

10 September 2018

At 2.00 pm

## Corporate, Finance, Properties and Tenders Committee

**Agenda**

- 1. Disclosures of Interest**
- 2. Investments Held as at 31 July 2018**
- 3. Naming Proposal - Post Exhibition - Kepos Street Playground**
- 4. Cancellation of Tender – Emergency Management System**
- 5. International Travel - Sydney Symphony Highlight - Nanjing Art Festival China**
- 6. Contract Extension - Civil Works**
- 7. Tender - Agency Services for Advertising**
- 8. Tender - Domestic Waste Collection Services**
- 9. Service and Maintenance of Ticket Machines - Upgrade Kits**
- 10. Property Disposal - Surplus Land 19-21 Lachlan Street, Waterloo**

**Economic Development and Business Sub-Committee**

- 11. Knowledge Exchange Sponsorship - Global Sydney International Business Landing Pad Program**

# 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.

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 Council's Secretariat on 9265 9310 before 12.00 noon 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.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

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 Council 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 on line at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au), with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

## **Item 1.**

### **Disclosures of Interest**

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

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

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

## Item 2.

### Investments Held as at 31 July 2018

**File No: X011299**

#### Summary

This report provides details of the City's investment portfolio and performance to 31 July 2018.

The City's total Investment and Cash position was \$592.6M at the end of July, with investments earning interest of \$1.4M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.5M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represent working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 2.77% for July, significantly above the 30 Day Bank Bill Rate (BBR) of 1.94%, the AusBond Bank Bill Index (published by Bloomberg) of 2.30% and the enhanced benchmark of 2.39% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.

The City's annual rolling return of 2.71% also continues to exceed the 12 month average 30 Day BBR of 1.73%, the AusBond Bank Bill Index of 1.83% and the enhanced benchmark of 2.18% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.

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 Council's commitment to sustainable investments where returns and risks are equivalent by changing the word 'desirable' to 'preferred' under the environmentally and socially responsible investment criteria.

## **Recommendation**

It is resolved that the Investment Report as at 31 July 2018 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 July 2018

**Attachment B.** Investment Performance as at 31 July 2018

## Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and Council's Investment Policy and Strategy.
3. The benchmark performance goal of Council's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 July 2018 was \$592.6M, an increase of \$6.8M from the \$585.8M reported at 30 June 2018, reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of July is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.5M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. 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 2.77% for July, significantly above the 30 Day Bank Bill Rate (BBR) of 1.94%, the AusBond Bank Bill Index (published by Bloomberg) of 2.30% and the enhanced benchmark of 2.39% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.
8. The City's annual rolling return of 2.71% also continues to exceed the 12 month average 30 Day BBR of 1.73%, the AusBond Bank Bill Index of 1.83% and the enhanced benchmark of 2.18% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.
9. The RBA last adjusted the official cash rate in August 2016, when it was reduced to 1.50%. The market responded accordingly, and lower yields on investments have had a sustained adverse impact on the City's portfolio return. This trend is anticipated to continue, though in recent periods some improvement in longer term interest rates has been noted.
10. The City has been able to outperform the industry benchmarks, and our own enhanced benchmarks (Investment Strategy benchmarks are based on returns currently available in the 30-90 day investment market), on both a monthly and annual rolling basis. This performance largely reflects the City's prior decisions to lock in a number of investments with fixed rates of 4.5% p.a. and floating rates with fixed margins significantly above the risk free rate. However, as these investments have continued to mature, surplus funds have been reinvested at lower rates, as offered in the market.

11. 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.
12. As noted in previous investment reports, the downgrade of 23 financial institutions' global ratings by Standard and Poors (S&P) in May 2017 incorporated a downgrade of both Bank of Queensland and Bendigo & Adelaide Bank from an A- to a BBB+ rating. Council's Investment Policy limits the maximum amount that may be invested with sub 'A' rated institutions to \$10M each. In the case of Bendigo & Adelaide Bank, the City continues to hold \$16M of long-term investments, with the earliest maturity date scheduled for a \$6M investment on 14 November 2018. The Investment Policy's "grandfathering" provisions have been applied, allowing the existing investments to be maintained or divested in accordance with all regular investment considerations, but no further investment will be permissible at this time.

### **Key Implications**

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

### **Financial Implications**

14. The City's investments earned interest of \$1.4M for the month of July 2018, against budgeted earnings of \$1.12M. Investment earnings for the full year are forecast to be on budget of \$13.5M.

### **Relevant Legislation**

15. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
16. The Local Government (General) Regulation 2005 (clause 212) requires Council to provide a written monthly report of all monies invested, under Section 625 of the Act.
17. The Investment Policy and Strategy was revised in October 2017, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadening of the definition of environmentally harmful activities to include specific reference to coal, gas and oil.

Council'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 16 October 2017.

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

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



**Public Consultation**

19. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure that the City continues to maximise its investment return within appropriate risk parameters.
20. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for socially responsible investment (SRI) opportunities. To date, feedback from these meetings is that there is a well-known appetite in the market for these products and they are investigating the development of suitable products, however it is difficult to match the level of funds to available SRI opportunities that meet both the credit risk and maturity profile requirements of Council.

**BILL CARTER**

Chief Financial Officer

Priyanka Sharma, Assistant Accountant

# **Attachment A**

<p><b>Register of Investments and Cash as at 31 July 2018</b></p>
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# REGISTER OF INVESTMENTS AND CASH AS AT 31 JULY 2018

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>								
Westpac Bank	AA	89,803,257	0.15%	1.75%	1.75%	1-Aug-18	22-May-12	0
<b>Total</b>		<b>89,803,257</b>	<b>0.15%</b>	<b>1.75%</b>	<b>1.75%</b>			
<b>Term Deposits (TD)</b>								
Bankwest	AA	5,000,000	0.18%	2.20%	2.20%	3-Aug-18	4-Jul-18	1
National Aust Bank	AA	5,000,000	0.18%	2.15%	2.15%	6-Aug-18	6-Jul-18	1
National Aust Bank	AA	5,000,000	0.18%	2.20%	2.20%	9-Aug-18	10-Jul-18	1
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	17-Aug-18	1-May-18	4
Bankwest	AA	5,000,000	0.22%	2.60%	2.60%	23-Aug-18	27-Sep-17	11
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.62%	2.62%	31-Aug-18	1-Sep-17	12
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.61%	2.61%	1-Sep-18	28-Aug-17	12
Commonwealth Bank	AA	5,000,000	0.22%	2.60%	2.60%	4-Sep-18	4-Sep-17	12
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	7-Sep-18	7-May-18	4
Commonwealth Bank (Interest paid semi-annual)	AA	5,000,000	0.22%	2.59%	2.59%	14-Sep-18	12-Sep-17	12
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.61%	2.61%	17-Sep-18	25-Aug-17	13
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.65%	2.65%	21-Sep-18	21-Sep-17	12
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	5-Oct-18	22-Jun-18	3
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	12-Oct-18	22-Jun-18	4
National Aust Bank	AA	5,000,000	0.21%	2.55%	2.55%	15-Oct-18	16-Feb-18	8
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	2-Nov-18	10-Apr-18	7
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	13-Nov-18	16-Feb-18	9
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	29-Nov-18	3-May-18	7
ME Bank	A	5,000,000	0.23%	2.70%	2.70%	30-Nov-18	30-Apr-18	7
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	7-Dec-18	8-Dec-17	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.65%	2.65%	7-Dec-18	5-Feb-18	10
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	11-Dec-18	1-Mar-18	9
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	13-Dec-18	29-Jun-18	5
National Aust Bank	AA	5,000,000	0.23%	2.80%	2.80%	13-Dec-18	15-Jun-18	6
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	9-Feb-18	10
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	14-Feb-18	10
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	14-Dec-18	4-Jul-18	5
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	17-Dec-18	1-Mar-18	10
National Aust Bank	AA	5,000,000	0.23%	2.80%	2.80%	18-Dec-18	28-Jun-18	6
ME Bank	A	5,000,000	0.23%	2.70%	2.70%	20-Dec-18	9-Apr-18	8
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.64%	2.64%	15-Jan-19	15-Jan-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	21-Jan-19	20-Apr-18	9
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.67%	2.67%	22-Jan-19	23-Jan-18	12
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	25-Jan-19	4-May-18	9
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	1-Feb-19	8-May-18	9
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	8-Feb-19	12-Feb-18	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	12-Feb-19	21-Feb-18	12
ME Bank	A	5,000,000	0.24%	2.83%	2.83%	15-Mar-19	4-Jul-18	8
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.68%	2.68%	19-Mar-19	19-Mar-18	12
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	6-May-19	10-Jul-18	10
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	4-Jun-19	5-Jul-18	11
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	6-Jun-19	6-Jul-18	11
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	21-Jun-19	09-Jul-18	11
Bendigo & Adelaide Bank	A	5,000,000	0.24%	2.83%	2.83%	3-Jul-19	4-Jul-18	12
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	5-Jul-19	6-Jul-18	12
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.92%	2.77%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.91%	2.75%	31-Aug-20	1-Sep-15	60
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.90%	2.61%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (3% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.25%	3.00%	3.00%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3years)	AA	5,000,000	0.25%	3.00%	3.00%	31-Aug-22	31-Aug-17	60
<b>Total</b>		<b>260,000,000</b>	<b>0.23%</b>	<b>2.71%</b>	<b>2.69%</b>			
<b>Floating Rate Notes (FRN)</b>								
Royal Bank of Canada (90 days BBSW + 72 points)	A	4,500,000	0.23%	2.71%	2.51%	7-Aug-18	7-Aug-15	36
Commonwealth Bank (90 days BBSW + 78 points)	AA	5,000,000	0.23%	2.79%	2.62%	19-Oct-18	19-Oct-15	36
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	2,000,000	0.38%	4.50%	4.50%	31-Oct-18	26-Mar-14	55
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	7,000,000	0.38%	4.50%	4.50%	31-Oct-18	23-Sep-14	49
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	10,000,000	0.38%	4.50%	4.50%	31-Oct-18	7-Nov-13	60
Bendigo & Adelaide Bank (90days BBSW + 127 points)	A	6,000,000	0.27%	3.19%	3.04%	14-Nov-18	14-Nov-13	60
National Australia Bank (90 days BBSW + 98 points)	AA	5,000,000	0.24%	2.92%	2.77%	25-Feb-19	25-Feb-16	36
Westpac Banking Corporation (Fixed 4.50% semi annual)	AA	5,000,000	0.38%	4.50%	4.50%	25-Feb-19	26-Mar-14	59
Newcastle Permanent Building Society (90 days BBSW + 160 points)	BBB	4,500,000	0.31%	3.70%	3.47%	22-Mar-19	22-Mar-16	36
Credit Union Australia (90 days BBSW + 160 points)	A	5,000,000	0.31%	3.69%	3.45%	1-Apr-19	1-Apr-16	36
Westpac Bank (90 days BBSW + 100 points)	A	5,000,000	0.25%	2.94%	2.78%	10-May-19	11-Mar-16	38
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.25%	2.98%	2.82%	18-Jul-19	18-Apr-16	39
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.29%	3.45%	3.29%	18-Jul-19	18-Jul-16	36
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.24%	2.89%	2.74%	22-Jan-20	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	A	5,000,000	0.24%	2.89%	2.73%	10-Feb-20	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	5,000,000	0.25%	2.97%	2.82%	12-Feb-20	12-Feb-15	60
Greater Bank (90 days BBSW + 145 points)	A	5,000,000	0.28%	3.39%	3.25%	24-Feb-20	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.29%	3.43%	3.19%	7-Apr-20	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.29%	3.43%	3.19%	7-Apr-20	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.23%	2.81%	2.60%	3-Jun-20	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.24%	2.92%	2.75%	17-Jul-20	17-Jul-15	60

