



Council Chambers
16 February 2024

The **3796th MEETING** of **COUNCIL** will be held on Cammeraygal lands at the Council Chambers, North Sydney at **6.30pm** on Monday 26 February 2024. The agenda is as follows.

THERESE MANNS
GENERAL MANAGER

North Sydney Council is an Open Government Council. The records of Council are available for public viewing in accordance with this policy, with the only exception being made for certain confidential documents such as legal advice, matters required by legislation not to be divulged, and staff matters.

-
- 1. Opening of Meeting**
 - 2. Acknowledgement of Country**
 - 3. Apologies and applications for leaves of absence or attendance by audio-visual link by councillors**
 - 4. Confirmation of Minutes**
 - 5. Disclosures of Interests**
 - 6. Public Forum**
 - 7. Items by Exception**
 - 8. Mayoral Minutes**
Nil
 - 9. Reports of Committees**
 - 9.1 Traffic Committee Minutes - 2 February 2024
 - 9.2 Audit, Risk and Improvement Committee Minutes - 2 February 2024
-

10. Reports to Council

- 10.1 Quarterly Budget Review - December 2023
- 10.2 Q2 Review of the Delivery Program/Operational Plan 2023/24
- 10.3 Investment and Loan Borrowings Report as at 31 January 2024
- 10.4 2024 Australian Local Government Association Annual Conference (National General Assembly)
- 10.5 Amended Financial Hardship Policy
- 10.6 Cremorne Plaza and Langley Place Consultation Outcomes and Preferred Concept
- 10.7 Rejecting all Tenderers for 8/2023 – Supply, Installation, Commissioning, and Maintenance of Gym Equipment
- 10.8 North Sydney Olympic Pool Redevelopment Project Update

11. Notices of Motion/Questions with Notice

Nil

12. Matters of Urgency

Raised by Councillors

13 Closure of Meeting

In the spirit of open, accessible, and transparent government, the Council meetings of North Sydney Council will be streamed live via Council's website. By speaking at a Council meeting, members of the public agree to being recorded and must ensure their speech to the Council is respectful and use appropriate language. A person who uses defamatory, discriminatory, or offensive language may be exposed to liability for which Council takes no responsibility. Any part of the meeting that is held in Closed Session will not be recorded.

TO: The Mayor, Zoë Baker and Councillors Beregi, Bourke, Gibson, Lamb, Lepouris, Mutton, Santer, Spenceley, and Welch

3796th MEETING OF COUNCIL TO BE HELD ON MONDAY 26 FEBRUARY 2024

1. OPENING MEETING

2. ACKNOWLEDGEMENT OF COUNTRY

3. APOLOGIES AND APPLICATIONS FOR LEAVES OF ABSENCE OR ATTENDANCE BY AUDIO-VISUAL LINK BY COUNCILLORS

4. CONFIRMATION OF MINUTES

THAT THE MINUTES of the 3795th Council Meeting held on Monday 12 February 2024 be taken as read and confirmed.

5. DISCLOSURES OF INTEREST

6. PUBLIC FORUM

7. ITEMS BY EXCEPTION

8. MINUTES OF THE MAYOR

Nil

9. REPORTS OF COMMITTEES

9.1 Traffic Committee Minutes - 2 February 2024

Report of Peita Rose, Governance Officer

Council is required to consider the Minutes of this Committee. Section 5.3.2 of the RMS Delegation to Council for the Regulation of Traffic states that: *All proposals recommended by the LTC must still be formally approved by the elected Council (or their sub-delegate), subject to certain limitations.*

This report presents the Minutes of the last meeting of the Traffic Committee held 2 February 2024 for Council adoption. The Minutes are attached for information. The full reports to the Traffic Committee can be viewed at <https://www.northsydney.nsw.gov.au/homepage/82/traffic-committee>.

Recommending:

1. **THAT** the Minutes of the Traffic Committee dated 2 February 2024 be received.

