



MINUTES

The Minutes of the **Council** meeting held at the
Council Chambers, North Sydney
at 6:30pm on Monday 12 February 2024.



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1. Opening Meeting

At the commencement of business (6.33pm) those present were: The Mayor, and Councillors Beregi, Bourke, Gibson, Lamb, Lepouris, Mutton, Santer, Spenceley, and Welch.

The meeting was opened by the Mayor.

Statement of ethical obligations

Councillors are reminded of the oath or affirmation taken upon commencement of office that they will undertake the duties of the office of councillor in the best interests of the people of North Sydney and the North Sydney Council and that they will faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the [Local Government Act 1993](#) or any other Act to the best of their ability and judgment.

Councillors are also reminded of their obligations under the Code of Conduct to disclose and appropriately manage conflicts of interest.

2. Acknowledgement of Country RECOGNITION OF THE CAMMERAYGAL PEOPLE

We respectfully acknowledge the Traditional Custodians of the land and waters of North Sydney local government area, the Cammeraygal people.

The Acknowledgement of Country was read by Councillor Lamb.

3. Apologies and applications for leaves of absence or attendance by audio-visual link by councillors

A Motion was moved by Councillor Santer and seconded by Councillor Lamb:

1. **THAT** Council grant permission for Councillor Beregi to attend remotely for the following reason: travel.
2. **THAT** Council grant permission for Councillor Lepouris to attend remotely for the following reason: travel.

The Motion was put and **carried**.

1. RESOLVED:

1. **THAT** Council grant permission for Councillor Beregi to attend remotely for the following reason: travel.
2. **THAT** Council grant permission for Councillor Lepouris to attend remotely for the following reason: travel.

4. Confirmation of Minutes

The Motion was moved by Councillor Santer and seconded by Councillor Lamb.

The Motion was put and **carried**.

2. RESOLVED:

1. **THAT THE MINUTES** of the Council Meeting held on Monday 11 December 2023 be taken as read and confirmed.

5. Disclosures of Interest

Nil

6. Public Forum

A Motion was moved by Councillor Beregi and seconded by Councillor Lamb

1. **THAT** the Public Forum be opened, and that the following Items be considered as part of the Public Forum:

Item 10.2	Draft Neutral Bay Town Centre Planning Study
Item 10.3	State Government Planning interventions to increase housing density

The Motion was put and **carried**.

3. RESOLVED:

1. **THAT** the Public Forum be opened, and that the following Items be considered as part of the Public Forum:

Item 10.2	Draft Neutral Bay Town Centre Planning Study
Item 10.3	State Government Planning interventions to increase housing density

7. Items Considered by Exception

Nil

8. Mayoral Minutes

8.1. MM01: Cost-shifting to Councils

The pressure on Councils to provide services of a high standard to our communities is now extraordinary.

The unrelenting growth of cost-shifting to Councils, coupled with rate pegging, is increasingly eroding any possibility of financially sustainable local government, and risking the capacity of councils to deliver tailored, grassroots services to their communities, and properly deliver and maintain vital local infrastructure.

Alarming, the latest research commissioned by Local Government NSW shows that the increase in cost-shifting has been accelerated by various NSW Government policies.

As shown in the latest cost-shifting report, \$1.36 billion has been passed on to Councils to fund. This is an increase of \$540 million since the last report from the 2017/2018 financial year and represents lost services, lost opportunity, and lost amenity for all our residents and businesses.

On average, this represents an additional cost of \$460.67 for every ratepayer across the state.

With Councils having to fund this ongoing subsidy for the State Government each and every year, it means our communities get less or go without. They go without better roads, they go without better parks, they go without important community services that only Councils provide, and they and their ratepayers are effectively paying hidden taxes to other levels of government.

Our communities deserve better, and this must stop. Prior to the most recent state election the then Minns Opposition wrote to Local Government NSW acknowledging that cost-shifting had undermined the financial sustainability of the local government sector.

Now in 2024, it is important to Councils and communities that the NSW Government urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision, and appropriate funding.

I therefore recommend:

- 1. THAT** Council receive and note the findings of the Local Government NSW Cost Shifting report for the 2021/2022 financial year.
- 2. THAT** a copy be placed on Council's website so that our communities can access it.
- 3. THAT** Council write to the Premier, the NSW Treasurer and the NSW Minister for Local Government seeking that they urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision, and appropriate funding.

The Motion was moved by The Mayor.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

4. RESOLVED:

- 1. THAT** Council receive and note the findings of the Local Government NSW Cost Shifting report for the 2021/2022 financial year.
- 2. THAT** a copy be placed on Council's website so that our communities can access it.
- 3. THAT** Council write to the Premier, the NSW Treasurer and the NSW Minister for Local Government seeking that they urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision, and appropriate funding.