# REGISTER OF INVESTMENTS AND CASH AS AT 31 JULY 2018

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.87%	2.72%	28-Jul-20	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.25%	3.03%	2.88%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.24%	2.82%	2.62%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.27%	3.24%	3.09%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.25%	3.05%	2.90%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.26%	3.07%	2.87%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000	0.27%	3.20%	3.05%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.26%	3.15%	2.99%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.28%	3.35%	3.29%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.27%	3.26%	3.02%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.28%	3.40%	3.22%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000	0.27%	3.29%	3.34%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.29%	3.45%	3.30%	20-Apr-21	20-Apr-16	60
Commonwealth Bank (90 days BBSW + 85 points)	AA	4,600,000	0.23%	2.78%	2.63%	17-Nov-21	17-Nov-16	60
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.24%	2.88%	2.75%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000	0.26%	3.07%	2.95%	3-Feb-23	5-Feb-18	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.24%	2.87%	2.77%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.85%	2.85%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000	0.23%	2.81%	2.81%	16-May-23	16-May-18	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds'</b>								
ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual)	AA	5,000,000	0.27%	3.25%	3.25%	3-Jun-20	3-Jun-15	60
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000	0.25%	3.04%	2.80%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>230,850,000</b>	<b>0.27%</b>	<b>3.24%</b>	<b>3.10%</b>			
<b>Total Investments</b>		<b>580,653,257</b>	<b>0.23%</b>	<b>2.77%</b>	<b>2.71%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>			<b>0.16%</b>	<b>1.94%</b>	<b>1.73%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>			<b>0.19%</b>	<b>2.30%</b>	<b>1.83%</b>			
<b>City of Sydney's available bank balance as at 31 July 2018</b>		<b>12,012,536</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>592,665,793</b>						

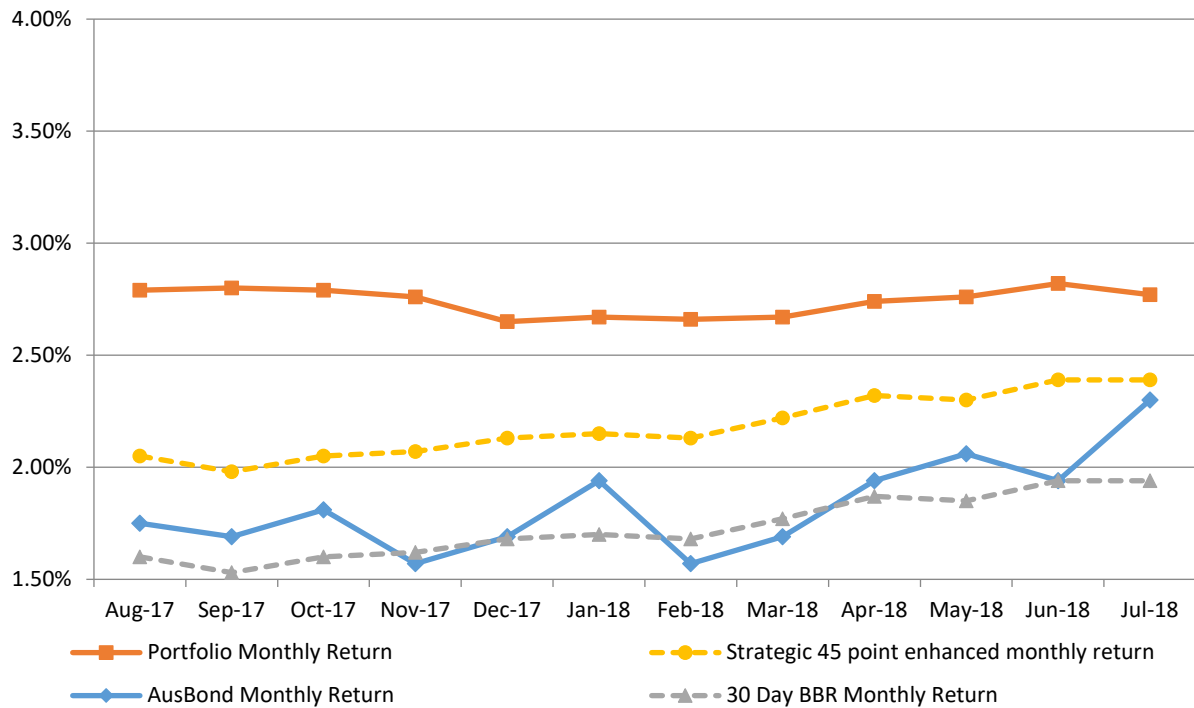
Summary of Net Investment Movements - July 2018			
Financial Institution	Fund Rating	Invest/(Recall) Amount \$	Commentary
<u>Call Account</u>			
Westpac Banking Corporation	AA	54,000,000	Redeemed matured Term Deposits and placed in Call Account for operational purposes and the payment of Light Rail Contribution, as scheduled in early August 2018.
<u>Term Deposits (TDs)</u>			
Bendigo & Adelaide Bank	A	15,000,000	Utilised matured investments for the placement of higher yield term deposits.
Credit Union Australia Ltd	A	5,000,000	
ME Bank	A	5,000,000	
Bank of Queensland	A	(5,000,000)	Redeemed matured Term Deposits and reinvested in higher yield term deposits.
Commonwealth Bank of Australia	AA	(5,000,000)	
IMB	A	(15,000,000)	
Bankwest	AA	(35,000,000)	Redeemed matured Term Deposits and placed in Call Account for the payment of Light Rail Contribution, as scheduled in early August 2018.
National Australia Bank	AA	(20,000,000)	

# **Attachment B**

**Investment Performance  
as at 31 July 2018**

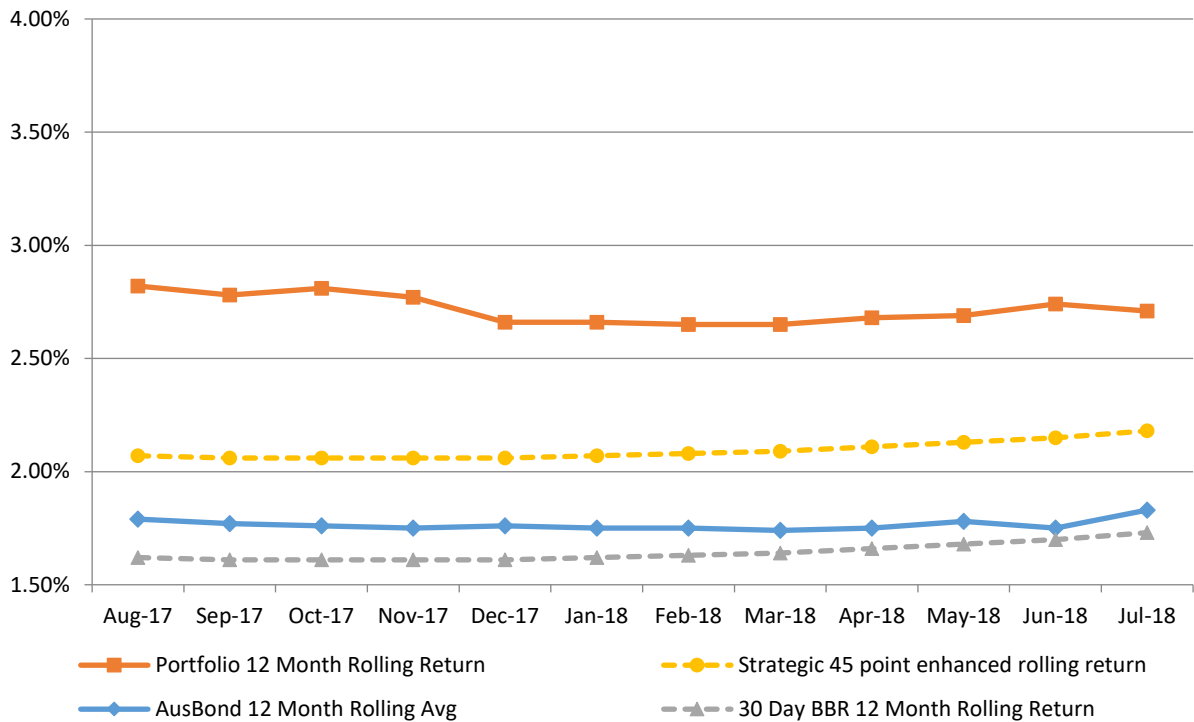
## Monthly Results

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
July 2018



## 12 Month Rolling Averages

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
July 2018



### **Item 3.**

#### **Naming Proposal - Post Exhibition - Kepos Street Playground**

**File No: X14220**

#### **Summary**

This report summarises the outcome of the proposal to name a pocket park located on the corner of Zamia and Kepos Streets, Redfern.

