

10.9. North Sydney Olympic Pool Redevelopment Project - Project Review and Outcomes

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ATTACHMENTS	1. 2023/24 Recommended Capital Works Reductions [10.9.1 - 5 pages] 2. North Sydney Olympic Pool Council Resolutions - Jan 2015 to date [10.9.2 - 18 pages]
CSP LINK	5. Our Civic Leadership 5.1 Lead North Sydney's strategic direction

PURPOSE:

The purpose of this report is to respond to Council's resolution of 10 October 2022 as follows.

- 1. THAT Council urgently undertake an independent review of the Council's management of the North Sydney Olympic Pool redevelopment project.*
- 2. THAT Council engage a suitably qualified independent person to undertake a thorough review of all aspects of the North Sydney Olympic Pool redevelopment project and prepare a report to Council.*

The report also provides advice in relation to changes in funding requirements and changes to programmed completion timeframes.

EXECUTIVE SUMMARY:

- It was resolved by Council at its meeting 10 October 2022 that an independent review of the management of the North Sydney Olympic Pool Redevelopment project be undertaken.
- The outcome of the review identified 16 findings and 33 recommendations. The recommendations were categorised as either specific to the project (13 recommendations) or related to project management at North Sydney Council more generally (20 recommendations).
- The detailed independent review has been obtained under legal privilege and for commercial and contractual reasons remains confidential. This report contains a summary of those findings not considered commercial in confidence.
- Key risks associated with the findings of the review have been realised in the project, resulting in increased cost and a deferred estimated completion date.
- The project cost is expected to exceed the adopted budget allowance of \$63.9M. This budget did not give consideration to all costs associated with the project including internal project management, equipment and fit-outs, and business development.

Further, the project budget did not provide sufficient contingency given the level of risk associated with the project.

- It is estimated that between \$25M and \$30M in additional budget allocation will be required to allow for the successful opening and operation of the project.
- \$24.2M in additional contingency funding has been included within the Draft 2023/24 budget for the project, including provision for operational readiness.
- The original programmed date for practical completion was 11 November 2022. The estimated date for practical completion based on a recent independent assessment is April 2024.
- Several actions have been undertaken to address the findings and respond to the recommendations within the independent review. These actions are detailed within this report and are starting to have a positive impact on the project.

RECOMMENDATION:

- 1. THAT** Council note the report on the North Sydney Olympic Pool Redevelopment Project – Project Review and Outcomes.
- 2. THAT** Council provides a copy of this report to the Office of Local Government in accordance with the Capital Expenditure Guidelines.

Background

Complex infrastructure projects require significant planning, financial investment, specialised skills, knowledge in project management, engineering, and construction. Infrastructure projects involve coordination with various stakeholders such as contractors, suppliers, and community members. In addition to these challenges, infrastructure projects can also encounter unexpected delays, changes in scope, or budget overruns, which can further complicate the process.

While Councils have a role in providing infrastructure, undertaking large-scale or complex infrastructure projects is not core business for North Sydney Council.

Consideration of the North Sydney Olympic Pool (NSOP) Redevelopment commenced in 2013, with scoping studies complete in 2015, resulting in 6 options. The project was progressed in 2017, with a resolution to proceed with Option 2. Council awarded a tender for design services in June 2018 with initial pre-DA capital costings for the project being \$28M (Option 2). In March 2019, Council resolved to progress the completion of Design Stage 2 based on an alternative Option 2b and the budget was updated to \$57.9M. In July 2020, the DA was approved and in December 2020 there was an increase of budget allocation to \$63.9M.

Construction of the North Sydney Olympic Pool Redevelopment project commenced in March 2021, following the signing of construction contracts in December 2020. Throughout the construction period, a significant number of extensions of time claims and financial variations have been forthcoming. Following concerns in relation to the project, at its meeting held 10 October 2022; Council resolved as follows:

- 1.THAT Council urgently undertake an independent review of the Council's management of the North Sydney Olympic Pool redevelopment project.*
- 2.THAT Council engage a suitably qualified independent person to undertake a thorough review of all aspects of the North Sydney Olympic Pool redevelopment project and prepare a report to Council.*

PricewaterhouseCoopers was engaged to review the project following a procurement process to undertake this review commencing 10 November 2022. The report was prepared under legal privilege, with Councillors being briefed on the findings on 19 December 2022. On 23 January 2023, a further Councillor briefing was held to consider the actions arising from the report.

Since this time, critical actions have been instigated to improve control and management of the risks relevant to this project. Unfortunately given the timing of this intervention, several risks have now been realised.

Report

1. Independent Review – the scope

The scope of the independent review was developed to understand the reasons for project delay and increased cost, but more importantly to provide insights to assist in the forward management of the project.

The scope included the following key projects areas:

- business case;
- project objectives;
- project scope and change management;
- design management;
- project evaluation;
- governance;
- resource management;
- programming;
- financial management;
- procurement;
- contract execution;
- risk management; and
- quality management.

The review was evidence based, relying on project management and decision-making documentation/records to arrive at the findings. As part of their review, the consultants studied over 600 documents provided by Council. Council staff constructively participated in the process to ensure the timely availability of documentation and should be commended for their commitment and attention to this process.

2. Independent Review – the outcome

The outcome of the review identified 16 findings and 33 recommendations. The recommendations were categorised as either specific to the project (13 recommendations) or related to project management at North Sydney Council more generally (20 recommendations).

Key risks associated with the findings have now been realised in the project, resulting in increased cost and a deferred practical completion date.

The findings reflect the importance of project initiation and planning phases of the project management process in creating a strong foundation for the delivery of the project. This includes project governance, planning and development, feasibility and business case development, procurement strategy, scoping and budget development, and associated decision making.

The detailed independent review has been obtained under legal privilege and for commercial and contractual reasons remains confidential. This report contains a summary of those findings not considered commercial in confidence. Council has engaged with PricewaterhouseCoopers in preparing this report.

3. Independent Review – project findings summary, recommendation and actions taken.

Note: Those findings excluded from this report are considered commercial in confidence due to contractual reasons and cannot be disclosed.

The findings of the review include but are not limited to the following.

The project is forecast to exceed the current and approved budget allowance of \$61M.

The review refers to a current and approved budget of \$61M due to this being what was included within the adopted budgets. There is a discrepancy between the resolution adopting a budget of \$63.9 and what was subsequently funded within the budget. Despite this, the finding remains that the project is forecast to exceed this budget.

The review has identified that cost has been a primary driver of a number of decisions for the purposes of controlling the project budget. While cost is an important aspect of project decision-making, it is critical that this is balanced against the associated risks of each decision.

Despite the initial intention to control the project budget, these decisions have created significant risks to the project which have now been realised in a compounding effect throughout the project's life. These decisions included:

- removing external project managers and managing the project internally;
- the decision to have separate design and construct contracts; and
- considerable reduction in project contingency as the scope increased.

Typically, in Local Government, councils enter novation agreements to reduce the risks associated with assuming responsibility for performance management and coordination of two separate but inter-reliant contracts. Such agreements often result in increased cost of contract, but significantly reduce the financial risks associated with managing separate contracts.

The external environment at the time of contract execution was one experiencing an unprecedented pandemic and a multi-year La Nina weather event. These external factors were not factored into contingency planning nor was the risk shared through contract negotiations.

To date the project has experienced 22 days in delay due to Covid, 88 due to wet weather, and 38 days due to the removal of hazardous material.

Taking into consideration the additional risk borne by Council, along with other risks associated with the project as outlined in further findings within the report, an appropriate contingency was not set for the project.

The review recommended:

1. Once the final forecast is estimated, Council to ensure funding in place to cover the remaining contract works.
2. Council to consider the staging of construction completion.
3. that Council engage an independent contractor to re-forecast time and cost, assess a potential instruction to accelerate (benefit vs cost), and perform due diligence of the escalation impact.

In response, Council has engaged an independent programmer. The programmer has re-forecast time and recommended the original date of 14 November 2022 be extended to a new practical completion estimate of April 2024.

Council has also engaged a quantity surveyor to assess the reasonableness and responsibility for cost and delay claims, this will form the basis for future adjustments to contract budgets. The quantity surveyor will provide monthly cost reports to the Steering Committee to allow for timely oversight and management of contingency.

