gannon

### **Question**

1. What is the plan for on-street dining past 2025?
2. What is the annual cost of the hired crash street barriers?
3. Have investigations been made to find alternate solutions to these crash barriers?
4. What investigations have been made to replace the temporary crash barriers with semi-permanent or permanent solutions?
5. If a business installs decking on an on-street dining space, does the City contribute towards this cost?
6. After the expiry of the on-street dining entitlement in 2025, who is responsible for removing the decking?
7. What communication has been made to businesses about the expiry of on-street dining entitlements in 2025?

X086665

## **9. Cost of Removal, Relocation and Review of QMS Street Furniture**

By Councillor Weldon

### **Question**

1. What costs have the City of Sydney incurred as a result of the removal, relocation and review of QMS street furniture?
2. What additional costs are expected as a result of the removal, relocation and review of QMS street furniture?
3. Will the City of Sydney incur a loss of future revenue as a result of the removal, relocation and review of QMS street furniture?

X086670

**Item 13**

**Supplementary Answers to Previous Questions**

There are no Supplementary Answers to Previous Questions on Notice for this meeting of Council.

## Item 14.1

### Notices of Motion

#### Share the Dignity – Promotion 2024 Survey on Period Poverty

By Councillor Ellsmore

It is resolved that:

(A) Council note:

- (i) Share the Dignity is a national charity that promotes improved awareness of the economic, social and cultural issues associated with period management, and which works with institutions, girls and women to overcome them;
- (ii) Share the Dignity conducts a survey on period poverty called the 'Bloody Big Survey' every three years. The survey gathers information on menstrual management and guides its strategies and advocacy for improving menstrual equity;
- (iii) the 2021 'Bloody Big Survey' reached 125,000 people, making it one of the world's most extensive collections of menstruation data;
- (iv) findings from the 2021 survey and the related *Period Pride Report* found that period poverty disproportionately affects LGBTQIA+ and First Nations peoples. It reported that: 22 per cent of respondents had to improvise on period products due to cost; 48 per cent reported that they 'at least sometimes' missed class due to their periods; 65 per cent had missed sport due to their periods; 40 per cent 'at least sometimes' called in sick to work due to their periods; and 51 per cent missed out on socialising with their friends because of their periods; and
- (v) the 2021 results were noted by the City of Sydney Council at its 18 September 2023 meeting, with Council noting the impact of period poverty and considering opportunities to address it;

(B) Council also note:

- (i) Share the Dignity has written to Councils requesting that Councils assist in promoting the 2024 'Bloody Big Survey'. The 2024 survey will be open from 1 March to 31 May 2024; and
- (ii) specifically, assistance is sought to distribute the survey link internally among Council staff, and externally to relevant organisations working with people who may experience period poverty and through Council's public communication channels for the community; and

- (C) the Chief Executive Officer be requested to:
- (i) arrange for dissemination of the 'Bloody Big Survey' 2024 through appropriate internal and external Council networks, including to the general community through Council's online platforms where appropriate; and
  - (ii) liaise with Share the Dignity to ensure that the results of the Bloody Big Survey 2024, once known, are shared with Councillors and relevant Council staff, to help inform the Council's future work to address period poverty.

X086659



## Item 14.2

### Notices of Motion

#### Impact of Planning Reforms on Housing Affordability

By Councillor Ellsmore

It is resolved that:

- (A) Council note that:
- (i) the NSW Government has announced proposed planning changes to encourage more low and mid-rise housing near stations or centres. The proposed changes would apply to approximately 80 per cent of the City of Sydney Local Government Area;
  - (ii) the changes would work, in part, by overriding existing council planning controls;
  - (iii) the NSW Government has announced that key aims of the proposed reforms are to improve housing affordability and supply;
  - (iv) in response to the NSW Department of Planning, Housing and Infrastructure's release of an 'Explanation of Intended Effects: Changes to create low and mid-rise housing', the City of Sydney Council endorsed a submission at its 19 February 2024 meeting;
  - (v) the City of Sydney's submission outlines that the City of Sydney has achieved significant increases in density through rezoning and existing targets in recent years, is facilitating further growth in housing and supports National Housing Accord growth targets; and
  - (vi) however, the City of Sydney's submission identified that the proposed reforms are likely to have perverse outcomes, including:
    - (a) impacting supply by slowing down approvals; and
    - (b) impacting Council's ability to deliver affordable housing outcomes. Affordable housing requirements are not included in the low and mid-rise planning reforms;
- (B) Council further note that:
- (i) the NSW Government has not released modelling or data on how much their proposed reforms are likely to increase land values and the cost of housing;
  - (ii) when land is rezoned or greater height or density is permitted, it increases the value of land. A significant perverse outcome of the proposed planning reforms is that they will likely increase the land values and housing prices for those people who already own housing;

