22 June 2026

At 2.00 pm

Corporate, Finance, Properties and Tenders Committee

Agenda

1. Confirmation of Minutes

2. Statement of Ethical Obligations and Disclosures of Interest

3. Adoption - First Nations Strategic Framework 2026-2030

4. Integrated Planning and Reporting Program and Budget 2026/27 – Adoption

5. Investments Held as at 31 May 2026

6. International Travel - RC21 Conference 2026

7. Extension of Licence Approval - Sydney Gay and Lesbian Mardi Gras Ltd

8. Food Organics Collection Service Cost Benefit Analysis

Includes Confidential Attachment/s in accordance with sections 10A and 10B of the Local Government Act 1993

9. Service Review – Domestic Waste Collections

Includes Confidential Attachment/s in accordance with sections 10A and 10B of the Local Government Act 1993

10. Exemption from Tender - Soft Plastics Processing and Buyback

Includes Confidential Attachment/s in accordance with sections 10A and 10B of the Local Government Act 1993

Disclaimer, Terms and Guidelines for Speakers at Council Committees

As part of the democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

Webcast

In accordance with the *City of Sydney Code of Meeting Practice*, Committee meetings are recorded and webcast live on the City of Sydney website at https://webcast.cityofsydney.nsw.gov.au/

Members of the public attending a council or committee meeting may have their image, voice and personal information (including name and address) recorded, publicly broadcast and archived for the balance of the council's term or at least 12 months after the meeting, whichever is the longer period.

Consent

By attending a council or committee meeting, members of the public consent to this use of their image, voice and personal information.

Disclaimer

Statements made by individuals at a council or committee meeting, and which may be contained in a live stream or recording of the meeting are those of the individuals making them, and not of the City. To be clear, unless set out in a resolution of council, the City does not endorse or support such statements.

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Guidelines

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 Secretariat on 9265 9702 or emailing secretariat@cityofsydney.nsw.gov.au before 10:00am 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 3 minute time limit for each speaker (with a warning bell at 2 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 3 representatives to speak on your behalf and to indicate how many people they are representing.

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 City 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 available at https://meetings.cityofsydney.nsw.gov.au/

Item 1.
Confirmation of Minutes

Minutes of the following meetings of the Corporate, Finance, Properties and Tenders Committee are submitted for confirmation:

Meeting of 11 May 2026

Item 2.
Statement of Ethical Obligations

In accordance with section 233A of the Local Government Act 1993, the Lord Mayor and Councillors are bound by the Oath or Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the City of Sydney and the City of Sydney Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act 1993 or any other Act, to the best of their ability and judgement.

Disclosures of Interest

Pursuant to the provisions of the Local Government Act 1993, the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose and manage both pecuniary and non-pecuniary interests in any matter on the agenda for this meeting.

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

This includes receipt of reportable political donations over the previous four years.

Item 3.

Adoption – First Nations Strategic Framework 2026-2030

Document to Follow

Item 4.

Integrated Planning and Reporting Program and Budget 2026/27 - Adoption

Document to Follow

Item 5.

Investments Held as at 31 May 2026

File No: X127618

Summary

This report provides details of the City's investment portfolio and performance to 31 May 2026.

The City's total Investment and Cash position was $667.5M at 31 May 2026, with investments earning interest of $2.7M for the month.

The annual CPI inflation rate was 4.2% in the 12 months to April 2026, easing from 4.6% recorded in March 2026. The April 2026 CPI outcome means inflation is still above the RBA's target range of 2% to 3%.

The RBA raised the cash rate again on 5 May 2026 from 4.10% to 4.35% in response to persistent inflationary pressures. On 16 June 2026, the RBA held the cash rate at 4.35%. Ongoing global uncertainty, including the conflict in the Middle East, continues to influence the inflation outlook and is likely to remain a key determinant in shaping the Bank's interest rate policy decisions. The Board assessed that inflation is expected to remain above target for some time, with upside risks persisting, including pressures on inflation expectations.

The City's cash and investments portfolio includes restricted funds in both internal ($278.5M) and external ($101.6M) cash reserves, to satisfy the City's legislative responsibilities, to set aside specific amounts for major initiatives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision, and to distribute contributions to Community Housing Providers. The unrestricted balance of cash and investments ($287.4M) represents working capital, and funding required for the City's operating and capital expenditure commitments.

The City has known and projected commitments beyond currently restricted amounts, including its forward capital works program. The Long Term Financial Plan (LTFP) outlines details of the working capital, services, facilities, activities, capital works and acquisitions that will be funded by the City's accumulated cash and future revenue streams.

The City's investment portfolio returns are comparable to those of cash-managed funds available in the market. Market rates have risen following a lift in the official interest rates by the Reserve Bank of Australia since mid-March 2026 and the expectation of future interest rate increases in the near term.

It is worth noting that Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister for the Office of Local Government. These guidelines were developed, in large part, as response to the Global Financial Crisis and its impact on the local government sector's investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which generally produces lower returns but provides a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

This report includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Investment Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and financial institutions. Charts depicting the City's portfolio returns over and above both the 90-day Bloomberg AusBond and 30-day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.

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 the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 31 May 2026 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 31 May 2026

Attachment B. Investment Performance as at 31 May 2026

Background

1. In accordance with the principles of sound 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. Cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Days Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.

3. The City's total Investment and Cash position as at 31 May 2026 was $667.5M, an increase of $2.5M from 30 April 2026. The net increase in May reflects the timing of rates receipts, as this was a rates collection quarter. A schedule detailing all the City's investments as at the end of May 2026 is provided at Attachment A.

4. The City achieved an annualised monthly return of 4.85% for May, which remains above the 30-Day Bank Bill Rate (BBR) of 4.28%, the latest AusBond Monthly Bank Bill Index of 4.56% and the enhanced benchmark of 4.73% (BBR + 0.45%).

5. Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45% p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30-to-90-day investments.

6. The City's annual rolling return of 4.77% continues to exceed the 12-month average 30 Day Bank Bill Rate of 3.74%, the latest AusBond 12 Month Average Bank Bill Index of 3.81% and the enhanced benchmark of 4.19% (BBR + 0.45%).

7. The benchmarks were endorsed in the revised Investment Strategy approved by Council in November 2025. The City aims to achieve returns equal to or above these benchmark rates for the period. However, this achievement remains secondary to the critical strategies of maintaining a prudent and conservative risk profile and ensuring adequate liquidity for operational purposes.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

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

Risks

9. This investment approach is within the City's risk appetite, which states:

   - The City has a responsibility to ensure that it has sufficient resources in the short, medium and long term to provide the levels of service that are both affordable and considered appropriate by the community.

   - We maintain a cautious appetite to financial risks, aiming to minimise the likelihood and impact of significant financial losses.

Financial Implications

10. The City's investments earned interest of $2.7M for the month of May 2026, above the monthly budgeted earnings of $2.5M. The annual budget for interest income is $30.4M and the annual forecast has been revised to $33.0M, a favourable variance of $2.6M.

Relevant Legislation

11. Council is authorised to invest its surplus cash under section 625 of the Local Government Act 1993.

12. The Local Government (General) Regulation 2021 (section 212) requires the City to provide a written monthly report of all monies invested, under section 625 of the Act.

13. The Investment Policy and Strategy was last revised in November 2025, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.

14. The City'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 17 November 2025.

Critical Dates / Time Frames

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

Public Consultation

16. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate legislative and risk parameters. City staff meet regularly with representatives of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.

17. The banks acknowledge the appetite in the market for these products, and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.

18. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds $120.0M in twenty four tranches with this Green Tailored deposit.

19. The City currently holds $4.5M in a sustainability bond/FRN with Bank Australia invested in February 2023 and due to mature on 22 February 2027. This is based on an investment framework that is in line with the 2021 versions of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). This Socially Responsible investment opportunity meets both the credit risk and maturity profile requirements of the City.

20. As at May 2026, the City invested $15M in Social Tailored Deposit in three tranches, an annually certified investment associated with a defined pool of eligible assets which may include affordable housing, public education and/or healthcare assets along with transport services to disadvantaged areas. This type of investment aligns with the Socially Responsible Investment principles set out in the City's Investment Policy.

21. As per the investment policy and strategy endorsed by Council in November 2025, the City continues to explore opportunities for supporting environmentally and socially responsible investments within these constraints. The City will continue to encourage and give preference to these investments where they comply with the Ministerial Investment Order and satisfy the Council's policy and investment objectives. The investment climate is changing over time, and the City notes that many large-scale renewable projects are expected to evolve, which may result in additional sustainable investment offers in the medium-to-date long term.