In addition to contract budgets, there are a number of costs that were not considered in the original budget. Additional contingencies for these costs, consultancy costs and contract costs are recommended within the 2023/24 budget.

Options for funding of increased contingency and unbudgeted costs in project budget include reducing/deferring capital works, loan funding and the sale of council assets. Based on an assessment of options, it is recommended capital works be reduced and/or deferred over the coming financial year.

Council had limited recent experience delivering projects of this type, size, and complexity. An external Project Manager was appointed but removed from the project after the concept design phase.

As discussed earlier in this report, while Councils have a role in providing infrastructure, undertaking large scale or complex infrastructure projects is not our core business. Entering separate design and construct contracts creates further complexity requiring high-level industry knowledge and experience to coordinate the process between design consultants, contractors and Council, and resolve issues as they arise.

The report notes that the North Sydney Olympic Pool redevelopment is the largest project to be delivered by North Sydney Council in recent times and includes a mix of high-risk construction factors including heritage, archaeological, contaminated ground, high water table, brownfield and more.

It is common in the industry for councils to deliver projects of this size and scale using external project managers. Council originally secured the services of external project managers, having assessed tenders for these services based upon their recent history of successful completion of similar projects. The project management services were split into four stages.

Upon completion of Stage 1 works, the project management contract did not proceed under the direction of Council. Based on the correspondence provided, the reasoning for this decision was that it was more cost-effective for Council to undertake project management services using its own internal resources.

The decision to enter two separate contracts for design and construct has increased the risks associated with internal project management.

Despite the findings, due to key risks already being realised and the relative mature point in the project delivery, with key project management decisions having been made, the review did not recommend contracting out the project management services at this stage of the delivery. The review noted that the current project team had significant knowledge and skill regarding the project for finalisation of the work.

The review recommended the following actions:

1. a programmer be engaged to assess future extension of time (EoT) claims; and
2. creation of an executive forum for discussion of issues between Council as client and both the Principal Design Consultant and Construction Contractor to mitigate the impacts and costs of formal escalation under the contract.

Both recommendations have been accepted and actioned.

Council has engaged APP Corporation Pty Ltd represented by Ron Aquilina as an Independent Advisor to the Steering Committee. APP Corporation was appointed following a procurement process and has commenced in this role since February 2023.

Council's General Manager along with the Independent Advisor have met with both the Principal Design Consultant and the Construction Contractor to discuss actions to mitigate issues in relation to coordination of the project and foreseeable coordination risks.

A programmer has been engaged to assess extension of time requests.

Further, to support the project team, additional project management resources have been provided to support the administration of contracts.

The governance structures/steering committee did not include an experienced technical expert/advisor to advise on the challenges and mitigation opportunities.

The first project governance structure was proposed in June 2018 to oversee Stages 1 to 3 including Concept Design, Development Application, and Detailed Design for the Tender and Construction, and comprised of the Mayor, General Manager, an External Commercial

representative (lessee of NSOP venues), and an Independent Aquatic and Recreation Advisor. The Council also agreed to include a Councillor.

In February 2021, the Governance Structure was updated to reflect the construction phase, with Council's senior management team undertaking the role of Project Steering Committee. This steering committee was supported by the internal project management team.

The review found these governance structures not to be effective, leading to some of the decisions and actions taken in the project having negative outcomes for the project, putting Council at risk.

The review recommended the following actions:

1. That Council consider the appointment of an independent advisor as part of the steering committee with relevant civil construction and contract management expertise.

In response, as discussed above, Council has engaged APP Corporation Pty Ltd represented by Ron Aquilina as an Independent Advisor to the Steering Committee. APP Corporation was appointed following a procurement process and has commenced in this role in February 2023.

Risk management practices were not at a level that could support effective decision-making in a project of this complexity and scale, and some of the risks and mitigations identified were not managed or implemented during the delivery of the project.

Identifying, mitigating, monitoring, and responding to current and emerging internal and external risks is critical to the performance of infrastructure projects.

The review found that the NSOP project risk management plan was not developed to a standard that could support effective risk management and decision-making for a project of this scale and complexity. While the project risk register attached to the risk management plan provided a very thorough list of risk events that could impact the project, the mitigants identified do not appear to have been implemented or thoroughly managed.

The review recommended the following actions:

1. Undertake a risk workshop and update the project risk register to incorporate changes to the project since the original register was developed.

In response, Council engaged Marsh McLennan to facilitate a risk workshop, and update the project risk register to incorporate changes to the project since the original register was developed.

Current and emerging risks and mitigation actions are monitored and reviewed by the Steering Committee and will be presented to the Audit Risk and Improvement Committee.

The business case submissions to Council over the life of the project do not include all financial and non-financial data to provide a whole of life assessment of options with clear visibility of the total outturn cost and return on investment.

The review found that the information presented to inform investment in the NSOP was not sufficient to inform prioritisation of the project and evidence-based decision making. The report referenced the NSW Government Business Case Guidelines as best practice for a clear and consistent approach to preparing business cases.

The review recommended the following actions:

1. That the business case for the project be reviewed to ensure final forecast cost and revenue streams have been updated and that the financial model reflects the overall project returns on investment and other risk factors relevant to the project.

In response, Council has now engaged a Manager for the facility who will commence the process of developing budget estimates for product/program development and business planning based on detailed review of demographics and demand, with a view to creating a feasible and financially sustainable operation.

Council will have to consider a strategy to improve the long-term financial sustainability of the centre. This includes consideration of program offering, but also alternative uses for the facility, taking advantage of the iconic location. The additional capital cost and associated depreciation along with associated borrowing costs are likely to require Council to find ongoing additional revenue to avoid placing pressure on service levels in other areas, infrastructure renewals, or rating revenue.

Current budgets do not allow for costs associated with fit outs, equipment, program development, technology, marketing, and other expenses associated with commissioning and opening of swimming pool and gymnasium.

In addition, other costs associated with the project such as internal project management also require adjustment of budget.

A contingency budget is being recommended as part of the 2023/24 budget to ensure available funding.

The obligations under section 377 of the Local Government Act were met. Delegation to the General Manager to award the Contracts was due process.

This finding is noted. There are no project-related recommendations.

The growth in project scope from Option 2 to Option 2B was driven by Councillors' desire for a superior facility which did not fully align with the feedback from community consultation.

The growth in project scope was developed through a Value Management Workshop in September 2018, attended by the Design Steering Committee. The workshop identified a number of new facilities to include, with a view to generating additional revenue.

The review notes that despite the increase in project cost between Option 2 and Option 2B, no additional community consultation was undertaken. Instead, Council consulted through the statutory DA exhibition.

There are no project-related recommendations.

Late identification of latent conditions on site led to rework, additional scope and cost to the project. Access to undertake survey and testing across the full site was limited until the pool was closed.

Generally, within construction contracts, an allowance is provided for latent conditions. These are physical conditions that could not be reasonably anticipated by a competent contractor at the time of tendering. The allowance is heavily reliant on the level of information provided by the client through due diligence undertaken.

A full program and budget for site investigations was never allowed for. Site investigations were performed as required in small 'batches' to progress with design, and never in the existing 50m pool area, due to a decision not to close the pool operation to allow for investigations.

Councils' solicitors advised Council to allow for additional contingency outside the contract sum for latent conditions, however the allowance included was not sufficient to cover the new works required on site or the delays due to design work.

The risks associated with latent conditions have been realised and there are no further project related recommendations.

A contracting strategy was not undertaken to inform the selection of the appropriate form of contract. In addition, the contract terms used were not familiar to Council.

The contracting methodology selected by NSC for the development of the North Sydney Olympic Pool consisted of separate design and construction contracts.

NSW Government Procurement Guidelines advises that "appropriate contracting models for delivery of a project are critical for achieving a project's objectives on terms which represent value for money".

In the development of the NSOP contracting model, there was no evidence to suggest a procurement options analysis was developed to assess the advantages and disadvantages of

each contracting methodology available to Council, to ensure informed decision making and a fair allocation of risks.

While legal advice was sought in relation to the contract, the review found this advice did not constitute a procurement options analysis, with the following information not having been considered:

- geotechnical and hazardous materials investigations which provided evidence of a high potential of latent conditions;
- risk data or risk information related to the redevelopment of the NSOP which would have determined that Council would be exposed to risk which far exceeded its appetite, particularly since a loan was required to deliver the project;
- Additional contracting methodologies such as design finalisation and construct or an alliance, which would both be very typical construction methodologies where the Owner desires to maintain control of the design to a certain point, and where there is considerable risk of latent conditions, respectively;
- disadvantages of a construction-only contract including no single point of responsibility, increased use of resourcing to manage separate design and construction contracts, delay claims due to co-ordination.