9.2 **Audit, Risk and Improvement Committee Minutes - 2 February 2024**

Report of Ian Curry, Manager Governance

The purpose of this report is to enable Council to consider the Minutes of this Committee as required under the Audit, Risk, and Improvement Committee Charter. This report presents the recommendations of the last meeting of the Audit, Risk and Improvement Committee held on 2 February 2024 for Council adoption. The minutes are attached for information.

As the 26 April Committee meeting falls on the Friday after Anzac Day, it is proposed to reschedule this meeting to Friday 19 April.

Recommending:

1. **THAT** the Minutes of the Audit, Risk, and Improvement Committee meeting held on 2 February 2024 be adopted in accordance with the Audit, Risk, and Improvement Committee Charter.

2. **THAT** the next Committee meeting be rescheduled from 26 April to Friday 19 April.

10. **REPORTS TO COUNCIL**

10.1 **Quarterly Budget Review - December 2023**

Report of Christan Menday, Manager Financial Services, and Daniel Peacock, Acting Manager Accounting Services

The purpose of this report is to:

- review the budget for the quarter ended 31 December 2023; and
- highlight and track variances from the original budget.

This report should be read in conjunction with 10.2, Q2 Review of the Operational Plan 2023/24, provided to Council as a separate report at this meeting.

The Quarterly Budget Review shows:

- An increase in the Operating Deficit before Capital Grants of \$802 thousand to \$6.89 million.

This is driven by a further deterioration of income sources. It is proposed to reduce hoarding permit fees by \$1 million due to decreased activity. The impact of the removal of parking meters has been assessed and an \$800 thousand reduction is proposed. An analysis of advertising activity has been completed and a further reduction of \$571 thousand is proposed. These reductions are somewhat offset by an increase to investment income of \$1 million due to larger than expected cash balance, due to slower than expected payments for the capital works program.

- An increase in Operating Surplus, including Capital Grants and Contributions of \$5.74 million to \$6.31 million. This is due to higher-than-expected receipts for Developer Contributions which have been revised upwards by \$6.69 million.
- The Unrestricted Current Ratio at 30 June 2024 is forecast to fall below the OLG benchmark of 1.50 times to 1.46 times. The current ratio is a measure of liquidity and indicates Councils ability to meet its debts as they fall due. This assumes completion of the capital works program in accordance with budget timeframes. A full review of capital delivery expectations will be included in the March Quarterly Budget Review.
- While the financial position is adequate in the short-term, the forecast deficit, ongoing deterioration in income sources and the need to service additional debt for the North Sydney Olympic Pool project require close strategic attention.
- This budget review does not include any variations for financial risks associated with the North Sydney Olympic Pool Project. This matter was considered in detail at the meeting of 12 February 2024, in report 10.7. North Sydney Olympic Pool Redevelopment – Project. Council’s resolution was unavailable at the time of preparing this Budget Review. No adjustment is included for the project.

Recommending:

1. **THAT** Council adopts the Quarterly Budget Review Statement – December 2023 report in accordance with clause 203 of the Local Government (General) Regulation 2021.
2. **THAT** Council endorses the budget variations in this report.

10.2 Q2 Review of the Delivery Program/Operational Plan 2023/24

Report of Anna Warren, Corporate Planning Coordinator

This Quarterly Review presents a progress update against the Delivery Program/Operational Plan 2023/24 for the second quarter (Q2), 1 October to 31 December 2023, and includes project status (traffic lights) and the corporate scorecard. The report also proposes amendments to the Delivery Program/Operational Plan.

The Operational Plan 2023/24 (Year 2 of the Delivery Program 2022-2026) was adopted by Council on 27 June 2022 and commenced 1 July 2023. In Q2, 218 projects were scheduled to commence or continue. Of these, 87% (190) were on track (green or blue status) and 9% (21) were behind schedule/delayed (red or amber status).

Amendments for discontinued and deferred projects were reported at the 27 November Council meeting and are included in this report as discontinued projects.