JEAN-MICHEL CARRIERE

Executive Director Finance and Procurement

Attachment A

Register of Investments and Cash
as at 31 May 2026

Register of Investments and Cash for May 2026 period

Institution	Rating	Face Value $	Amortised Value $	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Call Account & General Fund									
Westpac Bank- General Fund (Interest bearing)	AA-	46,058,018.06	46,058,018.06	0.36%	4.35%	4.35%	1-Jun-26	31-May-26	0
Commonwealth Bank	AA-	849,954.74	849,954.74	0.35%	4.25%	4.25%	1-Jun-26	31-May-26	0
Total		**46,907,972.80**	**46,907,972.80**	**0.36%**	**4.35%**	**4.35%**			
Term Deposits (TD)									
ING Bank	A+	5,000,000.00	5,000,000.00	0.35%	4.18%	4.18%	2-Jun-26	26-May-25	12
Westpac Banking Corporation	AA-	5,000,000.00	5,000,000.00	0.35%	4.18%	4.18%	5-Jun-26	30-May-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.15%	26-Jun-26	10-Jun-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.20%	4.20%	3-Jul-26	11-Jun-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.20%	4.20%	7-Jul-26	11-Jun-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.20%	4.20%	10-Jul-26	11-Jun-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.15%	21-Jul-26	12-Jun-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.14%	24-Jul-26	13-Jun-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.05%	4.05%	7-Aug-26	29-Aug-25	11
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.05%	4.05%	1-Sep-26	3-Sep-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.05%	4.05%	4-Sep-26	3-Sep-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.10%	4.10%	8-Sep-26	4-Sep-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.05%	4.05%	11-Sep-26	2-Sep-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.15%	2-Oct-26	14-Oct-25	12
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.15%	9-Oct-26	22-Sep-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.15%	4.15%	13-Oct-26	22-Sep-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.25%	4.25%	16-Oct-26	25-Sep-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.25%	4.25%	20-Oct-26	25-Sep-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.35%	4.25%	4.25%	23-Oct-26	26-Sep-25	13
National Australia Bank	AA-	5,000,000.00	5,000,000.00	0.34%	4.05%	4.05%	10-Nov-26	23-Oct-25	13
ING Bank	A+	5,000,000.00	5,000,000.00	0.35%	4.17%	4.17%	13-Nov-26	28-Oct-25	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.35%	4.17%	4.17%	19-Nov-26	28-Oct-25	13
Rabobank Australia	A	5,000,000.00	5,000,000.00	0.36%	4.28%	4.28%	24-Nov-26	11-Nov-25	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.36%	4.35%	4.35%	27-Nov-26	13-Nov-25	12
Rabobank Australia	A	5,000,000.00	5,000,000.00	0.36%	4.33%	4.33%	4-Dec-26	21-Nov-25	12
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.36%	4.37%	4.37%	8-Dec-26	24-Nov-25	12
Rabobank Australia	A	5,000,000.00	5,000,000.00	0.36%	4.31%	4.31%	11-Dec-26	25-Nov-25	12
Rabobank Australia	A	5,000,000.00	5,000,000.00	0.37%	4.39%	4.39%	15-Dec-26	28-Nov-25	13
Commonwealth Bank	AA-	5,000,000.00	5,000,000.00	0.38%	4.50%	4.50%	18-Dec-26	1-Dec-25	13
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.37%	4.43%	4.43%	18-Dec-26	2-Dec-25	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.38%	4.50%	4.50%	5-Jan-27	5-Dec-25	13
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.40%	4.79%	4.79%	8-Jan-27	30-Jan-26	11
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.40%	4.79%	4.79%	12-Jan-27	30-Jan-26	11
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.40%	4.79%	4.79%	19-Jan-27	3-Feb-26	11
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.40%	4.78%	4.78%	29-Jan-27	28-Jan-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.41%	4.86%	4.86%	5-Feb-27	9-Feb-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.93%	4.93%	12-Feb-27	18-Feb-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.89%	4.89%	16-Feb-27	16-Feb-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.90%	4.90%	19-Feb-27	17-Feb-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.90%	4.90%	2-Mar-27	19-Feb-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.41%	4.90%	4.90%	5-Mar-27	20-Feb-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.41%	4.86%	4.86%	9-Mar-27	24-Feb-26	12
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.41%	4.91%	4.91%	12-Mar-27	25-Feb-26	12
Bank of Queensland	A-	5,000,000.00	5,000,000.00	0.41%	4.90%	4.90%	16-Mar-27	27-Feb-26	13
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.41%	4.92%	4.92%	19-Mar-27	2-Mar-26	13
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.42%	5.00%	5.00%	23-Mar-27	3-Mar-26	13
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.42%	5.00%	5.00%	6-Apr-27	3-Mar-26	13
Great Southern Bank	BBB+	5,000,000.00	5,000,000.00	0.42%	5.00%	5.00%	9-Apr-27	4-Mar-26	13
ING Bank	A+	5,000,000.00	5,000,000.00	0.44%	5.23%	5.23%	13-Apr-27	13-Mar-26	13
ING Bank	A+	5,000,000.00	5,000,000.00	0.44%	5.24%	5.24%	16-Apr-27	17-Mar-26	13
ING Bank	A+	5,000,000.00	5,000,000.00	0.46%	5.50%	5.50%	20-Apr-27	7-Apr-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.46%	5.49%	5.49%	23-Apr-27	10-Apr-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.46%	5.49%	5.49%	27-Apr-27	14-Apr-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.46%	5.50%	5.50%	30-Apr-27	17-Apr-26	12
Bendigo & Adelaide Bank	A-	5,000,000.00	5,000,000.00	0.45%	5.45%	5.45%	4-May-27	12-May-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.46%	5.52%	5.52%	25-May-27	14-May-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.46%	5.46%	5.46%	1-Jun-27	27-May-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.46%	5.46%	5.46%	4-Jun-27	27-May-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.45%	5.40%	5.40%	8-Jun-27	29-May-26	12
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.45%	5.40%	5.40%	11-Jun-27	29-May-26	12
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.95%	4.95%	4-Feb-28	12-Feb-26	24
ING Bank	A+	5,000,000.00	5,000,000.00	0.41%	4.95%	4.95%	8-Feb-28	12-Feb-26	24
Rabobank Australia	A+	5,000,000.00	5,000,000.00	0.44%	5.25%	5.25%	11-Feb-31	13-Feb-26	60
Westpac Banking Corporation (0.71% Fixed 2 years & 90 days BBSW + 50 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.76%	4.31%	18-Jun-26	18-Jun-21	60
Term Deposits (TD) 'Social Tailored Deposits'									
Westpac Banking Corporation - Social Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.45%	5.42%	5.42%	7-May-27	8-May-26	12
Westpac Banking Corporation - Social Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.45%	5.45%	5.45%	11-May-27	12-May-26	12
Westpac Banking Corporation - Social Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.46%	5.48%	5.48%	18-May-27	13-May-26	12
Term Deposits (TD) 'Green Tailored Deposits'									
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.34%	4.12%	4.49%	9-Jun-26	3-Jun-25	12
Westpac Banking Corporation - Green Tailored Deposit	AA-	5,000,000.00	5,000,000.00	0.34%	4.07%	4.44%	12-Jun-26	5-Jun-25	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.80%	4.99%	16-Jun-26	6-Jun-25	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.80%	4.99%	23-Jun-26	6-Jun-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.81%	5.00%	3-Jul-26	10-Jun-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.41%	4.89%	5.05%	14-Jul-26	11-Jun-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.41%	4.89%	5.05%	17-Jul-26	11-Jun-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 75 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.20%	5.25%	7-Aug-26	29-Aug-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 75 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.20%	5.25%	11-Aug-26	29-Aug-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 75 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.20%	5.25%	14-Aug-26	29-Aug-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.81%	5.23%	18-Aug-26	9-Sep-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.42%	4.99%	5.32%	21-Aug-26	18-Sep-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.42%	4.99%	5.32%	25-Aug-26	18-Sep-25	11
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.77%	5.18%	15-Sep-26	5-Sep-25	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.77%	5.18%	18-Sep-26	5-Sep-25	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.40%	4.77%	5.18%	23-Sep-26	5-Sep-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 73 points)	AA-	5,000,000.00	5,000,000.00	0.41%	4.91%	5.29%	25-Sep-26	16-Sep-25	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 72 points)	AA-	5,000,000.00	5,000,000.00	0.42%	5.03%	5.34%	6-Oct-26	19-Sep-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 71 points)	AA-	5,000,000.00	5,000,000.00	0.42%	5.02%	5.34%	30-Oct-26	26-Sep-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 70 points)	AA-	5,000,000.00	5,000,000.00	0.42%	5.00%	5.32%	3-Nov-26	29-Sep-25	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 70 points)	AA-	5,000,000.00	5,000,000.00	0.42%	5.00%	5.32%	6-Nov-26	30-Sep-25	13
Westpac Banking Corporation - Green Tailored Deposit - Semi Annual Interest	AA-	5,000,000.00	5,000,000.00	0.36%	4.33%	5.05%	17-Nov-26	7-Nov-25	12
Westpac Banking Corporation - Green Tailored Deposit - Semi Annual Interest	AA-	5,000,000.00	5,000,000.00	0.37%	4.39%	5.12%	1-Dec-26	17-Nov-25	12
Westpac Banking Corporation - Green Tailored Deposit - (4.98% fixed 1 year & 3 months BBSW +78 bps 2 years)	AA-	5,000,000.00	5,000,000.00	0.43%	5.10%	4.70%	2-Apr-27	3-Apr-24	36
Total		**455,000,000.00**	**455,000,000.00**	**0.39%**	**4.74%**	**4.81%**			

