

17 June 2024

At 2.00 pm

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

**Agenda**

- 1. Confirmation of Minutes**
- 2. Statement of Ethical Obligations and Disclosures of Interest**
- 3. Integrated Planning and Reporting Program and Budget 2024/25 – Adoption**
- 4. Investments Held as at 31 May 2024**
- 5. Post Exhibition - Grants and Sponsorship Policy and Guidelines**
- 6. Public Exhibition - Naming Proposal - Ngamuru Avenue**
- 7. Lease Approval - Woolstores Alexandria**
- 8. Lease Approval - 180 George Street, Sydney**
- 9. Exemption From Tender – Curatorial Services - Eora Journey - Yananurala**
- 10. Exemption from Tender - Barges and Tugs for 2024 and 2025 Sydney New Year's Eve**
- 11. Exemption from Tender - George Street Beacon Lights, Seasonal Star Lights and Central Management System**
- 12. Exemption from Tender - ePlanning Phase-3 - Replacement of Planning Xchange and Extension of Pathway**

## Disclaimer, Terms and Guidelines for Speakers at Council Committees

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

### Webcast

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

Members of the public attending a council or committee meeting may have their image, voice and personal information (including name and address) recorded, publicly broadcast and archived for up to 12 months.

### Consent

By attending a council or committee meeting, members of the public consent to this use of their image, voice and personal information.

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Statements made by individuals at a council or committee meeting, and which may be contained in a live stream or recording of the meeting are those of the individuals making them, and not of the City. To be clear, unless set out in a resolution of council, the City does not endorse or support such statements.

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### Guidelines

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

1. Register to speak by calling Secretariat on 9265 9702 or emailing [secretariat@cityofsydney.nsw.gov.au](mailto:secretariat@cityofsydney.nsw.gov.au) before 10.00am on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time.
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.

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

Committee reports are available at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

**Item 1.**

**Confirmation of Minutes**

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

Meeting of 6 May 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.**

**Integrated Planning and Reporting Program and Budget 2024/25 - Adoption**

Document to Follow

## Item 4.

### Investments Held as at 31 May 2024

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 31 May 2024.

The City's total Investment and Cash position was \$779.3M at 31 May 2024, with investments earning interest of \$3.4M for the month.

Annual CPI inflation was 3.6 per cent in the March 2024 quarter, lower than the 4.1 per cent annual rise in the previous quarter. However, the rate of inflation remains above the Reserve Bank of Australia's (RBA) target range of two to three per cent. While global factors explain much of the variation in inflation, domestic factors also continue to play a role. Widespread upward pressures on prices remain in the economy due to strong demand, a tight labour market and capacity constraints in some sectors of the economy.

The Reserve Bank of Australia (RBA) board most recently raised the official cash rate on 7 November 2023, by 25 basis points to 4.35 per cent, a 12-year high, up from the record low 0.10 per cent level in May 2022. The RBA has left rates unchanged since December 2023. While inflation is declining, economic analysts note that the decline has been slower than anticipated, increasing the possibility of a further cash rate rise. However, the general expectation of the majority of banks is that official rates will remain on hold until late this calendar year, provided that the declining inflation trend continues, with potential for rate cuts to follow.

The City's cash and investments portfolio is substantially restricted in both internal (\$240.3M) and external (\$89.9M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for major initiatives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and commercial property and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 5.16 per cent for May which remains above the 30-Day Bank Bill Rate (BBR) of 4.30 per cent, the latest AusBond Bank Bill Index of 4.44 per cent and the enhanced benchmark of 4.75 per cent (BBR + 0.45 per cent).

Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45 per cent p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30–90 day investments.

The City's annual rolling return of 5.12 per cent continues to exceed the 12 month average 30 Day Bank Bill Rate of 4.20 per cent, the latest AusBond Bank Bill Index of 4.32 per cent and the enhanced benchmark of 4.65 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy approved by Council in October 2023.

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

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

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

## **Recommendation**

It is resolved that Investment Report as at 31 May 2024 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 May 2024

**Attachment B.** Investment Performance as at 31 May 2024



## Background

1. In accordance with the principles of sound financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Days Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 May 2024 is \$779.3M, a decrease of \$8.5M from 30 April 2024. The monthly movement reflects capital works expenditure, other operational payments for the period in excess of operating income. A schedule detailing all of the City's investments as at the end of May 2024 is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$240.3M) or externally restricted (\$89.9M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for major initiatives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of commercial property and open space. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 5.16 per cent for May which remains above the 30-Day Bank Bill Rate (BBR) of 4.30 per cent, the latest AusBond Bank Bill Index of 4.44 per cent and the enhanced benchmark of 4.75 per cent (BBR + 0.45 per cent).
8. Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45 per cent p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30 to 90 day investments.
9. The City's annual rolling return of 5.12 per cent continues to exceed the 12 month average 30 Day Bank Bill Rate of 4.20 per cent, the latest AusBond Bank Bill Index of 4.32 per cent and the enhanced benchmark of 4.65 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy approved by Council in October 2023.
10. The City aims to achieve returns equal to or above these benchmark rates for the period. However, this achievement remains secondary to the critical strategies of maintaining a prudent and conservative risk profile and ensuring adequate liquidity for operational purposes.

11. It is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but provides a high level of security.
12. The City's returns from the investment portfolio are in line with cash managed funds in the market. The recent increases to official cash rates have seen improvements in rates of return offered by the market, allowing maturing deposits to be re-invested at higher rates. This trend is anticipated to continue as investments placed during the period of suppressed interest rates reach maturity and are re-invested.
13. The Australian economy is experiencing a sustained period of inflation well in excess of the Reserve Bank of Australia's (RBA) target range of two to three per cent. There are indications that inflationary pressures are reducing. Annual CPI inflation was 3.6 per cent in the March 2024 quarter, lower than the 4.1 per cent annual rise in the previous quarter. While global factors explain much of the variation in inflation, domestic factors also play a role. There are widespread upward pressures on prices from strong demand, a continuing tight labour market and capacity constraints in some sectors of the economy.
14. In response to the current period of inflation, the RBA lifted official cash rates on 14 consecutive occasions from the record low 0.1 per cent level in May 2022. The current rate, lifted again by the RBA in November 2023, is 4.35 per cent. Further increases remain a possibility, while the rate of inflation remains above the RBA's target range.
15. Most of the investment portfolio (currently 75.07 per cent) is held in fixed return term deposits. Continuing improvements in returns are anticipated as older investments mature and are reinvested in products offering higher prevailing rates where the funds are not otherwise required for operating purposes. Around 74.71 per cent of the portfolio, including at call account and general fund, is due to mature in the coming year.
16. The report includes graphs depicting the City's cumulative portfolio returns over and above both the 90-day Bloomberg AusBond, and 30-day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
17. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy which was last revised and approved by Council in October 2023 remains appropriate for the current global and domestic economic conditions.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

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

### Financial Implications

19. The City's investments earned interest of \$3.4M for the month of May 2024, which is well above the monthly budgeted earnings of \$1.7M.
20. The interest income budget for the 2023/24 financial year is \$20.0M. Interest rates offered in the market for the financial year to date have been higher than were anticipated at the time the budget was set, which has favourably impacted investment returns. As noted in the Quarter 3 report to Council, included in the current reporting cycle, interest revenue is forecast to be \$40.0M for 2023/24.

