

## 2022/23 Quarter 3 Review – Delivery Program 2022-2026

File No: X084366

### Summary

This report reviews the operating and capital results against budget for the 2022/23 financial year, and progress against the performance measures identified within the Operational Plan 2022/23, within the broader Delivery Program 2022-2026.

The disruption from the Covid pandemic and its long-term impact upon our community and our own operations has continued to impact the financial performance of the City. While the 2022/23 budget was developed to support our economic recovery in this operating environment, the City is now facing the additional challenge of sustained inflation. Over the year to March 2023, inflation reached 7.8 per cent, its highest level since the early 1990's.

While global factors explain much of this inflation increase, domestic factors are also playing a role with widespread upward pressure on prices from strong demand, a tight labour market driving wage growth, supply chain disruptions and capacity constraints in some sectors of the economy. These resource constraints and pricing issues are expected to continue to impact our operational services, and our capital works program, throughout the remainder of the financial year.

Council's financial performance at Quarter 3 2022/23 reflected a year to date (YTD) operating result of \$109.4M against a budget of \$89.0M. After allowing for interest income, capital grants and contributions, depreciation and capital project related costs, the Council has achieved a YTD Net Operating Result of \$131.7M against a budget of \$55.1M. The \$76.6M positive variance is predominantly related to higher than budgeted capital grants and contributions, interest income, as well as lower than anticipated operating expenditure.

At this stage, Council is forecasting a favourable full year Net Operating Result of \$135.7M, which is a positive variance of \$58.6M to budget, including lower than budgeted operating costs, increased capital grants and contributions, and interest income that reflects higher interest returns in the market. All significant variances to budget are outlined within the body of this report, and detailed at Attachment A.

On 22 August 2022, Council resolved to support a "Yes" vote in the Voice to Parliament referendum and the provision of value-in-kind sponsorships for up to three free public events to support the 'yes' campaign. Public events will include value-in-kind sponsorships of up to \$30,000 (plus GST) per event towards the venue hire, equipment hire and staffing fees. All activities relating to the referendum will be conducted in accordance with applicable Commonwealth and State legislation, including reporting of expenditure where required.

Following a successful event in 2022, the Ukrainian Women's Association has proposed to again hold Vyshyvanka Day in the Vestibule of Sydney Town Hall in June 2023. It is recommended that Council waive the venue hire and associated costs (up to \$15,000 excluding GST) for this event in 2023.

The Capital Works Program YTD expenditure of \$100.7M compares to a budget of \$147.6M, while the annual forecast for the program has been revised to \$168.6M against a full year budget of \$218.8M. A summary of the 2022/23 capital project expenditure and forecast is outlined within the body of this report, and detailed at Attachment B.

The Technology and Digital Services Capital Works expenditure for projects developed internally is \$14.6M YTD against a YTD budget of \$16.7M, and forecasting an annual spend of \$20.3M compared to the full year budget of \$24.9M at this time. While this forecast continues to be reviewed, adjustments to the budget are proposed in Attachment B.

Plant and Equipment YTD expenditure, net of disposals, was \$4.9M against a budget of \$7.6M, while the full year forecast of \$12.8M is in line with the annual budget.

Property Acquisitions / Divestments (net) at Quarter 3 were \$94.1M; currently forecast at \$116.1M for the full year.

The additional supplementary reports, which include details of major legal issues, the quick response, street banner and venue hire support grants and sponsorships programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000 are provided at Attachment C for information.

## Recommendation

It is resolved that:

- (A) Council note the financial performance of Council for the third quarter, ending 31 March 2023, including a Quarter 3 Net Operating Result for the year of \$131.7M and the full year forecast of \$135.7M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) Council note the Quarter 3 Capital Works expenditure of \$100.7M and a revised full year forecast of \$168.6M, and approve the proposed adjustments to the adopted budget, including bringing forward \$6.7M of funds into the 2022/23 capital budget and \$1.8M from the capital works contingency as detailed in Attachment B to the subject report;
- (C) Council note the Technology and Digital Services Capital Works of \$14.6M, net of disposals, and a full year forecast of \$20.3M, including transferring \$0.2M from the capital works contingency as detailed in Attachment B to the subject report;
- (D) Council note the Quarter 3 Plant and Equipment expenditure of \$4.9M, net of disposals, a revised full year forecast of \$12.8M;
- (E) Council note the Quarter 3 net Property Acquisitions of \$94.1M, and the full year forecast net Property Acquisitions of \$116.1M;
- (F) Council note the supplementary reports, including major legal issues, quick response, street banner and venue hire support grants and sponsorships programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000 in quarter 3, as detailed in Attachment C to the subject report;
- (G) Council approve the provision of value-in-kind sponsorships for up to three free public events of approximately 500 to 1000 attendees to support the 'yes' campaign. Applications to be received from appropriate groups (not-for-profit community organisations, unincorporated community groups and individuals auspiced by a not-for-profit organisation) and assessed in accordance with the City's Grants and Sponsorship Policy and Guidelines, ethics framework and the Reconciliation Action Plan, with approval delegated to the Chief Executive Officer;
- (H) Council note that the public events as outlined above will include value-in-kind sponsorships of up to \$30,000 (plus GST) per event towards the venue hire, equipment hire and staffing fees only associated with using an appropriate City venue, which may include Sydney Town Hall, Lower Town Hall or Paddington Town Hall;
- (I) Council note that the City may be required to report and declare any financial assistance provided as "referendum expenditure" in accordance with the applicable legislation from time to time;

- (J) Council approve a sponsorship to the Ukrainian Women's Association of Australia Inc for an amount of up to \$15,000 (excluding GST) for venue hire and associated costs to use an appropriate City of Sydney venue for a Vyshyvanka Day event, with funds to be sourced from the 2022/23 General Contingency Fund; and
- (K) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a venue hire agreement with the Ukrainian Women's Association of Australia Inc in relation to (J) above.

**Attachments**

- Attachment A.** Financial Results Summary
- Attachment B.** Capital Expenditure Financial Results
- Attachment C.** Third Quarter Supplementary Report 2022/23

## Background

1. The City's 2022-2026 Delivery Program and 2022/23 Operational Plan, including the 2022/23 budgets, were adopted by Council on 27 June 2022.
2. The Local Government Act 1993 requires quarterly progress reports against the financial objectives and six monthly reports against the Operational Plan.
3. This report provides the third quarter (Q3) and full year forecast financial results for the 2022/23 financial year, and the achievements to date against the Operational Plan objectives.
4. A Q3 Financial Results Summary, together with a detailed breakdown of income and expenditure items, and a separate report showing operating results by the principal activities identified within the Operational Plan, are provided at Attachment A.
5. The Capital Expenditure results to Q3, together with a summary of project expenditure, and proposed budget adjustments for 2022/23 and future years, are outlined within the body of this report and detailed at Attachment B.
6. Additional reports, including major legal issues and the quick response, street banner Pole and venue hire support grants and sponsorships programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000, are also provided at Attachment C for information.

## 2022/23 Operating Budget

7. The adopted 2022/23 budget projected operating income of \$651.1M and operating expenditure of \$530.1M, for an Operating Surplus of \$121.0M. After allowing for interest income of \$7.5M, capital grants and contributions of \$68.9M, depreciation expenses of \$114.4M, capital project related costs of \$5.8M, this was a Net Operating Result for the Year budget of \$77.1M.

## Third Quarter Operating Results

8. The Q3 operating result was \$109.4M against a budget of \$89.0M, a favourable variance of \$20.4M. After allowing for interest income, capital grants and contributions, depreciation, capital project related costs and gain on sale of assets, the YTD Net Operating Result for Council was \$131.7M against a budget of \$55.1M, a favourable variance of \$76.6M.
9. The result includes favourable variances of \$3.3M for operating income, \$17.1M for operating expenditure, \$10.3M for interest income and \$45.0M for capital grants and contributions, partially offset by unfavourable variances in depreciation expense of \$1.2M and capital project related costs of \$3.4M.
10. The full year net operating result currently forecast at \$135.7M, is a favourable variance of \$58.6M to budget, reflecting the above variations to budget.