8.2. MM02: Trees should not die for a view - destruction of trees – correspondence from Lane Cove Council

The North Sydney Local Government Area is no stranger to the wholesale destruction of trees – whether it is the thousands that were removed by the previous State Government for major road projects like the Western Harbour Tunnel/Warringah Freeway Upgrade works, the B-Line bus route, or more recent destruction in bushland reserves designed to improve views.

North Sydney Council has a decades-long commitment to protecting, measuring, and increasing tree canopy and habitat. North Sydney Council pioneered Tree Preservation Orders in the early 1970s, bushcare regeneration, and the planting of street trees. Since then, North Sydney Council was amongst a handful of councils leading the way with an Urban Forest Strategy and careful mapping of urban canopy as well as adopting ambitious targets to increase urban canopy and reduce carbon emissions.

In the late 1970s the *Environmental Planning and Assessment Act 1979* introduced environmental offences and fines for unauthorised tree removal. Tree vandalism is an offence and, if proven, substantial fines (up to \$1.1M) and a criminal conviction may be imposed.

Protection of trees is just good policy. It recognises the environmental, health, social, and economic benefits of a vigorous, extensive urban tree canopy. The benefits are fairly well documented¹ and include:

- mitigation of urban heat island effect – urban heat island effect has been found to increase energy use and anti-social behaviour, reduce thermal comfort and labour

¹ For example, "Putting a dollar value on urban forest benefits", Gobbett, Daryl, Johnson, Tim and Rowe, Kirralie, <https://treenet.org/resource/putting-a-dollar-value-on-urban-forest-benefits/>

productivity. Increased tree canopy can reduce urban heat between 3 and 5 degrees Celsius;

- shading and temperature reduction – increased canopy has been found to reduced air conditioning use and increase energy savings of between 12 kWh and 919 kWh per tree per year;
- improved air quality – increasing the absorption and filtration of particulate matter, oxides and sulphides of nitrogen and other pollutants;
- biodiversity – tree canopy provides habitat;
- stormwater management – increased canopy reduces the volume of water entering into stormwater management infrastructure;
- carbon sequestration; and
- aesthetic/amenity value – studies have found that a 10% increase in tree canopy cover on adjacent public space increased property values by around 1.8% of the median property price.

And yet... trees continue to be destroyed to gain views.

On average, there are four or five tree vandalism incidents per year in our Local Government Area, of low to medium-high severities, including on private property. Over the last 10 years, there have been at least 15 reported instances of tree vandalism in public spaces. Council's investigations have found that the primary reason this happens is for views, particularly when properties change hands.

For example, in late July 2023 there was a serious incident of tree vandalism in the bushland at Forsyth Park which destroyed the last rainforest *Acacia maidenii* (Maidens Wattle) growing in the park.

The felled tree was more than 25 metres tall and the felling decimated a significant area of regenerated bushland, crushing establishing native plants and setting site progress back by at least ten years. The loss of such a significant part of the reserve's remnant canopy will result in further weed intrusion (resulting from increased light levels) and prevents the planned removal of nearby exotic canopy trees.

In response to the incident, Council undertook an investigation documenting the vandalism, writing to, and doorknocking surrounding residents. A \$10,000 reward has been offered for information leading to a successful prosecution. Council also installed a large banner as close to the site of the canopy loss as possible. The sign read: "Trees shouldn't die for a view". The investigation is on-going.

Councils across Sydney struggle to successfully prosecute tree vandals. Our neighbouring councils at Willoughby and Lane Cove have recently suffered significant vandalism.

In August 2023, at Willowie Road, Castle Cove (Willoughby Council) 265 trees were poisoned and 3,600m² of bushland cleared and poisoned.

Mosman Council reports numerous incidents of tree vandalism including the ‘topping’ of Banksia trees on the beachfront at Rosherville Reserve, north of Balmoral Beach with views to Cobblers Bay.

In late November 2023, bushland including 300 trees and endangered ecological communities were illegally destroyed and removed from Woodford Bay, Longueville in the Lane Cove Council area.

On 9 January 2024, Lane Cove Council wrote to us seeking support to collectively lobby the State Government for increased penalties for these types of environmental crimes. A copy of that correspondence is attached.

As recently as early January 2024, residents in Kirribilli identified tree vandals in the act of illegally cutting down a tree on private property and called both the Police and Council to attend the site. The residents acted quickly and collected evidence of the perpetrators including photographs identifying car licence plates. The investigation is on-going.

It is very difficult, if not impossible, to prosecute tree vandals.

