

Item 5.

Grants and Sponsorship - Accommodation Grant Program

File No: S117676

Summary

The Accommodation Grant Program supports community, cultural, economic and sustainability focused organisations by providing accommodation in City owned buildings within the property portfolio at below market or nil rent.

Accommodation Grant recipients are organisations that provide services that meet the needs identified in Sustainable Sydney 2030–2050 Continuing the Vision and the City's strategic plans and policies. Demand for properties is strong, with more than 725 subscribers expressing interest in availability of future properties.

Annual Performance Review for Accommodation Grant recipients

Currently there are 71 leases held by 66 organisations located across 49 City properties managed under this Program. These tenancies were approved by Council as Accommodation Grants. Recipients of Accommodation Grants enter into leases or licences with the City for a fixed term, usually five years, and are subject to an annual performance review. There are a number of organisations that hold multiple leases through this grant program.

For the 2023 assessment period, 71 lease holders were in the Accommodation Grants program and 70 were requested to complete an annual performance review. One lease holder was not required to complete a review as it had not been in the Program for a full 12 months.

This report is recommending Council note the continuation of the 69 lease holders who were reviewed, have met their performance criteria and will be continuing in the Program.

Lease/License Agreements

There are six recommendations relating to lease or licence agreements for accommodation agreements:

- A new lease became available for 60 Pine Street, Chippendale for 4.5 years from 1 January 2025 to 30 June 2029. An Expression of Interest process was opened for the property in March 2024. As a result of an assessment, a recommendation is made for SDN Children's Services be provided a long term lease with the subsidy starting at 100 per cent and incrementally reducing to 92 per cent over the period of the lease;
- Lease renewal for Weave Youth & Community Services Ltd. for Spaces 1 and 2, Waterloo Town Hall, 770 Elizabeth St, Waterloo from 1 July 2024 to 30 June 2029;
- A lease renewal and increased rental subsidy from 57% to 75% for Hayes Theatre Co at Reginald Murphy Hall, Reginald Murphy Centre at 19 Greenknowe Street, Elizabeth Bay, for five years from 1 July 2024 to 30 June 2029;

- A lease renewal for 107 Projects Incorporated for Joynton Avenue Creative Centre, 3 Joynton Avenue, Zetland from 1 July 2024 to 30 June 2026 to align with the lease expiry date for the 107 Redfern Street, Redfern premise;
- An ad-hoc grant to Larissa Minnecon representing Scarred Trees Ministries to licence Meeting Room 1 and Meeting Room 2 and Office 1 (including adjoining reception area), Ground Floor, Glebe Town Hall, 160 St John's Road, Glebe for a term of two years from 1 July 2024 to 30 June 2026 in accordance with section 356 of the Local Government Act 1993; and
- An increased rental subsidy to 100 per cent for Darlinghurst Theatre Company Ltd at The Eternity Playhouse, 39 Burton Street, Darlinghurst for the remainder of the lease, until 30 June 2026. Darlinghurst Theatre Company Ltd have indicated they would like to vacate Suite 3.02 and Suite 3.03 101-111 William Street, Darlinghurst.

This report also notes that no properties have been vacated in the reporting period.

All figures in this report are exclusive of GST.

Recommendation

It is resolved that:

- Council note the continuation of the current Accommodation Grant leases and licences for the 70 lease holders that have satisfactorily completed their annual performance review for the 2023 calendar year and are continuing in the Program;
- Council note that Innovillage Pty Ltd (trading as Greenhouse) located at the Business Innovation Space, 180 George St, Sydney were not required to complete an annual performance review as it had not been in the Program for a full 12 months and is continuing in the Program;
- Council approve a lease for SDN Children's Services at 60 Pine St Chippendale from 1 January 2025 to 30 June 2029 on the following rental subsidy:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 January 2025 - 31 December 2025	\$153,000	100%	\$153,000	\$0