Recommending:

1. **THAT** the Quarterly Review (October - December 2023) of the Operational Plan be received.
 2. **THAT** the Council notes the remedial action for the projects that were not on track for the period ending 31 December 2023.
-

10.3 Investment and Loan Borrowings Report as at 31 January 2024

Report of Christan Menday, Manager Financial Services

The purpose of this report is to provide Council with the details of the performance of Council's investments and details of loans for the month ending 31 January 2024.

All investments have been made in accordance with the Local Government Act and Regulations. The balance held with Commonwealth Bank of Australia slightly exceeds the counter party limits in Council's Financial Investments Policy due to deposits that settled after close of business on 31 January. The Policy permits a limit of 30% of the portfolio with an AA rated counterparty, 30.09% was held. A high cash balance was held as rates available are higher than (short) term deposits and to fund upcoming capital works payments.

The terms of the Loan Agreement with TCorp have been altered to remove their credit quality limits and replace them with those in Council's Financial Investments Policy. It is no longer necessary to report compliance with TCorp's limits.

For the month of January, the total investment portfolio (Term Deposits, Floating Rate Notes and Bonds) provided a return of +0.32% (actual), or +3.81% p.a. (annualised), marginally under-performing the benchmark AusBond Bank Bill Index return of +0.37% (actual), or +4.44% p.a. (annualised). This is due to recent interest rate rises and Council holding term deposits made in a low inflation environment, when rises were not expected.

Returns on investments exceed the YTD budget by \$1.07 million. The total return for the 2023/2024 financial year to date is approximately \$3.37 million. The better-than-expected return is due to the payments for the capital works program progressing slower than expected in the first two quarters.

Recommending:

1. THAT the report on Investments held on 31 January 2024, prepared in accordance with clause 212 of the Local Government (General) Regulation 2021, and the information on Loan Borrowings be received.

10.4 2024 Australian Local Government Association Annual Conference (National General Assembly)

Report of Ian Curry, Manager Governance

The purpose of this report is to consider the appointment of delegates to attend the 2024 National General Assembly and any proposed Motions.

The 2024 Australian Local Government Association (ALGA) National General Assembly (NGA) will be held in Canberra, from 2 to 4 July 2024.

The theme for this year's NGA will be "Building Community Trust." ALGA is seeking motions that align with this theme and identify opportunities for new federal programs and policies that will support councils to build stronger communities. Motions are due by 30 April 2024.

In addition, Council may resolve the appointment of delegates to attend the 2024 NGA. The early bird deadline for registrations is 7 June 2024.

Recommending:

1.THAT Council considers any proposed Motions for submission to the Conference, noting the deadline of 30 April 2024.

2.THAT any Councillor wishing to attend the Conference advise the General Manager before 7 June 2024.

10.5 Amended Financial Hardship Policy

Report of Christan Menday, Manager Financial Services

The purpose of this report is to present amendments to Council's *Financial Hardship Policy*, for Council to endorse public exhibition of the amended policy for 42 days, and to seek re-adoption of Council's *Debt Recovery Policy*.

An internal audit of rates conducted in December 2022 identified the need to review Council's Financial Hardship Policy to include additional hardship scenarios.

The Policy has been updated to include reference to Section 567 of the Local Government Act 1993, which states that Council may write off accrued interest on rates or charges if, in its opinion, the person is unable to pay the accrued interest for reasons beyond the person's control, or if payment of the accrued interest would cause the person hardship. Public exhibition of the proposed amendments is recommended.

Payment arrangements are made in accordance with Council's Debt Recovery Policy. This policy has also been reviewed, with minor changes recommended. The amendments are not considered significant and, therefore, public exhibition is not required. It is recommended that this policy be readopted.

Recommending:

- 1. THAT** the amended Financial Hardship Policy be endorsed for public exhibition for a period of 42 days.
- 2. THAT** a further report be provided to the Council following the conclusion of the public exhibition period, for the purpose of considering any submissions received, and to adopt the amended Financial Hardship Policy.
- 3. THAT** the *Debt Recovery Policy* be readopted by Council.