- (iii) this has been demonstrated in areas where land in the City has been rezoned to allow more height and density – even noting that the City has in place provisions to capture some of that value and redirect it to affordable housing - provisions would be bypassed under the proposed planning changes;
  - (iv) residents in the City of Sydney have already begun to receive inquiries from property developers offering to buy their properties at or above market values, demonstrating that the announcement of the proposed reforms has already increased the risk of further increasing property prices;
  - (v) depending on the projected increase in land and housing values from the reforms, any potential affordability gains from increasing supply could be dwarfed by increase in land and housing values stimulated by the reforms;
  - (vi) this outcome would also have the effect of widening the gap in housing inequality between existing home owners and investors, and those who do not own their own home; and
  - (vii) the NSW Upper House agreed to establish an inquiry into the planning reforms, following a motion by Greens MLA Sue Higgs on 23 February 2024;
- (C) the Chief Executive Officer be requested to:
- (i) if practical, include supplementary information to the City's submission about the potential impact on land values from the proposed reforms; and
  - (ii) provide a submission or otherwise participate in the NSW Parliament 'Inquiry into the Development of the Transport Oriented Development Program'; and
- (D) the Lord Mayor be requested to write to the Premier, the Treasurer and the Minister for Planning and Public Spaces to request the release of any modelling they have done regarding the effects of the proposed planning changes on land and house prices.

X086659

## Item 14.3

### Notices of Motion

#### Getiela Park – Ongoing Issues

By Councillor Jarrett

It is resolved that:

(A) Council note:

- (i) Getiela Synthetic Sportsfield, consisting of basketball courts and sports fields, is a shared-use recreation facility developed by the Department of Education and the City of Sydney;
- (ii) at the 26 June 2023 Council meeting, Councillor Jarrett moved a Notice of Motion asking Council to investigate the current operation of Getiela Synthetic Sportsfield. This Notice particularly asked the Chief Executive Officer to 'commission an external sound consultant to conduct acoustic testing at Getiela Synthetic Sportsfield on:
  - (a) a weekday evening during training on the field;
  - (b) the weekend during a men's football match;
  - (c) the basketball courts on a weekday evening; and
  - (d) the basketball courts on the weekendto ensure that the noise level and pollution is not exceeding residential noise limits and to determine whether the installation of a noise mitigation sound barrier wall would be beneficial for the residents surrounding the area.' This request was not carried;
- (iii) this Motion was amended and carried unanimously calling on the Chief Executive Officer to 'investigate residents concerns about noise, lighting, fence height, hours of use, after-hours access, and lack of toilets at Getiela, and report back to Council via the CEO Update on actions taken';
- (iv) in the 18 August 2023 CEO Update the investigations of Getiela Park's current operation concluded that 'staff have taken proactive measures including writing to and meeting with key hire groups to reinforce the need to comply with the conditions of use, including the need to respect the amenity of the neighbourhood. City staff have worked with the clubs and sporting associations to relocate the noisiest teams and continued breached may result in cancellation of the hire agreement';

- (v) at the December 2023 Council meeting, after continued numerous complaints about the unsustainable and unbearable extreme noise still coming from Getiela, Councillor Jarrett presented a Question on Notice which asked the Chief Executive Officer if the City had conducted an acoustic report or an investigation of a similar nature;
  - (vi) the response from the Chief Executive Officer stated 'the City does not undertake acoustic testing of its parks and recreation facilities and has no plans to undertake acoustic testing at Getiela sportsfield. The City's after hours call service shows that one to two calls per month were received in the last six months regarding after hours noise at Getiela. The City's security service visits the site three times per night to close and monitor the facility';
  - (vii) for the past few months email responses from the Chief Executive Officer have directed residents that "for any noise during Monday to Friday 6pm-10pm hours of use please email [getielasyntheticfield@cityofsydney.nsw.gov.au](mailto:getielasyntheticfield@cityofsydney.nsw.gov.au). Or call 9265 9182 (which is Perry Park)". This bypasses the City's after-hours service and completely undermines the City's current complaint figures for Getiela Park;
  - (viii) whilst the local residents support the use of Getiela Synthetic Sportsfield and basketball courts, they have extreme concerns about the current conduct and operation of the facilities during the usage of the field and courts particularly regarding:
    - (a) the current noise levels and anti-social behaviour exhibited by many of the current sports teams hiring the use of the field and using the courts; and
    - (b) the City's lack of enforceability of its Conditions of Use for noisy hirers and whistle usage;
  - (ix) the residents surrounding Getiela Park have now taken it upon themselves to keep an acoustic noise level log whereby at 7:30pm on Friday 19 January 2024 a men's soccer game reached 80dB which clearly breaches the accepted 50-55dB range for urban neighbourhoods;
  - (x) it is clear that despite the plethora of noise mitigation solutions available to the City that would not impact the ongoing use of the Sportsfield, the City does not consider the wellbeing and liveability of nearby residents a priority or a concern; and
  - (xi) it has now been almost 12 months since Getiela residents first raised this issue with Council and it is blatantly evident that the City has once again prioritised profits and ideology rather than the real mental, emotional and physical wellbeing of those proximate residents; and
- (B) the Chief Executive Officer be requested to:
- (i) commission an external sound consultant to conduct acoustic testing consistently over a period of two months at Getiela Synthetic Sportsfield on:
    - (a) a weekday evening during training on the field;
    - (b) the weekend during a men's football match;
    - (c) the basketball courts on a weekday evening; and