The risks associated with this finding have been realised and there are no project-related recommendations.

The construction contract negotiation and signing was expedited, with the agreement signed on 31 December 2020. This expedited award created issues for the project as the design documentation was incomplete and site investigations were ongoing, leading to early variations and delay.

Tenders for construction were formally released 2 September 2020, and closed for submission 19 November 2020. The submitted tenders were reviewed, clarified and assessed by Council and on 15 December 2020, it was resolved that all submitted tenders were classified as non-conforming, and delegation was given to enter into direct negotiations with the preferred tenderer, with the project budget to be increased to the submitted price prior to negotiations taking place.

The negotiation period totalled 11 business days and was considered to be unusually expedited, when compared to the industry standard for projects of this scale.

It was found that the final position substantially increased Council's risk exposure from where it was at the start of negotiations, particularly in exposure to delay and EoT claims. The review found that the expedited nature of negotiations resulted in:

- access to the tenant's premise not being available at the time of construction starting;
- the final design was not available at the time of contract award;
- most of the changes proposed by the contractor were accepted;
- wet weather days not allowed for in contract, early works were not adequately planned.

Probity advisors were involved in all relevant meetings. Council's legal representatives were present in negotiation meetings.

There are no project-related recommendations. The risks associated with this finding have been realised.

4. Independent Review – organisation-wide project management recommendations

The review provided 20 recommendations for Council to consider as part of its broader project management framework. The recommendations to Council regarding project management included:

- development of standard implementation plan/strategic plan for projects above a financial threshold or with a high-risk rating;
- appointment of external Project Manager for projects above a financial threshold or with a high-risk rating;
- appointment of independent advisor to Steering Committees and ensuring Steering Committee membership includes a cross section of skills; and
- development of key templates for reporting and management across various aspects of project management.

Council manages a significant number of projects each year, all of which are of significantly less scale and complexity than the North Sydney Olympic Pool redevelopment. To assist in understanding the recommendations as they apply to these projects, an internal audit is currently underway to assess project management at this level. The results of both the NSOP review and the internal audit will inform improvement.

Council is also currently undergoing a structural and organisational review to ensure the structure and capacity of the organisation is aligned with community deliverables. Project management will be a focus of the new Executive Leadership Team.

The 2023/24 Delivery Program provides funding for the implementation of a Corporate Project Management Framework.

Consultation requirements

Councils Operational Plan and budget will be placed on exhibition following the Ordinary meeting of April 2023. This plan includes the additional funding contingency for the NSOP project.

Financial/Resource Implications

The project budget currently adopted by Council is \$63.9M, funded through the following:

Loan Funding	\$31M
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Federal Government grant	\$10M
State Government grant	\$ 5M
Council funding	\$17.9M
Total	\$63.9M

Only \$61,675,253 is provided for within the budgets prepared and will have to be increased to account for the difference of \$2,224,747, with funding being included within the additional recommended contingency.

As noted in the independent report, the original budget for the project did not include all costs to construct and commission the project for operation.

Additional budget allocations are required for consultancies such as probity, risk management, quantity surveying, legal, and project management advice. The budget also currently does not provide for internal project management costs.

Additional budgets are also required for fit outs, technology and equipment associated with the swimming pools, gym, creche, and kiosk operations, along with sunk costs for staffing, business planning, and marketing associated with preparing for the opening and operation of the facility. These costs will be quantified once a scope of works has been complete.

Based upon current information, it is anticipated that the additional project budget required is expected to be between \$25M and \$30M (including the \$2M correction). This includes consultants, contract works, works outside original scope such as fit outs and technology and costs associated with establishing operations for the pools, gym, creche, and kiosk. This additional funding requirement should be considered as an additional contingency until a final forecast cost is estimated. While the final cost is not yet firm, Council must be prepared with a financial strategy.

The total budget required is contingent upon a number of factors, including the preparation of a detailed business plan. **Despite this, it is important that Council is in a cashflow position that allows timely response to funding requirements.**

It should be noted that this is an estimate only and may require future adjustment if further delays are experienced.

As of 13 April 2023, the following variances to budget can be confirmed:

Variations to contract (including variations and scope changes approved)	\$3,834,484
Additional works insurance	\$ 532,283
Variations to design and consultancy	\$3,067,354
Project Management	\$ 312,086
Total	\$7,746,206

Design and consultancy includes design consultants, probity, cost consultants, project management, peer review, heritage, decorative lighting, fire engineering, corrosion, WHS,

streetscape, risk, programming and legal. Taking into consideration the variation above, these costs are reasonable based upon the value of this project and industry standards.

Project management variations take into consideration the cost of internal project management.

In addition to the variations above, it has become evident to the project team that two structures on site that were excluded from the original scope of works for design and construction will require works. This work is currently being costed and will form part of the recommended contingency. This includes the following:

Aqua Dining

- Slab repairs due to leaking
- Waterproofing to the balcony
- Replacement of decking to the balcony
- Repairs to corroded steel work
- Connection of downpipes not previously connected
- Replacement of pipework from kitchen
- Replacement of cool room
- Repairs to leaking roof
- Connection of the premise to the dry fire alarm system
- Compliance with BCA

Eastern Stair Tower

- Replace all electrical cables
- Waterproof/repairs/replace roofing
- Repairs to existing floor tiles
- Internal painting
- Replace non-compliant balustrade to stairs
- Connect Aqua to the dry fire alarm system
- Internal concrete repairs.

Details in relation to variations approved to date are provided in Table 1, with adjustments due to changes in scope detailed in Table 2.

Table 1. Variations

Classification	Variations approved	Variation \$ approved
	#	\$
Delays	4	1,068,765
25m pool	2	282,418

Design finalisation	4	582,324
Early works/latent conditions	38	988,962
Hazardous Substances	11	673,823
COVID delays	5	210,324
Services	4	207,074
Additional survey	6	13,195
Miscellaneous	10	97,553
Design enhancements	1	6,616
Total	70	\$4,131,054

Table 2. Scope change

Classification	# Variations approved	Pending Variations	Variation \$ approved
Provisional Sum adjustment	3	10	(\$356,353)
Childrens Play Equipment	1	0	\$154,539
Lift replacement	1	0	\$50,270
Deduction	2	2	(\$238,664)
Total	7	12	(\$390,208)

Potential future variations and cost escalation risks

As Council is aware, the project construction commencement date was 9 March 2021, with an original practical completion date of 14 November 2022. Based upon program advice, the date for practical completion is estimated as April 2024.

The economic environment throughout this period has resulted in inflationary pressure on materials, and a building industry in distress as a result. With the delay in construction and therefore practical completion, Council is in receipt of a number of variations and cost reports relating to the project, including cost escalation.

Outside of the variations currently approved, there are 93 pending variations as at March 2023, including 22 delay related claims and 19 early works/latent conditions claims. Council is currently working through an assessment and resolution process to address these claims.

Council has engaged a quantity surveyor to assess these claims in accordance with contract entitlements.

Funding strategy

There are three options to consider in relation to funding. These options may be considered in isolation or as a combination. A total of \$25M - 30M is expected to be required. Following a review of available options, \$24.2M has been included in the Draft budget for 2023/24. As the budget progresses and costs become firm, additional funding sources will be recommended.

Option 1. Reduction and/or deferral of capital works currently provided for in the Delivery Program.

The capital works, plant and equipment budget are funded through a variety of sources that restrict the purpose of expenditure, including:

- grant funding;
- developer contributions;
- Environment Levy; and
- Stormwater Levy.

Capital works that are funded and/or part-funded through these sources cannot be reduced or deferred to fund the NSOP.

Also included within the capital works budget are operational requirements including plant replacement, information technology equipment, and library books. These budgets are required to ensure effective operations. Any reduction to these budgets will impact upon service levels and the general effectiveness of Council's operations.

A restriction also applies to road funding due to the requirements of Roads to Recovery funding. To be eligible for grants under this program, Council must maintain funding levels for roads based upon past averages.