On 19 March 2018, Council resolved to name the pocket park the 'Kepos Street Playground' and to place the proposal on public exhibition for community comment for a minimum of 28 days.

The proposal was exhibited from 24 April until 25 May 2018. In total, 55 submissions were received; 10 in support of the proposed name and 45 opposed. The consultation process indicates there is majority community support to retain the original name of the site as 'Elizabeth McCrea Playground'.



## Recommendation

It is resolved that:

- (A) Council note that the proposal to name the pocket park located on the corner of Zamia Street and Kepos Street, Redfern, 'Kepos Street Playground' was placed on public exhibition for community comment and that the public exhibition period has now closed;
- (B) Council note that the outcome of the community consultation referred to in clause (A) indicates that naming the pocket park located on the corner of Zamia Street and Kepos Street, Redfern, 'Kepos Street Playground' is not supported;
- (C) Council approve the name of 'Elizabeth McCrea Playground' as the name for the park located on the corner of Zamia Street and Kepos Street, Redfern, based on the outcome of the community consultation referred to in clause (A); and
- (D) an application be made to the Geographic Names Board in accordance with the Geographical Names Act 1996 for the naming of the site as 'Elizabeth McCrea Playground'.

## Attachments

**Attachment A.** Location and Images of the Park

**Attachment B.** Assessment of Submissions

## Background

1. The pocket park located at 39-45 Kepos Street, Redfern, is owned by the NSW Housing Corporation, but has been managed and maintained by the City of Sydney, or South Sydney City Council following boundary changes, since 1953.
2. In 1953, the City of Sydney resolved that the playground be officially named 'The Mrs Elizabeth McCrea Playground' in honour of Elizabeth McCrea, "an old identity and highly respected citizen of the Redfern district".
3. The City refurbished the playground with a new layout and new facilities including play equipment, shade sail and landscaping in 2017. The park was officially reopened to the public on 17 February 2018 (refer Attachment A).
4. Following the upgrade, it was proposed to name the site 'Kepos Street Playground' to reflect its geographic location on Kepos Street.
5. On 19 March 2018, Council resolved to exhibit the new name for community comment for a minimum of 28 days.

## Outcome of Community Consultation

6. The proposal was exhibited from 24 April until 25 May 2018. In total, 55 submissions were received; 10 in support of the proposed name and 45 opposed. An assessment of submissions is contained in Attachment B.
7. Of the 10 submissions in support, the majority expressed general support for the proposal.
8. Of the 45 submissions opposed:
  - (a) 31 expressed preference to retain the name Elizabeth McCrea Playground; and
  - (b) 10 submissions expressed their preference for other names.
9. The submissions and feedback received indicate a community preference for the original name given to the site by the City of Sydney in 1953, 'Elizabeth McCrea Playground'.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030 Vision

10. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 4 - A City for Walking and Cycling - naming the site will assist in wayfinding and will facilitate recognition and visitation.
  - (b) Direction 6 - Inclusive and Reliant Communities - naming the site will raise community awareness of the name and the site history.

**Organisational Impact**

11. The naming proposal will not have any significant organisational impact. The approved park name will be added to the park signage.

**Social / Cultural / Community**

12. Retaining the name 'Elizabeth MCrea Playground' would reflect the sentiment expressed by a majority of the submissions from the local community and would preserve the historical connection between the site and a local working woman who contributed to local community life.
13. Naming the site 'Kepos Street Playground' would also provide a connection to the history of the area as Kepos is a Greek word for garden and the land on which the playground sits was once part of a nursery and market garden established in the 19th century by John Baptist.

**Budget Implications**

14. Funds are available in the current operational budgets approved by Council for the update of the park signage.

**Relevant Legislation**

15. The approved name needs to comply with the Geographic Names Act 1966 and the Geographic Names Board Guidelines.
16. The Geographic Names Board may consider that the name previously approved by the City of Sydney in 1953, 'Elizabeth McCrea Playground', is a long standing name and considered to be a recorded name although it has not officially been registered in the Geographic Names Board register of place names.

**Options**

17. Council may choose to approve the name 'Kepos Street Playground'. This would not reflect the majority community sentiment expressed through the consultation process.

**Public Consultation**

18. The naming proposal was advertised for community comment in the local press (Central Courier and Southern Courier), public notices were installed on site and a letter was delivered to properties within the surrounding catchment area (approximately 1,600 addresses). Information was also available on the Sydney Your Say website.
19. The process for naming public places generally proceeds as follows:
  - (a) in-principle approval by Council of the proposed name (completed);
  - (b) public notification of the naming proposal with a minimum 28 days response time (completed);
  - (c) Council approval following community consultation (pending);
  - (d) assessment by the Geographic Names Board NSW through its formal application process (pending); and
  - (e) approval by the Geographical Names Board and subsequent publication in the NSW Government Gazette (pending).

**DAVID RIORDAN**

Director City Services

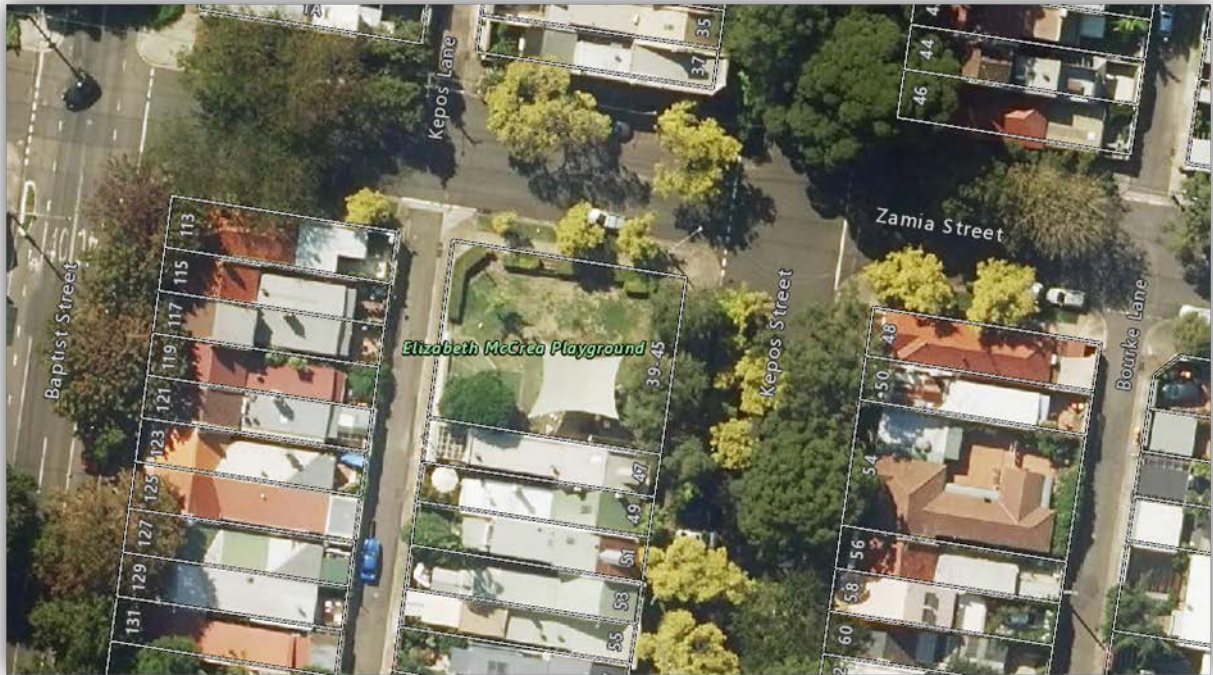
Joel Johnson, Manager City Greening and Leisure

Mark Driver, Parks and Recreation Planner

# **Attachment A**

<b>Location and Images of the Park</b>
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**Attachment A - Location and Images of Kepos Street Park**



# **Attachment B**

<b>Assessment of Submissions</b>
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## Attachment B - Assessment of Submissions

Submissions in Support (10)		
<b>General Support</b> (10 submissions)	Makes sense – it's a playground located on Kepos St (2)	Noted
	This is the name that locals are using (1)	Many local residents seem to use (and support) the original name of the park 'Elizabeth McCrea Playground'.
	Prefer Kepos Park (rather than playground) (1)	Noted
	No need for consultation (a waste of council resources) just call it Kepos St Playground (1)	The City routinely consults residents and visitors about their naming preferences for parks, open spaces and streets.
	General statement of support (5)	Noted
Submissions Opposed (45)		
<b>General Opposition</b> (7 submissions)	General statement of opposition (5)	Noted
	The majority of the park and park entrances are located on Zamia St not Kepos St (2)	The park is located at the intersection of Kepos and Zamia streets with entrances to the site from both.
<b>Preference for the original name approved by City of Sydney Council 'Elizabeth McCrea Reserve'</b> (31 Submissions)	General preference for Elizabeth McCrea Playground (4)	Noted
	The Playground has an existing name which should be retained. (4)	City of Sydney Council resolved to name the site 'Elizabeth McCrea Playground' in 1953.
	Elizabeth McCrea was the wardrobe mistress of the theatre company which once stood on the site. I am at a loss as to why the City would want to erase this connection.	This information about Elizabeth McCrea being a wardrobe mistress for the Tivoli Theatre appears to be derived from the Register of Significant Trees report prepared in 2013, and