Year 2 1 January 2026 - 31 December 2026	\$157,590	98%	\$154,438	\$3,152
Year 3 1 January 2027 - 31 December 2027	\$162,317	96%	\$155,824	\$6,493
Year 4 1 January 2028 - 31 December 2028	\$167,187	94%	\$157,156	\$10,031
Year 5 1 January 2029 - 30 June 2029	\$86,101	92%	\$79,213	\$6,888

- (D) Council approve an ad-hoc grant to Larissa Minecon representing Scarred Trees Ministries to licence Meeting Room 1 and Meeting Room 2 and Office 1 (including adjoining reception area), Ground Floor, Glebe Town Hall, 160 St John's Road, Glebe for two years from 1 July 2024 to 30 June 2026 in accordance with section 356 of the Local Government Act 1993 on the following rental subsidy which incorporates outgoings and utilities:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 July 2024 - 30 June 2025	\$73,224	100%	\$73,224	\$0
Year 2 1 July 2025 - 30 June 2026	\$75,421	100%	\$75,421	\$0

- (E) Council approve a lease renewal for Weave Youth & Community Services Ltd located at Space 1 and 2, Waterloo Town Hall, 770 Elizabeth St, Waterloo for five years from 1 July 2024 to 30 June 2029 on the following subsidy:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 July 2024 - 30 June 2025	\$25,200	80%	\$20,160	\$5,040
Year 2 1 July 2025 - 30 June 2026	\$25,956	80%	\$20,765	\$5,191
Year 3 1 July 2026 - 30 June 2027	\$26,735	80%	\$21,388	\$5,347
Year 4 1 July 2027 - 30 June 2028	\$27,537	80%	\$22,029	\$5,508
Year 5 1 July 2028 - 30 June 2029	\$28,363	80%	\$22,690	\$5,673

- (F) Council approve a lease renewal for Hayes Theatre Co at Reginald Murphy Hall, Reginald Murphy Centre at 19 Greenknowe Street Elizabeth Bay, for five years from 1 July 2024 to 30 June 2029, on the following subsidy:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 July 2024 - 30 June 2025	\$95,000	75%	\$71,250	\$23,750
Year 2 1 July 2025 - 30 June 2026	\$97,850	75%	\$73,387	\$24,463

Year 3 1 July 2026 - 30 June 2027	\$100,786	75%	\$75,590	\$25,196
Year 4 1 July 2027 - 30 June 2028	\$103,809	75%	\$77,857	\$25,952
Year 5 1 July 2028 - 30 June 2029	\$106,923	75%	\$80,193	\$26,730

- (G) Council approve a lease renewal for 107 Projects Incorporated at Joynton Avenue Creative Centre, 3 Joynton Avenue, Zetland for two years from 1 July 2024 to 30 June 2026 on the following subsidy:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 July 2024 - 30 June 2025	\$500,000	100%	\$500,000	\$0
Year 2 1 July 2025 - 30 June 2026	\$515,000	100%	\$515,000	\$0

- (H) Council approve the new subsidy and grant level for Darlinghurst Theatre Company Ltd at The Eternity Playhouse, 39 Burton Street, Darlinghurst for its current five year lease, for the period 1 July 2024 to 30 June 2025 on the following rental subsidy:

Year	Market Rental Value	Grant Subsidy (Rounded)	Grant Amount	Rent to be paid
Year 1 1 July 2024 - 30 June 2025	\$208,669	100%	\$208,669	\$0

- (I) Council note that Darlinghurst Theatre Company has provided notice of their intention to vacate Suite 3.02 and Suite 3.03 101-111 William Street, Darlinghurst and the property will be offered by an expression of interest application through the Accommodation Grants Program;