11. The primary operating income variations to the budget are detailed in the table below:

<b>Income Type</b>	<b>2022/23 YTD Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Advertising Income	\$5.3M	\$5.8M	This variance reflects recognition of the sign-on fee that formed part of the new Street Furniture contract, following the completion of initial delivery milestones, partially offset by a slower roll-out of advertising panels in the first half of the financial year.
Building & Development Application Income	(\$0.8M)	(\$1.7M)	The unfavourable result and forecast reflects a decrease in large value applications.
Community Properties	(\$1.4M)	(\$2.2M)	The unfavourable forecast reflects a slight delay in the commencement of the lease of the Business Innovation Hub at 180 George St Sydney and the installation of new street kiosks.
Commercial Property	(\$0.3M)	(\$2.1M)	The YTD unfavourable variance is significantly reduced by a one-off final payment for lease share at QVB following finalisation of the operator's financial audit. The forecast unfavourable variance reflects several vacancies and ongoing adverse market conditions.
Enforcement Income	(\$3.8M)	(\$6.5M)	Inclement weather disrupted operations earlier in the year, and a tight labour market continues to impact recruitment and retention.
Grants & Contributions	\$3.3M	\$3.2M	Council successfully applied for a grant as part of the Regional and Local Roads Program which was not included in the original budget (\$3.6M). Noting that the relevant works will continue into the new financial year.

<b>Income Type</b>	<b>2022/23 YTD Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Other Fees	\$1.5M	\$1.6M	A one off catch-up of caterer's turnover income, from prior years, following the finalisation of contract variation negotiations covering impact of the COVID 19 restriction period.
Work Zone	(\$1.7M)	(\$2.2M)	There are lower volumes of work zone applications, and for shorter periods, as developers seek to reduce costs in challenging inflationary environment with supply chain constraints.

12. The primary operating expenditure variances to the budget are detailed in the table below:

<b>Expenditure Type</b>	<b>2022/23 YTD Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Employee benefits and on-costs	\$2.1M	\$5.7M	Predominately relates to permanent vacancies, in a very tight and competitive labour market, partially offset by an increase in agency staff used to backfill essential roles. The availability of agency staff is also subject to supply and demand forces in the current market.
Bad and doubtful debts	(\$2.0M)	(\$3.8M)	Additional provisions reflect uncertainty on the collectability of rents and deferrals, from commercial tenants impacted by the ongoing long-term effects of the Covid-19 pandemic.

<b>Expenditure Type</b>	<b>2022/23 YTD Budget Variance</b>  <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b>  <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Consultancies	\$1.6M	\$1.2M	Variance is driven by lower expenditure in multiple units and projects across the organisation, including part of the heritage floorspace divestment project being postponed to 2023/24.
Enforcement & Infringement Costs	\$1.8M	\$1.4M	This is linked to enforcement income, due to the decrease in the number of PINS issued and lower surplus share payments to the NSW Government.
Event related expenditure	\$2.2M	\$2.3M	Sydney Street Events expenses have been reallocated to Other Operating Expenditure (below).
Expenditure recovered	(\$0.9M)	(\$1.1M)	Predominately relates to property cost recoveries at the Woolstores buildings acquired in September 2022, after the budget was finalised, and a recovery of turfing costs at Prince Alfred Park following the Night Noodle Markets.
Grants, Sponsorships & Donations	\$3.3M	\$3.0M	Delay in accommodation grant funding relating to the Business Innovation Space opening and payment of the affordable housing grant to Wesley Community Services.
Infrastructure Maintenance	(\$1.3M)	(\$6.2M)	Increase in roadway maintenance restorations arising from works by utility, telecommunications, authorities and street furniture maintenance. Granite sealing program works were accelerated in preparation for the World Pride event.



Expenditure Type	2022/23 YTD Budget Variance  Favourable / (Unfavourable)	2022/23 Full Year Budget Variance  Favourable / (Unfavourable)	Comment
Other operating expenditure	(\$0.3M)	(\$1.1M)	Traffic Management costs associated with Sydney Street Events and delayed Ausgrid LED rollout costs originally anticipated to be incurred last financial year.
Property related	\$3.9M	\$2.2M	Reduced costs at the new Business Innovation space at 180 George Street, budgeted to be operational from September 2022, and reductions in property management fees due to ongoing vacancies. The forecast reflects an anticipated lift in reactive maintenance works.
Service Contracts	\$1.5M	\$1.2M	The removal of barriers will not occur this financial year due to the extension of alfresco dining beyond April 2023.
Waste disposal charges	\$1.3M	\$1.5M	Lower tonnages than assumed in the budget, which anticipated a continuation of the higher tonnages experienced in the prior two financial years.