		<p>unfortunately has not proven to be correct following more recent research. Research undertaken by the History Team in March 2018 confirms that there was a factory on the site, built in 1904, occupied by Redfern Decorative Glassworks, Service Box Co Ltd and Cinesound Productions Pty Ltd from the mid-1930s. A large fire engulfed Cinesound's film-set store on this site on 9 May 1947.</p> <p>City of Sydney Council named the site 'Elizabeth McCrea Playground' in 1953. Elizabeth McCrea died at her residence at 135 Cleveland Street, Redfern on 10 September 1950 ('Family Notices' The Sydney Morning Herald, 11 September 1950: 16, <a href="http://nla.gov.au/nla.news-article18182961">http://nla.gov.au/nla.news-article18182961</a>)</p> <p>Some parks and open spaces in the City area have been named to commemorate the achievements of women e.g. Lillian Fowler Reserve, Isabella Hills Rest Area in Erskineville.</p> <p>Noted</p>
	<p>The site has been known as Elizabeth McCrea Playground since 1953. Elizabeth McCrea lived in Kepos Street before moving to Cleveland Street where she died in 1950.</p>	<p>Noted</p> <p>The Council report stated that the park was originally named "Elizabeth McCrea Playground" in 1953 by City of Sydney Council.</p> <p>Various council literature</p>

		makes reference to the original name of the site.
	It is important that women activists who sought improvements to the lives of working families in the area are remembered and not erased from history.	Noted
	The name “Elizabeth McCrea” has a strength and power that talks of a past that is now long gone. When children ask “Who was Elizabeth McCrea” – the answer tells us of the rich past of Redfern.	Noted
	The current name Elizabeth McCrea has developed a strong identity to the park over the years. It speaks to the social history of our community (2)	If the original name is retained, the park signage would include biographical information about Elizabeth McCrea.  Noted.
	It is misleading for the consultation materials to not explicitly state that this is a proposal to rename the site.	Noted
	The site already has a name “Elizabeth McCrea Playground” as evident in Council literature and on signs and plaques previously on site.	Noted
	The current name of the playground is of historical significance to the area and is in keeping with the local architecture. The current plaque and engraved sandstone blocks are an integral part of the park	Noted
	The site is already called Elizabeth McCrea Playground and I see no reason why this should change.	Noted
	The park should retain its present name “Elizabeth McCrea Playground” and the historical and interpretive information about her returned (2).	Many parks and playgrounds in the (former City of Sydney Council) area have been named after women.  Noted

	<p>As a relative of Elizabeth McCrea I am upset that council wants to remove her name.</p> <p>Before any name change is considered, the descendants of Elizabeth McCrea should be consulted.</p> <p>Do not change the name. Elizabeth McCrea Park has a great history which I liked to read on the old park sign.</p> <p>Its important to recognise the citizens who informed our neighbourhood. If the park did not have her name, Elizabeth McCrea and her story would be lost.</p> <p>Out of respect for local history and to women in the community, I would like the park name to be retained as the Elizabeth McCrea Park.</p> <p>Preference to retain Elizabeth McCrea - because it is one of the few remaining parks named after a woman</p> <p>Elizabeth McCrea name should be kept to pay respect to a local female personality.</p> <p>The current name is lovely and reflects the history of the site and the contributions of people gone by.</p>	Noted
<p>History / Heritage Preservation</p> <p>(15 submissions)</p>	<p>It is important that Council honours the history of the site's it manages on behalf of the community.</p> <p>If we start obliterating the history of a site (by changing its name) – where will this stop?</p> <p>The naming of public places should speak directly to the culture, society and the rich heritage and history of</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>

	<p>the area in which they are located. The banality of the proposed name ignores all this.</p> <p>The name “Elizabeth McCrea” has a strength and power that talks of a past that is now long gone. When children ask “Who was Elizabeth McCrea” – the answer tells us of the rich past of Redfern.</p> <p>There is a history behind the existing name which Council wishes to expunge and hide.</p> <p>Residents new to the area will be deprived of knowing the history of the site.</p> <p>One day a park may be named after the current Lord Mayor or Councillors and they would not appreciate that name to be changed in the future (1)</p> <p>The history of the site should not be forgotten (1)</p> <p>The current name provides a link to the Tivoli Theatre previously located at the site (2)</p> <p>The existing name should be kept to retain a link to the history of the site in an area in which many historic things are disappearing due to</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>See previous comment above</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
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	<p>development.</p> <p>Why is this name even being considered? The City is usually careful about protecting the history of each locality.</p> <p>We should respect the site's history</p> <p>Retention of the current name would maintain the heritage of the area, providing a historical link to the operations of the Tivoli Theatre which once used the site</p> <p>The existing name has historical value for the suburb.</p> <p>The proposed new name is sterile and obvious. I see this as a small but pertinent example of how Sydney is so often stripped of its culture and history</p>	Noted
<p>Commemoration of the achievements of (local) Women</p> <p>(8 submissions)</p>	<p>The proposed change reeks of erasing women from the history of our local area when very few women are memorialised at a Federal or State level (2).</p> <p>Out of respect for local history and to women in the community, I would like the park name to be retained as the Elizabeth McCare Park. (2)</p> <p>There are many local playgrounds in the City named after women and local people. These names should not be changed or replaced by any other street names. (2)</p> <p>To replace the name of a woman in preference to the name of the street is unimaginative and disappointing.</p> <p>The name provides linkage to and commemorates Redfern's working class women. (2)</p> <p>We should not be renaming</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

	<p>playgrounds which honour female pioneers in our community.</p> <p>Elizabeth McCrea name should be kept to pay respect to a local female personality.</p>	Noted
<p>Lack of justification for name change</p> <p>(11 submissions)</p>	<p>The playground refurbishment community consultation process made no reference to renaming the site. (2)</p> <p>I see no reason for the name to change (2)</p> <p>What are the reasons for the name change?</p> <p>The proposed name indicates little thought has been given to the name. The park's boundary/entrance on Kepos St is not sufficient justification for the name.</p> <p>I do not accept council's reasoning for the name change. Using such logic names such as Martin Place should be changed to George St Place. (2)</p> <p>The upgrade is fantastic but there is no need to change the name, the site is the same and so should be its name.</p> <p>I do not believe council's reasoning is sufficiently substantive to warrant a name change. There is already a Kepos Street name.</p> <p>The reason for renaming the park is given as the latest upgrade. However, the Ron Williams Activity Centre in Kepos Street was recently substantially renovated and no proposal has been forthcoming to rename it Kepos Street Activity Centre.</p> <p>The park is a local park used by local people – there is no need for</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

	<p>wayfinding elements in the name.</p> <p>If needs be a plaque could be installed stating that the current playground was opened by the Lord Mayor.</p> <p>The proposed name of “Kepos Street Playground” is not actually a name, but rather a geographical descriptor (2)</p> <p>The prosaic labelling of public spaces is baffling when we live in such a beautiful and creative city. Kepos St Playground is a boring name.</p> <p>The proposed name is very generic and boring</p> <p>There has been inadequate consultation.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<p>Preference for an Indigenous name (2 submissions)</p>	<p>This is an opportunity for important recognition of the traditional custodians of this land.it would be valuable for residents and playground visitors if the name had a deeper meaning (than Kepos St) and referenced the traditional owners of this land.</p> <p>Naming proposals in Redfern, particularly a children’s playground, should consider the need to inspire both indigenous and non-indigenous youth of the area. It is easy for such children to become disillusioned, alienated and depressed when the mainstream media is preoccupied with the white community and its interests.</p>	<p>The City’s standard park signage includes an acknowledgement of country message which acknowledges the traditional owners of the land. This will be installed on the new park signage at this site.</p>
<p>Alternative names proposed</p>	<p>Keep Street Park – easy to remember and a reference to ‘keeping the children safe’.</p> <p>Darling Playground – to commemorate the Darling Nursery</p>	<p>Noted</p> <p>Noted</p>

	located at this site.	
	Chicken Park (3) The name is more vibrant and inclusive for kids and families. The name is more characterful than Kepos St Playground.	Noted
	The park should be named after Lord Mayor Clover Moore (in recognition for her work and achievements in the area) (2)	Noted
	The playground should be named to commemorate the life and achievements of recently deceased <b>Judge Belleair</b> – who rose from unemployment to become the first Judge of Indigenous decent in Australia. The judge would prove to be an inspiration for local children including Indigenous children in Ewswden, Many of whom lack self-confidence and self-belief.	
	PlaygroundMcPlaygroundFace	Noted
	Local children should have the option to name the park – stewardship mentality.	Noted



**Item 4.****Cancellation of Tender – Emergency Management System**

**File No: X017762.089**

**Summary**

This report provides details of the tenders received for Emergency and Evacuation Management Planning.

The City required a consultant to prepare an Emergency and Evacuation Management plan for selected properties within the City's property portfolio.

Concurrently, the City was negotiating a new Facility Management Agreement. As part of the Facility Management Agreement tender process, an Emergency and Evacuation Management plan was included within the service provider's tender submission.

A Request for Tender was issued to market on 21 November 2017 because the City did not want to shortfall this critical service and wanted to secure a provider notwithstanding the outcome of the Facilities Management Agreement tender process.

Given Emergency and Evacuation Management services are now included in the new Facility Management Agreement, the City is no longer required to establish its own contract.

This report recommends that Council cancel the consultancy services tender on Emergency and Evacuation Management services for various City of Sydney properties, as this service is now included within the new Facility Management Agreement with Ventia.

**Recommendation**

It is resolved that Council not accept any of the tenders for Emergency and Evacuation Management Planning and, for the reasons set out in this report, cancel the tender for Emergency and Evacuation Management Planning (Tender 1759).

**Attachments**

Nil.

## Background

1. The City has an obligation under Work Health and Safety law to provide emergency planning training to the occupants of relevant buildings.
2. Based on this obligation, the City must develop a Disaster, Fire and Emergency Management Plan that includes:
  - (a) compliance with AS3745 and the requirements of the City's policies;
  - (b) processes for immediate response to emergency calls and alarm systems;
  - (c) response and contingency plans for terrorist, bomb and incendiary device threats and alerts or public unrest;
  - (d) contingency plans and business continuity for emergency situations;
  - (e) the procedures for routine testing of fire, security and alarm systems and maintenance of records of all testing;
  - (f) the process for reporting any water, gas, oil, solvent or electrical breakdown to the applicable utility service;
  - (g) provider and a procedure for immediate action to protect the safety and security of building users;
  - (h) responding to reports of fire or incidents within buildings and, as necessary, assist the emergency service providers;
  - (i) conducting fire and emergency safety training and orientation for service provider employees, including subcontractors, in accordance with all legislative and regulatory requirements and the disaster, fire and emergency plan;
  - (j) completion of an annual trial evacuation at each site;
  - (k) recording of trial evacuation and results in a register, and providing information to the City on the current status of the fire safety certification, as issued by a qualified and competent fire safety assessor;
  - (l) processes for diverting and controlling all forms of traffic, including pedestrian and vehicle traffic, to maintain clear access during an emergency; and
  - (m) the processes for:
    - (i) assisting with the control and prevention of unauthorised access and egress to the scene during any emergency; and
    - (ii) assisting building users evacuate all or part of the buildings during an emergency.
3. Given these requirements, the City decided to engage a consultant to prepare an Emergency and Evacuation Management plan for selected buildings. A Request for Tender was issued to market on 21 November 2017 because the City did not want to shortfall this critical service and wanted to secure a provider notwithstanding the outcome of the Facilities Management Agreement tender process.