Register of Investments and Cash for May 2026 period

Institution	Rating	Face Value $	Amortised Value $	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Floating Rate Notes (FRN)									
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	A-	5,000,000.00	5,000,000.00	0.41%	4.91%	4.46%	18-Jun-26	18-Jun-21	60
Macquarie Bank (3 months BBSW + 85 points)	A+	4,000,000.00	4,000,000.00	0.42%	5.03%	4.63%	14-Sep-26	14-Sep-23	36
Suncorp Bank (90 days BBSW + 48 points)	AA-	3,750,000.00	3,750,000.00	0.39%	4.66%	4.26%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	A-	3,000,000.00	3,000,000.00	0.43%	5.18%	4.61%	27-Oct-26	27-Oct-21	60
Commonwealth Bank (3 month BBSW + 70 points)	AA-	3,250,000.00	3,250,000.00	0.42%	5.03%	4.51%	14-Jan-27	14-Jan-22	60
Westpac Banking Corporation (90 days BBSW + 70 points)	AA-	3,900,000.00	3,900,000.00	0.42%	5.08%	4.52%	25-Jan-27	18-Jan-22	60
Suncorp Bank (90 days BBSW + 78 points)	AA-	4,500,000.00	4,500,000.00	0.43%	5.16%	4.60%	25-Jan-27	17-Jan-22	60
Great Southern Bank (3months BBSW + 165 points)	BBB+	2,500,000.00	2,500,000.00	0.51%	6.07%	5.46%	9-Feb-27	9-Feb-23	48
Newcastle Greater Mutual Group Ltd (90 days BBSW + 100 points)	BBB+	2,250,000.00	2,250,000.00	0.45%	5.42%	4.81%	10-Feb-27	3-Feb-22	60
National Australia Bank (90 days BBSW + 72 points)	AA-	4,000,000.00	4,000,000.00	0.43%	5.15%	4.51%	25-Feb-27	25-Feb-22	60
ING Bank- (3 months BBSW + 95 points)	A+	1,500,000.00	1,500,000.00	0.43%	5.20%	4.76%	22-Mar-27	22-Mar-24	36
ANZ Bank (90 day BBSW + 97 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.41%	4.78%	12-May-27	12-May-22	60
Bendigo and Adelaide Bank (90 days BBSW + 100 points)	A-	2,000,000.00	2,000,000.00	0.45%	5.43%	4.81%	14-May-27	14-May-24	36
Westpac Banking Corporation (90 days BBSW + 105 points)	AA-	4,000,000.00	4,000,000.00	0.46%	5.50%	4.83%	20-May-27	20-May-22	60
Suncorp Bank (3 months BBSW + 110 points)	AA-	3,750,000.00	3,750,000.00	0.46%	5.53%	4.89%	24-May-27	24-Nov-23	42
National Australia Bank (3 months BBSW + 73 points)	AA-	4,000,000.00	4,000,000.00	0.42%	5.06%	4.51%	18-Oct-27	18-Oct-24	36
Great Southern Bank (3months BBSW + 103 points)	BBB+	2,400,000.00	2,400,000.00	0.45%	5.39%	4.84%	1-Nov-27	1-Nov-24	36
ANZ Bank (90 days BBSW + 120 points)	AA-	4,000,000.00	4,000,000.00	0.46%	5.57%	5.03%	4-Nov-27	4-Nov-22	60
Westpac Banking Corporation (90 days BBSW + 123 points)	AA-	5,000,000.00	5,000,000.00	0.47%	5.65%	5.04%	11-Nov-27	11-Nov-22	60
National Australia Bank (90 days BBSW + 120 points)	AA-	4,200,000.00	4,200,000.00	0.47%	5.63%	4.99%	25-Nov-27	25-Nov-22	60
Suncorp Bank (3months BBSW + 125points)	AA-	2,700,000.00	2,700,000.00	0.45%	5.43%	5.04%	14-Dec-27	14-Dec-22	60
ANZ Bank (90 days BBSW + 106 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.36%	4.88%	31-Mar-28	31-Mar-23	60
National Australia Bank (3 months BBSW + 78 points)	AA-	2,500,000.00	2,500,000.00	0.43%	5.11%	4.57%	14-Apr-28	14-May-25	35
Suncorp Bank (3 months BBSW + 105 points)	AA-	3,000,000.00	3,000,000.00	0.45%	5.37%	4.88%	12-Jul-28	12-Jul-23	60
Commonwealth Bank (3 month BBSW + 95 points)	AA-	3,000,000.00	3,000,000.00	0.45%	5.40%	4.75%	17-Aug-28	17-Aug-23	60
ANZ Bank (90 days BBSW + 93 points)	AA-	3,500,000.00	3,500,000.00	0.42%	5.09%	4.72%	11-Sep-28	11-Sep-23	60
Bendigo & Adelaide Bank (90 days BBSW + 96 points)	A-	1,500,000.00	1,500,000.00	0.44%	5.32%	4.77%	24-Oct-28	24-Oct-24	48
Great Southern Bank (3months BBSW + 93 points)	BBB+	4,200,000.00	4,200,000.00	0.45%	5.34%	4.80%	3-Nov-28	3-Nov-25	36
National Australia Bank (3 months BBSW + 103 points)	AA-	4,000,000.00	4,000,000.00	0.46%	5.48%	4.83%	16-Nov-28	16-Nov-23	60
Bank of Queensland (90 days BBSW + 77 points)	A-	4,000,000.00	4,000,000.00	0.44%	5.22%	4.67%	20-Nov-28	20-Nov-25	36
Bank Australia (3months BBSW + 103 points)	BBB+	4,000,000.00	4,000,000.00	0.46%	5.46%	4.94%	27-Nov-28	27-Nov-25	36
Westpac Banking Corporation (3 months BBSW + 100 points)	AA-	4,000,000.00	4,000,000.00	0.44%	5.32%	4.81%	15-Jan-29	15-Jan-24	60
ANZ Bank (90 days BBSW + 96 points)	AA-	3,500,000.00	3,500,000.00	0.45%	5.37%	4.78%	5-Feb-29	5-Feb-24	60
National Australia Bank (3 months BBSW + 90 points)	AA-	3,500,000.00	3,500,000.00	0.43%	5.15%	4.71%	22-Mar-29	22-Mar-24	60
ANZ Bank (90 days BBSW + 86 points)	AA-	4,000,000.00	4,000,000.00	0.43%	5.12%	4.67%	18-Jun-29	18-Jun-24	60
ING Bank (90 days BBSW + 102 points)	A+	4,500,000.00	4,500,000.00	0.46%	5.47%	4.80%	20-Aug-29	20-Aug-24	60
Suncorp Bank (3 months BBSW + 92 points)	AA-	4,000,000.00	4,000,000.00	0.44%	5.24%	4.73%	27-Sep-29	27-Sep-24	60
National Australia Bank (3 months BBSW + 82 points)	AA-	2,750,000.00	2,750,000.00	0.44%	5.25%	4.63%	14-Nov-29	14-Nov-24	60
Commonwealth Bank (3 month BBSW + 84 points)	AA-	2,000,000.00	2,000,000.00	0.43%	5.15%	4.67%	9-Jan-30	9-Jan-25	60
Newcastle Permanent Building Society (90 days BBSW + 125 points)	BBB+	4,000,000.00	4,000,000.00	0.47%	5.59%	5.03%	21-Jan-30	21-Jan-25	60
National Australia Bank (3 months BBSW + 83 points)	AA-	4,000,000.00	4,000,000.00	0.42%	5.09%	4.64%	18-Mar-30	18-Mar-25	60
Suncorp Bank (3 months BBSW + 93 points)	AA-	1,800,000.00	1,800,000.00	0.45%	5.34%	4.73%	21-May-30	21-May-25	60
ING Bank- (3 months BBSW + 95 points)	A+	3,200,000.00	3,200,000.00	0.43%	5.12%	4.74%	13-Jun-30	13-Jun-25	60
Westpac Banking Corporation (90 days BBSW + 83 points)	AA-	4,000,000.00	4,000,000.00	0.43%	5.14%	4.65%	19-Jun-30	19-Jun-25	60
Suncorp Bank (3 months BBSW + 80 points)	AA-	3,200,000.00	3,200,000.00	0.40%	4.79%	4.63%	2-Dec-30	2-Dec-25	60
Newcastle Greater Mutual Group Limited (90 days BBSW + 113 points)	BBB+	2,800,000.00	2,800,000.00	0.43%	5.16%	4.82%	23-Jan-31	23-Jan-26	60
Westpac Banking Corporation (90 days BBSW + 68 points)	AA-	2,500,000.00	2,500,000.00	0.43%	5.12%	4.76%	12-Feb-31	12-Feb-26	60
Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'									
Bank Australia - Sustainability Bond (3months BBSW + 155 points)	BBB+	4,500,000.00	4,500,000.00	0.50%	5.98%	5.47%	22-Feb-27	22-Feb-23	48
Total		**165,650,000.00**	**165,650,000.00**	**0.44%**	**5.30%**	**4.77%**			
Total Investments		**667,557,972.80**	**667,557,972.80**	**0.40%**	**4.85%**	**4.77%**			
Benchmark: 30 Day Bank Bill Index				**0.36%**	**4.28%**	**3.74%**			
Benchmark: Bloomberg AusBond Bank Bill Index				**0.38%**	**4.56%**	**3.81%**			
TOTAL INVESTMENTS & CASH		**667,557,972.80**	**667,557,972.80**						

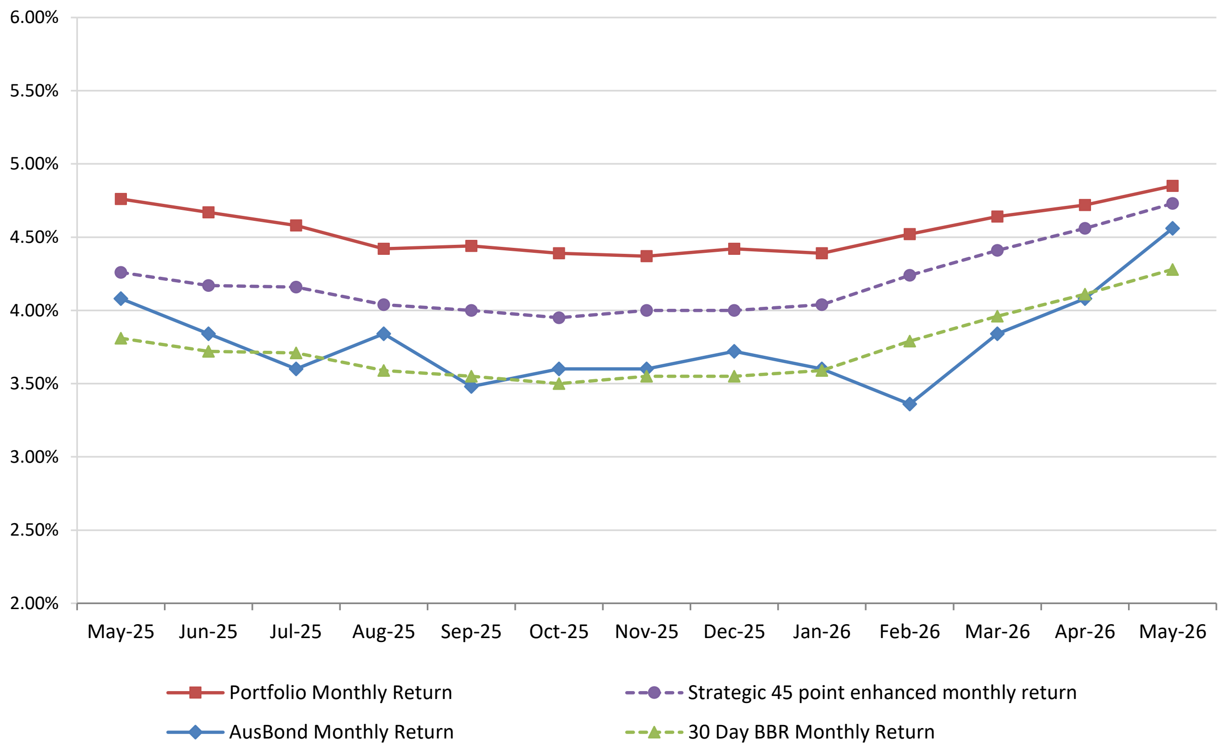
Note:		
Total Investments & cash- as per investment report		667,557,972.80
IGS Sinking Fund Balance - as at May 2026		3,263,017.13
Net reconciling amount - closing Bank Balance (per register above) and closing General Ledger account balance (timing difference)		-1,756,021.56
Total Investments & cash - as per general ledger balance		669,064,968.37