10.6 Cremorne Plaza and Langley Place: Consultation Outcomes and Preferred Concept

Report of Diana Mejia Project Manager Engineering Infrastructure, and Sam Clark, Community Engagement Specialist

This report provides detail on the outcomes of the community consultation on proposed designs for the upgrade of Cremorne Plaza and Langley Place.

Cremorne Plaza and Langley Place were constructed in the early 2000s and are now considered to be at the end of their functional life.

At its meeting of 12 December 2022, Council endorsed a 90-day public exhibition and consultation period for the Cremorne Plaza and Langley Place concept designs.

The key objective for upgrading these spaces is to create contemporary, inclusive public spaces, which align with the principles of 'Place Making.'

The proposed improvements will enhance the visitor experience through increased soft landscaping and canopy tree cover, which increase activation and encourage outdoor dining to support local businesses.

The outcome of the consultation indicates strong community support for upgrading these spaces, with a preference for Option 2 for Cremorne Plaza and Option 1 for Langley Place. However, Council has developed amended concept designs (Option 2A for Cremorne Plaza and Option 1A for Langley Place) to incorporate community feedback received for both concepts.

Recommending:

- 1. THAT** Council notes the outcome of the community consultation undertaken for the concept designs for Cremorne Plaza and Langley Place.
- 2. THAT** Council endorse the amended concept design Option 1A for Cremorne Plaza to proceed to detailed design and documentation for future construction.
- 3. THAT** Council endorses the amended preferred concept design Option 2A for Langley Place to proceed to detailed design and documentation for future construction.
- 4. THAT** Council notes that funding for the construction of Cremorne Plaza and Langley Place will be sought through future capital works programs or grant funding opportunities as they become available.

10.7 Rejecting all Tenderers for 8/2023 – Supply, Installation, Commissioning, and Maintenance of Gym Equipment

Report of Duncan Rennie, Manager Leisure and Aquatics, North Sydney Olympic Pool
This report recommends the rejection of all tenders received for tender 8-2023 (*Supply, Installation, Commissioning and Maintenance of Gym Equipment*), the cancellation of this tender; with a potential to retender closer to the opening date of North Sydney Olympic Pool (NSOP).

Tender 8/2023 closed on 14 November 2023, with five conforming submissions being received.

The tender was evaluated with no single submission meeting the needs for the NSOP. A subsequent variation to the tender was approved by Council's Procurement Panel. The variation was not issued to the five suppliers due to the extension of the date for Practical Completion.

Due to the Practical Completion date now being extended well into the 2024/25 financial year, it is recommended to reject all submission received and that the tender 8-2023 be cancelled.

Recommending:

- 1. THAT** Council reject all submissions for tender 8-2023 for the Supply, Installation, Commissioning and Maintenance of Gym Equipment for the North Sydney Olympic Pool;
 - 2. THAT** Council cancel the tender 8-2023 for the Supply, Installation, Commissioning and Maintenance of Gym Equipment for the North Sydney Olympic Pool; and
 - 3. THAT** Council note that a new tender for the supply, installation, commissioning, and maintenance of gym equipment be published closer to the completion date of the NSOP.
-

10.8 North Sydney Olympic Pool Redevelopment Project Update

The purpose of this report is to update Council in relation to matters discussed at the Council meeting of 12 February 2024.

The confidential attachment to this report provides further information in relation to matters resolved at the Council meeting of 12 February 2024.

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*
- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege*

It is further noted that release of this information would, on balance, be contrary to the public interest as:

- publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services; and
- it would affect Council's ability to manage legal matters effectively and in the best interests of the community.

Recommending:

1. 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*
- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege*

It is further noted that release of this information would, on balance, be contrary to the public interest as:

- publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services; and
- it would affect Council's ability to manage legal matters effectively and in the best interests of the community.

2. THAT the confidential report and related attachments be treated as confidential and remain confidential unless Council determines otherwise.

2.THAT Council notes that a further update in relation to the redevelopment of the North Sydney Olympic Pool will be reported at the Council meeting of 11 March 2024.

11. NOTICES OF MOTION

Nil

12. Matters of Urgency

Nil

13. CLOSURE