4. Concurrently, the City was negotiating a new Facility Management Agreement.
5. As part of this tender, development and ongoing monitoring of Emergency and Evacuation Management services was included within the service providers tender bid.
6. Consequently, within the new Facility Management Agreement, a Disaster, Fire and Emergency Management Plan was included as a Service Plan Requirement, and all the items listed in paragraph 2 were embedded into this agreement.
7. The Facility Management Agreement was executed on 22 December 2017, and Ventia were chosen as the City's new Facility Management Supplier.
8. Given Emergency and Evacuation Management services are now included in the Facility Management Agreement, the City is no longer required to establish its own contract. Consequently, it is seeking to cancel Tender 1759.
9. The Tender 1759 closed 12 December 2017. Thirteen vendors responded to this Request for Tender. These applications were not assessed since it was determined that Ventia would provide this service.

### **Budget Implications**

10. Funds to complete this project are included in the 2018/19 Facilities Management operational budget.

### **Relevant Legislation**

11. The tender was conducted and is now cancelled in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.

### **AMIT CHANAN**

Director, City Projects and Property

Neil Palagedara, Contract Manager

Lara Mansill, WHS Advisor Property Services

**Item 5.**

**International Travel – Sydney Symphony Highlight – Nanjing Art Festival China**

Report to Follow

**Item 6.****Contract Extension - Civil Works****File No: S104354****Tender No: 1319****Summary**

The City entered into the Civil Works contract with nine service providers in October 2013, for a term of three years with the option of two annual extensions. The estimated contract value was \$18 million per year excluding GST.

This report seeks approval to extend the term of each of the service providers Civil Works contracts until 31 July 2019.

This extension allows for continuation of critical civil works services, while the future civil works contract is fully developed, tendered and awarded. This tender will deliver improvement programs and maintenance on City assets including roadways, kerb and gutter, footways, CBD granite paving, traffic safety facilities and stormwater infrastructure, with an asset value of \$1.1 billion.

The service providers provide professional construction and maintenance services with the consideration of all community and other stakeholder requirements. The work is based on the City's standard civil work specifications and drawings that are used by all civil contractors and service authorities that work in the City.

The current term of each of the nine Civil Works contracts ends on 31 September 2018. An extension is required as a result of a review of contract improvement processes, improved data and asset management processes and procurement of a range of other significant projects. Given the time required to develop the revised Civil Works tender to ensure the next contract will provide improved data capturing, improved end to end process, use of technology, quality control and cost management procedures, approval is sought to extend the term of each contract with the services providers. This will permit an adequate transition-in period.

## 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 extend the term of the Civil Works Agreements with each service provider by 10 months to 31 July 2019;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Civil Works Agreement to provide for the extension of the term under clause (A);
- (C) Council note that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders; and
- (D) Council note the reasons why a satisfactory result would be achieved by inviting tenders now are:
  - (i) the expenditure of the contract requires significant review of a new delivery processes to ensure improved contract management efficiencies, data capturing and the use of technology;
  - (ii) the existing service providers have good performance ratings and are providing good value for the service they are delivering;
  - (iii) the current construction has a high demand on civil construction contractors. The rates of the service providers recommended for an extension are competitive; and
  - (iv) limited time is available from now to the end of the contract to achieve a robust City tender process.

## Attachments

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

## Background

1. On 26 August 2013, Council resolved to accept the tender from nine service providers for civil works. The contracts replaced a similar schedule of rates panel contracts which expired at the end of July 2013 after a four-year period.
2. Each of the Civil Works contracts commenced on 1 October 2013 for a term of three years, with an additional two-year term based on performance.
3. The additional two-year extensions were exercised and commenced in October 2016. Each contract, including exercised option, will end on 31 September 2018.
4. The City of Sydney manages approximately 333 kilometres of roadway, 619 kilometres of kerb and gutter, 533 kilometres of footways, 12,000 stormwater pits, 100,000 square meters of CBD granite paving, 2,000 traffic facilities and 190 kilometres of stormwater infrastructure, with an asset value of \$1.1 billion.
5. The Civil Works panel contract is used to construct and maintain its civil assets of five panels which will be utilised to undertake civil works. The panels are:
  - (a) footpath, kerb and gutter;
  - (b) granite paving footpath;
  - (c) drainage;
  - (d) traffic safety improvements; and
  - (e) road and footpath restorations.
6. There were nine ranked service providers across the five panels that are required to provide professional construction and maintenance services with consideration of all community and other stakeholder requirements. The service providers in order of ranking were:
  - (a) Footpath, Kerb and Gutter Panel
    - (i) Sydney Civil Pty Ltd
    - (ii) Quality Management & Construction Pty Ltd trading as QMC Group
    - (iii) Ally Property Services Pty Ltd
    - (iv) Subakette Pty Ltd
  - (b) Granite Paving Panel
    - (i) Quality Management & Construction Pty Ltd trading as QMC Group
    - (ii) Sydney Civil Pty Ltd
    - (iii) Sam the Paving Man Pty Ltd
    - (iv) Ford Civil Pty Ltd

- (c) Drainage Panel
    - (i) Byrne Civil Pty Ltd
    - (ii) Quality Management & Construction Pty Ltd trading as QMC Group
    - (iii) Ford Civil Pty Ltd
    - (iv) Sydney Civil Pty Ltd
    - (v) Subakette Pty Ltd
  - (d) Traffic Safety Improvements Panel
    - (i) Sydney Civil Pty Ltd
    - (ii) Quality Management & Construction Pty Ltd trading as QMC Group
    - (iii) Byrne Civil Pty Ltd
    - (iv) Ford Civil Pty Ltd
  - (e) Road and Footpath Restorations Panel
    - (i) Sydney Civil Pty Ltd
    - (ii) Stateline Asphalt Pty Ltd
    - (iii) Quality Management & Construction Pty Ltd trading as QMC Group
    - (iv) Ally Property Services Pty Ltd
    - (v) Asphalt Laying Services Pty Ltd
    - (vi) Subakette Pty Ltd
7. The work delivered is based on the City's standard civil work specifications and drawings that are used by all civil contractors and service authorities that work in the City.
8. An extension is required as a result of a review of contract improvement processes, improved data and asset management processes and procurement of a range of other significant projects. The next contract will provide improved data capturing, improved end to end process, use of technology, quality control and cost management procedures, approval is sought to extend the term of each contract with the services providers which will permit an adequate transition in period.



## **Key Implications**

### **Organisational Impact**

9. The contract extensions will allow for a well-planned tender process that will provide efficient, timely and cost effective civil work services.

### **Risks**

10. Without the extensions, the City will need to tender the contract to commence on 1 October 2018. This does not allow enough time to run an industry appropriate tender process, or to allow transitional phase in time as required.
11. Without the extensions, the City will not be able to continue providing civil works services.

### **Budget Implications**

12. The Civil Works contracts are based on a schedule of rates with annual rise and fall adjustments.
13. The total value of all the contract for the entire five-year term and 10 month extension period is outlined at confidential Attachment A.
14. Funds are available for the 10 month extension in the 2018/19 operating and capital budgets.

### **Relevant Legislation**

15. Section 55(3)(i) of the Local Government Act 1993.

**Critical Dates / Time Frames**

16. The current Civil Works contracts are due to end on 31 September 2018. It is recommended that the contract end date under each contract is extended to 31 July 2019.
17. If the contracts are extended, then the new Civil Works contract would go to market in November 2018 followed by the issue of a select tender.
18. Council approval is scheduled to be sought in April 2019 to appoint the successful tenderers for the next contract commencing from 1 July 2019.

**DAVID RIORDAN**

Director City Operations

Andrew Christie, Manager Infrastructure Services

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**Item 7.****Tender - Agency Services for Advertising****File No: X010779.013****Tender No: 1820****Summary**

This report provides details of the tenders received for agency services for advertising.

The City of Sydney undertakes a wide range of advertising to meet a broad variety of mandatory legislative and communication needs such as Development Applications, tenders, recruitment and event related communications. This tender seeks an agency to manage the City's advertisements for events, programs and initiatives and public notice advertisements for legislative requirements.

The purpose of the tender is to streamline advertisement planning, booking and invoicing, as well as to reduce costs across all media which could not otherwise be achieved through direct liaison. This tender also covers services including strategy, production, research, software, training and possibly creative services.

Tenders were called for the provision of the City's advertising services over a three-year period, with the option to extend for a further two years.

This report provides details of the tenders received for agency services for advertising and makes a recommendation for the preferred supplier.

The recommended tenderer is paid a percentage of the cost of each type of advertising placed, so the City only pays the agency when advertising is actually booked.

This report recommends that Council accept the tender offer of Tenderer 'K' for agency services for advertising.