Summary of Net Investment Movements - May 2026			
Financial Institution	**Fund Rating**	**Net Investment/(Reduction) Amount $**	**Commentary**
General Fund & Call Account			
Westpac Banking Corporation - General Fund Account	AA-	19,900,000	Funds from CBA Call account transferred to Westpac General Funds which were further utilised for operational use
Commonwealth Bank	AA-	(19,000,000)	
Term Deposits (TDs)			
ING Bank	A+	(5,000,000)	Redeemed matured investments utilised for operational purposes, or placed in higher yielding investments.
Suncorp Bank	AA-	(5,000,000)	
Westpac Banking Corporation	AA-	(10,000,000)	
Bendigo & Adelaide Bank	A-	5,000,000	Redeemed matured investments and any additional income received, placed in higher yielding term deposits.
Rabobank Australia	A+	25,000,000	
Floating Rate Notes (FRNs)			
Bendigo & Adelaide Bank	A-	(4,500,000)	Redeemed matured investments utilised for operational purposes, or placed in higher yielding investments.
Suncorp Bank	AA-	(4,000,000)	

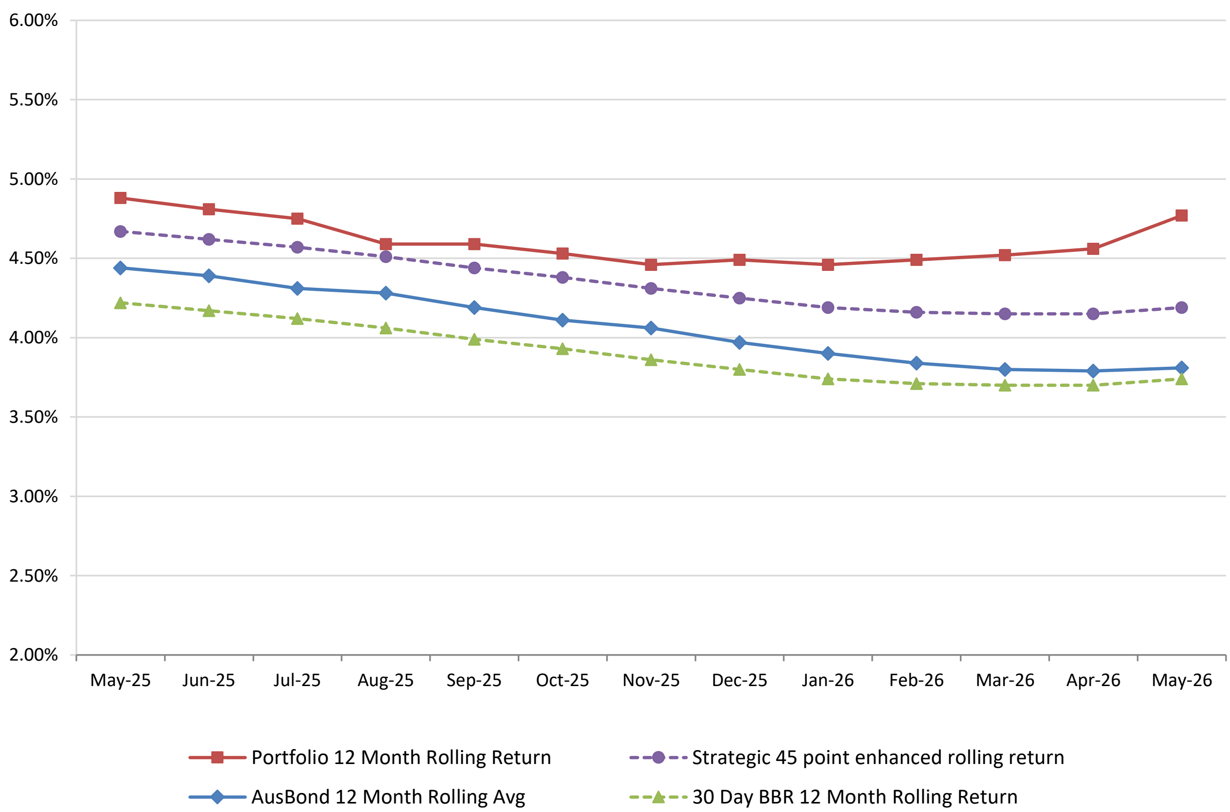
Attachment B

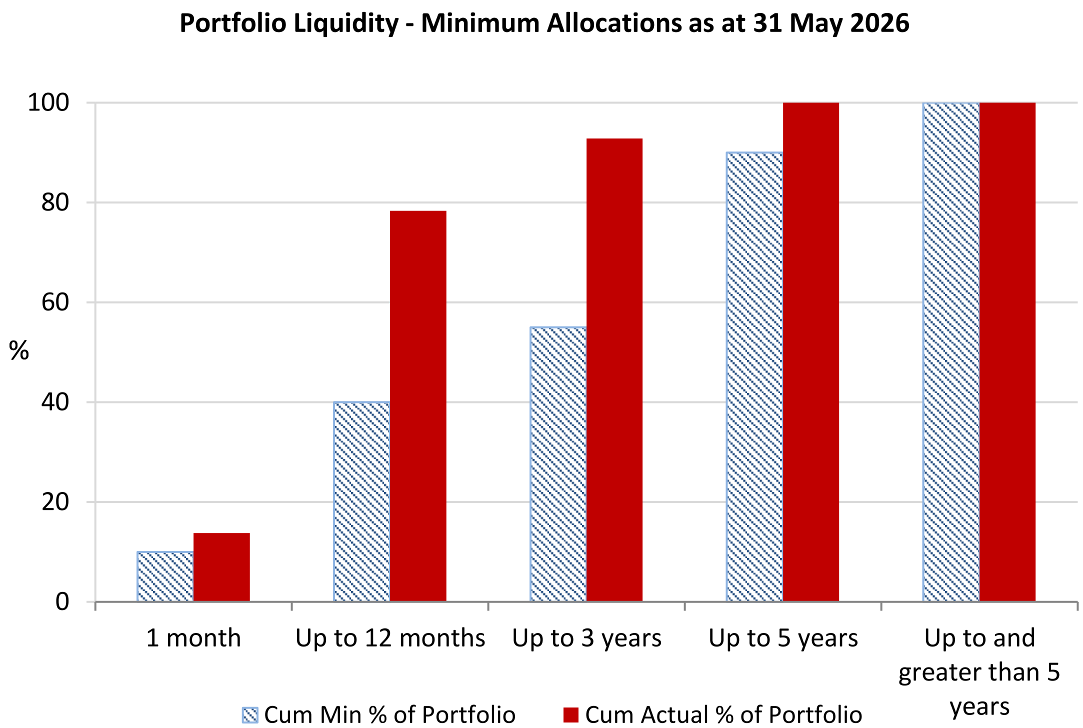
Investment Performance
as at 31 May 2026

Monthly Results
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
May 2026



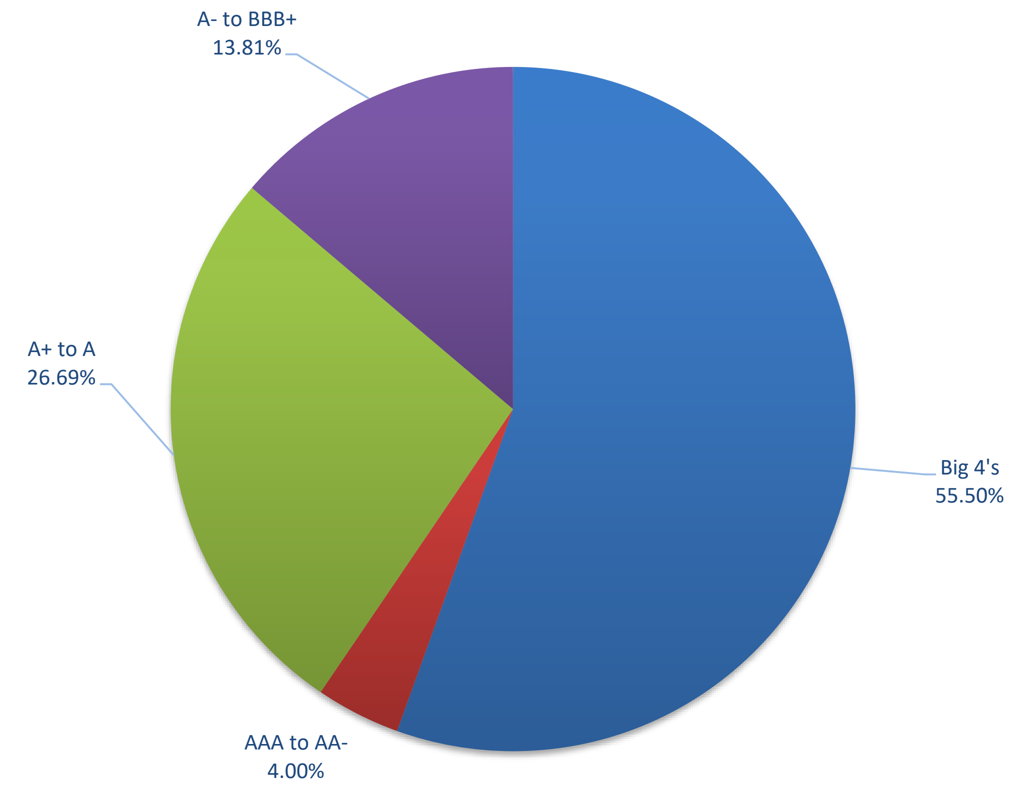
12 Month Rolling Averages
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
May 2026