- (J) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the lease agreement with: SDN Children's Services at 60 Pine St Chippendale; Weave Youth & Community Services Ltd. located at Space 1 & 2, 770 Elizabeth St, Waterloo; Hayes Theatre Co for Reginald Murphy Hall, Reginald Murphy Centre at 19 Greenknowe Street Elizabeth Bay; 107 Projects Incorporated at Joynton Avenue Creative Centre, 3 Joynton Avenue, Zetland; Darlinghurst Theatre Company Ltd for The Eternity Playhouse, 39 Burton Street, Darlinghurst; and the licence agreement to Larissa Minecon representing Scarred Trees Ministries to licence Meeting Room 1 and Meeting Room 2 and Office 1 (including adjoining reception area), Ground Floor, Glebe Town Hall, 160 St John's Road, Glebe on terms consistent with this resolution and in accordance with the Grants and Sponsorship Policy; and
- (K) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipients will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

Attachment A. Annual Performance Review Ratings

Background

Annual Review of Tenancies

1. The City currently leases 71 Accommodation Grants Program tenancies and seven Live / Work spaces.
2. For the 2023 calendar year annual review, there were 71 leases held by 66 organisations located across 49 City properties managed under the Program. Of these, 70 lease holders were requested to complete an annual performance review.
3. The Business Innovation Space at 180 George St, Sydney leased by Innovillage Pty Ltd (trading as Greenhouse) is not required to complete a review as it had not been in the program for a full 12 months and will submit a review next year.
4. As of 30 June 2024, the Accommodation Grant Program will make available 71 spaces across 49 properties for 66 organisations. The total cost of the Program in revenue forgone for the 2024/25 financial year is estimated at \$9.69 million.
5. The terms and conditions of the agreement between each lease holder and the City are detailed in a lease or licence, which also sets out specific key performance criteria and performance measures.
6. Lease holders are reviewed every 12 months against these criteria and measures. Based on these reviews, the following options exist: continuation; improvement; termination; or a variation to the terms of the existing lease or licence.

Outcomes of 2023 Annual Performance Review

7. The annual performance review of Accommodation Grant recipients was undertaken between January 2024 and May 2024 and is based on the 2023 calendar year.
8. Each year, the City coordinates the annual performance review with the Accommodation Grant recipients (lease and licence holders) to review their performance against the criteria in their lease or licence agreements. A rating system is used to evaluate the information received and assess the performance of the organisations against the criteria set, in return for subsidised accommodation. This report outlines the outcomes of the annual performance review for the 2023 calendar year.
9. Lease holders submitted their annual performance reviews online. City staff members evaluated the submissions provided and the lease holders' overall performance in 2023 against the criteria contained in the respective lease or license. Final evaluations were agreed upon during assessment meetings using the following ratings:
 - A - meeting or exceeding performance criteria;
 - A/B - meeting the majority of performance criteria;
 - B - not meeting performance criteria, on notice (one year to improve performance); or
 - C - not meeting expectations after one year, leases to be terminated.

10. The assessment meetings were held on 19 March, 20 March and 21 March 2024 to ensure lease holders were assessed against the relevant performance criteria. The assessment panels consisted of City staff from the Creative City and Social City Teams.
11. The 70 lease holders who participated in the annual review process have been rated 'A', 'A/B' or 'B' against their performance criteria and all will be continuing in the Program (see Attachment A).
12. It is noted that City staff will work closely with the four lease holders who were rated A/B over the next 12 months; 107 Projects Incorporated, The Roman Catholic Church for The Archdiocese of Sydney, UTS Childcare Inc and Women in Film and Television Incorporated. Several areas for improvement have been identified with these lease holders, such as reviewing organisations financial capacity, increasing benefit to the local community and establishing expectations around reporting.
13. It is noted that City staff will work closely with the one lease holder rated B over the coming months. Darlinghurst Theatre Company has several areas of improvement that have been identified, such as standard performance criteria not being met and issues with governance.