On consideration of the above, along with general asset management requirements and program commitments, it is recommended that \$11,764,950 in programmed works be reduced and/or delayed. Details outlining this recommendation are included within the attachment to this report.

In addition to the 2023/24 budgeted capital works program, Council holds \$12.4M in reserve for future capital works. By earmarking this reserve for the NSOP project, Council would have \$24.2M in contingency for the project.

This is the recommended option and has been included within the Draft Operational Plan and Budget for 2023/24.

The reduced capital works renewals will have a negative impact on Councils asset renewal ratios. This will require consideration as capital works projects are prioritised in future budgets.

Option 2. Operational cost reduction

Council is currently undertaking a comprehensive organisational review and developing an improvement program, which has commenced with the adoption of a new senior staffing structure. The aim of this review is to ensure best practice in council leadership, governance, and administration, and will be undertaken over a four-year period of continuous improvement. This will include:

1. a review of Council's strategic framework and goals to ensure clear and achievable priorities are agreed to respond to current and emerging community needs;
2. definition, cataloguing and review of the varied and diverse services offered by Council, along with the development of a program of service reviews;
3. definition and review of the functions, processes, and activities required to be undertaken to deliver agreed services and initiatives, and the identification of opportunities for improvement;
4. review and realignment of the organisation structure to ensure alignment with the goals and priorities of Council.
5. review of service levels and funding associated with council infrastructure including useful life assessments, and funding of renewals; and
6. an assessment of organisation capability and development requirements.

An initial desktop review of operations suggests that while there may be opportunities to improve effectiveness through structure, systems, technology, and skills, any financial savings identified may be required to address gaps.

The funding required for the completion of the NSOP is immediate. Introducing an immediate efficiency dividend target during the period of comprehensive review will result in impacts to service levels and is not recommended.

Option 3. Revenue increases

As part of the budget preparations for the 2023/24 Draft budget, a full review of fees and charges has been undertaken. Of the user charges and fees, approximately one third are statutory fees and unable to be increased. Car parking charges both on and off-street are also approximately one third. Revenue levels for car parking have not yet reached pre-Covid levels, and it is not recommended that they be increased above CPI as this might detract from usage, having the opposite desired effect on revenue levels.

Ordinary rates make up approximately 70% of rates and annual charges. To increase rates above the rate cap, the council must apply for a Special Rate Variation (SRV). To be eligible for a SRV for the 2023/24 financial year, notification was required in November 2022, with applications closing February 2023.

Due to the short term liquidity required, funding the NSOP project through additional revenue is therefore not an option.

Option 4. Loan funding

To date, Council has borrowed \$31M for the NSOP redevelopment project, over a twenty-year term.

In considering an additional loan, indicative interest rate quotes have been received and indicate an interest rate of 5.15% for a twenty-year term.

An additional \$25M in loan funding over a twenty-year term will require an annual cashflow of approximately \$2M, with a total commitment of approximately \$40M over the life of the loan.

Interest in the early years would be approximately \$1M to \$1.3M, which would impact upon Council's financial performance.

In the absence of a detailed business plan and clear expectation of potential income streams and whole of life costs, additional loan funding cannot be recommended. Should the business case be developed and suggest otherwise, loan funding could be revisited.

Option 4. Sale of property

Council has an investment property portfolio valued at \$57M as at 30 June 2022.

Council-owned property provides value both in the short and long term. In the short term, Council receives revenue from the rental or use of property, and in the long term, capital gains are expected.

Should Council sell property, it must consider the opportunity cost associated with sale. Council staff are currently reviewing the property portfolio and will provide a future report to Council with any opportunities for sale. Should Council consider the sale of property, proceeds should be directed into the capital works reserve.

Legislation

Council has specific obligations under the funding agreements with the NSW Office of Sport and the Commonwealth Department of Health. These obligations were reviewed by Council's independent Probity Advisory who identified that Council has responded satisfactorily to all queries and request for evidence, such that no breaches of probity were observed.

Under the Office of Local Government Capital Expenditure Guidelines, Council is required to notify the Office at the commencement of the project.

In addition, if a project cost increases by 10% at any time, Council must notify the Office of the revised project cost and give a brief explanation as to the reasons for the increase and the Council's process and plans to meet these increases. As such, it is recommended that this report be referred to the Office of Local Government in accordance with the Capital Expenditure Guidelines.

Project Name	2023/24 Delivery Program and 2022/23 carried forward	Discretionary project value	Comment	Recommended reduction in capital budget
Roads Reconstruction	5,780,055	711,280	Council has recently received a grant to assist with road repairs following the past year of wet weather. Reducing our road budget by \$700K in one year is unlikely to have a material impact.	711,280
Kerb & Gutter Reconstruction	1,600,000	1,600,000	Kerb and gutter reconstruction budgets have increased significantly over the past 10 years from \$183,000 to \$1,600,000. Council receives few complaints in regard to Kerb and Gutter due to this significant investment. It is recommended that this budget be reduced to \$200,000 to allow for urgent replacement as required.	1,400,000
Footpath Reconstruction	1,637,920	1,637,920	It is important to maintain an appropriate level of renewal for footpaths to ensure pedestrian safety. In recent years, it has been Councils preference to replace rather than use methods such as grinding. This is an extremely high level of service when compared to the industry.	437,920
Stormwater Drainage Reconstruction & Gross Pollution Traps Upgrade	3,896,802	2,520,302	Drainage reconstruction budgets have increased significantly over the past 10 years from \$609,000 to \$2,500,000. Traditionally within Local Government, drainage renewal has typically been reactive due to the underground nature of this asset. NSC has been highly proactive in its asset management of drainage and stormwater. 84% of the network has been CCTV'd which drives the relining program extending the life of the asset. There is a reduced number of asset failures due to the investment in recent years and proactive nature of the management of this asset. Based upon this, it is recommended that the budget for 2023/24 be reduced to match the stormwater levy of \$576,500 plus \$800K for gross pollutant upgrade funded by environment levy.	2,520,302
Retaining Wall Reconstruction	1,400,000	1,400,000	Retaining wall reconstruction budgets have increased significantly over the past 10 years from \$169,000 to \$1,400,000. There are currently no urgent projects identified for the 2023/24 financial year. It is recommended this budget be reduced to \$500,000.	900,000
Marine Structures Reconstruction	711,800	711,800	\$360,000 is programmed for shellcove jetty, with an additional \$300,000 recommended as a contingency	51,800
Seawall Reconstruction	1,237,856	1,237,856	The budget for 2023/24 has been programmed for Milsons point due to a condition assessment in relation to the seawall.	237,856
Streetscape Lighting Upgrades - Village Centres	827,600	827,600	Streetscape lighting upgrades in village centres included a budget of \$827,600 to replace lighting to allow for more energy efficiency. This project is not time critical and it is recommended that it be reduced to \$100,000 and that planned lighting upgrades be included within streetscape upgrade budgets going forward.	727,600

Project Name	2023/24 Delivery Program and 2022/23 carried forward	Discretionary project value	Comment	Recommended reduction in capital budget
Neutral Bay & Cremorne Public Domain Masterplan Projects	2,285,192	2,285,192	This project is currently undergoing community consultation. Detailed design has not been undertaken nor have detailed estimates been prepared. The local community is passionate about this project. The deferral of the project will not result in any safety risk. The project can be carried out in stages. It is recommended \$182,000 be retained to progress detailed design and \$150,000 to install a green trellis along military road to screen noise and pollution as a staged approach.	1,953,192
LATM Implementation - Projects to be Established	1,000,000	1,000,000	Traffic projects take some time to design and consult. It is unlikely Council would deliver this budget in 2023/24 based on already committed projects. The remaining \$500K is funded through 7.11.	500,000
Pedestrian Crossing Lighting Upgrades	150,000	150,000	Lighting of pedestrian crossings is an important safety renewal, as such it is not recommended this budget be reduced.	-
Bike Strategy Projects	300,000	300,000	Required for delivery of the Route 3 cycleway and design documentation of Stage 2 of West Street.	-
Banner Flag Poles	50,000	50,000	This budget is for the purpose of additional banner poles. While additional banner poles improve the amenity of streets, they are not critical.	50,000
Bike Facilities - Young Street Cycleway	731,054	-	Grant funded	-
Bollards	20,000	20,000	This is a small budget for bollard replacement. Bollards are a safety measure.	-
Bus Shelter Replacement	125,000	125,000	5 heritage style bus shelters were recently removed, this funding will assist with their replacement.	-
Public Amenities Strategy Implementation	100,000	100,000	Small budget for reactive renewals and replacements	-
Road Furniture - Safety Barriers	600,000	600,000	In recent years a budget was introduced for road safety barriers in response to a study identifying opportunities to upgrade safety barriers. This program was implemented to upgrade existing timber fences into safety barriers. The budget in the long-term financial plan was increased to \$600K for the 2023/24 financial year. This is inconsistent with future years and it is therefore proposed to reduce the budget to \$200K. The program does not currently include a criteria based upon risk assessment.	400,000
Road Furniture - Timber Fences	220,000	220,000	This budget is recommended to remain due to the condition of timber fences.	-
North Sydney CBD Public Domain upgrades	500,000	500,000	There is currently significant State Govt and private construction in the CBD. Deferring consideration of capital spending until the Metro is complete is wise.	500,000
North Sydney CBD Street Furniture	25,000	25,000	There is currently significant State Govt and private construction in the CBD. Deferring consideration of capital spending until the Metro is complete is wise.	25,000
North Sydney CBD Streetscape lighting upgrades	50,000	50,000	There is currently significant State Govt and private construction in the CBD. Deferring consideration of capital spending until the Metro is complete is wise.	50,000