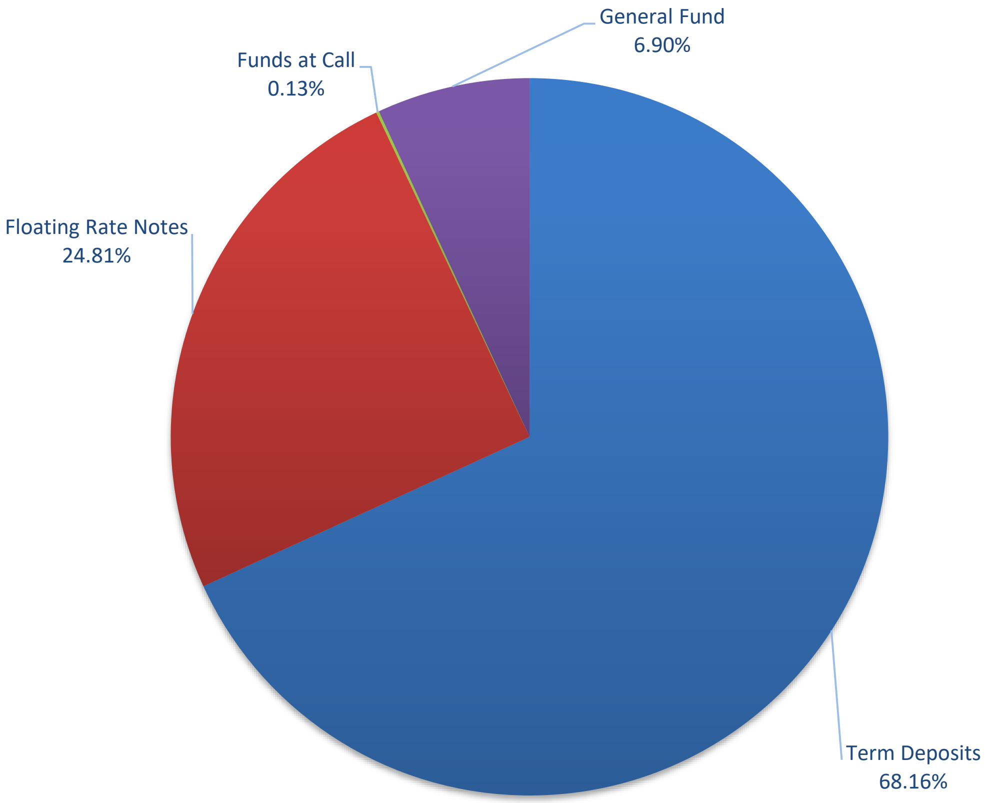


Portfolio Liquidity - Minimum Allocations as at 31 May 2026
100
80
60
40
20
0
%
1 month
Up to 12 months
Up to 3 years
Up to 5 years
Up to and greater than 5 years
Cum Min % of Portfolio
Cum Actual % of Portfolio

Risk Profile as at 31 May 2026



Risk Profile as at 31 May 2026



INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION
as at 31 May 2026

Institution Category	Financial Institution	Amount $M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank's	ANZ Bank	23.0	3.4	
	Commonwealth Bank	14.1	2.1	
	National Australia Bank	119.0	17.8	
	Westpac Banking Corporation	214.5	32.1	
Big 4 Total		**370.5**		**55.5**
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	8.5	1.3	
	Bank of Queensland	12.0	1.8	
	Bendigo & Adelaide Bank	13.5	2.0	
	Great Southern Bank (formerly Credit Union Australia)	49.1	7.4	
	ING Bank	89.2	13.4	
	Suncorp Bank	26.7	4.0	
	Macquarie Bank Ltd	4.0	0.6	
	Rabobank Australia	85.0	12.7	
	Newcastle Greater Mutual Group Ltd	9.1	1.4	
Other ADI Total		**297.1**		**44.5**
Grand Total		**667.6**	**100.0**	**100.0**

Note:

Suncorp Bank was acquired by the ANZ Group and is now a subsidiary, but it operates alongside the parent company .

However, the "Big 4" banking group remains unchanged with Commonwealth Bank, Westpac, NAB, and ANZ. Suncorp Bank is excluded for the purposes of this "Big 4" attribution, in line with industry pratice.

However, Suncorp's credit rating was upgraded to AA- to align with ANZ's rating after ANZ acquired Suncorp Bank.

Item 6.

International Travel - RC21 Conference 2026

File No: X014468

Summary

RC21 Conference 2026

The RC21 Conference on Urban and Regional Development is titled 'Inequalities and the City' (Old Issues, New Challenges).

RC21 is a committee of the International Sociological Association, focused on urban and regional development, and challenges for cities. It was established in 1970. Its activities include an international annual conference every year attended by around 1,000 academics, researchers and policy makers. Its focus areas include housing, urban planning and equality in cities.

On 13 March 2026, Councillor Sylvie Ellsmore co-hosted (with the Henry Halloran Urban and Regional Research Initiative (HHURRI) at the University of Sydney) the NSW Local Government and Affordable Housing Forum: examples, pathways, and opportunities.

Following the forum, a paper proposal by Councillor Ellsmore, Professor Nicole Gurran and Dr Greta Werner from the University of Sydney was accepted at the RC21 conference 2026, following a competitive process.

The RC21 conference is being held from 18 to 23 July 2026, in Vienna, Austria.

The session is titled 'Research co-design for housing justice with the Local Government Sector in NSW, Australia' and is scheduled to be presented on Wednesday 22 July 2026.

It is proposed that Council support Councillor Ellsmore's attendance at the conference, so that the City of Sydney is officially represented and the work of the City can be promoted and discussed.

The Councillors' Expenses and Facilities Policy (adopted by Council in December 2024) requires that overseas travel for Councillors be approved by Council on an individual trip basis.

Recommendation

It is resolved that:

(A) Council endorse Councillor Sylvie Ellsmore in representing the City of Sydney at the RC21 Conference from 18 to 23 July 2026 in Vienna, Austria;

(B) Council note that Councillor Sylvie Ellsmore will provide a report to Council after the travel; and

(C) authority be delegated to the Chief Executive Officer to authorise minor variations to travel plans including dates and costs as required (increase of up to $1,000 including GST).

Attachments

Nil.

Background

1. RC21 is a committee of the International Sociological Association, focused on urban and regional development, and challenges for cities. It was established in 1970. Its activities include an international annual conference every year attended by around 1000 academics, researchers and policy makers. Its focus areas include housing, urban planning and equality in cities.

2. The RC21 Conference 2026 will be organised and hosted by the University of Vienna.

3. The RC21 Conference on Urban and Regional Development is titled 'Inequalities and the City' (Old Issues, New Challenges). The agenda for the conference can be found here.

4. On 13 March 2026, Councillor Sylvie Ellsmore co-hosted (with the Henry Halloran Urban and Regional Research Initiative (HHURRI) at the University of Sydney) the NSW Local Government and Affordable Housing Forum: examples, pathways, and opportunities.

5. The forum included presentations from councils and leading housing researchers about how different councils can establish affordable housing programs, can fund, deliver, manage, own or co-own affordable housing, including buying and co-owning boarding houses, delivery of different kinds of housing including for older women, Aboriginal women, people with a disability and key workers, protecting housing supply including previously unpublished data on short term rentals, and more.

6. Following the NSW Local Government and Affordable Housing Forum, which Councillor Ellsmore organised with HHURRI, a paper proposal by Councillor Ellsmore, Professor Nicole Gurran and Dr Greta Werner from the University of Sydney was accepted at the RC21 conference, following a competitive process.

7. The session is titled 'Research co-design for housing justice with the Local Government Sector in NSW, Australia' and is scheduled to be presented on Wednesday 22 July 2026.

8. Further information can be found in the detailed program for the conference.

9. As part of the event and in separate meetings Councillor Ellsmore is hoping to organise, she would also have the opportunity to discuss housing programs with housing providers and the council in Vienna.

Councillors' Expenses and Facilities Policy

10. The Councillors' Expenses and Facilities Policy (adopted by Council in December 2024) requires that overseas travel for Councillors be approved by Council on an individual trip basis.

11. For overseas meetings, conferences or seminars, a report or relevant material must be prepared for circulation to the Council and review by the public within 6 months of the travel undertaken.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

12. 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 report is aligned with the following strategic directions and objectives:

    (a) Direction 6 - An equitable and inclusive city - The RC21 conference will discuss and consider:

    > As urban populations continue to expand, so too do the challenges and risks confronting their inhabitants. Issues emerging at both local and global scales present enduring tests to the sustainability of urban coexistence. Pollution, housing shortages, social segregation, and imbalances of political power are but a few notable examples. Such issues have profound implications for residents' well-being and contribute to deepening inequalities both between cities and within them.

    (b) Direction 10 - Housing for all -Councillor Ellsmore's presentation on supporting housing and local council collaboration aligns with Sustainable Sydney 2030-2050: Continuing the Vision.

Risks

13. This recommendation is within the City of Sydney's risk appetite which states:

    (a) We recognise the significance of our reputation as a valuable asset that influences stakeholder trust, business continuity and the short- and long-term achievement of our objectives.

Financial Implications

14. It is proposed that the City cover air travel, accommodation, ground transport and incidentals, at an approximate cost of $7,000 (including GST) for Councillor Ellsmore's attendance at the RC21 conference.

15. Funds are available within existing operational budgets, in accordance with the Councillors' Expenses and Facilities Policy.

Relevant Legislation

16. Local Government Act 1993.

17. Local Government (General) Regulation 2021.

18. City of Sydney Councillors' Expenses and Facilities Policy.

Critical Dates / Time Frames

19. The RC21 conference is being held from 18 to 23 July 2026.

MONICA BARONE PSM

Chief Executive Officer

Item 7.

Extension of Licence Approval – Sydney Gay and Lesbian Mardi Gras Ltd

Document to Follow

Item 8.

Food Organics Collection Service Cost Benefit Analysis

File No: X124209.003

Summary

The City will provide a food organics (FO) collection service to all households by 2030 in line with the NSW Government's FOGO (food organics and garden organics) recycling mandate. The City is aiming to provide all City of Sydney households with a separate food organic waste recycling bin between mid-2028 and mid-2029. The FO collection services that support the limited scale opt-in service are insourced and delivered by Council staff in the City Cleansing Operations team.