<b>Income Type</b>	<b>2022/23 YTD Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Interest income	\$10.3M	\$16.8M	Higher opening cash balance and higher interest rates than budgeted (as detailed in the monthly investment reports).
Capital grants and contributions (incl. works-in-kind)	\$45.0M	\$36.0M	The variance is being driven by the impact of the new section Central Sydney Contributions Plan, and significant contributions from major developments across the City.

<b>Expenditure Type</b>	<b>2022/23 YTD Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>2022/23 Full Year Budget Variance</b> <b>Favourable / (Unfavourable)</b>	<b>Comment</b>
Depreciation	(\$1.2M)	(\$1.3M)	Impacted by the timing of roads and stormwater asset revaluations, with increased valuation when preparing the financial statements, higher than anticipated when the budget was completed in June 2022.  Intangible asset class (primarily IT assets) depreciation is also higher than originally budgeted, reflecting a growing program. These assets have a short life, usually 3 years for the purposes of depreciation, and the impact of any change is quickly felt.
Capital Project Related Costs	(\$3.4M)	(\$5.4M)	The variance reflects the timing of expenditure on works that cannot be capitalised (e.g. demolition costs and NSW Government owned traffic signals).

Expenditure Type	2022/23 YTD Budget Variance  Favourable / (Unfavourable)	2022/23 Full Year Budget  Favourable / (Unfavourable)	Comment
Gain on Sale of Assets	\$5.1M	\$5.1M	The gain reflects the sale proceeds exceeding the asset book value of heritage floor space.

13. The adopted 2022/23 operating budget was developed as the City was emerging from the second wave of the Covid-19 pandemic. Operational contingencies in the operating budget were therefore set at \$4.5M to include an allowance for the uncertain operating and financial environment.
14. The Properties Unit within the Chief Operations Office Division, continue to experience ongoing uncertainty relating to commercial property income, and bad debts, as we progress negotiated outcomes with tenants that have been significantly impacted by the pandemic and the effects of its long tail. Adverse market conditions are also resulting in some additional property vacancies, above that allowed in the budget.
15. Corporate Costs are also forecasting an unfavourable result as the City budgets centrally for the estimated rate of vacancies experienced throughout the year, while the actual savings for known vacancies are then forecast in each of the relevant Divisions as the year progresses.

### Capital Expenditure

16. The Capital Works program achieved expenditure of \$100.7M against a YTD budget of \$147.6M.
17. The full year forecast of the capital works program has been reduced from a budget of \$218.8M to \$168.6M following the latest review, which assessed the expected delivery of the projects and revised cost estimates for each individual project.
18. Capital Works projects that are finalised with savings may be utilised to offset the additional expenditure in programs requiring additional funds for project completion. Progress on a number of projects has also advanced beyond that included within the program budget projections for 2022/23. Approval is therefore sought to bring forward funds of \$6.7M from future years' capital works forward estimates, approve \$1.8M from the capital works contingency, and to reallocate funds from within relevant programs within the 2022/23 capital budget to continue to progress these projects.
19. There are also a number of changes proposed within the future years' forwards estimates. Full details are provided in Attachment B.
20. Significant variances are forecast for a number of the 2022/23 capital programs asset enhancement budgets and future years' forward estimates, including:
  - (a) Public Domain:
    - (i) Green Square to Ashmore Connection; Funding has been brought forward as a result of works progressing faster than expected.