### Relevant Legislation

21. Council is authorised to invest its surplus cash under section 625 of the Local Government Act 1993.
22. The Local Government (General) Regulation 2021 (section 212) requires the City to provide a written monthly report of all monies invested, under section 625 of the Act.
23. The Investment Policy and Strategy was last revised in October 2023, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
24. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 23 October 2023.

### Critical Dates / Time Frames

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

### Public Consultation

26. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate legislative and risk parameters. City staff meet regularly with representatives of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
27. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.

28. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds \$80.0M in sixteen tranches with this Green Tailored deposit.
  
29. The City currently holds \$5.0M in a sustainability bond/FRN with Bank Australia due to mature on 24 November 2025 and also invested an additional \$4.5M in February 2023 due to mature on 22 February 2027. This is based on an investment framework that is in line with the 2021 versions of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). This Socially Responsible investment opportunity meets both the credit risk and maturity profile requirements of the City.

**BILL CARTER**

Chief Financial Officer

# **Attachment A**

**Register of Investments and Cash  
as at 31 May 2024**



**Register of Investments and Cash for May 2024 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Term Deposits (TD) 'Green Tailored Deposits'</b>									
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.45%	5.40%	5.40%	2-Jan-25	24-Nov-23	13
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.46%	5.46%	5.46%	7-Jan-25	27-Nov-23	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	25-Feb-25	29-Feb-24	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.18%	8-Apr-25	21-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.18%	11-Apr-25	21-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.21%	5.19%	15-Apr-25	22-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	17-Apr-25	27-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	28-Apr-25	23-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.44%	5.26%	5.32%	2-May-25	4-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.44%	5.29%	5.29%	6-May-25	5-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.44%	5.29%	5.29%	9-May-25	6-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	13-May-25	2-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	16-May-25	2-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.43%	5.10%	5.10%	30-May-25	15-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	3-Jun-25	16-Apr-24	14
Westpac Banking Corporation - Green Tailored Deposit - (4.98% fixed 1 year & 3 months BBSW +78 bps for remaining 2 years)	AA-	5,000,000.00	5,000,000.00	0.42%	4.98%	4.98%	2-Apr-27	3-Apr-24	36
<b>Total</b>		<b>585,000,000.00</b>	<b>585,000,000.00</b>	<b>0.43%</b>	<b>5.15%</b>	<b>5.15%</b>			
<b>Floating Rate Notes (FRN)</b>									
National Australia Bank (90 days BBSW + 92 points)	AA-	3,200,000.00	3,200,000.00	0.45%	5.40%	5.25%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA-	4,000,000.00	4,000,000.00	0.44%	5.22%	5.11%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA-	4,000,000.00	4,000,000.00	0.43%	5.11%	5.00%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.14%	5.04%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A+	5,000,000.00	5,000,000.00	0.43%	5.21%	5.09%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	A+	1,500,000.00	1,500,000.00	0.46%	5.57%	5.41%	24-Apr-25	27-Apr-20	60
Suncorp Bank (90 days BBSW + 83 points) - Covered Bond	A+	2,200,000.00	2,200,000.00	0.43%	5.20%	5.08%	17-Oct-25	17-Oct-22	36
Great Southern Bank (3 months BBSW + 158 points)	BBB+	4,000,000.00	4,000,000.00	0.51%	6.06%	5.83%	1-Dec-25	1-Dec-22	36
Macquarie Bank (3 months BBSW + 48 points)	A+	5,000,000.00	5,000,000.00	0.41%	4.95%	4.77%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A+	2,100,000.00	2,100,000.00	0.40%	4.79%	4.67%	24-Feb-26	24-Feb-21	60
Newcastle Greater Mutual Group Ltd (90 days BBSW + 63 points)	BBB+	5,000,000.00	5,000,000.00	0.43%	5.12%	4.90%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 125 points)	A-	4,500,000.00	4,500,000.00	0.47%	5.61%	5.49%	15-May-26	15-May-23	36
