

Grants and Sponsorship - UTS Indigenous Residential College

File No: S117676

Summary

The Affordable and Diverse Housing Fund ('Fund') was established with \$10.35M from the sale of land at Harold Park in 2015. To date, five grants have been approved from the Fund totalling \$5.65M, as well as an additional \$0.35M for the Affordable Housing Ideas Challenge. Currently \$4.35M remains unallocated noting that two separate reports are currently being considered by Council with recommendations to draw from the fund totalling \$1.01M. Should both these recommendations be adopted, \$3.34M will remain in the fund for future allocations.

Since its inception, the Fund has been publically advertised and consultation undertaken with various community housing providers to promote the opportunity the Fund provides. Whilst these endeavours have been successful in encouraging six different projects from the Fund, a high amount of funds remain unallocated and demonstrates the difficulties in securing new affordable housing projects in the local area.

The City has received a grant application from the University of Technology Sydney (UTS) to support the establishment of Australia's first Indigenous Residential College. The application is affordable housing related in that it meets some, but not all of the criteria of the Affordable and Diverse Housing Fund.

UTS plan to use an evidenced based approach that is driven by the Indigenous community to provide space for 250 students, with priority for a majority of Indigenous students and inclusive of non-indigenous students. Its aim will be to reduce barriers to education for Indigenous young people nation-wide by maximising opportunities for entry to higher education and supporting the pursuit of quality employment and careers through creating a welcoming tertiary education destination for Aboriginal and Torres Strait Islander students. UTS is requesting \$1M from the City.

The proposal aligns with the City's Eora Journey Economic Development Plan, through supporting Aboriginal and Torres Strait Islander people to access, complete and maximise the benefits of tertiary education. It also aligns with the City's Social Sustainability Policy and Action Plan, through contributing to ensuring all residents have access to diverse education, training and job opportunities.

It is recommended that this proposal be funded from the Affordable and Diverse Housing Fund notwithstanding that this application does not contribute to the building of new affordable housing dwellings.

Recommendation

It is resolved that:

- (A) Council approve a \$1,000,000 (excluding GST) cash grant to the University of Technology Sydney to support the creation of Australia's first Indigenous Residential College, subject to the following conditions:
- (i) if all necessary funding has not been secured by University of Technology Sydney for the agreed value of the project within 18 months of Council approval of the grant, Council reserves the right to withdraw the grant offer;
 - (ii) the grant funds are to be paid when a Construction Certificate has been awarded;
 - (iii) if University of Technology Sydney does not complete the redevelopment referred to in Attachment A to the subject report by 30 June 2025, the City reserves the right to require the \$1,000,000 grant to be repaid;
 - (iv) the property supported though this grant will remain as subsidised accommodation and supporting facilities to fulfil the aims of the Indigenous Residential College outlined in Attachment A to the subject report in perpetuity, unless Council exercises a right under paragraph (iii) above, or paragraph (vi);
 - (v) the City will require a caveat or similar instrument over the land title to protect the land use referred to in paragraph (iv) unless the grant funds are repaid in accordance with paragraphs (iii) or (vi);
 - (vi) if the use of land referred to in paragraph (iv) above changes from the Indigenous Residential College outlined in Attachment A, the grant will be repaid by University of Technology Sydney, less building depreciation;
 - (vii) the University of Technology Sydney must work with the City to:
 - (a) identify ways for the City to be involved in programming the space;
 - (b) provide further information on the role of First Nations people in leading and co-creating the project;
 - (c) provide further information on the entry pathways available for local Aboriginal and Torres Strait Islander residents including scholarships and what measures are in place to ensure student numbers for Indigenous student do not fall below 50 per cent;
 - (d) provide further information on the selection criteria to ensure Aboriginal and Torres Strait Islander students represent at least 50 per cent of the student population and the organisation's proposed response should student numbers fall below this level; and
 - (e) ensure the building is designed with best practice environmental standards including a pathway towards net zero emissions;

- (B) Council note plans for University of Technology Sydney's Indigenous Residential College are yet to be finalised and development consent has not been applied for; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a grant agreement with University of Technology Sydney related to the project described in clause (A).

