

Management report to Council

Agenda item 6.8.2.1

Other Confidential Matter

Council

Citywide Service Solutions Pty Ltd: trading results to 30 September 2016

28 November 2016

Presenter: Phu Nguyen, Chief Financial Officer

Purpose and background

1. The purpose of this report is to inform the Council of the trading results of Citywide Service Solutions Pty Ltd (Citywide) for the financial period to 30 September 2016.
2. Citywide commenced operations on 3 April 1995 having been established by Council as part of its Competitive Business Strategy (adopted in May 1994). The strategy foreshadowed that, where in-house providers of services won tenders in an open tendering process, the majority of these activities would be transferred to a trading enterprise owned by Council and incorporated under the Corporations Law (now the *Corporations Act 2001* (Cth)).
3. The information contained in Attachment 2 has been prepared by Citywide, after consideration of the financial result at the board meeting in late October 2016.

Confidentiality

4. The information contained in the report has been designated as confidential information by the Chief Executive Officer because it contains information which if released, would prejudice the Council or the operation of Citywide including commercial matters related to tendering.

Key issues

5. Citywide's performance for the quarter ended 30 September 2016 has resulted in an annualised return on investment of 0.94 per cent and is below the benchmark return of 2.96 per cent (150 per cent of the bond rate).
6. The return to Council earned to date for Citywide is made up of tax equivalents, dividends and payroll tax payable.

Recommendation from management

7. That Council:
 - 7.1. Notes the trading results of Citywide Service Solutions Pty Ltd for the quarter ending 30 September 2016.
 - 7.2. Approves the immediate release of this report (excluding Attachment 2) to the public following acceptance of the trading results.

Supporting Attachment

Legal

1. No direct legal issues arise from the recommendation from management.

Finance

2. There are no direct financial implications associated with the recommendation to accept the trading results.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

4. Consultation with Citywide management was undertaken in preparation of this report.

Relation to Council policy

5. This reporting of trading results conforms to the requirement of the Citywide Statement of Corporate Intent agreed with Council and the approval under section 193 of the *Local Government Act 1989*.

Environmental sustainability

6. There is no significant impact on environmental sustainability associated with the recommendation in this report.