## **Recommendation**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'K' for agency services for advertising for a period of three years, with the option of an extension of two years;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

## **Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

**Attachment B.** Schedule of Rates (Confidential)

## Background

1. The City has contracted an agency or agencies for the provision of advertising services since 17 September 2007. The advertising services include the promotion of the City's events, programs and initiatives, as well as public notice advertisements to meet legislative requirements.
2. Using the services of an agency, the City can access discounted media rates for both online and offline media it would not otherwise be eligible to receive. Additional benefits of utilising an agency include:
  - (a) expert advice on strategy and placement;
  - (b) having a team of people dealing directly with the many media/publisher outlets the City seeks to advertise with;
  - (c) ability to set template advertisements as the City does not have available resources for this high volume and fast turnaround;
  - (d) ability to dispatch advertisements via programs/software to which the City does not have membership access; therefore saving the City membership fees and production time;
  - (e) ability to easily track advertising expenditure and easy management of media invoicing that would otherwise prove labour intensive;
  - (f) resources for all formats of advertisement production, checking and dispatch;
  - (g) resources for specialised digital advertising (inclusive of software systems and technologies) that the City would need to outsource;
  - (h) resources for media research and access to media/advertising sector measurement systems that would otherwise attract costly annual fees;
  - (i) resources for training of City staff; and
  - (j) resources for all types of creative services inclusive of digital formats the City does not have the capability to produce.

## Invitation to Tender

3. The Tender was advertised in The Australian newspaper and via ETender on Monday 30 April 2018, The Sydney Morning Herald on Tuesday 1 May 2018, B&T e-newsletter on 8 May 2018, and AdNews e-newsletter on 7 and 10 May 2018, with tenders closing at 11.00am on Tuesday 5 June 2018.

## **Tender Submissions**

4. At the close of tenders, 12 submissions were received from the following organisations:
  - (a) Adcorp Australia Ltd;
  - (b) Agency3;
  - (c) Bauer Media Pty Ltd;
  - (d) Clemenger BBDO;
  - (e) Heard Marketing;
  - (f) JLM Marketing Pty Ltd T/A Marketing Mechanics;
  - (g) Leonards Advertising;
  - (h) Publisher's Internationale Pty Ltd;
  - (i) Reborn Group Pty Ltd;
  - (j) Blue Sky Media & Marketing;
  - (k) Wavemaker Australia Pty Ltd; and
  - (l) ZenithOptimedia Australia Pty Ltd.
5. No late submissions were received.

## **Tender Evaluation**

6. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
7. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
8. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) relevant work experience in services of a similar type and volume;
  - (b) allocation of relevant personnel;
  - (c) proposed timelines;
  - (d) proposed methodology;
  - (e) Work, Health & Safety (WHS);
  - (f) financial and commercial trading integrity including insurances; and

- (g) schedule of prices.

### **Performance Measurement**

9. The contract for providing the City's advertising services will be measured against three key performance areas, with four repeating activities relating to response times. The key performance areas are detailed in the KPI table in the tender and are:
  - (a) key deliverables;
  - (b) quality of work; and
  - (c) WHS compliance.

### **Financial Implications**

10. The costs for the provision of these services come out of individual operational areas and each area has budgeted for this expense. Based on historical spend, it is anticipated the spend over the lifetime of the contract would be \$7.5 million (averaging \$1.5 million per year across five years). This is inclusive of advertising costs as the recommended tenderer is paid a percentage of the cost of each type of advertising placed, so the City only pays the agency when advertising is actually booked.
11. There are sufficient funds allocated for this contract within the current year's operating budget and future years' forward estimates.

### **Relevant Legislation**

12. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
13. Attachments A and B contain 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.
14. 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**

15. The existing contract expires on 31 January 2019 and it is necessary to enter into the new contract prior to this date to ensure continuity of service.



**Options**

16. Not proceeding with the service of an agency for advertising will mean the City will be unable to meet its current level of advertising services, while also suffering significant negative financial and resourcing implications. With no buying leverage, the City will not have access to discounted media rates and will be subject to inefficient media buying due to inadequate in-house resources for advertising strategy, planning, buying, dispatching, production, reporting, research and invoice reconciliation.
17. The City would not have access to planning, buying and dispatching software systems specific to agencies, would be subject to high production, dispatching, digital advertising and research software systems that City staff are not trained in, and would be subject to various licencing and memberships fees. There are some advertising formats (like some digital advertising buys) than can only be implemented via an agency and the City requires these services.

**SYD CASSIDY**

Director City Engagement

Karl Herger, Manager Marketing and Creative Services

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**Item 8.****Tender - Domestic Waste Collection Services**

**File No:** X010781.013

**Tender No:** 1822

**Summary**

This report provides details of the tenders received for Domestic Waste Collection Services.

This tender is for provision of waste collection services for domestic garbage, recycling, garden organics, household bulky clean up, metals, whitegoods, e-waste and illegally dumped items. The tendered services also include the trial collection of food organics and textiles.

This report recommends that Council accept the tender offer of Tenderer B for the Domestic Waste Collection Services.

**Recommendation**

It is resolved that:

- (A) Council accept the tender offer of Tenderer B for Domestic Waste Collection Services for a period of seven years, with the option of an initial extension of two years, and a further option of an extension of one year, if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly; and
- (D) authority be delegated to the Chief Executive Officer to negotiate the price to cater for growth in the services tendered.

**Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

**Attachment B.** Schedule of Prices (Confidential)

## Background

1. On 7 December 2009, Council resolved to accept a tender for Domestic Waste Collection services. The contract currently provides domestic waste and recycling collection services to 107,364 City residential properties. City staff collect garbage and household bulky clean up items in limited areas within the Local Government Area.
2. The services under this Domestic Waste Collection Agreement commenced 10 March 2010 for a term of five years, with an additional two-year term based on performance.
3. The additional two-year term was exercised and commenced in March 2015. On 9 November 2015, the contract was extended for a further four months through a contract variation approved by the Lord Mayor and the Chief Executive Officer, as per delegation.
4. On 15 May 2017, Council resolved to extend the term of the Domestic Waste Collection Agreement by 24 months to 30 June 2019. This extension allowed for the continuation of critical waste collection services, while the future waste services contracting model was fully developed, tendered and awarded. It also ensured the tender could incorporate relevant actions from the revised Waste Strategy.
5. On 23 October 2017, Council resolved to adopt the final Waste Strategy and Action Plan 2017-2030. This strategy includes a number of actions that relate to the collection of domestic waste, including increased rates of diversion from landfill, electronic waste (e-waste) kerbside collection and trial collections for both food organics and textiles.
6. Due to the complex nature of the domestic waste collection service, the City resolved to run a procurement process involving Expression of Interest, followed by select tender incorporating an Early Contractor Involvement process.
7. At the completion of the evaluation, three service providers were short-listed to participate in a select tender process. The Domestic Waste Collection service includes the collection of domestic garbage, recycling, garden organics, household bulky clean up, metals, whitegoods, e-waste and illegally dumped items. The services also include the trial collection of food organics and textiles. All services are based on a schedule of prices fee structure which affords flexibility to cater for changes to the number of properties to be serviced over the contract term.
8. A nine-month timeframe has been set aside (post Tender award) to allow for the successful Tenderer to acquire a waste collection fleet of trucks, conduct field auditing, service planning and recruitment of staff as necessary.

## Invitation for Expressions of Interest

9. Requests for Expressions of Interest were advertised in The Sydney Morning Herald and the Daily Telegraph, and on the City's e-Tender portal, on 3 October 2017, and closed on 14 November 2017.

## Expression of Interest Submissions

10. Six submissions were received from the following organisations:
  - Bingo Waste Services Pty Ltd;
  - Citywide Service Solutions Pty Ltd;

- Cleanaway Pty Ltd;
- SUEZ Recycling & Recovery Pty Ltd;
- URM Environmental Services Pty Ltd; and
- Veolia Environmental Services (Australia) Pty Ltd.

11. No late submissions were received.

### **Expression of Interest Evaluation**

12. All members of the Expression of Interest Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. The relative ranking of Expression of Interest respondents as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) current organisation, capability and capacity;
  - (b) customer centric focus with experience in performance-based contracting and KPI achievement;
  - (c) environmental performance, practices and management;
  - (d) proposed service delivery methodology; and
  - (e) Work, Health and Safety (WHS) performance, practices and management (mandatory).
15. At the completion of the Expression of Interest evaluation, three service providers were short-listed to participate in a select tender process, being:
  - Cleanaway Pty Ltd;
  - SUEZ Recycling & Recovery Pty Ltd; and
  - Veolia Environmental Services (Australia) Pty Ltd.

### **Invitation to Tender**

16. Requests for Tenders were released to the short-listed tenderers on the City's e-Tender portal on 23 April 2018, and closed on 25 July 2018.
17. To encourage a collaborative procurement approach, Early Contractor Involvement workshops were conducted throughout May 2018 and June 2018. There were 14 workshops held in total. An independent Probity Advisor was in attendance at every Early Contractor Involvement workshop and evaluation panel meeting throughout the procurement process.

18. The Early Contractor Involvement workshops enabled the City to clarify the service and consider where it may be possible to further improve the City's tender documentation. These workshops greatly assisted in the commercial alignment between the City and the proponents on the scope of works and the delivery model.
19. City staff and Tenderers all appreciated the opportunity to participate in the Early Contractor Involvement workshops and considered them to be highly beneficial, particularly for such a complex and essential service.

### **Tender Submissions**

20. Three submissions were received from the following organisations:
  - Cleanaway Pty Ltd;
  - SUEZ Recycling & Recovery Pty Ltd; and
  - Veolia Environmental Services (Australia) Pty Ltd.
21. No late submissions were received.

### **Tender Evaluation**

22. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
23. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
24. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) service methodology;
  - (b) resourcing;
  - (c) systems and reporting;
  - (d) transition;
  - (e) WHS (mandatory); and
  - (f) financial and commercial trading integrity, including insurances (mandatory).

### **Performance Measurement**

25. The appointed tenderer will have its performance assessed against the following specific key performance indicators:
  - (a) 99.90 per cent of all mobile bins collected on nominated collection day and time period;

- (b) closing off customer complaints in regards to contractor (including its staff) behaviour and non-fulfilment of services within the agreed timeframe;
- (c) nil major environmental incidents or spills;
- (d) lost time injury frequency rate of zero (rolling twelve month average) where the injury is attributable to contractor actions;
- (e) nil third party insurance claims of property and vehicle damage or personal injury as a result of contractor being proven at fault;
- (f) reduction in bin replacement costs of 5 per cent per annum for years 2, 3, 4 and 5 (first 12 months of services is the baseline);
- (g) reduction in carbon dioxide emissions over the contract term; and
- (h) all reports and data requirements comply with requirements of the specification.