In March 2025, Council noted that suitable service collection, processing methods and service levels for the full rollout of the FO service would be reported back to Council for consideration. This report is for Council to determine the preferred service delivery option for the City's FO collection service.

The City commissioned Morrison Low Advisory to conduct an independent review and cost benefit analysis of 2 collection service options for the full rollout of the FO service to compare and assess potential costs, benefits, and risks. The 2 options that were analysed were:

(a) *Scenario 1: Insourced service delivery*
Maintain the current council operated FO collection service until June 2028, roll out the service to all households by June 2029, and continue full service from July 2029.

(b) *Scenario 2 – Outsourced service delivery*
Outsource the rollout of the FO service to all households as early as July 2028 and continue to provide the collection service from that date (including bin and caddy delivery and bin repair and replacement).

The cost benefit analysis identified key risks for financial modelling and procurement of FO collection services at present due to a limited evidence base as the domestic FO collection market is immature with very limited data and pricing available from other councils or industry. There was a limited market response to the study with only two industry collection operators willing to provide indicative pricing and there was a significant disparity between the pricing provided for an outsourced FO service. There is also a high level of uncertainty around service demand as resident participation in the FO collection service is not mandatory making participation and tonnage levels difficult to predict.

The cost benefit analysis recommends that an insourced FO collection service is best placed to manage these key risks. The main reasons are that an insourced service has the ability to redeploy resources in response to service interruptions or demand fluctuations, and can scale resources incrementally to support service growth, minimising the risk of underutilised capacity and unnecessary costs, especially in the early stages of service delivery. Also, it was found that the City could feasibly upscale the service to a fully insourced model that is likely to be similar in cost to an outsourced service. This is based on the assumption that the market is not yet mature, so providers would have to cost more risk and uncertainty into their pricing than would be the case for direct service provision by the City.

The cost benefit analysis advised that to have confidence in market pricing for an outsourced FO collection service, the City can consider running a formal procurement process in the future, once a more comprehensive understanding of the service model is gained from the insourced service delivery model, and should the market mature.

Recommendation

It is resolved that Council:

(A) note the Food Organics Cost Benefit Analysis Review prepared by Morrison Low Advisory as shown at Confidential Attachment B to the subject report is confidential as it contains confidential commercial information;

(B) note the Food Organics Cost Benefit Analysis Review prepared by Morrison Low Advisory:

- (i) assessed 2 service delivery scenarios for food organics collection from residents:
  - (a) Scenario 1 - insourced service delivery: continue the current service until June 2028, roll out the service to all households by June 2029, and continue full service from July 2029 by insourced staff; and
  - (b) Scenario 2 - outsourced service delivery: outsource the rollout from as early as July 2028 so that the service is available to all households by 1 July 2029 and continue full service from that date; and
- (ii) identified key risks for financial modelling and procurement of food organics collection services at present:
  - (a) limited evidence base - the domestic food organics collection market is immature with very limited data and pricing available from other councils or industry;
  - (b) high service demand uncertainty - resident participation in the food organics service is not mandatory therefore post-rollout volumes are difficult to predict; and

(c) limited market response - eight industry collection operators were contacted and only two provided pricing. There was a significant disparity between the indicative pricing provided for an outsourced service;

(C) note the financial implications of the service delivery scenarios for food organics collection assessed in the Food Organics Cost Benefit Analysis Review at Confidential Attachment A to the subject report;

(D) endorse the implementation of Scenario 1: Insourcing; and

(E) note that a review of the food organics collection service delivery model including a cost benefit analysis will be undertaken after the first 5 years of full service operations and reported back to Council.

Attachments

Attachment A. Financial Implications - Food Organics Collection Service Cost Benefit Analysis (Confidential)

Attachment B. Morrison Low Advisory Cost Benefit Analysis Report - Food Organics Collection Service (Confidential)

Background

1. The City of Sydney has been running a residential food organics (FO) collection and recycling service since 2019. The service began as a trial and is operating now as a limited scale opt-in service. It is currently available to more than 24,000 City households (about 20% of total households) in over 325 multi-unit dwellings (MUDs) and more than 1,300 single-unit dwellings (SUDs).

2. FO collection services are currently insourced and delivered by staff in the City Cleansing Operations team. This team also delivers supporting services including bin, caddy and caddy liner bag delivery, and bin repairs and replacements. Service operations are based at the City's Alexandra Canal Depot.

3. On 2 March 2025, the Protection of the Environment Legislation Amendment (FOGO Recycling) Act 2025 came into effect. The legislation requires local councils to provide food and garden organics (FOGO) collection services (either in a combined bin or separate bins) to all residential properties by 1 July 2030.

4. On 17 March 2025, Council noted that City staff had determined that a separate FO service was a better option than a combined FOGO service for households in the City of Sydney Local Government Area (LGA) and endorsed implementation of a FO service to all City households by 2030 to meet the requirements of the NSW FOGO legislation.

5. Council also noted that suitable service collection, processing methods and service levels for the full rollout of the FO service would be reported back to Council for consideration. This report recommends the preferred collection method for a FO service, for Council consideration.

Cost Benefit Analysis

6. To report back to Council on FO service collection methods, the City commissioned Morrison Low Advisory to conduct an independent review and cost benefit analysis of 2 collection service options for the full rollout of the FO service to compare and assess potential costs, benefits, and risks.

7. The 2 FO collection service delivery scenarios that were analysed were:

   (a) Scenario 1 – Insourced service delivery

   Maintain the current Council operated FO collection service until June 2028, roll out the service to all households by June 2029, and continue full service from July 2029.

(b) *Scenario 2 – Outsourced service delivery*

Outsource the rollout from as early as July 2028 so that the service is available to all households by 1 July 2029 and continue full service from that date.

8. The cost benefit analysis is to assist the City to consider the best option for the FO service, while minimising operational risks and financial impacts, and to ensure that the collection service is:

(a) Appropriate – that is, the service will meet current community needs and wants and can be adapted to meet future needs and wants.

(b) Effective – that is, council delivers targeted, better quality services in new ways.

(c) Efficient – that is, council improves resource use (people, materials, equipment, infrastructure) and redirects savings to finance new or improved services.

(d) Affordable – that is, the community is able to afford the current and any proposed future service levels.

9. The options analysis work has included:

- Understanding the requirements for the City and other external providers to provide a FO collection service.
- Detailed financial modelling of collection service costs for the current and future service delivery needs, including operational and capital costs (for example, trucks and bins).
- Identification of non-financial benefits and costs associated with the service options.
- Identification of risks and potential mitigation measures associated with the service options.

Limitations

10. There were key limitations to the cost benefit analysis:

(a) *Limited evidence base*

Domestic FO collection is a relatively new service, so the evidence base for service costs, resource requirements, uptake and participation, contamination levels, and market capacity is very limited. Most other councils combine, or plan to combine, FO and garden organics for a FOGO collection service.

(b) *High service demand uncertainty*

Whilst it is mandatory for the City to provide the FO service to residential properties, resident participation is not mandatory meaning post-rollout volumes are difficult to predict.

(c)

(c) *Limited market response*

There was a poor market response to requests for indicative pricing for an outsourced service. Eight industry collection operators, that represent most of the established operators in metropolitan Sydney, were contacted and only 2 provided pricing. From the responses that were provided from industry operators, there was a significant disparity between indicative pricing for an outsourced service.

11. These limitations and uncertainty mean that the required cost inputs used in the financial model (for example, FTE, vehicles, overheads, and so on.) will almost certainly change as the service evolves. It also means that it is very difficult at this stage to run a robust and informed procurement process to outsource the service. As a result of the limitations, the 2 scenarios were simplified for the analysis by excluding various variables including depot requirements, the conflict in the Middle East's impact on the supply of fuel, and the location of the future processing facility for food organics.

12. Although it was sought as part of the cost benefit analysis, industry responses did not provide a price for the removal of contamination in an outsourced FO collection service.

Differences in Service Models

13. Morrison Low Advisory identified the following qualitative differences between the service delivery models used by an insourced service delivery (Scenario 1) and an outsourced service delivery (Scenario 2).

    (a) Operational model - The City already has experience with Scenario 1: Insourcing through the current insourced FO collection service.

    (b) Workforce impacts - The impact on the City's workforce for Scenario 1: Insourcing will be relatively small at around 32 additional FTE collection staff depending on service demand and efficiency. This represents a 0.015% increase in the total City workforce of 2,066 staff.

    (c) Service synergies and efficiencies - Under Scenario 1: Insourcing, the City should have more flexibility to respond to and manage fluctuating service demand and customer service requests compared to a contracted arrangement. In the future, as the service matures and demand stabilises, contractors may be better placed to manage ongoing service innovation and efficiency.

    (d) Shocks and resilience - Scenario 1: Insourcing is equally capable of being responsive and resilient to shocks such as industrial action, pandemics, catastrophic weather events, or major civil unrest due to the City's cleansing workforce.

    (e) Service rollout - Scenario 1: Insourcing could be more flexibly rolled out from a geographical perspective. The City could also pace the rollout to align with vehicle acquisition, staff recruitment processes, and other City needs.

14. The Cost Benefit Analysis recommends that Council is best placed to respond to and manage current service risks and uncertainty through an insourced service (Scenario 1). Under an insourced model Council would have the ability to redeploy resources in response to service interruptions or demand fluctuations, and can scale resources incrementally to support service growth, minimising the risk of underutilised capacity and unnecessary costs, especially in the early stages of service delivery.

15. The Cost Benefit Analysis also recommends that once Council has rolled out the insourced service and gained a solid understanding of the service model and demand at full scale, it considers going to the market in the future to test whether an outsourced collection model can provide better overall outcomes for ratepayers.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

16. 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 report is aligned with the following strategic directions and objectives:

    (a) Direction 1 - Responsible governance and stewardship - the FO collection service is a mandatory service that will support waste reduction and environmental protection. The service analysis identifies options to provide a quality FO service that is appropriate, efficient, effective and affordable.