Project Name	2023/24 Delivery Program and 2022/23 carried forward	Discretionary project value	Comment	Recommended reduction in capital budget
Crows Nest Public Domain Masterplan Implementation	500,000	294,800	This project at Willoughby road is funded through 7.11 contributions for public domain purposes.	-
Young Street Plaza	1,915,768	-	Grant funded	-
Kirribilli Village Centres	1,345,335	1,096,806	This project has undertaken significant consultation. Detailed design is in progress. The current pop up streets as shared spaces are tired and disliked and not keeping in character with the local amenity. Given the progress of this project, it is recommended that it proceed.	-
Neutral Bay & Cremorne B-Line Streetscape Upgrades	369,429	-	Grant funded	-
Street Furniture Upgrades - Village Centres Parks and Plazas	50,000	50,000	Small budget for reactive renewals and replacements	-
North Sydney Olympic Pool Redevelopment	19,316,386	-	Project in progress, additional estimated \$27M required	-
Property Renewal - Projects to be Established	900,000	900,000	Councils building portfolio is in need of renewal. Reducing this budget will lead to additional costs associated with asset failure and maintenance.	-
Holtermann Street Car Park Upgrade Consultancy	1,313,814	-	Grant funded	-
Parking Meter Network Expansion - Stage 1	50,000	50,000		-
Parking Meter Replacement Program	25,000	25,000		-
Plant Purchases	1,707,814	1,707,814	Councils vehicle fleet is an important operational investment.	-
Parking Enforcement Handheld Infringement Devices Replacement	15,000	15,000	This equipment is an operational requirement.	-
Implementation of Disability Inclusion Action Plan	140,000	140,000	Councils disability inclusion action plan was recently adopted. It is important that this budget is maintained to commence actions committed.	-
Planet X Equipment and Furniture	11,000	11,000	This is a small budget to ensure the youth centre remains attractive to local youth.	-
Community Centres Equipment and Playgrounds	9,000	9,000	This is a small budget to assist with renewal of community centre equipment.	-
Kelly's Place Playground Upgrade	27,424	-	Developer contributions	-
Local Art Collection Acquisitions	5,000	5,000	This is a small budget to support vthe local arts community.	-
Library Books, etc	428,100	-	Grant/contributions	-
Library Furniture & Fittings Replacement	10,000	-	contributions	-
Library Local Priority Grant Expenditure	56,000	-	Grant funding	-
Information Videos Equipment	1,000	1,000	operational	-
I.T. Replacement of Desktop Devices with Hybrid Devices	990,900	990,900	The pandemic has resulted in a shift towards hybrid working models. Councils current IT offering includes fixed desktops and does not create an attractive offering for current and prospective staff. With desktops coming to the end of their useful life it is critical that we move to mobile devices.	-

Project Name	2023/24 Delivery Program and 2022/23 carried forward	Discretionary project value	Comment	Recommended reduction in capital budget
I.T. Replacement of Mobile Phones	97,280	97,280	Operational requirement with handsets reaching the end of their useful life. Strategy to be developed to ensure ongoing and staged replacement.	-
I.T. Migration to Microsoft Teams	40,000	40,000	Council is currently running two communications channels, being Skype for business and Teams, this project would result in all communications moving to the one platform.	-
I.T. Modernise GIS Platform	28,000	28,000	Operational requirement.	-
Hume Street Open Space Expansion Project	100,000	-	Developer contributions	-
OSSES Asset Condition Report - Remedial Work	200,000	200,000	This is a small budget for urgent renewal works.	-
Berry island - Amenities Block Refurbishment	300,000	300,000	This project has been assessed and is considered in reasonable condition and able to be moved to a future year.	300,000
1 Henry Lawson Ave - Revert to Parkland	900,000	-	Developer contributions	-
Berry Island Reserve - Outdoor Fitness Equipment	30,000	30,000	This project has been assessed and there are no implications if it is deferred to future years.	30,000
Bon Andrews Oval – New Irrigation System	120,000	120,000	The irrigation system at this oval is overdue for replacement and the current condition is resulting in uneven watering and therefore risks to surface.	-
Bradfield Park Central - Renew Synthetic Surface	30,000	30,000	This is a small budget for minor patching to maintain at minimum level.	-
Cammeray Park - Master Planning	180,000	180,000	This project was flagged for 2022/23 and is required to respond to open space demands.	-
Green Park (Cammeray) - Senior Playground Refurbishment	170,000	170,000	The current equipment is tired but not considered a risk to the public and therefore may be deferred. It should also be noted that there are large impacts on local roads due to significant State Govt works construction traffic, by deferring council works we are able to eliviate some impact.	170,000
John Street Open Space - Small Watercraft Storage Facilities	40,000	40,000	This is a small budget to progress the small watercraft strategy to remedy overcrowding on foreshores	-
Lady Gowrie Lookout - Restoration of Heritage Landscape and upgarde	200,000	200,000	This project would beautify the lookout and renew infrastructure. There are no implications of deferring.	200,000
Lodge Road (Cremorne) - Playground Refurbishment	170,000	-	Developer contributions	-
Primrose Park - Additional Dual Cricket Net	180,000	180,000	This project has been a long standing commitment to the local cricket club and deferred previously.	-
Primrose Park - Reconfiguration and additional full size playing field	1,200,000	1,200,000	Sportsfield supply is not meeting demand. This project has the potential to attract grant funding. It is recommended that the budget be reduced and the project dependent upon matching grant.	600,000
Primrose Park - Drainage Improvements to Sportsfields	255,000	-	Developer contributions	-
Quarantine Boat Depot Site & Access Improvements	1,113,257	-	Grant	-
St Leonards Park - Landscape Masterplan Implementation	1,828,451	-	Developer contributions	-

Project Name	2023/24 Delivery Program and 2022/23 carried forward	Discretionary project value	Comment	Recommended reduction in capital budget
Sawmillers Reserve - Replace Step Tower	30,000	30,000	This is a small budget to assess the structural integrity of the existing structure for safety purposes.	-
Tunks Park - Storage Facilities for Kayaks and Improved Access	60,000	-	Developer contributions	-
Various Parks - Fence Construction/Upgrade	100,000	100,000	These are small budgets that spread across all public open space for the purpose of reactive renewal and replacement.	-
Various Parks - Park Furniture	80,000	80,000	These are small budgets that spread across all public open space for the purpose of reactive renewal and replacement.	-
Various Parks - Park Signs	30,000	30,000	These are small budgets that spread across all public open space for the purpose of reactive renewal and replacement.	-
Various Parks - Pathway Construction	200,000	200,000	These are small budgets that spread across all public open space for the purpose of reactive renewal and replacement.	-
Total	60,117,237	24,623,550		11,764,950