SDN Children's Services

14. In 2009, the City sought tenders from not-for-profit child care providers to operate the City's work based child care centre, Chippendale Child Care Centre, providing priority to child care spaces for City of Sydney employees.
15. Historically, the City has paid a management fee for the management and operation of the service in line with legislation pertaining to education and care services, providing City of Sydney employees with first priority to child care places.
16. On 21 September 2009, Council approved Children's Services Community Management (CSCM) to operate and manage Chippendale Child Care Centre, and entered into a five year agreement with Children's Services Community Management with an option for a further five-year term. On 7 December 2016, the City exercised the five-year option. This five-year term was due to end 30 December 2021.
17. On 21 May 2018, Community Early Learning Australia formally notified the City that Children's Services Community Management was no longer in a position to operate and manage Chippendale Child Care and were seeking to end the contract agreement by 21 August 2018.
18. By Resolution of Council on 13 May 2019, Council resolved to enter into a contract variation with Children's Services Community Management to end the management term on 31 December 2019 and a new provider was sought via an open tender process.
19. On 21 October 2019, Council approved that the City enter into a reject and negotiate process for the operation of the service. Following this process, a new contract agreement was signed with SDN Children's Services for up to a five-year term (2 + 3 year option).
20. On 22 November 2021, the three-year option was exercised for the management of Chippendale Child Care by SDN Children's Services until 31 December 2024.

21. Since 2021, the City has reviewed the work based child care offering and the needs of parents returning to the workplace, particularly in light of current cost of living challenges.
22. As a result of this review, the operation of Chippendale Child Care centre will be offered through the Accommodation Grant Program in the future, rather than through a management agreement.
23. This change means that the City will no longer maintain a work based child care centre, nor pay a management fee to the operator of Chippendale Child Care Centre. There are currently no staff taking advantage of the work based child care offering.
24. The City of Sydney provides comprehensive parental leave benefits to its employees, including generous paid parental leave, flexible working arrangements, and nursing facilities. There are also four early education and care centres, and six outside school hours care services operated by the City of Sydney, which are open for employees to register their children for education and care services.
25. Options to update support for employees who are parents is currently being reviewed, and any new measures to support parents will be included in planned changes to current parental policies, subject to financial review. Funds to support any planned program will be offset by funds previously used to pay the management fee.
26. On 18 March 2024, the City commenced an expression of interest process for the property located at 60 Pine St Chippendale through the Accommodation Grant Program.
27. Information about this grant program was made available on the City's website. Email campaigns were utilised to target interested parties who have expressed an interest in the City's Grants and Sponsorship Accommodation Grant program.
28. Applications closed at 5pm on 16 April 2024, one eligible application was received for the tenancy, SDN Children's Services.
29. The assessment panel consisted of City staff from City Engagement, City Properties and Social City.
30. The application was assessed against the following mandatory evaluation criteria:
 - (a) the relevance of the proposal to meet the needs of the childcare sector in Sydney;
 - (b) viability of the proposed model to maximise utilisation of the space;
 - (c) capacity and capability of the organisation to manage the lease;
 - (d) whether the proposed use is permissible under the planning controls; and
 - (e) alignment with the Accommodation Grant Program and City of Sydney's strategic priorities, and the City of Sydney's grants policy and ethics framework.
31. The grant is recommended on the condition that any required approvals, permits and development consents are obtained by SDN Children's Services.

32. This report recommends that Council approve the subsidy level and grant value of SDN Children's Services, with rent to be paid for the financial years 2024/25, 2025/26, 2026/27, 2027/28 and 2028/29.