    (b) Direction 2 - A leading environmental performer - a FO collection service supports the City's commitment to being a leading environmental performer by enabling effective waste management, resource recovery, and waste diversion from landfill. The FO service will directly contribute to achieving the following City environmental targets:

    - 90% resource recovery of residential waste by 2035.
    - Minimum of 40% source-separated recycling for residential waste by 2035.
    - By 2035 we will achieve net zero emissions in the City of Sydney local area.

Organisational Impact

17. Scenario 1: Insourcing would have the greatest organisational impact, requiring up to an additional 32 collection staff and 10 additional collection trucks to enable City Cleansing to deliver an insourced collection service to more than 120,000 households.

18. The table below indicates the estimated resources required and the staged resourcing approach as the service is rolled out to households incrementally over 12 months under Scenario 1: Insourcing (note the table includes the existing 5 collection staff and 3 collection vehicles used to provide the current FO service):

	Jun-28	**Jul-28**	**Oct-28**	**Apr-29**	**Jun-29**
Households with service:	24,500	48,500	72,500	96,500	120,500
Estimated monthly tonnes:	50	190	305	425	540
Total bins required:	2,100	7,575	13,050	18,525	24,000
Total trucks:	3	5	8	10	13
Total collection staff	5	12	20	28	37

19. In parallel with the cost benefit analysis, City staff analysed the depot requirements for Scenario 1: Insourcing and determined that, by implementing operational efficiencies across the City's 3 operational depots (Ultimo, Alexandria and Woolloomooloo), rationalising current fleet (i.e., moving to smaller and requiring less vehicles where possible) and with the new Bay Street depot development, there will be adequate space available to accommodate the additional FTEs and vehicles required to deliver an insourced FO collection service. The modelling indicates that impact on corporate services will be minimal, but this would need to be monitored based on the level of uncertainty.

20. Scenario 2 would have less organisational impact compared to Scenario 1: Insourcing. An additional 2 staff would be required to manage the delivery of an outsourced FO collection service. The existing 5 collection staff and 3 vehicles would no longer be required for the service under Scenario 2.

Risks

21. Scenario 1: Insourcing is within the City's risk appetite which states:

    (a) The City has a responsibility to ensure that it has resources in the short, medium and long term to provide the levels of service that are affordable and considered appropriate by the community.

    (b) We maintain a cautious appetite to financial risks, aiming to minimise the likelihood and impact of significant financial losses. We prioritise the protection of our financial resources and our long-term financial sustainability. We strive to ensure our financial decisions are well informed, based on sound financial analysis and aligned with our strategic objectives.

    (c) We have minimal appetite for more than temporary disruption to our critical service functions, such as waste services and childcare services.

Social / Cultural / Community

22. Social outcomes are supported by fostering a circular economy and reducing costs associated with waste mismanagement through minimising contamination and delivering efficient waste collection services.

23. Scenario 1: Insourcing is better placed to understand and cater to the community's needs due to previous experience delivering the FO service since 2019. The innovation and efficiency driven by insourced service knowledge and ability to scale to service demand was identified in the cost benefit analysis as a significant qualitative benefit.

Environmental

24. The FO service will directly contribute to achieving the following City environmental targets:

    - 90% resource recovery of residential waste by 2035.
    - Minimum of 40% source-separated recycling for residential waste by 2035.
    - By 2035 we will achieve net zero emissions in the City of Sydney local area.

25. Contamination of the FO bin can significantly lower recovery rates and impact environmental outcomes of a FO service. Scenario 1: Insourcing will allow the City to have closer management and quicker rectification of contamination issues. Cleansing teams currently inspect and remove contamination during service delivery leading to very low contamination rates in the current FO service. This approach will be continued in an insourced service delivery model.

Economic

26. An insourced service has the ability to redeploy resources in response to service interruptions or demand fluctuations and can scale resources incrementally to support service growth, minimising the risk of underutilised capacity and unnecessary costs, especially in the early stages of service delivery.

27. The cost benefit analysis demonstrates that the City could feasibly upscale the service to a fully insourced model that is likely to be similar in cost to an outsourced service.

28. The cost benefit analysis identified that a benefit of Scenario 2 is that contractors may offer financial incentives to increase staff retention and have access to a larger recruitment pool.

29. The cost benefit analysis advised that to have confidence in market pricing for an outsourced FO collection service, Council can consider running a formal procurement process in the future, once a more comprehensive understanding of the service model is gained from the insourced service delivery model, should the market mature. The study also noted that since the market is not yet mature, contractors may cost more risk and uncertainty into their pricing, if the service went to tender now.

Financial Implications

30. Residential properties are charged an annual domestic waste charge by the City to cover the cost of providing domestic waste and recycling services. This includes the FO collection service.

31. Under the Local Government Act 1993 (NSW), domestic waste services must operate on a full cost recovery basis. For 2025/26, estimated income is $71.0 million, including the accumulation of a reserve to support infrastructure or projects that can deliver waste reduction, reuse, recycling and landfill diversion targets and objectives as outlined in the City's Community Strategic Plan or the Waste Reduction and Circular Materials Strategy 2026-2035, adopted in February 2026.

Domestic Waste Charge Impact Analysis

32. Based on the Net Present Value (NPV) analysis prepared by Morrison Low Advisory, City staff conducted a percentage and actual financial impact assessment for each scenario based on the present domestic waste charges. NPV helps compare different service delivery models by converting future operating costs, capital investments, and benefits into today's dollar terms.

33. The assessment indicated that there is likely to be a negligible difference in the impact to the domestic waste charge for both scenarios. The following is for illustrative purposes only to compare the two scenarios based on the current domestic waste charge. It is not indicative of the final impact that the implementation of a FO service will have on the domestic waste charge.

    (a) Scenario 1: Insourcing would result in a 9.3% increase in the domestic waste charge (on average) compared to 2025/26, which translates to an annual increase of approximately $6.6M per year and a weighted average increase of approximately $51 to a household's annual domestic waste charge.

    (b) Scenario 2 would result in a 9.0% increase in the domestic waste charge (on average) compared to 2025/26, which translates to an annual increase of approximately $6.4M per year and a weighted average increase of approximately $49 to a household's annual domestic waste charge.

    (c) The weighted average increase relates to the average impact on the City's most common fees for around 78% of households under the domestic waste management charge.

34. City staff will investigate how the City's domestic waste reserve could be used to offset the capital costs associated with rollout of the FO collection service (e.g., purchase of collection vehicles or bins).

35. For Scenario 1: Insourcing, the City would have to invest in additional plant, fleet and equipment to deliver the FO collection service to all households.

36. Given the current immaturity of the FO collection service market and limited evidence base for service resourcing requirements, as well as the high uncertainty around service demand post rollout, costs are likely to change as the service and the industry evolves. Therefore, other operational and qualitative factors need to be considered when determining the preferred FO collection service model.

37. Provisional budgets for collections under either scenario is included in the draft Long Term Financial Plan, along with a provisional and commensurate increase in the domestic waste charge. It is anticipated that budgets will be adjusted in future iterations of the Long Term Financial Plan.

38. In addition to the collection decision, the future decision on processing type will also have cost impacts for the service that will be determined in 2027.

Relevant Legislation

39. The Protection of the Environment Legislation Amendment (FOGO Recycling) Act 2025 requires all councils to provide FOGO collection services to all residential properties by 1 July 2030.

40. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

41. Attachments A and B contain confidential commercial information 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.

42. 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. Further, disclosure of information provided as part of this analysis, and the assessment of that information, would prejudice the commercial position of the market operators that supplied it.

Critical Dates / Time Frames

43. Key dates for this service are:

    (a) September 2026 - Council decision is required on the recommended FO collection option by this date to allow sufficient time to plan the delivery of the service to all households by July 2029.

    (b) Mid 2027 - Council decision required on the recommended food organics processing option for this service.

    (c) July 2028 - The planned start date to roll out the FO service to all households by the recommended collection type.

    (d) July 2029 - The anticipated date the service roll-out will be completed to all households and delivery of the full service will continue.

44. Under the NSW FOGO legislation, the City is required to provide a FO or FOGO bin to all households who have a red-lid bin collection service by 1 July 2030.

VERONICA LEE PSM

Executive Director City Services

Kath McLaughlin, Resource Recovery Manager

Jodie Larsen, Project Coordinator

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Item 9.

Service Review – Domestic Waste Collections

Document to Follow

Item 10.

Exemption from Tender - Soft Plastics Processing and Buyback Services

File No: X127363.003

Expression of Interest No: E-2025-1708

Summary

This report seeks Council approval for an exemption from tender for the Soft Plastics Processing and Buyback Service and approval to enter into a contract with IQRenew Pty Ltd (ABN 57 622 865 365), subject to the contract terms being acceptable to the City.

Soft plastic collection and processing support resource recovery by diverting recyclable material from landfill and reducing contamination in standard kerbside recycling streams. As the current domestic bin recycling system does not accommodate soft plastics, dedicated drop-off locations and a separate processing pathway support circular economy outcomes, improve disposal options for the community, and demonstrate the City's commitment to waste avoidance and responsible resource management.

Following the collapse of REDcycle, soft plastics recycling pathways available to the community were significantly reduced, resulting in increased community interest in alternative collection and processing options. The City has continued to receive enquiries from residents about when soft plastics collection and processing services may commence. In response to these enquiries and ongoing community interest, City staff have continued to work on identifying a viable solution that can support the collection, processing and beneficial reuse of soft plastics collected through City services. The proposed service would provide a managed processing pathway for soft plastics while supporting circular economy outcomes through the local reuse of recycled material in food organics kitchen caddies.

The scope of the Soft Plastics Processing and Buyback Service has 2 connected components: first, the collection, transport and processing of both baled and containerised loose soft plastics stored at City depots and originating from the City's residential recycling services, including Recycle It Saturday, Ultimo Pop-up and the Doorstep Recycling Service; and second, the buy-back of food organics kitchen caddies manufactured using recycled material generated from the soft plastics processing service for purchase by the City.