Suncorp Bank (90 days BBSW + 105 points)	A+	4,000,000.00	4,000,000.00	0.45%	5.39%	5.28%	18-May-26	18-May-21	60
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	A-	5,000,000.00	5,000,000.00	0.43%	5.13%	4.97%	18-Jun-26	18-Jun-21	60
Macquarie Bank (3 months BBSW + 85 points)	A+	4,000,000.00	4,000,000.00	0.44%	5.34%	5.16%	14-Sep-26	14-Sep-23	36
Suncorp Bank (90 days BBSW + 48 points)	A+	3,750,000.00	3,750,000.00	0.41%	4.97%	4.82%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	BBB+	3,000,000.00	3,000,000.00	0.44%	5.22%	5.07%	27-Oct-26	27-Oct-21	60
Commonwealth Bank (3 month BBSW + 70 points)	AA-	3,250,000.00	3,250,000.00	0.42%	5.06%	4.94%	14-Jan-27	14-Jan-22	60
Westpac Banking Corporation (90 days BBSW + 70 points)	AA-	3,900,000.00	3,900,000.00	0.43%	5.10%	5.00%	25-Jan-27	18-Jan-22	60
Suncorp Bank (90 days BBSW + 78 points)	A+	4,500,000.00	4,500,000.00	0.43%	5.18%	5.08%	25-Jan-27	17-Jan-22	60
Great Southern Bank (3 months BBSW + 165 points)	BBB+	2,500,000.00	2,500,000.00	0.50%	6.03%	5.90%	9-Feb-27	9-Feb-23	48
Newcastle Greater Mutual Group Ltd (90 days BBSW + 100 points)	BBB+	2,250,000.00	2,250,000.00	0.45%	5.37%	5.24%	10-Feb-27	3-Feb-22	60
National Australia Bank (90 days BBSW + 72 points)	AA-	4,000,000.00	4,000,000.00	0.42%	5.06%	4.95%	25-Feb-27	25-Feb-22	60
ING Bank - (3 months BBSW + 95 points)	A	1,500,000.00	1,500,000.00	0.46%	5.47%	5.47%	22-Mar-27	22-Mar-24	36
ANZ Bank (90 day BBSW + 97 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.34%	5.22%	12-May-27	12-May-22	60
Bendigo and Adelaide Bank (90 days BBSW + 100 points)	A-	2,000,000.00	2,000,000.00	0.45%	5.38%	5.38%	14-May-27	14-May-24	36
Westpac Banking Corporation (90 days BBSW + 105 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.39%	5.27%	20-May-27	20-May-22	60
ANZ Bank (90 days BBSW + 120 points)	AA-	4,000,000.00	4,000,000.00	0.47%	5.59%	5.43%	4-Nov-27	4-Nov-22	60
Westpac Banking Corporation (90 days BBSW + 123 points)	AA-	5,000,000.00	5,000,000.00	0.47%	5.60%	5.48%	11-Nov-27	11-Nov-22	60
Suncorp Bank (3 months BBSW + 110 points)	A+	3,750,000.00	3,750,000.00	0.45%	5.44%	5.45%	24-Nov-27	24-Nov-23	48
National Australia Bank (90 days BBSW + 120 points)	AA-	4,200,000.00	4,200,000.00	0.46%	5.54%	5.43%	25-Nov-27	25-Nov-22	60
Suncorp Bank (3 months BBSW + 125 points)	A+	2,700,000.00	2,700,000.00	0.48%	5.74%	5.55%	14-Dec-27	14-Dec-22	60
ANZ Bank (90 days BBSW + 106 points)	AA-	4,000,000.00	4,000,000.00	0.46%	5.55%	5.43%	31-Mar-28	31-Mar-23	60
Suncorp Bank (3 months BBSW + 105 points)	A+	3,000,000.00	3,000,000.00	0.45%	5.40%	5.34%	12-Jul-28	12-Jul-23	60
Commonwealth Bank (3 month BBSW + 95 points)	AA-	3,000,000.00	3,000,000.00	0.44%	5.30%	5.25%	17-Aug-28	17-Aug-23	60
ANZ Bank (90 days BBSW + 93 points)	AA-	3,500,000.00	3,500,000.00	0.45%	5.40%	5.25%	11-Sep-28	11-Sep-23	60
National Australia Bank (3 months BBSW + 103 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.37%	5.39%	16-Nov-28	16-Nov-23	60
Westpac Banking Corporation (3 months BBSW + 100 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.36%	5.36%	15-Jan-29	15-Jan-24	60
ANZ Bank (90 days BBSW + 96 points)	AA-	3,500,000.00	3,500,000.00	0.45%	5.35%	5.33%	5-Feb-29	5-Feb-24	60
National Australia Bank (3 months BBSW + 90 points)	AA-	3,500,000.00	3,500,000.00	0.45%	5.42%	5.42%	22-Mar-29	22-Mar-24	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3 months BBSW + 160 points)	BBB+	5,000,000.00	5,000,000.00	0.50%	5.94%	5.83%	24-Nov-25	24-Nov-22	36
Bank Australia - Sustainability Bond (3 months BBSW + 155 points)	BBB+	4,500,000.00	4,500,000.00	0.49%	5.90%	5.77%	22-Feb-27	22-Feb-23	48
<b>Total</b>		<b>154,800,000.00</b>	<b>154,800,000.00</b>	<b>0.45%</b>	<b>5.37%</b>	<b>5.26%</b>			
<b>Total Investments</b>		<b>779,270,661.13</b>	<b>779,270,661.13</b>	<b>0.43%</b>	<b>5.16%</b>	<b>5.12%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.36%</b>	<b>4.30%</b>	<b>4.20%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.37%</b>	<b>4.44%</b>	<b>4.32%</b>			
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>779,270,661.13</b>	<b>779,270,661.13</b>						
<b>Note:</b>									
Total Investments & cash - as per investment report			779,270,661.13						
IGS Sinking Fund Balance - as at May 2024			2,228,911.62						
Net reconciling amount - closing Bank Balance (per register above) and closing General Ledger account balance (timing difference)			-4,326,847.26						
Total Investments & cash - as per general ledger balance			777,172,725.49						