Attachments

Attachment A. UTS Indigenous Residential College Prospectus

Background

1. On 29 June 2015, Council resolved to endorse the sale of land at Harold Park and reserve the money from the land sale for a dedicated affordable and diverse housing fund. Since then, Council has resolved to support six different projects from the Fund:
 - (a) On 26 October 2015, Council resolved to approve a \$250,000 grant to the Salvation Army for design and planning costs for an affordable housing development at 5-19 Mary Street, Surry Hills. This grant was ceased, as the Development Application for the site did not progress. No money was paid.
 - (b) On 16 May 2016, Council resolved to approve a \$1.5M grant to HammondCare for the development of an affordable housing aged care facility at 118A Darlinghurst Road, Darlinghurst.
 - (c) On 26 June 2017, Council resolved to approve a \$3M grant to SGCH Portfolio Limited, a subsidiary of St George Community Housing Limited for the development of 51 Youth Foyer units and up to 25 general affordable housing dwellings in Chippendale.
 - (d) On 11 February 2019, Council resolved to undertake the Affordable Housing Ideas Challenge, with the approval of a \$350,000 operational expenditure budget, with funds to be sourced from the Affordable and Diverse Housing Fund.
 - (e) On 17 February 2020, Council resolved to approve two grants totalling \$1.15M:
 - (i) \$1M was awarded to Wesley Mission for the Wesley Edward Eager Centre redevelopment; and
 - (ii) \$150,000 was approved for St George Community Housing Limited for their research and staffing project to improve affordable housing opportunities for Aboriginal and Torres Strait Islander persons.
2. Currently, there is approximately \$4.35M remaining in the Fund for further allocations noting that Council is considering the following two separate projects:
 - (i) the recommendation to support UTS and their Indigenous Residential College from the Affordable Housing Fund to the value of \$1M; and
 - (ii) The recommendation to support housing All Australians from the Affordable Housing Fund to the value of \$10,000; and
3. If both recommendations currently being considered by Council are adopted, \$3.34M will remain in the Fund for further allocations.

The University of Technology Sydney' Proposal

4. The City has received a grant application from the University of Technology Sydney (UTS) to support the establishment of Australia's first Indigenous Residential College. The application is affordable housing related in that it meets some, but not all of the criteria of the Affordable and Diverse Housing Fund.

5. UTS plan to use an evidenced based approach that is driven by the Indigenous community to provide space for 250 students, with priority for a majority of Indigenous students and inclusive of non-indigenous students. Its aim will be to reduce barriers to education for Indigenous young people nation-wide by maximising opportunities for entry to higher education and supporting the pursuit of quality employment and careers through creating a welcoming tertiary education destination for Aboriginal and Torres Strait Islander students. UTS is requesting \$1M from the City.
6. The key features of UTS's proposal include:
 - 250 bed accommodation with priority for a majority of Indigenous students and inclusive of non-indigenous students;
 - Publicly accessible cultural centre and community spaces;
 - Architect-designed landmark building – informed by Indigenous designers with Indigenous culture and identity at its core – to be housed near UTS Ultimo campus;
 - Program of events and opportunities in collaboration with a range of education, cultural, community, industry and government partners;
 - “Living” Indigenous Arts centre, including artists/animations/designers in residence, providing an exemplar facility in the heart of Sydney city connected to the local area but a drawcard for Australians from across Sydney and beyond;
 - Connection to schools and employers to create a pipeline of leaders for future generations; and
 - Scholarships and cost-covered accommodation for Indigenous students.
7. UTS propose that the public space will house an iconic Indigenous cultural space combining elements of art, film, performance and storytelling, in partnership with some of Australia’s leading cultural and community organisations. They further propose it will showcase contemporary Indigenous art and strongly acknowledge local communities and traditional owners. Technology will be used to create interactive, living art projects, including public programs for schools, community groups and tourists.
8. Subject to design and planning considerations, UTS propose to build on their current Building 5 site, located between May Street, Darling Drive, Quay Street and Ultimo Road. The site is centrally located and parallel to the Goods Line.
9. The capital project cost is currently estimated to be \$105M, subject to land costs, remediation, planning costs and potential external partner requirements and resourcing, and also include land costs of approximately \$30M.
10. UTS has a focus on job creation for Aboriginal and Torres Strait Islander people at every stage of the Indigenous Residential University College project; from concept, design, and construction through to operations.