### **Financial Implications**

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

### **Relevant Legislation**

27. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
28. In accordance with Regulation 170 of the Local Government (General) Regulation 2005, all tenderers have confirmed that, if their tender is accepted, they intend to offer employment or engagement of existing workers who provide domestic waste management services to the City.
29. Attachments A and B contain 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.
30. 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**

31. The existing contract for Waste Collection Services expires on 30 June 2019.
32. The proposed contract duration is for seven years, with the option of an initial extension of two years, and a further option of an extension of one year, subject to satisfactory performance and operational requirements.
33. The Waste Strategy and Action Plan 2017-2030 includes actions to commence a food organics collection trial and to further consider textile collection in multi-unit dwellings by the end of 2019. The City is intending to commence pilot collection services for food organics and textiles for a limited number of premises by mid-2019. Based on the success of the pilot services, the two-year trial collection service included as part of this tender would then proceed in early 2020. City staff will regularly report on the progress of these activities to Council throughout this period.

**Public Consultation**

34. There was no public consultation prior to this tender being advertised.

**DAVID RIORDAN**

Director City Services

Peter Shields, Acting Resource Recovery Manager

George Angelis, Acting Manager Cleansing and Waste

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## **Item 9.**

### **Service and Maintenance of Ticket Machines - Upgrade Kits**

**File No: S103482.002**

#### **Summary**

This report seeks consideration by Council of the background, options and recommendations set out in the confidential attachment.

For the reasons set out in Confidential Attachment A, it is recommended that Council adopt the resolution set out in Confidential Attachment A.

#### **Recommendation**

It is resolved that Council adopt the recommendation set out in Confidential Attachment A to the subject report.

#### **Attachments**

**Attachment A.** Service and Maintenance of Ticket Machines - Upgrade Kits  
(Confidential)

**Relevant Legislation**

1. Local Government Act 1993 (NSW).
2. Attachment A contains confidential information which would:
  - (a) otherwise be privileged from production in legal proceedings on the ground of legal professional privilege; and,
  - (b) if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
3. 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.

**DAVID RIORDAN**

Director City Services

David Gal, Acting Manager Strategy and Assets

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**Item 10.****Property Disposal - Surplus Land 19-21 Lachlan Street, Waterloo****File No: X020058****Summary**

On 16 May 2011, Council endorsed the acquisition of 19-21 Lachlan Avenue, Waterloo, as part of plans to deliver the north-south transport corridor running along the eastern sector of the Green Square Renewal Area (Corridor), one of the largest redevelopment areas in Australia.

The public transport route is the nominated Corridor under the Green Square Transport Management and Accessibility Plan (2008), and will provide an important public transport route, including the potential for light rail from Central Station to Green Square Station.

The City's remnant portion of land is 297.1m<sup>2</sup> and has limited development potential in isolation and therefore limited marketability.

For several years, the City has been negotiating with different owners of the adjoining land, 25-27 Lachlan Avenue and 1-5 Amelia Street, as the Development Control Plan requires the remnant parcel to be incorporated into the adjoining owner's development.

The land is classified operational and there are no impediments to the sale of the land.

Non-binding terms for the sale have been agreed with the current developer and are within the parameters of the value recently established by independent valuation for the approved scheme.

**Recommendation**

It is resolved that:

- (A) Council endorse the disposal of the surplus portion of 19-21 Lachlan Avenue, Waterloo, at the price agreed to by both parties and supported by independent valuation as detailed in Confidential Attachment B to the subject report;
- (B) authority be delegated to the Chief Executive Officer to finalise all negotiations and enter into a Contract for Sale and any other documentation required to complete the sale; and
- (C) proceeds from the sale be allocated to the Commercial Properties Reserve to allow for future reinvestment in commercial property, supplementing the City's rate based income.

**Attachments**

**Attachment A.** Identification Plan

**Attachment B.** Financial Assessment (Confidential)



## Background

1. On 16 May 2011, Council endorsed the acquisition of 19-21 Lachlan Avenue, Waterloo, as part of plans to deliver the north-south transport corridor running along the eastern sector of the Green Square Renewal Area (Corridor), one of the largest redevelopment areas in Australia.
2. Acquisition of the landholding was essential to achieving the full Corridor, and followed the City's acquisition of the site to the south at 7 -19 Amelia Street.
3. The public transport route is the nominated Corridor under the Green Square Transport Management and Accessibility Plan (2008), and will provide an important public transport route, including the potential for light rail from Central Station to Green Square Station.
4. The Green Square Transport Management and Accessibility Plan (2008), undertaken in conjunction with the State Government, highlighted the urgent need for investment in effective transit corridors and public transport infrastructure to ensure that projected growth in the numbers of residents and workers in Green Square will not result in unacceptable transport congestion.
5. The delivery of appropriate infrastructure, including public transport, is integral to the success of Green Square as a model sustainable renewal project.
6. The property at 19-21 Lachlan Avenue was acquired by negotiation for \$4.3M plus GST in 2011 and is classified as operational.
7. Approximately 83 per cent of the property's 1,744m<sup>2</sup> has been utilised in creation of the Corridor, which includes the Gadigal Avenue Extension.
8. The remnant portion forms an irregular shaped lot of approximately 297.1m<sup>2</sup>, running along the eastern boundary of 19-21 Lachlan Avenue and adjoining 25-27 Lachlan Avenue and 1-5 Amelia Street, Waterloo.
9. The City's remnant portion has limited development potential in isolation and therefore limited marketability.
10. The Development Control Plan requires the remnant parcel to be incorporated into the adjoining owner's development, thereby increasing the land area and development potential for the amalgamated site. For several years, the City has been negotiating with different owners of the adjoining land, 25-27 Lachlan Avenue (inclusive of 1-5 Amelia Street).
11. The subject property, together with the adjoining land 25-27 Lachlan Avenue and 1-5 Amelia Street, has been granted development consent for a seven storey mixed use building comprising of 42 residential apartments with three commercial premises, with one level of basement parking for 40 vehicles.
12. It is proposed to sell the subject property to the current developer owner so that it can be amalgamated into their development site and the development can be completed.
13. The City engaged property valuers, Preston Rowe Patterson, to establish the value of the subject property for disposal purposes.

14. Details of the valuation rationale, including offers made by the developer of the adjoining land, are contained at Confidential Attachment B.

### **Budget Implications**

15. Proceeds from the sale of the property will be allocated to the Commercial Properties Reserve for future reinvestment.

### **Relevant Legislation**

16. Attachment B contains confidential commercial information which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom City's is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.
18. Under section 377 of the Local Government Act 1919 as amended (which contains the general power of a council to delegate), a council may, by resolution, delegate certain functions, but not the function to sell or acquire land or other property.

### **Public Consultation**

19. There is no public consultation required for Council to endorse the disposal of this surplus land.

### **AMIT CHANAN**

Director, City Projects and Property

Nicholas Male-Perkins, Commercial Manager, Strategic Development

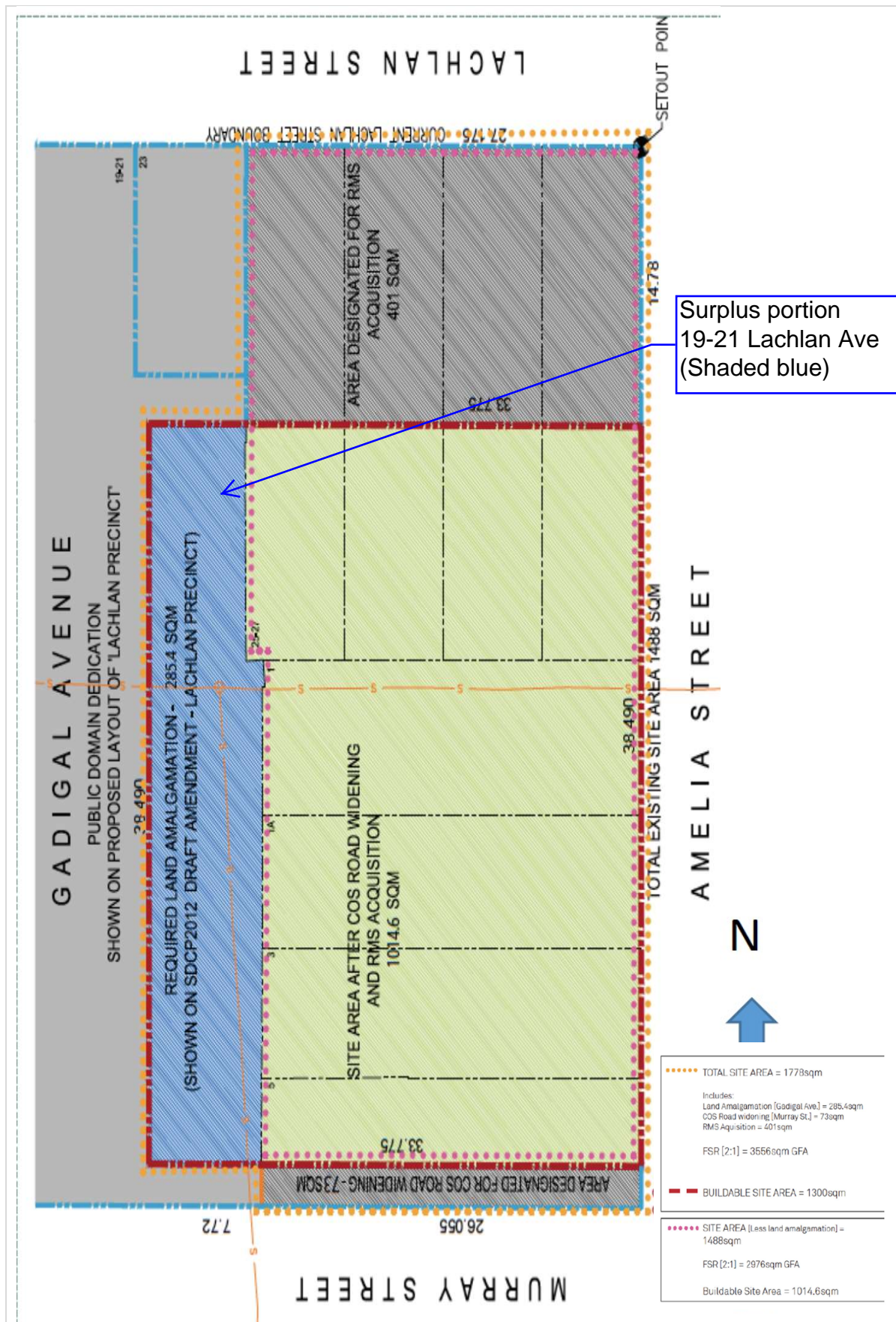
# **Attachment A**

<b>Identification Plan</b>
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# Strategic Context







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**Item 11.****Knowledge Exchange Sponsorship - Global Sydney International Business Landing Pad Program****File No: X008789****Summary**

Haymarket HQ Pty Ltd has applied for a Knowledge Exchange Sponsorship of \$40,000 (excluding GST) per year for three years, to help support their program known as the Global Sydney International Business Landing Pad Program. The program aims to support international companies, predominantly from Asia and specifically China, expand their business and invest into Sydney - positioning Sydney as the ideal investment destination. If approved, the City's sponsorship will go towards the cost of eight part-time desks in Haymarket HQ facilities, an induction program, marketing and promotion. Haymarket HQ has previously been the recipient of a Knowledge Exchange Sponsorship.

