

Minutes of the Corporate, Finance, Properties and Tenders Committee - 11 November 2024

Members Lord Mayor - Councillor Clover Moore AO (Chair), Deputy Lord Mayor - Councillor Zann Maxwell, Councillor Sylvie Ellsmore, Councillor Lyndon Gannon, Councillor Robert Kok (Deputy Chair), Councillor Jess Miller, Councillor Matthew Thompson, Councillor Yvonne Weldon AM, Councillor Mitch Wilson and Councillor Adam Worling.

At the commencement of business at 1.05pm, those present were –

The Lord Mayor, Councillors Ellsmore, Gannon, Kok, Maxwell, Miller, Thompson, Weldon, Wilson and Worling.

Councillor Weldon arrived at the meeting of the Corporate, Finance, Properties and Tenders Committee at 1.57pm during discussion and before the vote on Item 5.

Councillor Wilson left the meeting of the Corporate, Finance, Properties and Tenders Committee at 2.05pm, prior to discussion on Item 8, and returned at 2.07pm, after the vote on Item 8. Councillor Wilson was not present at, or in sight of, the meeting during discussion or voting on Item 8.

The meeting of the Corporate, Finance, Properties and Tenders Committee concluded at 2.07pm.

Item 1

Confirmation of Minutes

Moved by Councillor Kok, seconded by Councillor Worling –

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 21 October 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 2

Statement of Ethical Obligations and Disclosures of Interest

Councillor Clover Moore AO (the Lord Mayor) disclosed a less than significant, non-pecuniary interest in Item 8 on the agenda, in that the Chairperson of Qtopia Ltd who is the recommended lessee for the Taylor Square Substation and Underground Toilets is Elaine Czulkowski, who was a candidate on the Clover Moore Independent Team for the 2021 Local Government elections. The Lord Mayor considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because she has not discussed this item with Elaine, or anyone else associated with Qtopia Ltd.

Councillor Robert Kok disclosed a less than significant, non-pecuniary interest in Item 8 on the agenda, in that the Chairperson of Qtopia Ltd who is the recommended lessee for the Taylor Square Substation and Underground Toilets is Elaine Czulkowski, who was a candidate on the Clover Moore Independent Team for the 2021 Local Government elections. Councillor Kok considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because he has not discussed this item with Elaine, or anyone else associated with Qtopia Ltd.

Councillor Jess Miller disclosed a less than significant, non-pecuniary interest in Item 8 on the agenda, in that the Chairperson of Qtopia Ltd who is the recommended lessee for the Taylor Square Substation and Underground Toilets is Elaine Czulkowski, who was a candidate on the Clover Moore Independent Team for the 2021 Local Government elections. Councillor Miller considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because she has not discussed this item with Elaine, or anyone else associated with Qtopia Ltd.

Councillor Mitch Wilson disclosed a significant, non-pecuniary interest in Item 8 on the agenda, in that one of the Board Members of Qtopia, Ian Roberts, is a friend who they have known for many years.

Councillor Wilson stated that they will not be voting on this matter.

Councillor Adam Worling disclosed a less than significant, non-pecuniary interest in Item 8 on the agenda, in that the Chairperson of Qtopia Ltd who is the recommended lessee for the Taylor Square Substation and Underground Toilets is Elaine Czulkowski, who was a candidate on the Clover Moore Independent Team for the 2021 Local Government elections. I also have a close relationship with Qtopia's CEO, Greg Fisher. Councillor Worling considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because he has not discussed this item with Elaine, Greg, or anyone else associated with Qtopia Ltd.

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

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

Item 3**2024/25 Quarter 1 Review – Delivery Program 2022-2026**

It is resolved that:

- (A) Council note the financial performance of Council for the first quarter, ending 30 September 2024, including a Quarter 1 Operating Result (before depreciation, interest, capital related costs and income) of \$25.1M and the full year forecast of \$125.8M and a Net Operating Result of \$20.1M and a full year forecast of \$123.2M as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) Council note the Quarter 1 Capital Works expenditure of \$55.6M and a revised full year forecast of \$237.7M, and approve the proposed adjustments to the adopted budget, including bringing forward \$0.4M of funds into the 2024/25 capital budget, \$2.1M from the capital works contingency, and to reallocate funds within relevant programs within capital budget as detailed in Attachment B to the subject report;
- (C) Council note the Technology and Digital Services Capital Works expenditure of \$3.5M, and a full year forecast of \$25.3M as detailed in Attachment B to the subject report;
- (D) Council note the Quarter 1 Plant and Equipment expenditure of \$5.1M, net of disposals, and a revised full year forecast of \$31.0M, and approve bringing forward \$4.7M of funds into the 2024/25 and \$3.6M forward into 2025/26 budget as detailed in Attachment B to the subject report;
- (E) Council note minor net Property Divestments of \$0.3M as at Quarter 1, and the full year forecast for net Property Acquisitions of \$27.7M; and
- (F) Council note the supplementary reports, which detail the quick response, street banner and venue hire support grants and sponsorship programs, code of conduct, major legal issues, international travel, property and land use matters approved under delegation and contracts over \$50,000 in Quarter 1, as detailed in Attachment C 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 the Chair (the Lord Mayor), and carried unanimously.)