- (ii) George Street South Pedestrianisation; Funding has been brought forward as a result of works progressing faster than expected. This project is now expected to be completed in this financial year.
  - (iii) Loftus Street, Reiby Place and Customs House Lane Upgrade; Project has been re-phased due to resource constraints.
  - (iv) Crown Street Public Domain; following Council endorsement of scope of works in April 2023 annual forecast reduced with works to commence in July 2023.
- (b) Open Space and Parks:
- (i) Wimbo Park; Slight delay to project with re-phased post contract award to align with construction contractor's program. Construction now underway – Parkham Lane and Parkham Place substantially complete, with main park works to commence shortly.
  - (ii) Sydney Park Impact Mitigation Works; Slight delay to project with project re-phased as a result of construction delays due to latent conditions and unexpected finds on site.
- (c) Bicycle Related Works:
- (i) Oxford Street west and Liverpool Street Cycleway; Forecast project cost has increased during the detailed design phase, mainly due to market cost escalation and some minor scope increases. Delays experienced in Transport for NSW traffic signal approvals. Request for construction tenders currently in the market.
  - (ii) Wellington Street Bike Network Link; Total project forecast has decreased as a result of a reduced scope in Waterloo with Transport for NSW undertaking a portion of the works.
21. Significant variances are also forecast for a number of the 2022/23 capital programs asset renewal budgets and future years' forward estimates, including:
- (a) Properties asset renewal:
- (i) Wilcox Mofflin Building (makegood); Project objective was to improve leasing prospects. With leasing secured of the last vacant space, the scope was reduced.
  - (ii) Cook and Phillip Aquatic and Fitness Centre – Works Package. The planning phase identified some additional scope recommended to be undertaken concurrently. Latest cost estimate now based on refined specification and cost escalation being experienced in the market.
22. A financial summary of the Capital Works program, the proposed budget adjustments, and a status report on all commenced capital projects exceeding \$5.0M in value is provided at Attachment B.

23. Technology and Digital Services capital expenditure, for internally developed projects, is \$14.6M against a budget of \$16.7M with a forecast of \$20.3M that is \$4.6M under the full year budget of \$24.9M. These forecasts continue to be revised, however at this stage approval is sought to transfer \$0.2M from the capital works contingency to continue to progress the projects that are in delivery.
24. Plant and Equipment expenditure incurred year-to-date, net of disposals, was \$4.9M against a budget of \$7.6M with a full year forecast of \$12.8M against a full year budget of \$13.4M at this stage, as we await delivery of the new footway sweepers.
25. The acquisition of 15 O’Riordan Street and the Woolstores properties occurred in the first quarter, offset partially by the divestment of heritage floor space. The forecast variance versus the annual budget reflects our best estimate on the timing of future acquisition and divestment transactions, occurring later than initially expected.

### Operational Highlights

26. The Sydney Lunar Festival celebrated the Year of the Rabbit in 2023, taking over Dixon, Hay, Sussex and Harbour Streets for 16 days. It commenced with the Sydney Streets event on 21 January 2023 and ran for three weekends with a diverse program of live performances, lion dances, street food and market stall. Two large-scale ground-based rabbit lanterns were displayed in Dixon Street Mall. Ten battery powered light box style plinths, featuring 30 unique Year of the Rabbit artworks by local children were displayed along George Street south and five Asian-Australian artists had their artworks displayed on banners throughout the festival. Lion dance performances were held every day of the festival in various locations. Dragon Boat Races were held on the weekend of 28 and 29 January 2023.
27. Yabun Festival held on 26 January is the largest one-day gathering and recognition of Aboriginal and Torres Strait Islander peoples and cultures in Australia. The City sponsors this free event that features live culture, music, markets, traditional dancing, discussions and forums. This year’s festival at Victoria Park, Broadway followed a smoking ceremony at Barangaroo and Survival Day march from Belmore Park.
28. A trans and gender diverse swim event was held at Cook and Phillip Park Pool on Saturday 28 January 2023. Event participants had access to a 50 metre Olympic pool; a wave pool with water features and fun inflatables; free aquarobics and float-fit classes; supervised access to gym facilities and group fitness classes. The event attracted a broad demographic of children, young people, families, and adults. Over 500 residents and visitors were treated to a safe and inclusive afternoon and evening of relaxation, swimming, sport, food, and fun, accompanied by music courtesy of DJs from the LGBTQIA+ community.
29. The NSW Seniors Festival is an annual celebration to recognise and celebrate the contributions older people make to our community. Seniors Festival 2023 ran between 1 and 12 February 2023. The festival’s program was designed to encapsulate the theme for this year ‘Celebrate Together’ with the City delivering an engaging mix of physical, social, arts and cultural activities. Events included safety talks, swim and exercise sessions, art and craft workshops and information sessions.
30. George Street north turned into a giant LGBTQIA+ Pride flag before Sydney WorldPride in February. The installation is part of the next stage in works to fully pedestrianise George Street. The works mean George Street between Hunter and Grosvenor Street is closed. The George Street Pride flag project is part of the NSW Government’s Streets as Shared Spaces program.