(d) the basketball courts on the weekend;

to ensure that the noise level and noise pollution is not exceeding residential noise limits;

- (ii) if the above acoustic report finding determines that the noise levels and noise pollution from the use of Getiela Sportsfield during any one of those accounts exceeds residential noise limits, investigate the installation of a noise mitigation sound barrier wall;
- (iii) streamline the advice provided to residents on which points of contact affected residents should use to lodge complaints and receive assistance from the City and circulate this to all previous complainants;
- (iv) write and issue an apology to the residents of Buckland Street for the City's severely delayed response in investigating all forms of appropriate noise mitigation options and for the severely negative effects the noise produced from the usage of Getiela has had on their mental, emotional and physical wellbeing;
- (v) review and amend the City of Sydney's Gatiela Synthetic Sportsfield Conditions of the Use to reflect the findings of the above recommendations; and
- (vi) report back to Council on all investigations mentioned above in a timely manner via CEO Update.

X086657

## Item 14.4

### Notices of Motion

#### Shared Use Agreement with Newtown High School of the Performing Arts

By Councillor Scott

It is resolved that:

- (A) Council note that the City's Open Space and Sporting Recreation Needs Study (2016):
- (i) identified that by 2021 an additional 14 fields would have been required to address current field supply issues (such as overuse) and to service the increasing resident and worker population;
  - (ii) identified that by 2031 an additional 20 fields will be required to address current field supply issues (such as overuse) and to service the increasing resident and worker population;
  - (iii) identified 91 outdoor, publicly accessible, full-sized sports courts located in the City of Sydney, 66 courts are marked for tennis, 26 courts marked for basketball, and 22 courts for netball, alongside 10 netball courts replaced by construction of a synthetic sporting field in Moore Park in 2016;
  - (iv) identified that the current supply of outdoor sports courts in the City is insufficient for tennis, basketball and netball;
  - (v) identified an additional 17 to 18 additional outdoor multi-use courts and four tennis complexes (four courts) are recommended to be provided by 2031; and
  - (vi) identified making better use of underutilised resources such as sporting fields and spaces on school grounds was an avenue to continue to explore;
- (B) Council note:
- (i) the City's successful shared use agreements with Newtown Public School, Alexandria Park Community School and Inner Sydney High School, which have delivered significant public benefit to City of Sydney school children and broader City communities;
  - (ii) that additional fields at Moore Park, Crescent Lands (half-field), Gunyama Park in Green Square, and Perry Park in Alexandria have been or are in the process of being delivered, but this does not meet forecast demand identified by the City's own study;
  - (iii) that additional multipurpose courts at Perry Park have been or are in the process of being delivered, but this does not meet forecast demand identified by the City's own study; and

- (iv) that the school leadership and P&C of Newtown High School of the Performing Arts have approached the City to seek support for a possible shared use agreement, covering their outdoor oval, basketball and other possible open space; and
- (C) the Chief Executive Officer be requested to explore possibilities for the City to enter into a shared use agreement with the Newtown High School of the Performing Arts, and bring any recommended items for funding back to Council as part of the future budget processes.

X086655

## Item 14.5

### Notices of Motion

#### Brown Street Community Hall Accessibility

By Councillor Scott

It is resolved that:

- (A) Council note:
- (i) following Covid and long lock-down periods, isolation and loneliness is at an all-time high, with local community gatherings often being a great form of social interaction and sense of community;
  - (ii) Brown Street Community Hall is a hall the City advertises as 'suitable for small community meetings, training courses and discussion groups' located in Newtown;
  - (iii) Brown Street Community Hall has the capacity for 80 people and provides: tables and chairs, a kitchenette with sink, air-conditioning, heater, carpeted floor and instant hot water tap;
  - (iv) the City state on their website that Brown Street Community Hall is not accessible to people with disability. The venue has none of the following:
    - (a) onsite mobility parking;
    - (b) accessible toilets;
    - (c) lift;
    - (d) ambulant toilets; and
    - (e) level access entrance;
  - (v) advice received from City staff in February outlined that due to Brown Street Community Hall's constrained building nature and heritage listing, ensuring full accessibility will be significantly more difficult; and
- (B) the Chief Executive Officer be requested to:
- (i) outline the steps required to include the Brown Street Community Hall in a future whole-of-building upgrade program to ensure full compliance with current accessibility standards and to abide by the current heritage listing; and
  - (ii) report back to Councillors via the CEO Update on the above.

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