

## Relevant Information for Council

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**FILE:** S096187 **DATE:** 11 February 2019

**TO:** Lord Mayor and Councillors

**FROM:** Bill Carter, Chief Financial Officer

**THROUGH:** Monica Barone, Chief Executive Officer

**SUBJECT:** Information Relevant To Item 6.2 – 2018/19 Quarter 2 Review - Delivery Program 2017-2021

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### For Noting

This memo is for the information of the Lord Mayor and Councillors.

### Purpose

As part of the 2018/19 Quarter 2 Review - Delivery Program 2017-2021, further information was requested at the meeting of the Corporate, Finance, Properties and Tenders Committee meeting held on 4 February 2019 on the following:

#### **1. Figures on the City's contribution to the State Government waste levy, and how much is returned to the City to be used in waste education programs / waste management**

The City's contribution to the NSW waste levy for the last two years, through tipping fees, totalled \$3,945,749 (2016/17) and \$3,944,228 (2017/18).

In return, the City received \$414,745 (2016/17) and \$216,640 (2017/18) from the NSW EPA Non Contestable Funding for Waste and Education.

This represents a return on contribution of around 11% (2016/17), falling to 5% (2017/18).

<b>City of Sydney Waste Streams</b>	<b>Tonnes landfilled in 2016/17</b>	<b>Waste levy \$135.70 applied to landfill tonnes in 2016/17 (\$)</b>	<b>Tonnes landfilled in 2017/18</b>	<b>Waste levy \$138.20 applied to landfill tonnes in 2017/18 (\$)</b>
Residential waste	20,057	\$2,721,735	21,260	\$2,938,132
Public spaces, streets and parks waste	9,020	\$1,224,014	7,280	\$1,006,096
Total	29,077	\$3,945,749	28,540	\$3,944,228

## **2. Cancellation of the Redfern Terrace works**

The tender for Stage Two of the Redfern Terrace works and subsequent negotiations were cancelled as the artist withdrew after taking a position as the Manager, First Nations People at Melbourne Museum. The scope of the Redfern Terrace works has subsequently been revised to align with the planned park upgrades adjacent to the terrace. An Aboriginal artist team is expected to be appointed by mid-2019.

## **3. Breakdown of the net full year Property Acquisition / Divestment forecast (\$117M) and favourable budget variance of \$47M**

In setting the City's annual budget and long term financial plan, the City sets aside provisional sums for the acquisition of properties that it may require for strategic, community and/or operational purposes, while also estimating the value of properties that it looks to divest as they are no longer required for Council's needs. These estimates are merely provisions as the value to acquire, or to be realised on divestment, are subject to the timing of the transaction and ultimately the market at that time.

As Council approval is required to acquire or divest properties, it retains control of these property transactions. The individual amounts provided for each transaction cannot be publicly disclosed, as it would financially disadvantage Council's commercial interests, however, after contracts are exchanged the values can be publicly reported.

The 2018/19 budget included provision for property acquisitions and divestments with a net funding inflow of \$70M, which is currently forecast to net \$117M.

The provision included estimates of funds required for the potential acquisition of properties to enable the Green Square to Ashmore Connection, land in Argyle Street, Millers Point to enable the bus layby, and for open space. It also included provisions for the funds that may be realised for the potential disposal of properties which are surplus to Council needs, including the former council depot in Marian Street, Redfern, for affordable housing, excess land not required for the Green Square to Ashmore Connection for affordable housing, the former depot in Epsom Road, 1-5 Flinders Street, 545 South Dowling Street Surry Hills, Stockton House, and land at Sydney Park which was compulsorily acquired by Westconnex.

In addition to the plan, the latest forecast reflects Council's resolutions to acquire the former Redfern Post Office for an Aboriginal and Torres Strait Islander cultural facility, and the long term lease of the Oxford Street properties which is expected to be completed this financial year.

The positive net funding variance of \$47M reflects the outcome from the long term lease and ongoing work required to investigate the acquisition of the open space, offset by the acquisition of the cultural facility in Redfern, and the feasibility work being undertaken prior to divesting the surplus properties.

Prepared by: Bill Carter, Chief Financial Officer

## Attachments

Nil.

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Approved

A handwritten signature in black ink, appearing to read 'P. M. Barone', with a long horizontal flourish extending to the right.

**MONICA BARONE, CHIEF EXECUTIVE  
OFFICER**