North Sydney Olympic Pool Council Resolutions – January 2015 to date

Date of Meeting	Item No & Title	Resolution
16/02/2015	NoM02: North Sydney Olympic Pool Masterplan and Redevelopment	<p>1. THAT Council write to:</p> <ul style="list-style-type: none"> • the Premier Mike Baird MP, with copies to our local members (the Minister for Health and the Minister for Transport), the Minister for Sport and Tourism and the Minister for Local Government, • the Leader of the Opposition Luke Foley MP with copies to the Shadow Ministers for Local Government, Sport and Tourism and, • the Treasurer Joe Hockey and Prime Minister Tony Abbott <p>asking for a pre-election funding commitment of \$25million towards the redevelopment of North Sydney Olympic Pool.</p> <p>2. THAT the letters outline the significant historic, regional and heritage significance of the pool, the number of world records set in the pool and an acknowledgment that North Sydney Olympic Pool is a significant tourist attraction for both domestic and international visitors.</p> <p>3. THAT a copy of the draft master plan for NSOP is included.</p> <p>4. THAT the above letters are sent to the above addressees no later than Monday 23 February 2015 and a response requested prior to the next Council meeting on Monday 16 March 2015.</p>
16/03/2015	GM01: Matters Outstanding	<p>2. THAT a follow up letter is immediately sent to the Premier asking for a \$25 million pre election commitment to the upgrade of North Sydney Olympic Pool.</p> <p>3. THAT the letter note that the Premier recently announced a \$57 million pre election commitment towards the \$115 million upgrade</p>

		<p>of Taronga Zoo and \$25 million pre election commitment towards the \$57 million upgrade of Taronga Western Plain Zoo at Dubbo. That the letter note that whilst it is appreciated that many of the exhibits at Taronga Zoo are in need of an upgrade given the zoo opened in 1916, that it also be noted that North Sydney Olympic Pool which opened in 1936 and is the home of 86 world records, has concrete cancer. That the letter also notes that in 2013/14 North Sydney Olympic Pool had over 350,000 visitors that compared to Dubbo Zoo had 220,000 visitors which were down on the previous year, yet \$25 million has been pledged. The redeveloped North Sydney Olympic Pool see an increase in the amount of visitors. Further, that the letter note that North Sydney Olympic Pool is continually discussed on tourism websites as a must see visitor attraction in Sydney and has state and national significance. And that once again Council requests that the Premier make a pre-election funding commitment of \$25 million towards the redevelopment of the North Sydney Olympic Pool and that on objective analysis of the reasoning behind the pre-election funding commitments of Taronga and Dubbo Zoos Council believes that such a request is reasonable and appropriate. Council remind the Premier that we our doing our part in meeting the challenges of obesity and encouraging an active and healthy lifestyle and would like the state government to play its role as well. Copies of this letter are to be sent to local MPs Jillian Skinner, Gladys Berejiklian, the Leader of the Opposition and Minister of Sport and Recreation.</p>
16/03/2015	EPS02: North Sydney Olympic Pool Redevelopment Options	1. THAT Council resolves to place option 5 Public Exhibition for the redevelopment of the North Sydney Olympic Pool for the purposes of seeking Community feedback and further refinement of a "Preferred Option".

		<p>2. THAT the community and key stakeholders who have already been consulted on the development of the options and responded to the online survey or made submissions directly to Council are contacted about the Public Exhibition of the Option or Options that have been developed and are invited to make further comments and submissions.</p> <p>3. THAT the Option 5 be placed on an extended public exhibition for 60 days</p> <p>4. THAT at the end of the Public Exhibition period a report is brought to Council on the feedback that has been received.</p> <p>5. THAT during exhibition period Council consultants refine Option 5 to ensure that the proposal maximises the available space to meet the increasing demands of the pool with the various aquatic activities conducted, such as extending the 25m pool to 33m with a moveable boom and/or making the pool wider.</p> <p>6. THAT Council advise Diving NSW and Diving Australia of public exhibition.</p> <p><i>Note: A Notice of Rescission was lodged (regarding Minute 67 - EPS02: North Sydney Olympic Pool Redevelopment Options), signed by Councillors Gibson, Bevan and Marchandeanu)</i></p>
20/04/2015	Notice of Rescission No 5/15 By Councillors Gibson, Marchandeanu, Burke	<p>1. THAT Council resolves to place all options prepared by consultants on public exhibition.</p> <p>2. THAT a rigorous and broad community engagement plan be prepared to ensure that the whole of the North Sydney community together with existing pool users and relevant stakeholders are fully informed and able to participate in the consultation in order to refine the proposed masterplan for NSOP.</p>

		<p>3. THAT the community engagement plan include provision for a public meeting during the exhibition period with consultants attending.</p> <p>4. THAT Council's Strategic Planning staff review the community engagement plan to ensure best practice.</p> <p>5. THAT all background reports and materials provided to Councillors including but not limited to the various structural engineering reports, economic feasibility study, demand (existing/future) and demographic materials form part of the public exhibition.</p>
19/11/2015	EPS07: North Sydney Olympic Pool Redevelopment Options – Community Engagement Phase 2 Findings	<p>1. THAT Council notes the Phase 2 community engagement findings for the redevelopment options for North Sydney Olympic Pool.</p> <p>2. THAT a Council Workshop on the outcome of the Phase 2 community engagement findings be held at the soonest possible date that all Councillors are available.</p>
7/12/2015	GM01: Matters Outstanding	<p>2. THAT Council write to the new Federal Member for North Sydney Mr Zimmerman requesting government funding for the upgrade of North Sydney Olympic Pool.</p>
21/03/2016	EPS01: North Sydney Olympic Pool Redevelopment Options	<p>1. THAT Council defers the decision on the next steps in relation to the North Sydney Olympic Pool redevelopment.</p> <p>2. THAT during the period of deferment, a Councillor workshop(s) facilitated by an independent professional moderator be held, to allow all Councillors the opportunity to speak openly and ensure that all relevant information, including the history of the pool, demographic projections for the next 20, 50 and 75 years, and their impact on needs/demands in relation to the pool, avenues for sourcing/applying for State and Federal funding, is provided/presented.</p>

		<p>3. THAT the General Manager and the Directors of City Strategy, Open Space and Engineering also attend the workshop.</p> <p>4. THAT if necessary, further or refined options for the redevelopment of the North Sydney Olympic Pool are commissioned.</p>
20/11/2017	MM01: Finally fix our Pool	<p>1. THAT Council supports the development of Option 2 to a detailed design phase.</p> <p>2. THAT the design development include an upgraded crèche that meets the needs of parents and carers who wish to keep their children safe while visiting the gym and pool facilities, and that the design solution takes into account any anticipated increased demand for the crèche once the overall pool facility is upgraded.</p> <p>3. THAT while the detailed design is being undertaken, Council staff in conjunction with the Architects develop a business analysis of the costs and future revenue streams of the project.</p> <p>4. THAT the detailed design and business analysis be reported back to Council before being placed on public exhibition for an extended consultation period.</p> <p>5. THAT Council consider accessibility in the planning specifically addressing universal design.</p> <p>6. THAT Council staff investigate options for allowing pool and gym users access to Luna Park's Parking Station, which at present is under-utilised.</p> <p>7. THAT the Mayor and Deputy Mayor meet with the Member for North Sydney, the Member for North Shore and the Premier, seeking their assistance in applying for grant funding for the Pool renewal project.</p>
30/04/2018	EPS04: North Sydney Olympic Pool Redevelopment Update	<p>1. THAT Council notes the status of the redevelopment of the North Sydney Olympic Pool including the tenders for Design and Project</p>