The buy-back component is not a separate or unrelated purchase. It is intended to support the viability of the soft plastics processing arrangement by creating a practical end market for the recycled material generated from the collected soft plastics. Previous examples, such as REDcycle, have shown that soft plastics processing can fail where there is insufficient purchasing demand for beneficial recycled-content products. Under this arrangement, the City would use its existing need for food organics kitchen caddies to support the reuse of recycled material generated from the collected soft plastics, with the caddies then used locally to support the City's residential food scraps collection service. This approach strengthens the circular economy outcome by linking collection, processing, remanufacturing and local reuse through a single integrated agreement.

The service provider will be required to collect soft plastics from City depots, and transport and process the material into recycled material in accordance with industry best practice and all applicable legislative requirements. The service provider will also be responsible for manufacturing, or arranging the manufacture of, food organics kitchen caddies using recycled material generated from the soft plastics processing service. The buy-back of the caddies will be delivered through the same commercial arrangement as the soft plastics processing service to ensure the processing and reuse components remain connected.

The City’s priority for this service is to maximise resource recovery, reduce consumption of products made from virgin materials and support the development of circular economy systems by driving circular change in supply chains and service delivery models.

The objectives for this service are in line with the City's Waste Reduction and Circular Materials Strategy 2026-2035 and:

- demonstrate commitment to sustainable systems of waste management
- maximise the recovery of soft plastics generated from the City’s residential recycling services
- support the development of circular economy systems through the buy-back of food organics caddies manufactured using recycled material generated from the soft plastics processing service
- establish and maintain a harmonious and productive relationship between the City and the service provider
- provide ongoing review and improvement in service delivery over the service term
- provide cost-effective and value for money services.

The market for soft plastics processing and recycled-content product buy-back services remains highly specialised and limited. Since the suspension of the national soft plastics collection and processing program in 2022, only a small number of organisations have demonstrated the capability, capacity and commercial maturity required to deliver end-to-end processing and circular economy outcomes, including the manufacture or sourcing of products made using recovered soft plastics.

To assess market capability and capacity, the City undertook an open Expression of Interest process (EOI). The EOI confirmed the limited nature of the market, with only one response being received. The respondent, IQRenew Pty Ltd, demonstrated the capability and capacity to deliver the required services.

On the basis of the market testing undertaken, which demonstrates the limited availability of suitably qualified suppliers, inviting tenders would not achieve a satisfactory result. Accordingly, Council approval is sought for an exemption from tender and approval to enter into a contract with IQRenew Pty Ltd, subject to the contract terms being acceptable to the City.

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 enter into a contract with IQRenew Pty Ltd (ABN 57 622 865 365) for the Soft Plastics Processing and Buyback Service in accordance with the scope, term and maximum total contract value set out in the Confidential Attachment A to the subject report;

(B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:

  (i) the Expression of Interest process constituted an open market approach and provided the opportunity for industry participation;

  (ii) only one Expression of Interest was received, demonstrating the unavailability of additional competitive or reliable tenderers;

  (iii) the one respondent demonstrated the capability and capacity to meet Council’s technical, operational, sustainability and circular economy requirements;

  (iv) undertaking a selective tender with a single participant would increase administrative effort and procurement costs without increasing competitive tension or improving outcomes; and

  (v) the proposed engagement is the most efficient, practical and cost-effective procurement pathway available to Council in the current market conditions;

(C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer (including exercising options, if appropriate) the contract for the Soft Plastics Processing and Buyback Service; and

(D) Council note that negotiations may not lead to a finalised contract and, if this occurs, Council will be advised of that outcome and next steps via a CEO Update.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. Soft plastics make up approximately 7% or 3,000 tonnes/year of the waste placed in residential general waste bins in our local area, consistent with averages for our region. Soft plastics cannot currently be managed through standard kerbside recycling systems without contaminating mixed recycling streams or disrupting processing equipment. Dedicated drop-off locations and a separate processing pathway help separate this material at source, improve the quality of other recycling streams and support better environmental outcomes.

2. Establishing a reliable collection and processing arrangement also supports circular economy outcomes by creating opportunities for collected material to be reused in new products, while responding to community expectations for improved recycling options, reducing confusion about disposal pathways and demonstrating the City's commitment to waste avoidance, landfill diversion and responsible resource management.

3. Following the collapse of REDcycle in November 2022, soft plastics recycling pathways available to the community were significantly reduced, resulting in increased community interest in alternative collection and processing options. The City has continued to receive enquiries from residents about when soft plastics collection and processing services may commence. In response to these enquiries and ongoing community interest, City staff have continued to work on identifying a viable solution that can support the collection, processing and beneficial reuse of soft plastics collected through City services.

4. The scope of the Soft Plastics Processing and Buyback Service has 2 connected components. The first component is the collection, transport and processing of both baled and containerised loose soft plastics stored at City depots and originating from the City's residential recycling services. The second component is the buy-back of food organics kitchen caddies manufactured using recycled material generated from the soft plastics processing service.

5. The service provider will collect (from City depots), transport and process soft plastics into recycled material in accordance with industry best practice and all applicable legislative requirements.

6. The service provider will manufacture, or arrange the manufacture of, food organics kitchen caddies using recycled material generated through the soft plastics processing service. The caddies will be used by the City to support the delivery of the residential food organics collection service.

7. The buy-back of food organics kitchen caddies will occur through the same commercial arrangement as the soft plastics processing service to ensure the processing and reuse components remain connected.

8. The buy-back component is intended to support the viability of the soft plastics processing arrangement by creating a practical end market for the recycled material generated from the collected soft plastics. This responds to lessons from previous market failures, including REDcycle, where soft plastics processing was not sustained where there was insufficient purchasing demand for beneficial recycled-content products.

9. The City's priority is to maximise resource recovery, reduce the consumption of virgin materials and support the development of circular economy systems by linking collection, processing, remanufacturing and local reuse through the buy-back of food organics kitchen caddies manufactured using recycled material generated from the soft plastics processing service.

10. The City's objectives for this service are in line with the City's Waste Reduction and Circular Materials Strategy 2026-2035, which aims to:

    (i) commit to sustainable systems of waste management

    (ii) maximise the recovery of soft plastics generated from the City's residential recycling services

    (iii) support the development of circular economy systems through the buy-back of food organics caddies manufactured using recycled material generated from the soft plastics processing service

    (iv) establish and maintain a harmonious and productive relationship between the City and the service provider

    (v) provide ongoing review and improvement in service delivery over the contract term and

    (vi) provide cost-effective and value for money services.

11. Since the suspension of the national soft plastics collection and processing program in November 2022, the soft plastics processing market has continued to evolve at a slow pace. While a number of organisations have announced processing capabilities, the market remains relatively small, specialised and commercially immature, with limited proven processing capacity and limited established end markets for products made using recovered soft plastics.

12. Given the nature of the industry, the City undertook an open Expression of Interest (EOI) process to test the market and identify suppliers capable of delivering the required services.

13. The EOI process confirmed the limited availability of suitable suppliers. Only one response was received, from IQRenew Pty Ltd (ABN 57 622 865 365). The respondent demonstrated the capability and capacity to satisfy the City's technical, operational, sustainability and circular economy requirements, including the processing of soft plastics and the manufacture or sourcing of food organics caddies made using recycled material generated from the soft plastics processing service.

14. The EOU therefore, provided the City with evidence of the current market conditions and confirmed that the supplier market remains limited.

15. Based on the outcome of the EOI, it is considered that undertaking a public tender process is unlikely to attract additional suitably qualified suppliers or achieve a more satisfactory result.

16. Accordingly, it is recommended that Council approve an exemption from tender to enter into a contract with IQRenew Pty Ltd for the provision of the Soft Plastics Processing and Buyback Service in accordance with the scope, term and maximum total contract value set out in the Confidential Attachment A, subject to the contract terms being acceptable to the City.

17. To support negotiation of the contract terms with IQRenew Pty Ltd and assess acceptability of the negotiated contract terms, the City will determine its contractual, commercial and operational requirements, together with any desirable requirements that may further improve service outcomes. This will include confirming the soft plastics collection (from City depots), transport and processing arrangements; food organics caddy buy-back arrangements; recycled-content requirements; pricing; reporting; timing; performance requirements; and any other provisions necessary to ensure the contract delivers the City’s resource recovery, circular economy and value for money objectives.

18. As the contract terms remain subject to negotiation with IQRenew Pty Ltd, there is a possibility that negotiations may not lead to a finalised contract. If this occurs, Council will be advised of the outcome and proposed next steps via a CEO Update.

Performance Measurement

19. Performance will be measured through a contract management framework that includes service delivery, soft plastics processing outcomes, reporting requirements, contamination management, compliance obligations, customer service measures, and circular economy outcomes associated with the buy-back of food organics caddies manufactured using recycled material generated from the soft plastics processing service.

Financial Implications

20. Funds for soft plastics transport and processing are included in the draft 2026/27 operating budget and future years' forward estimates.

21. The cost of the food organics kitchen caddies will be included in the future iteration of the long-term financial plan. Any purchases in 2026/27 will need to be funded from the capital contingency, or potentially savings from related capital budgets for cyclical bin replacement.

22.

Relevant Legislation

23. The exemption from tender process has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

24. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

25. Attachment A contains confidential commercial information of the EOI respondent, the proposed contract 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.

26. 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. In addition, disclosure of the information provided in the course of the procurement process and the assessment of that information would prejudice the commercial position of the participant in the procurement process.

Critical Dates / Time Frames

27. This is a new service and it is intended that contract execution, subject to the agreement of terms, occur as soon as practicable following Council approval to enable service commencement during the first half of the 2026/27 financial year.

Options

28. An alternative option is to proceed with a selective or public tender process. This option is not recommended because the market testing undertaken through the Expression of Interest process confirmed the limited supplier market and indicates that a further tender process is unlikely to produce a materially different outcome.

29. Another alternative option is to not proceed with the service. This option is not recommended because it would not meet community expectations or support the City's waste reduction, resource recovery and circular economy objectives.

Public Consultation

30. Public consultation is not required, as the proposed approach is expected to benefit residents within the City and is not expected to adversely impact properties or stakeholders.

VERONICA LEE PSM

Executive Director City Services

Sash Vasilevski, Contracts and Procurement Manager

Document is Restricted