31. Sydney WorldPride was held from 17 February to 5 March 2023, uniting with Sydney Gay and Lesbian Mardi Gras events, and offering a broad festival offering across arts, sport, theatre, concerts, parties, First Nations programming and a human rights conference. WorldPride is a global LGBTQIA+ festival that has been staged since 2000 and Sydney was chosen by InterPride members as the first city in the southern hemisphere to host the festival. The festival theme for 2023 was Gather, Dream, Amplify. The City undertook a number of activities supporting WorldPride including:
  - (a) In preparation for the festival the City: renewed the Taylor Square fountain, including updated Pride coloured LEDs; created specific Pride-themed Living Colour flowers; repainted the rainbow crossing; created Pride Flag street signs in the Oxford Street precinct and initiated the Progress Pride flag artwork on George Street; commissioned an LGBTQIA+ history-themed artwork for the construction hoardings on Oxford Street; organised two LGBTQIA+ inspired murals on the Burdekin Hotel on Oxford Street and the Top of the Town building on Victoria Street (Art & About program); and increased street cleansing services throughout the 17-day festival.
  - (b) Two major inner-city Sydney streets were closed to traffic for a total of nine days transforming the strips into mini villages during the WorldPride event. Portions of Crown Street and Riley Street in Surry Hills were shut down and transformed to host a free festival boasting a string of daily live performances as well as food and drink stalls. To commemorate the final weekend of Pride (4-5 March), Oxford Street was closed for a street party from Liverpool to Flinders Streets.
  - (c) Throughout WorldPride, the Progress Pride flag flew at the Sydney Town Hall. The flag-raising ceremony included a presentation of the Key to the City to members of the community for advancing LGBTQIA+ rights.
32. City of Sydney curators presented the Liberate! Exhibition featuring life as seen through the lens of LGBTQIA+, First Nations and social documentary photographers at Customs House. A public symposium with the photographers and curator was held on 18 February 2023 and was attended by approximately 60 people. While the Liberate! Exhibition was initially part of Sydney WorldPride 2023, it will be running until 2 July 2023. During World Pride, Enthroned, a vibrant art installation celebrating and honouring five powerful people from Sydney's LGBTQIA+ communities was also on exhibition at the historic Queen Victoria Building.
33. 2023 marked the 18<sup>th</sup> year the City of Sydney has participated in the Sydney Gay and Lesbian Mardi Gras Parade held on Saturday 25 February 2023. The City's float was placed 11<sup>th</sup> in the parade and the Parade entry theme was 'Oxford Street, you're so sweet', celebrating Oxford Street as a place that holds a sweet spot in the hearts of the LGBTQIA+ communities. Eighty City staff, family and friends took part, performing a choreographed routine. A vintage ice cream truck led the float and participants were dressed in 1950s Diner-inspired costumes.
34. The City of Sydney council's street count found 277 people sleeping rough in the local government area at the end of February, up from 225 people in the same month in 2022. At the same time, 93 per cent of crisis and temporary accommodation beds were occupied, following a significant drop in the number of reported available beds in the past few weeks.

35. In March, a photo exhibition titled 'Through a Renter's Lens', organised by the Tenants Union of New South Wales was held at Customs house. Each photo in the exhibition was accompanied by the tenant's own caption, with each photo celebrating connections with neighbours, friends, animals and buildings that allow renters to create their homes. This event brought together tenants, advocates, photographers, campaigners and politicians focused on housing justice, and the chance to hear from dedicated community leaders on the front lines of tenancy reform.
36. The City is working with the South Eastern Sydney Local Health District to distribute free Rapid Antigen Tests through our community centres and Meals on Wheels service, as well as investigating how some of our partners within our community could also provide tests to priority groups within our local government area. This is in response to an expected increase in Covid-19 cases in March and April.
37. The Archibald Memorial Fountain, in Sydney's Hyde Park, has received new life after restoration works. Upgrades to the 90-year-old fountain included structural, hydraulic, electrical and mechanical work. The City of Sydney also introduced water-saving measures to minimise water loss and prevent damage to underground pipes and pumps. Gifted to the City of Sydney in 1932 by the celebrated Australian journalist J.F Archibald, and designed by French artist François Sicard, the Greek-esque fountain is a tribute to France's alliance with Australia in WWI.