Scarred Tree Ministries

33. Scarred Trees Ministries provides important services for communities in Glebe including the provision of a culturally safe drop-in space for community, counselling, community and justice support, youth programs, NAIDOC event planning and other community activities for local Aboriginal, Torres Strait Islander and South Sea Islander communities.
34. In 2016, Sydney University applied for a lease through the Program for all spaces located on the Ground Floor, Glebe Town Hall, 160 St Johns Road, Glebe. This included Office 1 (including adjoining reception area), Meeting Room 1 and Meeting Room 2. Scarred Trees Ministries operated programs from these spaces within Glebe Town Hall for five years, under an arrangement with Sydney University. The City's lease with Sydney University ended on 30 June 2023.
35. Scarred Trees Ministries are an unincorporated non-profit community group providing free and essential services to local priority communities.
36. At the June 2023 Council meeting, Council approved an ad-hoc grant to Larissa Minnecon representing Scarred Tree Ministries to enable their continued use of Office 1 (including adjoining reception area) within Glebe Town Hall for 12 months to 30 June 2024.
37. On 6 November 2023, Council approved inclusion of Meeting Room 1 and Meeting Room 2 in that licence to 30 June 2024. City staff are working with Scarred Trees Ministries, its associated church at St John's Glebe and other suitable local organisations to support Scarred Tree Ministries in obtaining status as an incorporated organisation to enable them to apply through the Accommodation Grant program on a longer-term basis.
38. Scarred Trees Ministries' current licence permits the use of Meeting Room 1, Meeting Room 2 and Office 1 (including adjoining reception area). This licence has been in place since 1 July 2023 and is due to expire on 30 June 2024.
39. It is recommended that Council provide a two-year ad-hoc grant from 1 July 2024 to 30 June 2026 to Larissa Minnecon representing Scarred Trees Ministries to enable continued use of Meeting Room 1, Meeting Room 2 and Office 1 (including adjoining reception area).
40. The standard performance criteria for the Accommodation Grant Program for this licence will apply, including the annual review requirements, so that the City can ensure ongoing collaboration with Scarred Trees Ministries and support for local communities from this space.

Weave Youth & Community Services Ltd

41. Weave Youth & Community Services Ltd continue to provide a diverse range of programs designed to support children, young people, women and families who face complex issues such as homelessness, family breakdown, mental health and substance use issues and are impacted by intergenerational trauma and significant systemic disadvantage. These include health and wellbeing, tutoring, advocacy and education programs.
42. Weave Youth & Community Services Ltd currently occupy tenancies through the Accommodation Grants Program for Spaces 1 & 2, 770 Elizabeth Street, Waterloo, through which they deliver tutoring and other programs. Weave Youth & Community Services Ltd have continued to achieve an A rating in their annual performance reviews.
43. The current lease expired on 8 November 2023 and they have continued on holdover since that time in accordance with the lease conditions.
44. It is recommended a new lease be issued to Weave Youth & Community Services Ltd for Spaces 1 & 2, 770 Elizabeth Street, Waterloo for a period of five years from 1 July 2024 to 30 June 2029, to enable them to continue to provide their vital services to priority populations in the inner city.

Hayes Theatre Co

45. Hayes Theatre Co (Hayes) has occupied a tenancy through the Accommodation Grants Program for Reginald Murphy Hall on the first floor of the Reginald Murphy Centre at 19 Greenknowe Street Elizabeth Bay successfully for ten years since January 2014. Hayes Theatre Co have continued to achieve an A rating (meeting or exceeding performance criteria) in annual performance reviews of Accommodation Grant Recipients over this time.
46. Hayes currently holds a five-year lease expiring 30 June 2024. During the term Hayes was granted the following subsidy:

Period	Market Rental Value	Grant Subsidy	Grant Amount	Rent to be paid
Year 1 June - December 2019 *6 months only	\$44,000	77%	\$33,880	\$10,120
Year 1 January - June 2020 *6 months only	\$44,000	57%	\$25,080	\$18,920

Period	Market Rental Value	Grant Subsidy	Grant Amount	Rent to be paid
Year 2 July 2020 – June 2021	\$90,640	57%	\$51,664	\$38,975
Year 3 July 2021 – June 2022	\$93,359	57%	\$53,215	\$40,144
Year 4 July 2022 – June 2023	\$96,160	57%	\$54,811	\$41,349
Year 5 July 2023 – June 2024	\$99,045	57%	\$56,456	\$42,590