Haymarket HQ is Australia's only Asia innovation hub, with a track record of supporting more than 100 international and Australian founders since its inception in 2016, and close ties to trade organisations and ecosystems across the Asia-Pacific. Haymarket HQ is a two-way bridge for Asian and Australian entrepreneurs to meet, learn and grow together. It is well positioned to partner with the City of Sydney to deliver Sydney's first international business landing pad program.

The City's Economic Development Strategy identifies long-term, sustainable connections with Asia as a priority for the City in order to deliver greater benefits to the local community and the economy. Sydney's connections with Asia are specifically recognised within the Strategy as being integral to Sydney's future economic competitiveness and ability to facilitate trade and investment outcomes.

The City has an opportunity to support and welcome international businesses and investment into Sydney by working with State and Federal government agencies, industry associations and local businesses. The challenges of Asian businesses to explore and capitalise on Australian capabilities and economic strength creates an opportunity for Sydney to capture both current and future inflows of investment and innovation, particularly from China and the rest of Asia.

The Global Sydney International Business Landing Pad Program will provide an opportunity for Sydney to welcome more entrepreneurs from Asia and immerse them in our local community of entrepreneurs, bringing new international networks, sources of funding, innovation, talent and expertise into the local economy.

The aim of the program is to support high-growth international small to medium sized businesses to understand and grow in the Australian environment. These are international companies who are looking to use Sydney as a test market or product development centre, or to relocate their core functions to a more favourable business environment, and entrepreneurs that are attracted to a location such as Sydney for lifestyle reasons. Additionally, the platform will work closely with universities to encourage international students to create new ventures in Australia.

Sponsorship of the Haymarket HQ International Business Landing Pad Program aligns with the City's Economic Development Strategy's focus on building capacity for our local economy and connections with Asia, and complements the NSW and Commonwealth Government's investment attraction strategies. The program is also an opportunity to showcase and leverage Sydney's unique multicultural population where 55 per cent of residents are overseas born.

### **Recommendation**

It is resolved that:

- (A) Council approve \$40,000 (exclusive of GST) financial support to Haymarket HQ Pty Ltd per year for the financial years 2018/19, 2019/20, 2020/21 for the coordination and delivery of the Global Sydney International Business Landing Pad Program; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Haymarket HQ Pty Ltd.

### **Attachments**

Nil.



## Background

1. Haymarket HQ is Australia's only Asia innovation hub, with a track record of supporting more than 100 international and Australian founders since its inception in 2016, and close ties to trade organisations and ecosystems across the Asia-Pacific. Haymarket HQ is a two-way bridge for Asian and Australian entrepreneurs to meet, learn and grow together, and is well positioned to partner with the City of Sydney to deliver Sydney's first international business landing pad program.
2. Haymarket HQ is a not-for-profit startup hub located in Dixon Street, Haymarket.
3. The Global Sydney International Business Landing Pad Program will provide an opportunity for Sydney to welcome more entrepreneurs from Asia and immerse them in our local community of entrepreneurs, bringing new international networks, sources of funding, innovation, talent and expertise into the local economy. It has been designed to support international companies to expand their business and invest into Sydney - positioning Sydney as the ideal investment destination.
4. In particular, Asia's economic rise has given birth to companies such as Alibaba, JD.com and increasingly more small and medium-sized businesses with ambitions for international growth. This trend is expected to continue, with the Organisation for Economic Co-operation and Development estimating that two-thirds of the world's middle class will reside in Asia by 2030, with China home to the largest share. Expanding into new markets is complicated and resource-intensive, and in particular, those originating from Asia experience additional difficulties due to language and cultural differences.
5. The aim of the program is to support high-growth international small to medium sized businesses to understand and grow in the Australian environment. These are international companies who are looking to use Sydney as a test market or product development centre, or to relocate their core functions to a more favourable business environment, and entrepreneurs that are attracted to a location such as Sydney for lifestyle reasons. Additionally, the platform will work closely with universities to encourage international students to create new ventures in Australia.
6. The format of the program is for approximately 12 participants to spend a total of 90 days in the program over one year.
7. During this time, participants will have access to:
  - (a) a vibrant Asia oriented co-working space in Chinatown;
  - (b) a multilingual mentor network locally and across Australia;
  - (c) relevant events and workshops to gain an understanding of the Australian environment, and to connect with local ecosystem participants;
  - (d) a network of service providers, for example legal, marketing, accounting and more;
  - (e) an international community of like-minded entrepreneurs;
  - (f) local angel, block chain and venture capital investors;

- (g) relevant NSW Government and Commonwealth Government grant programs; and
  - (h) visa support in cooperation with key Government departments and service providers.
8. There are a range of benefits associated with the program - particularly for young entrepreneurs and people from culturally and linguistically diverse backgrounds. The benefits of supporting the project include:
- (a) Creating cross-border networks between entrepreneurs, organisations and associations: connecting international entrepreneurs to each other increases their direct and indirect networks. Welcoming more international companies to Sydney also raises awareness about Australia as a potential investment or expansion destination, which in turn, may attract more international companies and investors to our shores.
  - (b) Exposing local entrepreneurs to international market opportunities: Sydney entrepreneurs will have the opportunity to learn from their international peers and gain a better understanding of international opportunities and how to capitalise on those opportunities.
  - (c) Retaining and supporting entrepreneurial international students to develop their businesses in Sydney: the majority of international students leave Australia after finishing their studies.
  - (d) Developing a deeper cultural understanding: many local companies face cultural barriers when expanding abroad, particularly into Asia. Through this program, local entrepreneurs will gain exposure to new business cultures and increase their level of self-awareness.
9. The City's sponsorship of \$40,000 per year for the next three financial years will position Sydney as a welcoming and connected city. It is an opportunity to develop the state's first international businesses landing pad program. The sponsorship will support eight part-time desks in Haymarket HQ facilities, an induction program, marketing and promotion and program coordination.
10. The sponsorship benefits include:
- (a) verbal acknowledgement of the City of Sydney sponsorship at workshops;
  - (b) co-branding the hub as a City of Sydney and Haymarket HQ initiative;
  - (c) website and landing page acknowledgements;
  - (d) the opportunity to have a City representative talk to participants in the program about relevant City initiatives, and have the program participants involved in City events such as the Future Asia Business Summit, Visiting Entrepreneur Program and other relevant events where the City could benefit from an international business audience; and
  - (e) joint evaluation of the program.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030 Vision

11. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The sponsorship is aligned with the following strategic directions and objectives:
  - (a) Direction 1 - A Globally Competitive and Innovative City - Sydney's connections with Asia are specifically recognised within the Strategy as being integral to Sydney's future economic competitiveness and our ability to facilitate trade and investment outcomes. Sponsorship of this program gives the City of Sydney an opportunity to collaborate on a key market gap identified by many global cities.
  - (b) Direction 5 - A Lively and Engaging City Centre - the fostering of connections between international and local businesses, government agencies and students through this program has the potential to create jobs and develop relationships to underpin the growth of small businesses in the city centre.
  - (c) Direction 6 - Vibrant Local Communities and Economies - engaging with Asian networks and attracting international entrepreneurs from Asia and immersing them in our local community of entrepreneurs brings new international networks, sources of funding, innovation, talent and expertise into Sydney's local economy.
  - (d) Direction 10 - Implementation through Effective Governance and Partnerships - by supporting the Global Sydney International Business Landing Pad Program, the City demonstrates collaboration partnership in progressing our 2030 vision and strategic directions.

### Organisational Impact

12. Sponsorship for the event will result in the nomination of City staff to provide contract management and coordination services. The relationship management between the City and Haymarket HQ will be the responsibility of the International Engagement team in the City Business and Safety Unit.

### Social / Cultural / Community

13. The program provides a platform for representatives from culturally diverse communities to connect to the local economy, local culture, regulation and capabilities, and create meaningful products and services that enhance social cohesion.
14. Nationally, four out of five international students are from Asia, and this program is an opportunity to retain talent and stimulate entrepreneurship through this demographic, who are acclimatised to Sydney's culture.

### Economic

15. Supporting the Global Sydney International Business Landing Pad Program is an opportunity to continue strengthening ties with Asia and attracting businesses and investment from Asia, as well as positioning Sydney as a destination of choice for business and investment.

### **Budget Implications**

16. Sponsorship of \$40,000 is provided in the 2018-19 operating budget for Knowledge Exchange Sponsorships Program. Provision of \$40,000 per annum will be made in budgets for the financial years 2019/20 and 2020/21.

### **Relevant Legislation**

17. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

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

18. The program will commence in October 2018 to allow for a pilot group of applicants to participate in the program before the end of the 2018/19 financial year.

### **ANN HOBAN**

Director City Life

Nashid Chowdhury, International Engagement Manager, City Business and Safety