#### **Voice to Parliament Referendum**

38. On 22 August 2022, Council resolved to support a "Yes" vote in the Voice to Parliament referendum and the provision of value-in-kind sponsorships for up to three free public events of approximately 500 to 1000 attendees to support the 'yes' campaign.
39. Applications are to be received from appropriate groups (not-for-profit community organisations, unincorporated community groups and individuals auspiced by a not-for-profit organisation) and assessed in accordance with the City's Grants and Sponsorship Policy and Guidelines, ethics framework and the Reconciliation Action Plan, with approval delegated to the Chief Executive Officer.
40. Public events as outlined above will include value-in-kind sponsorships of up to \$30,000 (plus GST) per event towards the venue hire, equipment hire and staffing fees only associated with using an appropriate City venue, which may include Sydney Town Hall, Lower Town Hall or Paddington Town Hall.
41. The City may be required to report and declare any financial assistance provided as "referendum expenditure" in accordance with the applicable legislation. All activities relating to the referendum will be conducted in accordance with relevant Commonwealth and State legislation.

#### **Vyshyvanka Day 2023 - Ukrainian Women's Association**

42. Following a successful event in 2022, the Ukrainian Women's Association has proposed to again hold Vyshyvanka Day in the Vestibule of Sydney Town Hall in June 2023. It is recommended that Council waive the venue hire and associated costs (up to \$15,000 excluding GST) for this event in 2023.
43. Vyshyvanka Day is a Ukrainian holiday that aims to preserve the country's folk traditions of creating and wearing ethnic embroidered clothes (Vyshyvankas), which are one of the country's best known symbols of culture.

44. The one day event will consist of displays of Vyshyvankas and other folk art, along with a musician playing traditional folk music.
45. The event is supported by the Ukrainian Council of Australia and is the second time that the Ukrainian Women's Association has opened up the event to the public (the first being in 2022), aiming to celebrate the holiday, showcase the rich culture of Ukraine, and draw attention to the current plight of its people.

### **Financial Implications**

46. Financial performance in the majority of the principal activities, as defined within the Delivery Program 2022-2026, continues to be impacted by Covid-19, and noted in the body of the report.
47. At Quarter 3 the YTD Operating Result was \$109.4M, with a full year forecast Operating result of \$128.5M against a budget of \$121.0M, a favourable variance of \$7.5M.
48. At Quarter 3 the YTD Net Operating Result was \$131.7M, with a full year forecast of \$135.7M against a budget of \$77.1M, a favourable variance of \$58.6M.
49. As the evolving and challenging operating environment continues this financial year, the City will continue to review in detail its operational and capital programs within the long-term financial plan, to closely monitor our forecast financial performance and ensure that all plans remain in line with our long-term financial sustainability.
50. The City remains in a strong financial position with a YTD cash balance of \$736.1M that includes unrestricted funds of \$404.6M, noting that the 2022/23 year-end cash position is forecast to reduce to \$643.6M.
51. Note that surplus funds not yet required for projects are generally being directed towards specific cash reserves (restrictions), in accordance with Council's resolution and the City's long term financial plan, while the majority of the unrestricted cash is required to fund those capital programs without a specific reserve.

### **Relevant Legislation**

52. The Local Government Act 1993 and Local Government (General) Regulation 2021 require quarterly progress reports against the financial objectives and regular reports (at least six monthly) against the Operational Plan.
53. Section 406 of the Act requires councils to comply with the Integrated Planning and Reporting Guidelines, issued by the Chief Executive of the Office of Local Government.
54. (Cth) Referendum (Machinery Provisions) Act 1984 as amended by the (Cth) Referendum (Machinery Provisions) Amendment Act 2023.
55. Local Government Act 1993 s 356 relating to the provision of financial assistance.



**Critical Dates / Time Frames**

56. The quarterly report is due to be submitted to Council within two months of the end of the respective quarter.
57. The information contained within this report reflects Council's financial performance in the 2022/23 financial year.

**Public Consultation**

58. There is no requirement for public consultation for this report.

**BILL CARTER**

Chief Financial Officer