**Summary of Net Investment Movements - May 2024**

Financial Institution	Fund Rating	Net Investment/(Reduction) Amount \$	Commentary
<b><u>General Fund</u></b>			
Westpac Banking Corporation	AA-	(28,000,000)	Surplus funds utilised from general fund for further investments and for operational purposes.
Commonwealth Bank	AA-	(2,500,000)	
<b><u>Term Deposits (TDs)</u></b>			
Bendigo & Adelaide Bank	A-	(20,000,000)	Redeemed matured investments for operational purposes or placed in higher yielding investments
Suncorp Bank	A+	(5,000,000)	
Westpac Banking Corporation	AA-	(10,000,000)	
ANZ Bank	AA-	15,000,000	Redeemed matured investments and any additional income received, placed in higher yielding term deposits.
National Australia Bank	AA-	40,000,000	
<b><u>Floating Rate Notes(FRN)</u></b>			
Bendigo & Adelaide Bank	A-	2,000,000	Additional income placed in higher yielding floating rate notes

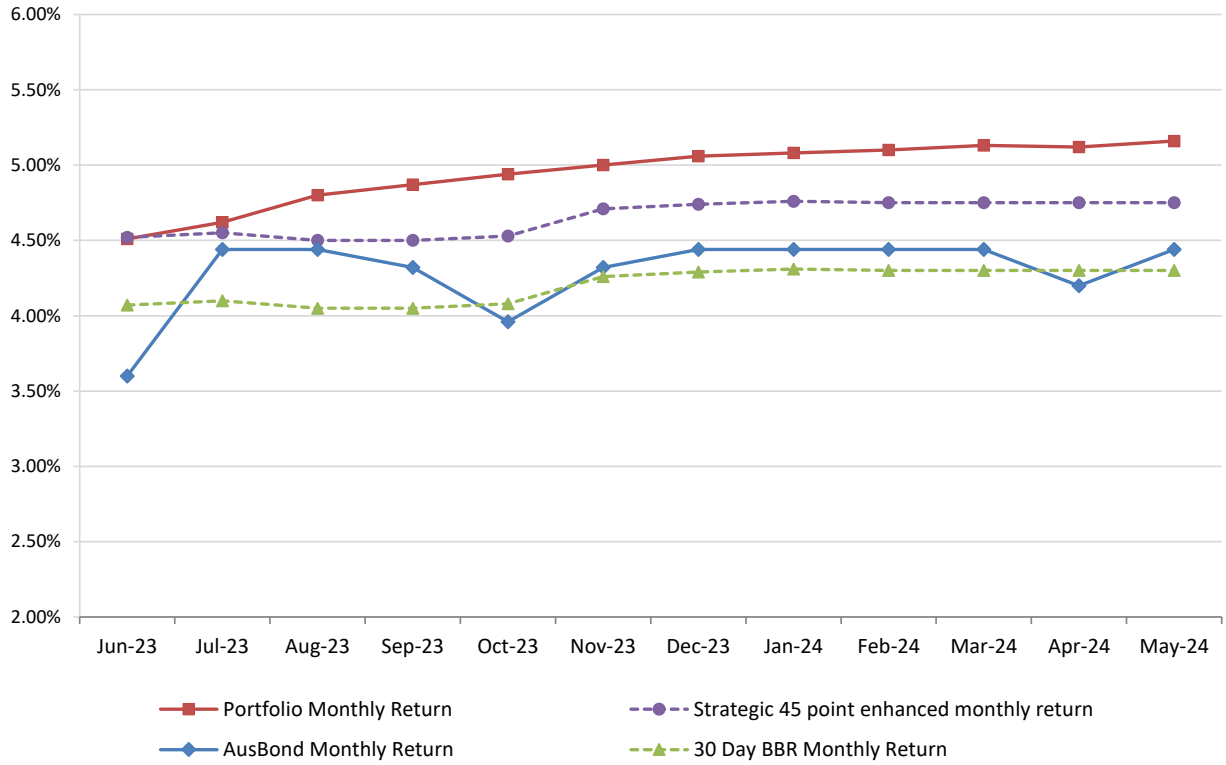


# **Attachment B**

**Investment Performance  
as at 31 May 2024**

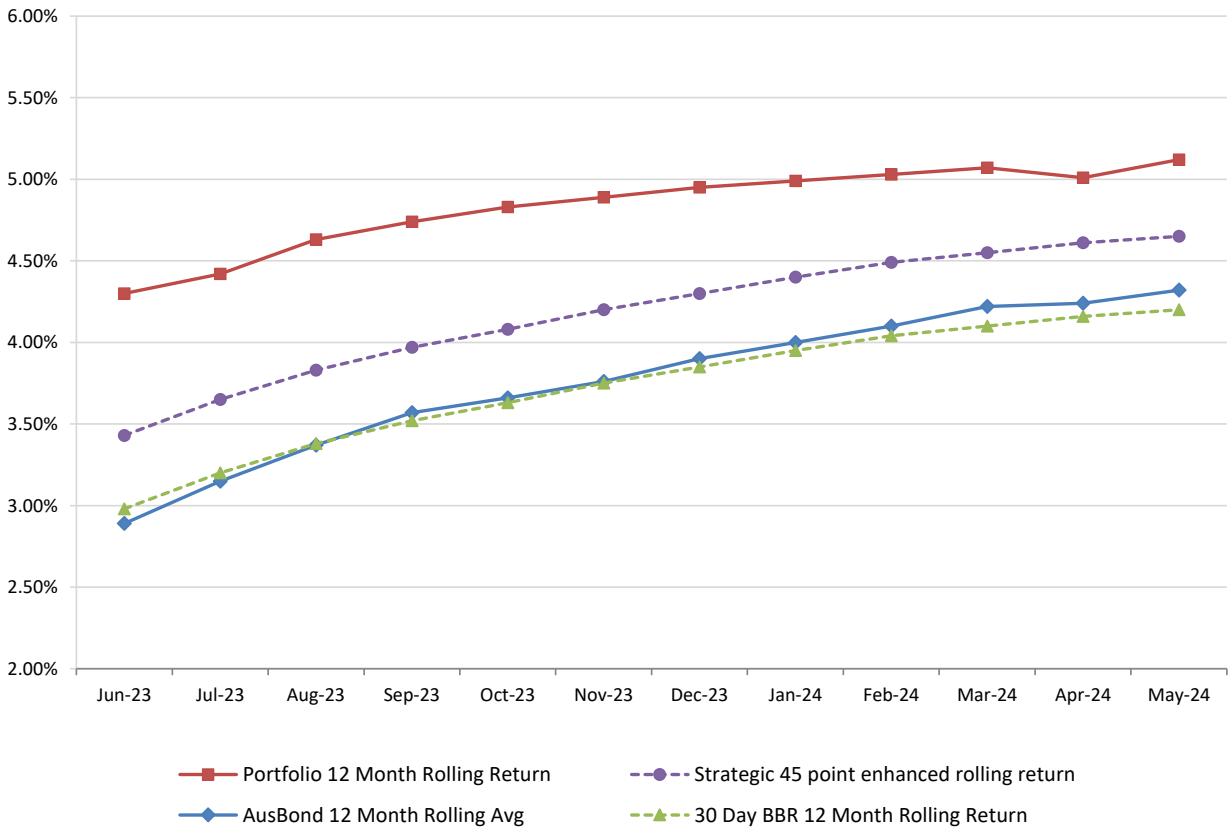
### Monthly Results

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
May 2024

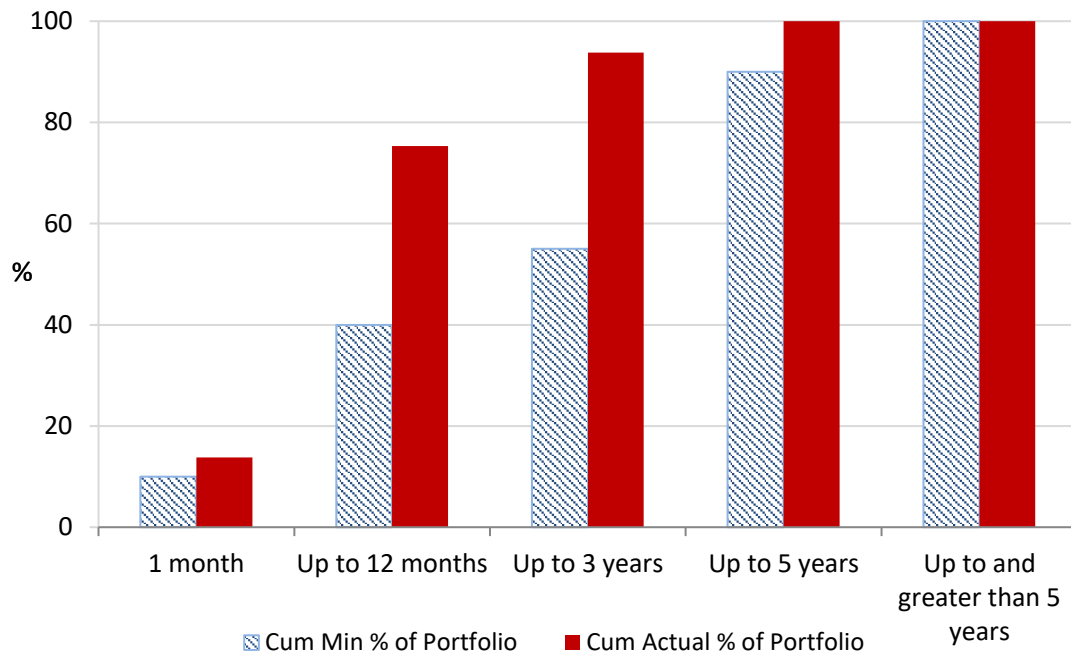


### 12 Month Rolling Averages

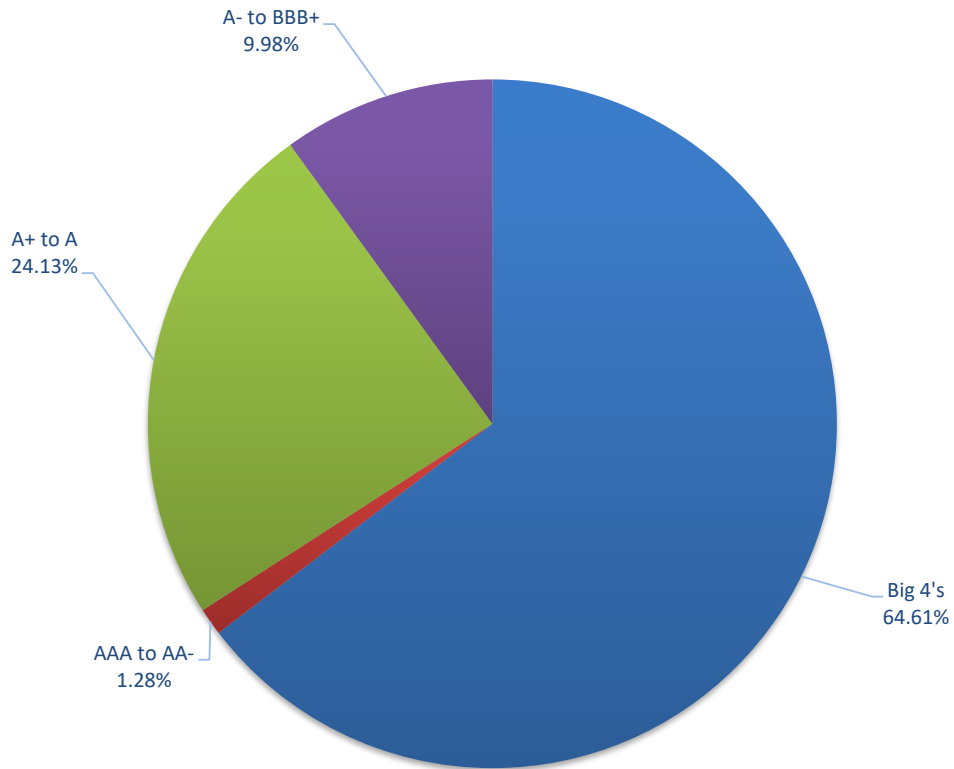
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
May 2024



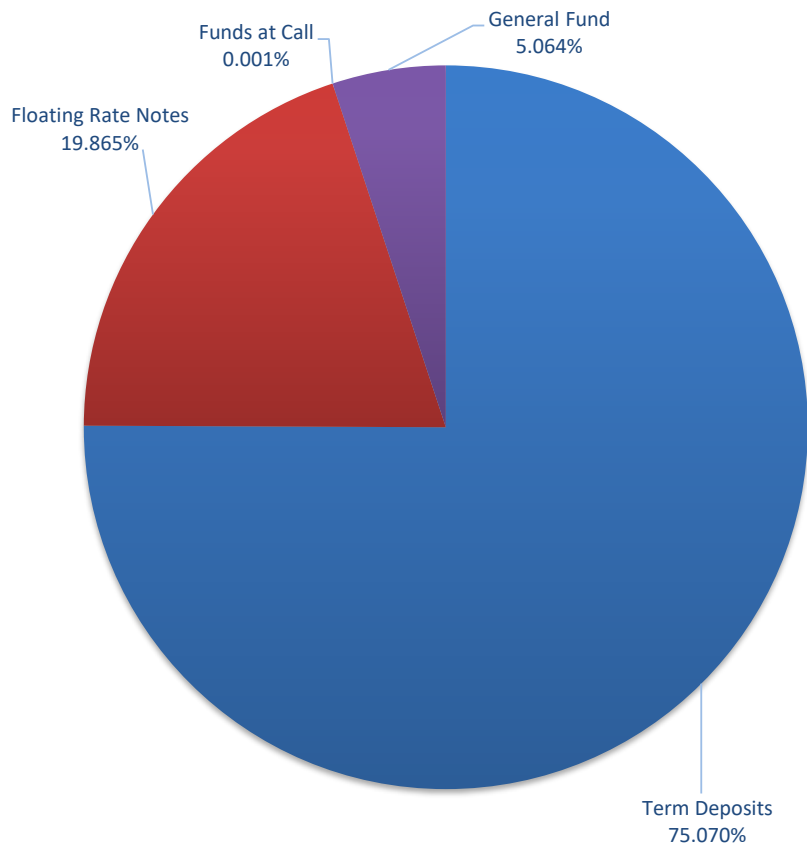
### Portfolio Liquidity - Minimum Allocations as at 31 May 2024



### Risk Profile as at 31 May 2024



### Risk Profile as at 31 May 2024



INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION				
as at 31 May 2024				
Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	38.0	4.9	
	Commonwealth Bank	116.3	14.9	
	National Australia Bank	128.9	16.5	
	Westpac Banking Corporation	220.4	28.3	
<b>Big 4 Total</b>		<b>503.5</b>		<b>64.6</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	9.5	1.2	
	Bank of Queensland	18.0	2.3	
	Bendigo & Adelaide Bank	36.5	4.7	
	Great Southern Bank (formerly Credit Union Australia)	6.5	0.8	
	ING Bank	96.5	12.4	
	Suncorp Bank	77.5	9.9	
	Macquarie Bank Ltd	14.0	1.8	
	Northern Territory Treasury Corporation	10.0	1.3	
Newcastle Greater Mutual Group Ltd	7.3	0.9		
<b>Other ADI Total</b>		<b>275.8</b>		<b>35.4</b>
<b>Grand Total</b>		<b>779.3</b>	<b>100.0</b>	<b>100.0</b>

**Item 5.**

**Post Exhibition – Grants and Sponsorship Policy and Guidelines**

Document to Follow

## Item 6.

### Naming Proposal - Public Exhibition - Ngamuru Avenue

File No: X100685

#### Summary

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

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

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

"Ngamuru" is a word from the Gadigal language - nga (see), muru (path). This means 'to see the way' or 'compass'. This definition is described in the book 'The Sydney Language' by Jakelin Troy.

The word "Ngamuru", linked to direction finding and the location of a path from one place to another is well suited to this new avenue, the major function of which, is to connect Green Square to Alexandria. The reference to path is particularly relevant as this new avenue will prioritise pedestrians, cyclists and public transport with its separate walking path and cycleway.