		<p>Management Services that are currently in the Market and scheduled to be reported to Council by the end of this financial year.</p> <p>2. THAT Council notes the draft program for the delivery of the redeveloped North Sydney Olympic Pool as outlined in this report.</p> <p>3. THAT Council approves the investigation of alternative revenue sources and opportunities for funding the redevelopment of the North Sydney Olympic pool such as “Exclusive Access Rights”, “Corporate Events”, “Naming Rights”, “Merchandising” and “Partnerships” in accordance with Councils Corporate Sponsorship, Road and Place Naming Policies and relevant Planning Controls</p>
25/06/2018	EPS01: North Sydney Olympic Pool Redevelopment – Project Management Services Tender 33/2018	<p>1. THAT Council accept the Alternative tender of NS Projects Pty Ltd for the North Sydney Olympic Pool Redevelopment – Project Management Services Tender - 33/2018. Stage 1 Services only.</p> <p>2. THAT The General Manager be authorised to take any necessary action to implement the decision including entering into associated contracts and to award (or not award) the further stages of the Project Management Services engagement (Stages 2,3-and 4) based on the performance of NS Projects Pty Ltd in Stage 1.</p> <p>3. THAT, once Council has executed the Contract, information relating to the successful tender be published in Council’s Register of Contracts as required by <i>Government Information (Public Access) Act 2009 - Part 3 Division 5 - Government Contracts With Private Sector.</i></p>
25/06/2018	EPS02: North Sydney Olympic Pool Redevelopment – Design Services Tender 34/2018	<p>1. THAT Council accept the tender of Brewster Hjorth Architects Pty Ltd for Tender 34/2018 for the North Sydney Olympic Pool Redevelopment – Design Services. Stage 1, 2 and 3 Services only.</p> <p>2. THAT The General Manager be authorised to take any necessary action to implement the decision including entering into associated contracts and to award (or not award) the further stages of the</p>

		<p>Design Services engagement (Stage 4) based on the performance of Brewster Hjorth Architects in Stage 1,2 and 3.</p> <p>3. THAT, once Council has executed the Contract, information relating to the successful tender be published in Council's Register of Contracts as required by <i>Government Information (Public Access) Act 2009 - Part 3 Division 5 - Government Contracts With Private Sector</i>.</p>
30 July 2018	EPS03: North Sydney Olympic Pool (NSOP) Redevelopment Update and Project Governance	<ol style="list-style-type: none"> 1. THAT Council notes the status of the redevelopment of the North Sydney Olympic Pool, regarding Program and appointment of key consultants. 2. THAT Council endorses the proposed governance structure for the project including the establishment of: <ul style="list-style-type: none"> • Steering Control Group; • Project Control Group; and • Stakeholder Group as outlined within the report. 3. THAT Council appoint Councillor Drummond on the Project Steering Group (PSG). 4. THAT Mr. Bill Drakopoulos be appointed as an external representative to the PSG. 5. THAT the Mayor, General Manager and nominated Councillor representatives on the PSG select the second external representative. 6. THAT Council support the proposed study tour of recently completed Pool/Aquatic facilities in Melbourne.
29 January 2019	MM05:North Sydney Olympic Pool	<ol style="list-style-type: none"> 1. THAT Council staff organise a meeting as soon as possible between: <ul style="list-style-type: none"> • The Mayor, Deputy Mayor and General Manager of North Sydney Council;

		<ul style="list-style-type: none"> • The Mayor, Deputy Mayor and General Manager of Lane Cove Council; and • Minister for Sport and senior departmental staff to ensure a coordinated approach to the timing and funding of aquatic recreational facility upgrades; and <p>2. THAT the local Federal Member for North Sydney, Mr Trent Zimmerman MP, also be asked to assist with ensuring aquatic recreational facilities remain available for school carnivals and general community recreation.</p>
25 February 2019	EPS03: North Sydney Olympic Pool – Existing Grandstand Structural Engineering Reports	<p>1. THAT Council notes the recommendation of the Engineering Reports prepared by structural Engineers Mahaffey and Associates Pty Ltd and Mott Macdonald Australia Pty Ltd. These reports conclude that the structure has reached the end of its useful life and that retaining the existing grandstand in the long term should not be considered.</p> <p>2. THAT Council notes it is recommended by the structural Engineers that a visual monitoring (inspections) protocol be established every three to six months using the data in the structural reports to record any further deterioration of the structure.</p> <p>3. THAT Council note that crowd numbers in the existing grandstand have been limited to 900 and subject to a further inspection in June 2019 it may be necessary to further curtail numbers allowed on the structure.</p>
25 March 2019	EPS03: North Sydney Olympic Pool – Design Stage 2 – Development Application (DA) Documentation and Statutory Approvals	<p>1. THAT Council resolves to progress the completion of Design Stage 2 (Development Application and Statutory Approvals) for the redevelopment of the North Sydney Olympic Pool based on Option 2b, noting that the current total project cost estimate for</p>

		<p>this design (inclusive of construction, project management, design and project contingency costs) is in the order of \$57.9 million.</p> <p>2. THAT the developed Option 2b include:</p> <ul style="list-style-type: none"> • A refreshed Hall of Fame that celebrates the rich history of the North Sydney Olympic Pool (86 world records) and that it be given special focus during the detailed design phase; • The detailed design of the Children’s Interactive Play Area be given special consideration in terms of height, colour and visual aesthetics ensuring that the iconic character and heritage setting is maintained and complemented; and • The Architects seek to preserve any heritage signage and features where possible. <p>3. THAT in light of the structural condition of North Sydney Olympic Pool 50m pool and grandstand highlighted in independent engineering reports, the need for State and Federal Government funding assistance if the facility is to be refurbished and remain open be relayed to the State Member for North Shore, Ms Felicity Wilson and Federal Member for North Sydney, Mr Trent Zimmerman.</p> <p>4. THAT an invitation for a site meeting be issued to the Premier and local State and Federal members to view firsthand the current condition of the grandstand and pool and its need for urgent attention.</p> <p>5. THAT Council notes that further community consultation on the developed (Option 2b) will be undertaken as part of the Development Application process whereby the development application is required to be publicly exhibited as per Section 4 (Notification of Applications) of Council’s Development Control Plan 2013.</p>
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		6. THAT a celebration week be held in the week leading up to the closing of the North Sydney Olympic Pool for redevelopment/refurbishment and that an appropriate budget be identified for celebratory activities.
29 April 2019	MM04: North Sydney Olympic Pool Redevelopment Funding	<p>1. THAT Council writes to Mr Trent Zimmerman, thanking him for his efforts in securing a prompt \$10 million pre-election commitment for the Pool, as well as writing to the Treasurer, Mr Josh Frydenberg and Prime Minister, Mr Scott Morrison, thanking them for the promised funds and their support.</p> <p>2. THAT, as a matter of urgency, we write to the Opposition Leader, Mr Bill Shorten, Shadow Treasurer, Mr Chris Bowen, and Shadow Minister for Sport, Mr Don Farrell, to secure a pre-election pledge of \$10 million or more in funding towards the Pool should they win the election.</p> <p>3. THAT, as a matter of urgency, we write to NSW Member for North Shore, Ms Felicity Wilson, NSW Treasurer, Mr Dominic Perrottet and NSW Premier, Ms Gladys Berejiklian, requesting that they at least match the Federal Government pledge of \$10 million.</p> <p>4. THAT Council continue to campaign for funding towards the pool redevelopment project.</p>
26 August 2019	EPS01: North Sydney Olympic Pool – Stage 2 Design (Development Application and Statutory Approvals) – Status Update	<p>1. THAT the progress with the Development Application preparation – Stage 2 Design (Development Application and Statutory Approvals) be noted.</p> <p>2. THAT the long-term financial plan be amended and reported back to Council incorporating a total budget of \$57.9 million for the redevelopment of the North Sydney Olympic Pool in line</p>

		with the proposed breakdown of funding sources identified in the Financial Implications section of this report.
23 March 2020 (held on 6 April 2020)	Item 19: North Sydney Olympic Pool Development Application Amendments Requested by the Independent Planner - Heritage Planners and Public Consultation Feedback	<p>1. THAT Council resolves to adopt the recommended design changes outlined in the Detail section of this report – refer to Table 1, in particular the deletion of the shade canopy over the children’s outdoor interactive play area due to heritage concerns with the impact of the structure.</p> <p>Questions on Notice</p> <p>Councillor Mutton asked the following questions in relation to this matter:</p> <ol style="list-style-type: none"> 1 What is the date of the Ripples lease? 2. Did the original lease have a demolition clause? 3. What are the dates of the 2 extensions to the lease: <ol style="list-style-type: none"> i. due to the construction time; ii. an extension to the first lease? <p>The General Manager advised that he would take these questions on notice and provide a full response to all councillors.</p>
18 May 2020	6.1. North Sydney Olympic Pool and Easing of COVID-19 Restrictions	1. THAT Council undertake the 12-monthly structural engineering review of the pool shell and subject to the results of the review not identifying significant further deterioration, the North Sydney Olympic Pool outdoor pool be made available for lap swimming, initially on a pre-booking basis as soon as possible.