11. To fund the project, UTS is seeking a tripartite funding model, aiming to have the costs shared equally between the university, government, philanthropic and private partners. UTS has secured \$10 million from the NSW Government and is working on securing a commitment from the Federal Government as well as a pipe-line of philanthropic support. Separate to the capital costs, UTS will also fund the ongoing operational costs of the college estimated to be \$1.5M - \$3M annually.
12. UTS's indicative timeline for this initiative is as follows, pending funding planning approvals and construction milestones:
 - (a) 2020 - a design competition for the site;
 - (b) 2021 - gain necessary development approvals;
 - (c) 2022 - commence construction in; and
 - (d) 2024 - open the facility.
13. UTS has approached the City requesting assistance through:
 - (a) A capital investment contribution;
 - (b) Partnering in ongoing programs as part of the life of the College, in particular the arts and cultural initiatives and events; and
 - (c) Lending the City's support to the plan more broadly with the local community, businesses and other local and international partners.
14. The City's Eora Journey Economic Development Plan sets an agenda for the City to engage with Aboriginal and Torres Strait Islander communities and businesses over the next 10 years to achieve prosperity. It will help us deliver a range of initiatives to create and maintain the conditions for Aboriginal and Torres Strait Islander people in our area to thrive as students, employees or business owners.
15. There have been recent improvements across Sydney in areas such as employment, business ownership and educational attainment. However, inequalities between Aboriginal and Torres Strait Islander communities and the population as a whole remain visible. This project will directly address some of these inequalities by providing new educational opportunities for Aboriginal and Torres Strait Islander communities.
16. The project recommended in this report does not meet all of the criteria of the Affordable and Diverse Housing Fund as the UTS College will not create new affordable housing dwellings, rather it will provide subsidised student housing. This grant has been considered outside of the Fund's criteria and against the City's public strategies relating to affordable housing, Eora Journey and social development policies. The project is recommended for support as it contributes towards reducing the barriers for accessing tertiary education that some Aboriginal and Torres Strait Islander people encounter.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

17. 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 grant aligns with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - The establishment of Australia's first Indigenous Residential College will strengthen global connections, linking the City with other cities around the world that are also developing innovative responses to educational barriers for First Nations peoples.
 - (b) Direction 6 - Vibrant Local Communities and Economies - The Indigenous Residential College initiative seeks to reduce barriers to education for all sections of the community and promotes economic and employment opportunities for our local residents and First Nations people.
 - (c) Direction 7 - A Cultural and Creative City - The Indigenous Residential College will provide opportunity for event programming in collaboration with a range of education, cultural, community, industry and government partners.
 - (d) Direction 8 - Housing for a Diverse Population - This proposal aligns with the City's position on affordable housing, homelessness and social sustainability, as set out in A City For All, the social sustainability strategy, as well as Housing for All, the City's housing strategy.

Risks

18. Risks for the City in association with this investment have been addressed by setting the proposed conditions in the recommendations. If this grant is awarded, the applicant will be required to enter into an agreement governing the grant on terms satisfactory to the City.

Social / Cultural / Community

19. Eora Journey Economic Development Plan is the City's vision for engaging with Aboriginal and Torres Strait Islander communities and businesses to achieve prosperity. This grant recommendation is aligned with the following strategic directions and objectives:
- (a) Theme 4 - Enhance tertiary opportunities:
 - (i) Enhance Sydney's reputation as a centre for Aboriginal and Torres Strait Islander learning;
 - (ii) Raise and help realise aspirations for further study; and
 - (iii) Improve student experiences and network.

Budget Implications

20. Of the \$10.35M underpinning the City's Affordable and Diverse Housing Fund set aside in November 2015, \$6M has already been committed. Two reports are currently being considered by Council with recommendations relating to the Affordable and Diverse Housing Fund summarised as:
 - (i) UTS - Indigenous Residential College – Recommended for \$1M; and
 - (ii) Housing All Australians - Housing All Australians Economic Study – Recommended for \$10,000.
21. Should both these recommendations be adopted, \$3.34M will remain in the Fund for future applications.
22. The funds for the recommendations set out in this report will be included in the forward estimates of operating expenditure in the next iteration of the City's Long Term Financial Plan in the most appropriate future financial year. Note that funds will not be paid before a construction certificate is issued and UTS' timelines may change. All funds will be drawn from the Affordable and Diverse Housing Fund.

Relevant Legislation

23. Section 356(1) of the Local Government Act states 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.
24. Section 6 of the University of Technology Sydney Act 1989 establishes the university with the object of promoting scholarship, research, free inquiry, the interaction of research and teaching and academic excellence (s 6, University of Technology Sydney Act 1989).

KIM WOODBURY

Chief Operating Officer

Jeremy Kelshaw, Manager Grants