#### Recommendation

It is resolved that:

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

#### Attachments

**Attachment A.** Map Showing Location of Road

## Background

1. The City of Sydney is building a new road and cycleway that will connect Geddes Avenue in the Green Square town centre with Bowden Street in Alexandria. It will also link to Botany Road, O’Riordan Street and Bourke Road.
2. It is identified as a local road in the Sydney Development Control Plan 2012.
3. The new road and cycleway will prioritise pedestrians, cyclists and public transport and also be accessible to emergency vehicles and local vehicles.
4. It will provide an important green, walking and cycling east-west connection for the communities of Alexandria and Green Square.
5. Works are nearing completion. The avenue is scheduled to open in July 2024.
6. The process for naming this avenue has been active since 2021, when a proposal to name the avenue after Dr Margaret Harper was presented to the July 2021 meeting of the Corporate, Finance, Properties and Tenders Committee meeting (Item 6.3 Public Exhibition - Naming Proposal - Dr Margaret Harper Avenue).
7. Following the discussion at the Corporate, Finance, Properties and Tenders Committee, the report recommending the name Dr Margaret Harper Avenue was withdrawn in order to further consider the matters raised.
8. A new name for this avenue was considered by the City of Sydney’s Naming Proposals Working Group in 2023/24. The name "Ngamuru Avenue" has been selected by the Naming Proposals Working Group, in accordance with the City's Naming Policy which encourages the use of local Gadigal language words and that they can be applied to describe the function of a place. The word was selected using 'The Sydney Language' publication as a reference and with input from members of the Indigenous Leadership and Engagement Team.
9. In accordance with the City of Sydney’s Naming Policy, the Metropolitan Local Aboriginal Land Council has been given an opportunity to supply feedback on this name via a letter from City of Sydney Chief Executive Officer to the Metropolitan Local Aboriginal Land Council in April 2024. The Metropolitan Local Aboriginal Land Council has indicated their support for this proposed name. City staff from the Naming Proposals Working Group presented the name "Ngamuru Avenue" to the City of Sydney's Aboriginal and Torres Strait Islander Advisory Panel in May 2024. The Panel discussed the name and provided advice regarding pronunciation and ways that the word has been used previously within the community.
10. Pronunciation advice from the Aboriginal and Torres Strait Islander Advisory Panel was similar to the pronunciation advice within 'The Sydney Language' publication, which suggests ‘ng’ is pronounced as in the word ‘sing’. They recommended the spelling nga be used to explain the pronunciation of the first part of the word.



11. The Aboriginal and Torres Strait Islander Advisory Panel also mentioned that this word (with a variation on spelling) was previously used as the name of an employment service in Redfern. The City Historian confirmed that the NAAMROO Skillshare Centre on Redfern Street was recorded by Steve Miller in the cultural mapping work in 2012.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

12. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 1 - Responsible governance and stewardship - formally naming the lane will ensure its gazettal and recognition with the NSW Geographical Names Board.
  - (b) Direction 5 - A city for walking, cycling and public transport - formally naming the avenue will assist in wayfinding.
  - (c) Direction 8 - A thriving cultural and creative life - selecting an Aboriginal word to name this new major avenue will increase the public's understanding and appreciation of Aboriginal culture. This proposal would recognise local Aboriginal cultural heritage through naming, related interpretive signage and other opportunities as they arise.

### Organisational Impact

13. The City will ensure signage (street and interpretive) is installed once construction is complete. It will have minimal organisational impact.
14. There are no identified risks associated with the naming proposal.

### Social / Cultural / Community

15. This proposal would recognise local Aboriginal cultural heritage through naming, related interpretive signage and other opportunities as they arise.
16. The community will have an opportunity to comment on the naming proposal during the exhibition period.

### Economic

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

### Financial Implications

18. There are funds available in the draft 2024/25 operational budget, currently on public exhibition, for the installation of street and interpretive signage.

## Relevant Legislation

19. The Geographic Names Act 1966 (NSW) and Geographical Names Board Guidelines – the recommended name complies with this legislation and meets the Geographical Names Board Guidelines.

## Critical Dates / Time Frames

20. A name will be needed when the road is open in the second half of 2024. Should Council approve the name following community consultation, a formal naming application will be submitted to the Geographical Names Board for consideration.

## Public Consultation

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

## KIM WOODBURY

Chief Operating Officer

Gareth Jenkins, Senior Community Engagement Coordinator

# **Attachment A**

**Map showing location of road**



## Item 7.

### Lease Approval - Woolstores Alexandria

File No: X091647.002

#### Summary

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

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

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

This report recommends that Council approve granting a new lease within the 'Woolstores Alexandria' complex.

#### Recommendation

It is resolved that:

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

#### Attachments

**Attachment A.** Lease Proposal (Confidential)

**Attachment B.** Essential Lease Terms and Conditions (Confidential)

## Background

1. The City's property portfolio is the second highest revenue source for the City and provides a vital role in contributing to the financial sustainability of Council, enabling the City to continue to support community-based organisations and infrastructure projects.
2. The City acquired the 'Woolstores Alexandria' complex in September 2022. The property is a high standard commercial office complex at 4C-4F Huntley Street, Alexandria, comprising four separately titled buildings and associated carparking.
3. The 'Woolstores Alexandria' has a total lettable area of 9,958.9m<sup>2</sup> and forms part of the City's Investment Property Portfolio. It is a key income generating asset for the City.
4. This report seeks approval from Council to grant a new lease within the 'Woolstores Alexandria' complex.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

5. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 1 - Responsible governance and stewardship - specifically expanding revenue from commercial operations and the property portfolio.

## Financial Implications

6. Financial implications are outlined in Confidential Attachment A.

## Relevant Legislation

7. Local Government Act 1993 - Sections 10A provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business and if discussion of the information in an open meeting would, on balance be contrary to public interest.
8. Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.
9. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially achieve the best outcome for ratepayers.

**Critical Dates / Time Frames**

10. Critical Dates are outlined in Confidential Attachment A.

**KIM WOODBURY**

Chief Operating Officer

Scott Young, Development Manager

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Document is Restricted

**Item 8.**

**Lease Approval – 180 George Street, Sydney**

Document to Follow

**Item 9.**

**Exemption from Tender – Curatorial Services – Eora Journey - Yananurala**

Document to Follow

## Item 10.

### Exemption from Tender - Barges and Tugs for 2024 and 2025 Sydney New Year's Eve

File No: X100794.003

#### Summary

This report seeks an exemption from tender for Barge and Tug services for 2024 and 2025 Sydney New Year's Eve.

Sydney New Year's Eve is a local and global celebration that reaches an audience of more than 425 million people worldwide and is attended by more than one million people around the harbour foreshore. Research conducted found that Sydney New Year's Eve has a direct economic impact of \$280 million to Sydney.

Fireworks displays and associated services are an essential element of the event. Barges are required to serve as the main firing platforms for the fireworks displays on Sydney Harbour, along with tugs to move the barges to and from their allocated positions.

In August 2017, the City entered into an agreement with Polaris Marine Pty Ltd (ABN: 47 147 809 667) as Trustee for Polaris Marine Trust No 1 (ABN: 84 343 204 460) for the provision of barges and tugs for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 to 2021 events. The option to extend was utilised for 2019 and 2021. Due to uncertainties relating to the event caused by the pandemic, the City's procurement timeline was unavoidably delayed. Council resolved to extend the existing contract by a further one-year, to cover 2022 Sydney New Year's Eve, to allow time to complete the tender process for the combined pyrotechnics and barges and tugs services.

In December 2022, a Request for Tender was released for Firework Displays for 2023 and 2024 Sydney New Year's Eve (with two 24-month options to extend to cover the 2025 and 2026 events, and further 2027 and 2028 events), which combined the pyrotechnic services with the provision of tugs, barges and support vessels as well as the delivery of the fireworks loading site. At the close of this tender, no conforming offers were received and Council resolved to cancel the tender. Following feedback from the market it was ascertained that a new tender process should be undertaken separating the barges and tugs components from the pyrotechnic services and returning to the delivery model used for previous engagements.