X101909

Item 4**City of Sydney State of our City 2024, 2023/24 Annual Reporting and Public Presentation of the 2023/24 Financial Statements and Audit Reports to Council**

It is resolved that:

- (A) Council present the 2023/24 Annual Financial Statements and auditor's reports to the public as shown at Attachment A to the subject report
- (B) Council adopt the 2023/24 Annual Financial Reports subject to the receipt of any submissions over the ensuing seven day period;
- (C) Council endorse the 2023/24 Annual Report, including the Financial Statements, Delivery Program 2022-2026 Progress Report and Statutory Returns for 2023/24 as shown at Attachments A, B and C to the subject report;
- (D) Council note the State of our City report 2024 as shown at Attachment D to the subject report;
- (E) Council note the 2023/24 annual report on the City's Inclusion (Disability) Action Plan 2021–2025 as shown at Attachment E to the subject report;
- (F) Council note the 2023/24 Green Report as shown at Attachment F to the subject report; and
- (G) authority be delegated to the Chief Executive Officer to make any minor amendments to the reports to correct any drafting errors and finalise design, artwork and accessible formats for publication.

(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.)

X105022

Item 5**Investments Held as at 31 October 2024**

It is resolved that Investment Report as at 31 October 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 Councillor Miller, and carried unanimously.)

X020701

Item 6**Review of the Investment Policy and Strategy**

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

(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

Item 7**Proposed Land Re-Classification for Community Use**

It is resolved that Council:

- (A) endorse the proposed resolution for public notification: It is resolved to reclassify the following operational land to community land in accordance with section 33 of the Local Government Act 1993:
- (i) Arcadia Park and Toxteth Park, 137A Ross Street, Forest Lodge, being Lot 302 in Deposited Plan 1183176 (Reference A and B in Attachment A);
 - (ii) 6 Zenith Street, Erskineville, being Lots 9 and 10 in Deposited Plan 1251243 (Reference C in Attachment A);
 - (iii) 74D MacDonald Street, Erskineville, being Lot 13 in Deposited Plan 1251243 (Reference D in Attachment A);
 - (iv) The Drying Green, 103 Portman Street, Zetland, being Lot 3 in Deposited Plan 1280012 (Reference E in Attachment A);
 - (v) 847A South Dowling Street, Waterloo, being Lot 65 in Deposited Plan 1038380 (Reference F in Attachment A);
 - (vi) Watchful Harry Square, 14 Broome Street, Waterloo, being Lot 64 in Deposited Plan 1038380 (Reference G in Attachment A);
 - (vii) Crown Park, 22A Crystal Street, Waterloo, being Lot 53 in Deposited Plan 1038380 (Reference H in Attachment A);
 - (viii) Crystal Park, 7A Crystal Street, Waterloo, being Lot 51 in Deposited Plan 1038380 (Reference I in Attachment A);
 - (ix) Gadigal Avenue Reserve, 2A Gadigal Avenue, Waterloo, being Lot 63 in Deposited Plan 1038380 (Reference J in Attachment A); and
 - (x) Wimbo Reserve, 3 Olivia Lane, Surry Hills being Lots 2, 3 and 8 in Deposited Plan 1272206 (Reference K in Attachment A); and
- (B) note that a further report to Council, to inform the outcomes of public notification and recommendation on classification will follow the notification period.

(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.)

2024/595805

Item 8**Lease Approval - Taylor Square Substation and Underground Toilets**

It is resolved that:

- (A) Council approve entry into an agreement for lease with Qtopia Ltd in relation to the Taylor Square substation and underground toilets for the purpose of undertaking necessary improvement works to facilitate the long-term use of the building by Qtopia Ltd in accordance with the essential terms of the agreement for lease outlined in Confidential Attachment A to the subject report;
- (B) Council approve the grant of a new lease to Qtopia Ltd for the Taylor Square substation and underground toilets to commence following completion of the works outlined in (A) for a term of 5 years with 3 options of 5 years each in accordance with the essential lease terms and conditions outlined in Confidential Attachment A to the subject report;
- (C) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993, for undertaking of lessor's works under the agreement for lease with Qtopia Ltd to the structures to Taylor Square substation and underground toilets on behalf of City of Sydney as set out in Attachment A to the subject report noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (D) Council note the reasons that a satisfactory result for the City would not be achieved by inviting tenders are the works are integral to the proposed long-term use of the premises by Qtopia Ltd, it is appropriate for the works to be managed by Qtopia Ltd without additional City staff involvement,;
- (E) Council approve the funds detailed in Confidential Attachment A to the subject report for works to the structures to Taylor Square substation and underground toilets to be sourced from the 2024/25 Capital Works Contingency Fund;
- (F) authority be delegated to the Chief Executive Officer to finalise the terms of the proposal and to negotiate, execute and administer the agreement and lease relating to the proposal in accordance with 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 the Chair (the Lord Mayor), and carried unanimously.)

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