47. Hayes Theatre Co is a not-for-profit organisation dedicated to developing and presenting musical theatre, with a commitment to developing the next generation of Australian musical theatre performers, creatives and producers. Hayes Theatre Co provides employment opportunities for a diverse range of creative practitioners as well as mentoring programs for emerging practitioners.
48. Hayes Theatre Co operates the 111 seat theatre to an average 89 per cent capacity typically presenting eight performances across six days per week, however box office revenue is capped at this small scale.
49. Hayes has experienced significant increased outgoings in the last few years, including 10 to 15 per cent increased costs for employing understudies for COVID and illness cover (increases of approximately \$90,000 in both 2022 and 2023), labour shortages in technical roles resulting in increased wages, material and supply costs and audience behaviour changes resulting in increased marketing and promotional costs.
50. The company retains reserves of approximately 50 per cent of annual operational expenses which allows them to manage such shortfalls. Hayes continues to seek diverse funding sources, including support through Creative Australia and Create NSW.

This report recommends the following to support the organisation going forward: increase in rental subsidy from 57 per cent to 75 per cent as indicated in the table above to ease these financial strains and assist them to return to break-even budgets. This increased subsidy represents a reduction of approximately \$20,000 per year on rent payable in the current agreement.

51. Annual assessment of the performance of Hayes is undertaken, as per the standard terms of the Accommodation Grants program, to ensure that the organisation continues to meet its creative goals and financial projections. Renewal of the lease agreement beyond the initial term is contingent on Hayes' performance under the lease.
52. All property is subject to periodic market valuation. Any renewals including market value, subsidy values and rent payable will be recommended to Council through the usual Accommodation Grant program renewal and reporting process.

107 Projects Incorporated

53. 107 Projects Incorporated (107 Projects), is a not-for-profit cultural organisation that operates at the intersection of artistic practice, sustainable community development and social enterprise.
54. 107 Projects have been Head Tenant of the Joynton Avenue Creative Centre (the Centre) at 3 Joynton Avenue, Zetland, since May 2018 through the Accommodation Grants Program. As Head Tenant of the Centre, 107 is responsible for the day-to-day operational management, curating and managing a variety of creative workers, artists and small creative businesses for each of the subsidised leasable spaces, and providing a program of activities and learning opportunities from the Centre which engages with the local community and the cultural and creative sector.
55. 107 Projects also occupies tenancies through the Accommodation Grants Program at 107 Redfern Street, Redfern, where they manage a multi-purpose creative facility which includes artist studios, creative office spaces, exhibition, performance and presentation spaces and from where they deliver a program of events and activities for the local community and the cultural and creative sector.
56. 107 Projects lease at Joynton Avenue Creative Centre expired on 6 May 2023 and they have continued on holdover since that time in accordance with the lease conditions.
57. It is recommended a new lease be issued to 107 Projects for Joynton Avenue Creative Centre, 3 Joynton Avenue, Zetland for a period of two years from 1 July 2024 to 30 June 2026, to align with the lease expiry date for the 107 Redfern Street, Redfern premise.

Darlinghurst Theatre Company

58. Darlinghurst Theatre Company Ltd (DTC) is currently in Year 3 of a five-year lease at The Eternity Playhouse, 39 Burton Street, Darlinghurst, expiring 30 June 2026. DTC has occupied The Eternity Playhouse under an Accommodation Grant since September 2013.
59. DTC has operated for 30 years, presenting contemporary theatre works by Australian and international writers directed and performed by local creative practitioners. Pre-Covid DTC was typically staging more than 300 performances, to approximately 46,000 audience members, and employing more than 500 artists and creative workers, paid at award and industry rates.