Further to this, Council approved a contract variation with Polaris Marine Pty Ltd as the Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for Sydney New Year's Eve for the period of one year to cover the 2023 New Year's Eve event. The contract is due to expire on 30 June 2024.

During the contract negotiations for barge and tug services for 2023 Sydney New Year's Eve event, it was identified that the industry is experiencing unprecedented demand and capacity issues for barges. On 13 November 2023, following a Request for Tender process, the pyrotechnics contract was awarded and the City has worked with the pyrotechnics service provider to negotiate flexible firing platform specifications to address these barge capacity issues. Given the pyrotechnics were already in delivery for the 2023 event, it took some time to work with the pyrotechnic service provider to discuss possible options for barge configurations to address barge capacity issues in the market.

To ensure barges and tugs are secured for the Sydney New Year's Eve event, this report recommends that Council grant an exemption from tender for Barge and Tug services for 2024 and 2025 Sydney New Year's Eve for up to two years. This will ensure adequate time to undertake industry consultation with service providers to ensure the proposed or alternative contract models are viable, with consideration to current market constraints, prior to a new procurement process being undertaken. As these services are a high risk activity, consultation and scoping takes longer than other procurements.

## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 to engage with a suitable service provider for Barge and Tug services for the 2024 and 2025 New Year's Eve events;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
  - (i) given the industry capacity issues and ongoing discussions with the pyrotechnic service provider for the 2024 Sydney New Year's Eve event; there is insufficient time to undertake required market consultation, scoping discussions and then conduct a tender process for these services; and
  - (ii) the industry is currently experiencing ongoing high levels of demand and capacity issues. As a result, the City needs to work with service providers to determine the scope that can be delivered within the remaining timeframes and the appropriate engagement model;
- (C) Council approve the maximum total contract value under (A) for the provision of Barge and Tug services as outlined in Confidential Attachment A to the subject report, for a period of up to two years; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, finalise, execute and administer the contract for Barge and Tug services for up to two years.

## Attachments

**Attachment A.** Financial Implications (Confidential)

## Background

1. The City produces the Sydney New Year's Eve event with support from a number of government agencies. The event is one of the largest annual celebrations in the world, attracting over one million spectators along the foreshore of Sydney Harbour and a global audience of more than 425 million.
2. The focus of the annual event is the fireworks displays. The displays are broadcast live nationally and internationally, and feature heavily in media coverage both prior to and following the event.
3. Barges are required as the main firing platforms for the fireworks displays on Sydney Harbour, along with tugs to move the barges to and from their allocated positions. The firing positions are in addition to the use of Sydney Harbour Bridge, Sydney Opera House, and other land-based firing locations.
4. In August 2017, the City entered into an agreement with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and Tugs for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 - 2021 events.
5. Historically the City has tendered/contracted the provision of pyrotechnic services for Sydney New Year's Eve as its own contract.
6. With the contract expiring on 30 June 2022, and following a review of event operational processes, the City decided to merge barge and tug services, along with pyrotechnic services and support vessel hire, into one contract under a single delivery model to mitigate risk and streamline delivery efficiencies.
7. Due to uncertainties relating to the event caused by the pandemic, the City's procurement timeline was unavoidably delayed. Council resolved to extend the existing contract by a further one year, to cover 2022 Sydney New Year's Eve, in order to allow time to complete the tender process for the combined pyrotechnics and barges and tugs services.
8. The new combined tender process was undertaken, however, in February 2023, it was resolved that Council cancel the tender for Fireworks Displays for 2023 and 2024 Sydney New Year's Eve (with two 24-month options to extend to cover the 2025 and 2026 events, and further 2027 and 2028 events) as no conforming offers were received. Council resolved to extend the contract for the provision of barges and tugs for Sydney New Year's Eve for the period of one year to cover the 2023 New Year's Eve event and undertake separate procurement processes for pyrotechnics and the barges and tugs services.
9. During the negotiation of the contract variation for 2023 Sydney New Year's Eve, it was identified that the industry was experiencing unexpected demand and capacity issues in the supply of barges and tugs. Specifications were varied within the contract to allow flexibility to address these constraints for the 2023 event.
10. On 13 November 2023, following the Request for Tender process, the new pyrotechnics contract was awarded. The City continues to work with the pyrotechnics service provider to determine flexible firing platform specifications to address these barge capacity issues.

11. There are two known (potential) local service providers that would have capability to provide the required barge and tug services for the City's NYE event. Both companies rely on sub hiring and cross hiring arrangements to meet the quantity of barges and tugs required by the City. Interstate service provider options result in higher transport costs therefore, local sourcing has generally been the preferred method of procuring these services.
12. The City has been informed that the provision of barges and tugs for the NYE event is becoming increasingly difficult due to availability and the requirement to source barges and tugs from further afield. In March 2024, the City was advised that there were supply shortages that would impact the 2024 NYE event. These shortages are being caused by infrastructure projects that require barges on long term hire contracts, and other large-scale events. The City has been informed that there are approximately 100-150 projects that require the provision of barge services in NSW throughout 2024.
13. To ensure barges and tugs are secured for the 2024 Sydney New Year's Eve event, further market research is required to determine true industry capacity. Additionally, further consultation with the pyrotechnics service provider is required to solidify barge specifications for inclusion in the tender for Barges and Tug services, and due to the high-risk nature of the services, these consultations and scoping activities take longer than for other procurements. There will not be adequate time to conduct these consultations and complete a new tender process.
14. It is intended to engage a service provider for the NYE event in 2025 through an open Request for Tender process. Tender documents are currently being developed for release later in 2024. Given the high-risk nature of these services and the complexity of negotiating an agreement, an additional year is being sought in case a tender process cannot be completed to meet event timings.
15. An exemption from tender is sought to secure supply of barges for the 2024 event and also undertake market consultation, scoping discussions and ensure the proposed contract model are viable, with consideration to current market constraints, prior to the new procurement process being undertaken.

### **Financial Implications**

16. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

### **Relevant Legislation**

17. The exemption from tender process has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
18. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.



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

### **Critical Dates / Time Frames**

21. Industry consultation needs to be undertaken for a contract to be in place by the end of July 2024 in order to secure the required services for the 2024 Sydney New Year's Eve event.

### **Options**

22. An alternative option is to proceed to tender for barge and tug services. This option is not recommended there will not be adequate time to conduct these consultations and complete a new tender process.
23. Not proceeding with these services will limit the firing locations for the pyrotechnical display for Sydney New Year's Eve, limiting the delivery of the creative concept for the event.

### **Public Consultation**

24. No public consultation was undertaken.

### **EMMA RIGNEY**

Director, City Life

Elliot Chambers, Head of Production, Major Events and Festivals

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## Item 11.