		<p>2. THAT Council continue to progress the redevelopment of NSOP as a priority in order to address the deteriorated condition of the Facility and return it to full operation as quickly as possible, post COVID-19.</p> <p>3. THAT a report be provided to Council on usage after the pool opens.</p>
18 May 2020	10.3. North Sydney Olympic Pool - Licence Arrangements	<p>1. THAT Council resolve to provide the Badger Swim School the required four months' notice to terminate the current licence to provide Professional Swimming Coaching at the North Sydney Olympic Pool – Tender No. 7/2018.</p> <p>2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.</p>
22 June 2020	11.1 North Sydney Olympic Pool Redevelopment - Expression of Interest 24/2020	<p>1. THAT Council proceed with a Select Tender Process.</p> <p>2. THAT Council invite Select Tenders from the (8) shortlisted companies.</p>
27 July 2020	8.20 North Sydney Olympic Pool Operations	<p>1. THAT the report on the use of the North Sydney Olympic Pool over the previous three weeks be received.</p>
15 December 2020	6.1 Redevelopment of the North Sydney Olympic Pool - Tender 24/2020	<p>1. THAT Council increase the budget allocation to the North Sydney Olympic Pool by \$6 million comprising \$3 million from Open Space and Recreation Reserve and \$3 million in additional borrowings.</p> <p>2. THAT the General Manager be authorised to enter a loan arrangement for the revised borrowing amount of \$31 million with TCorp on the same terms and conditions as previously approved for the \$28 million loan offer.</p>

	<p>3. THAT Council reject all offers for Tender No. 24/2020 for the redevelopment of the North Sydney Olympic Pool.</p> <p>4. THAT Council does not invite fresh tenders as the initial EOI process identified suitable construction companies, the non-proposed conformance amendments to Condition of Contract can be resolved through negotiation, and Council is satisfied the pricing already provided through the process to date ensures competitive marked pricing. Furthermore, it is considered that re-tendering, rather than negotiating, will not attract additional suitable submissions for the project.</p> <p>5. THAT Council resolves to enter into direct negotiation with the preferred tenderer(s) for the redevelopment of the North Sydney Olympic Pool in sequence of their ranking order.</p> <p>6. THAT authority be delegated to the General Manager to negotiate with the preferred tenderer and enter into a contract for the redevelopment of the North Sydney Olympic Pool subject to:</p> <ul style="list-style-type: none"> i) the contract value being within the amended budget after allowing for contingencies and project management costs as identified in the Confidential Report. ii) gaining unanimous consent from a committee comprising the Mayor, Deputy Mayor and Cr Mutton; in respect to negotiated amendments to the Construction Contract. <p>7. THAT once Council has executed the Contract, information relating to the contract be published in Council's Register of Contracts as required by Government Information (Public Access) Act 2009 - Part 3 Division 5 - Government Contracts with Private Sector.</p> <p>8. THAT a further report be presented to Council addressing the outcome of the negotiations.</p>
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		<p>9. THAT the further report be presented to Council on the performance of Council's property lease portfolio for the purpose of considering liquidating low performing properties and reducing the ultimate draw down of debt.</p> <p>10. THAT the Confidential Report relating to matters specified in Sections 10A(2)(d) be treated as confidential and remain confidential until Council determines otherwise.</p>
21 December 2020	6.2 Questions With Notice - Cr Beregi	1. THAT the Questions with Notice and responses thereto be noted and no further action is required.
22 February 2021	8.8 North Sydney Olympic Pool Redevelopment Governance Structure	1. THAT Council notes the report and thanks the previous Steering Group for their contribution through the Design and Development phase of the NSOP redevelopment.
22 February 2021	10.4 North Sydney Olympic Pool Site Handover	<p>1. THAT Council approve the establishment of new leases with the current lessee of Ripples Café and Aqua Dining for a period of five years plus three by five-year options (20 years total) commencing from their re-opening post the redevelopment.</p> <p>2. THAT the lease payment be commenced at the equivalent lease fee that applies at the early termination of current leases and be subject to annual indexation and market reviews every five years.</p> <p>3. THAT the General Manager be authorised to finalise and enter the new leases including transitional arrangements for termination, fit out and recommencement.</p> <p>4. THAT prior to entering any new lease relating to the North Sydney Olympic pool that Council confer with the Legal Firm advising Council on the North Sydney Olympic Pool development construction contract to ensure consistency.</p>

		5. THAT the Confidential report be treated as Confidential and remain Confidential until Council determines otherwise.
24 May 2021	10.3 North Sydney Olympic Pool Redevelopment	1. THAT the report be received. 2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.
23 August 2021	8.11. North Sydney Olympic Pool – Monthly Progress Report – August 2021	1. THAT the report be received.
23 August 2021	10.2. North Sydney Olympic Pool – Quarterly Project Governance Report – August 2021	1. THAT the report be received. 2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.
27 September 2021	8.13 North Sydney Olympic Pool Monthly Progress Report September 2021	1. THAT the report be received.
25 October 2021	8.16. North Sydney Olympic Pool Monthly Progress Report October 2021	1. THAT the report be received.
25 October 2021	10.2 North Sydney Olympic Pool - Quarterly Project Governance Report - October 2021	1. THAT the report be received. 2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.
21 February 2022	8.19. North Sydney Olympic Pool Redevelopment Monthly Progress Report	THAT the report be received.

21 February 2022	10.6. North Sydney Olympic Pool Redevelopment Governance Report February 2022	1. THAT the report be received 2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.
28 March 2022	8.18. North Sydney Olympic Pool Redevelopment Monthly Progress Report	1. THAT the report be received.
26 April 2022	8.16. North Sydney Olympic Pool Redevelopment Progress Report	1. THAT the report be received.
23 May 2023	7.2. Governance and Finance Committee - Minutes 9 May 2022	13. THAT the NSOP Redevelopment Governance Report be deferred to a Councillor briefing. (5.1)
23 May 2023	8.15. North Sydney Olympic Pool Redevelopment monthly progress report	1. THAT the report be received.
27 June 2022	8.18. North Sydney Olympic Pool Redevelopment Monthly Progress Report	1. THAT the report be received.
25 July 2022	8.14. North Sydney Olympic Pool Redevelopment Monthly Progress Report	1. THAT the report be received.
22 August 2022	11.1. North Sydney Olympic Pool Redevelopment Governance Report August 2022	1. THAT the report be received. 2. THAT the report be treated as confidential and remain confidential until Council determines otherwise.
12 September 2022	8.6. North Sydney Olympic Pool Redevelopment Monthly Progress Report	1. THAT the report be received. 2. THAT Council be updated on major variations or developments regarding the pool project of an aggregate quantum of \$500,000 or more as part of the regular Councillor briefing process.

10 October 2022	8.3. MM03: Independent review of the North Sydney Olympic Pool redevelopment project	<p>1. THAT Council urgently undertake an independent review of the Council's management of the North Sydney Olympic Pool redevelopment project.</p> <p>2. THAT Council engage a suitably qualified independent person to undertake a thorough review of all aspects of the North Sydney Olympic Pool redevelopment project and prepare a report to Council.</p>
10 October 2022	10.12. North Sydney Olympic Pool Redevelopment Monthly Progress Report	1. THAT the report be received.
14 November 2022	10.13. North Sydney Olympic Pool Operations	1. THAT Council support the Internal Management model as set out in this report for the operation of North Sydney Olympic Pool and commence the necessary budgetary and industrial actions to support implementation.
14 November 2022	10.14. North Sydney Olympic Pool Redevelopment - Monthly Progress Report	1. THAT the report be received.
12 December 2022	10.17. North Sydney Olympic Pool Report - Quarterly Governance Report	<p>1. THAT the report be received.</p> <p>2 THAT Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business. While there is significant public interest in the delivery of the North Sydney Olympic Pool project, the information treated as confidential details commercial arrangements. Release of this information would affect Council's ability to obtain value for money</p>

		services. As a result consideration of the confidential information in open Council would be, on balance, contrary to the public interest.
30 January 2023	10.6. North Sydney Olympic Pool Redevelopment - Monthly Progress Report	1. THAT the report be received.
27 February 2023	10.8. North Sydney Olympic Pool Redevelopment - Monthly Progress Report	1. THAT the report be received.
27 March 2023	10.8. North Sydney Olympic Pool Redevelopment - Monthly Progress Report	1. THAT the report be received.