60. However, the Board has reported significant operational difficulties affecting 2023 and 2024 programs, budgets, operations, governance and reporting. After the departure of a senior staff member in late 2023, a Board Member was appointed as the interim Executive Director. In December 2023, the organisation received emergency funding from philanthropic sources and is now seeking support from a range of partners and funding bodies to rebuild operations.
61. Due to the staffing disruption and subsequent gaps in organisational knowledge during this time, for the 2023 AGP annual self assessment reviews City staff have recommended that DTC receive a B rating – the difficulties the organisation has faced were reflected in not meeting performance criteria and reporting requirements. Organisations receiving a B rating require staff to monitor progress closely. Over the coming months staff will track: financial goals; governance and leadership matters; creative and cultural output; and activation of the Eternity Playhouse.
62. Under the current lease terms for Year 4 the grant amount of \$131,462 represents a subsidy of 63 per cent of the market value, with rent payable of \$77,208 per annum.
63. The proposed increased rental subsidy for the period would provide 100 per cent rent relief for one year, saving the organisation \$77,208 in rental payments. Increased rental subsidy will relieve budget and cashflow pressures while the organisation is in its recovery phase.
64. In 2022 DTC were successful in an AGP application for the office spaces at Suite 3.02 and Suite 3.03 101-111 William Street, Darlinghurst. These office spaces were supplementary to their operations at Eternity Playhouse, which has limited back of house and office space. They are currently in Year 2 of a five year lease ending on 31 October 2027 with rent payable of \$11,124 per annum receiving a 90% subsidy on the market value of \$111,240 per annum. DTC has provided notice of their intention to vacate these premises and end the lease.
65. Once DTC vacates Suite 3.02 and Suite 3.03 101-111 William Street, Darlinghurst, required maintenance of the premises will be undertaken and the property can be offered by an expression of interest application through the Accommodation Grants Program.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

66. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
 - (a) Direction 6 - An equitable and inclusive city - the provision of accommodation to a varied group of community and cultural organisations contributes to the diverse range of services and support the City provides for our community. The diversity of these groups contributes to the vibrancy of the City's villages and the communities within them.

- (b) Direction 8 - A thriving cultural and creative life - approximately one third of the Accommodation Grant lease holders are cultural or arts organisations. These organisations support cultural development through the support of artists, and the delivery of culturally stimulating activities that engage our communities.
- (c) Direction 9 - A transformed and innovative economy - the recommended grant projects in this report contribute to helping stimulate business and promote economic activity. They encourage partnerships with other organisations on business development and assist groups of businesses to work together for the collective benefit.

Social / Cultural

- 67. The City's Grants and Sponsorship Program provides the City with a platform to support cultural and social initiatives from the communities and business within the local area.
- 68. The organisations within the Accommodation Grants Program make an invaluable contribution to our communities through the development and management of services, activities and programs.

Financial Implications

- 69. Based on the current list of Accommodation Grant recipients the total value of the Accommodation Grant Program in the 2024/25 financial year is estimated at \$9.65 million in revenue foregone, compared to market value rent.
- 70. The value of the recommended increased subsidy for DTC for 2024 is \$77,208 in revenue forgone, compared to market value rent.
- 71. The total value of the recommended subsidy for the duration of the recommended five year lease for Hayes is \$378,277 in revenue forgone, compared to market value rent.
- 72. There are sufficient funds allocated in the 2024/25 grants and sponsorship budget included in the City's draft operating budget for 2024/25 which is seeking approval as part of a separate council report in the current reporting cycle, to support the revenue foregone in the Accommodation Grant program.

Relevant Legislation

- 73. 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.
- 74. Section 356(3)(a) to (d) is satisfied for the purpose of providing grant funding to for profit organisations because:
 - (a) the funding is part of the Accommodation Grant Program;
 - (b) the details of these programs have been included in Council's draft operational plan for financial year 2024/25;

- (c) the program's proposed budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2024/25; and
- (d) this program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

- 75. Commencement dates for the leases recommended for renewal in this report are from 1 July 2024.

EMMA RIGNEY

Director City Life

Cathy Brown, Grants Coordinator