### **Exemption from Tender - George Street Beacon Lights, Seasonal Star Lights and Central Management System**

**File No: S120340.002**

#### **Summary**

This report seeks an exemption from inviting tenders for the provision of the George Street Beacon Lights, Seasonal Star Lights and Central Management System due to extenuating circumstances.

Smart poles installed along George Street, as part of the CBD and Southeast light rail, feature a beacon light and seasonal star lighting decoration. The City owns 149 beacon lights and a similar number of seasonal star lights along this route. These assets are in reasonable condition and are not expected to need replacement for three years, which is the full term of the proposed contract extension. The financial implications of replacing the beacon lights, star lights and associated control system is outlined in Confidential Attachment A.

The beacon and seasonal star lights are serviced and maintained pursuant to a contract (No. 2659) which is due to expire on 27 December 2024 (inclusive of all options, which have been exercised).

The beacon and seasonal star lights are programmed and managed remotely using a hosted system developed, maintained and operated by the service provider. The same system also controls functional lighting along George Street. Due to the system installation arrangements there are currently no other providers available for this service using the existing hardware and control system.

There are no providers who could service and maintain the beacon and star lights inclusive of the control system other than the original equipment manufacturer, and conducting a tender process would not produce competitive or reliable tenders.

This report recommends that Council approve an exemption from tender for the provision of the George Street Beacon Lights, Seasonal Star Lights and Central Management System.

## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 noting that, because of the extenuating circumstances, a satisfactory result would not be achieved by inviting tenders to provide and manage the George Street beacon lights, seasonal star lights and central management system;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
  - (i) going to tender would not deliver a competitive process due to the inability of any other tenderer to provide the services using the existing hardware and control system; and
  - (ii) the existing beacon lights, seasonal star lights and central management system are still in good working order and significant cost would be incurred if they were replaced;
- (C) Council approve entering into a contract with Hub Australasia Pty Ltd for a maximum three year term;
- (D) Council note the revised total contract sum for the extended term is set out in Confidential Attachment A to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to negotiate and finalise the terms of the contract with the contractor, provided that the contract is consistent with this resolution.

## Attachments

**Attachment A.** Financial Implications (Confidential)

## Background

1. The Smart poles installed along George Street, as part of the CBD and Southeast light rail project, feature a beacon light and seasonal star lighting decoration. The City owns 149 beacon lights and a similar number of seasonal star lights along this route. In addition, there are purpose designed S3B Smart poles with bespoke inbuilt lighting along the pedestrianised areas of George Street. The beacon and star lighting, together with the functional lighting fitted to these Smart poles is controlled by a Central Management System (CMS) which allows the timing, colour, and patterns to be remotely managed.
2. The beacon and seasonal star lights are bespoke and resulted from a tender for the design, supply, installation and maintenance of the beacon and star lights and the provision of a CMS to manage this lighting. Council resolved at its meeting on 26 June 2017 to accept a tender offer of Hub Australasia Pty Ltd (ABN 87 611 271 937) for the provision of these services.
3. The contract had an initial term of five years, and two further optional extensions of one year each, subject to performance. Contract 2659 for Design, Supply, Installation and Maintenance of Beacon, Star and CMS commenced on 27 December 2017 with an initial term end date of 26 December 2022. The City has previously extended the contract for an initial one-year term and subsequently exercised the final one-year option to extend the contract until 27 December 2024.
4. In addition to the supply of lights, Contract 2659 also includes scheduled rates for the ongoing maintenance of the beacon and star lighting, CMS equipment, CMS licencing and data management as well as the seasonal installation and removal of the star lights to coincide with the City's annual Christmas deployment of decorations. Seasonal removal and installation of the star lights has occurred since 2022.
5. The beacon and star lights are an important part of the George Street design palette. As the contract term concludes, the City needs to determine the most appropriate way to ensure continuity of these services.
6. Whilst the City holds the intellectual property rights of the design, the beacon and star lights are bespoke products designed, prototyped, and manufactured by the incumbent service provider. The incumbent holds spares of the various parts.
7. These products have been prototyped and are in service. As these products have three years of remaining operational service life remaining, the City would be exposed to increased financial, operational, product quality and consistency risks by sourcing these bespoke products from another service provider during this time.
8. The City enjoys the clear end to end accountability that comes from the supplier of the beacon, star and control system to also be responsible for the maintenance and ongoing performance. Whilst the seasonal star lights can be maintained in the workshop between installations, the beacon lights and controls remain at height on the pole all year. For cost efficiency, the annual maintenance of the beacon lights and the associated control system is scheduled to occur during the annual star removal process.
9. The beacon and star lights will be due for renewal at the end of their operational service life in 2028.

10. If the City was to seek fresh tenders to manage the existing assets, other prospective tenderers would need to allow for product development, tooling up, prototyping and manufacture of the existing beacon and star lights. They would also need to reverse engineer, design and implement a CMS system. The asset knowledge and limited remaining life of the assets provides commercial advantages to the incumbent service provider and a satisfactory result would not be achieved by inviting tenders to provide the services.
11. Accordingly, this report recommends that the existing service provider be engaged through to the end of life of the current generation of assets to provide the City with best value and continuity of service. It also provides an opportunity for the City to review the design requirements for the next generation of lights and to test the market for the supply of these lights, generating an opportunity to run a competitive tender process.

### **Performance Measurement**

12. Performance measures are in place with the current provider under the current contract. The provider has met the contract requirements, and will be required to meet similar requirements in a new contract.

### **Financial Implications**

13. There are sufficient funds allocated for this service within the current year's operating budget and future years' forward estimates.
14. The financial implications are outlined in Confidential Attachment A.

### **Relevant Legislation**

15. Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy in respect of the proposed exemption from tender.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. Attachment A contains confidential commercial information which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
18. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

### Critical Dates / Time Frames

19. The existing contract ends on 27 December 2024. It is anticipated that if the recommendations set out in this report are adopted by Council, a new agreement would be in place by that date to enable continuous services to be provided.

### Options

20. A range of alternative options have been considered for ensuring the continuity of the services currently provided under Contract 2659. These include:
  - (a) A tender for the ongoing provision of George Street Beacon Lights, Seasonal Star Lights and Central Management System. This is not recommended due to the bespoke nature of the services provided, the remaining life of the asset and a range of commercial disadvantages that this presents for other prospective tenderers.
  - (b) The separation of existing services into other existing service contracts. This is not recommended due to the bespoke nature of the lights and CMS system. The separation of the services would also result in increased operational and financial risk to the City.
  - (c) A tender to remove of existing assets, and then provide and maintain new George Street Beacon Lights, Seasonal Star Lights and Central Management System assets. This is not recommended as it would represent a higher cost to the City, and the City will not have leveraged the greatest benefit from the existing asset.

### Public Consultation

21. The infrastructure is already in place, therefore no public consultation is required.

### VERONICA LEE

Director City Services

Peter Shields, Chief Engineer

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

Document is Restricted



**Item 12.**

**Exemption from Tender - ePlanning Phase-3 - Replacement of Planning Xchange and Extension of Pathway**

Document to Follow