I therefore recommend:

- 1. THAT** Council restate its strong commitment to protecting, measuring, and increasing urban tree canopy.
- 2. THAT** Council recognise the impediments to successful prosecution including the difficulty in identifying vandals.
- 3. THAT** Council support Lane Cove and Willoughby City Council’s lobbying of the State Government in relation to tree vandalism and increased penalties.
- 4. THAT** Council write to the Premier, Ministers for Environment and Planning, the Leader of the Opposition, Shadow Ministers for Environment and Planning, and the minor parties to call on the State Government to undertake an urgent review of the tree protection regime including increasing fines, the role of NSW Police in investigation and prosecution of large-scale environmental vandalism, and an education campaign on the value of urban tree canopy to communities.
- 5. THAT** Council call on the State Government to model best practice in all public works projects and design projects to preserve and increase urban tree canopy which is in line with State policy on climate change mitigation and reduction of carbon emissions.
- 6. THAT** Council introduce an awareness campaign for residents to report in-progress acts of vandalism.

The Motion was moved by The Mayor.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

5. RESOLVED:

- 1. THAT** Council restate its strong commitment to protecting, measuring, and increasing urban tree canopy.
- 2. THAT** Council recognise the impediments to successful prosecution including the difficulty in identifying vandals.
- 3. THAT** Council support Lane Cove and Willoughby City Council's lobbying of the State Government in relation to tree vandalism and increased penalties.
- 4. THAT** Council write to the Premier, Ministers for Environment and Planning, the Leader of the Opposition, Shadow Ministers for Environment and Planning, and the minor parties to call on the State Government to undertake an urgent review of the tree protection regime including increasing fines, the role of NSW Police in investigation and prosecution of large-scale environmental vandalism, and an education campaign on the value of urban tree canopy to communities.
- 5. THAT** Council call on the State Government to model best practice in all public works projects and design projects to preserve and increase urban tree canopy which is in line with State policy on climate change mitigation and reduction of carbon emissions.
- 6. THAT** Council introduce an awareness campaign for residents to report in-progress acts of vandalism.

8.3 MM03: Vale Valerie Swift

Valerie Swift, known affectionately as 'Val', was a highly valued, long-time member of the Stanton Library staff.

Val was initially employed in 1979 in the role of secretary to the Library Director. Over the following decades, Val worked in various roles at the Stanton, always demonstrating a passion for the library and the North Sydney community.

Val felt strongly about the library collection and particularly enjoyed working directly with borrowers at the library customer service desk. She is described by her former colleagues as an outstanding and loyal employee, a great influence on staff, and someone to whom others would often go to for advice and counsel.

Val retired from the Stanton Library in 1994 and, sadly, passed away in 2023.

Val's son, Adrian, has generously offered to make a financial donation to the Library, on behalf of the family, in honour of his mother who described her time at the Stanton as some of the happiest days of her life.

It is proposed that the donation be used for the purchase of books and audiovisual items and be acknowledged with a small plaque:

"In memory of Valerie Swift who worked at Stanton Library from 1979 to 1994 and who loved the library, its books, borrowers and staff and whose happiest days were spent on the lending desk."

I therefore recommend:

- 1. THAT** Council agree to accept the donation and write to the Swift family expressing Council's condolences, acknowledgement, and gratitude for Val Swift's service and contribution to the North Sydney community.
- 2.THAT** Council consult with the Swift family to prepare and install a small plaque within the Stanton Library to acknowledge the donation, to be located in an appropriate place as determined by the Library management team.

The Motion was moved by The Mayor.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

6. RESOLVED:

- 1. THAT** Council agree to accept the donation and write to the Swift family expressing Council's condolences, acknowledgement, and gratitude for Val Swift's service and contribution to the North Sydney community.
- 2.THAT** Council consult with the Swift family to prepare and install a small plaque within the Stanton Library to acknowledge the donation, to be located in an appropriate place as determined by the Library management team.

8.4 MM04: Strengthening Council governance and decision-making frameworks

Increasingly we live in a world in which the unscrupulous politics of polarisation, "post-truth" and personal attacks thrive. When lies and misinformation are repeated, the facts and truth are confused and diminished.

Evidence-based decision-making and transparent, accountable governance are now more important than ever.

This current Council has been committed to a professional approach, turning back from a decade of chaos, and returning to a focus on transparency, integrity and good governance with an unrelenting focus on the needs and expectations of our community.

The North Sydney Olympic Pool (NSOP) redevelopment project was **not** on budget in January 2022. Construction contracts had been signed prior to designs being complete, misleading budgets prepared, inadequate project management resources allocated and these were drivers of the circumstances, costs and delays that this Council is now managing.

It is well past time that the former mayor and councillors who supported the poorly conceived, poorly planned and poorly budgeted NSOP project took responsibility for the decisions they made and were accountable for the long-term financial consequences and impacts of those decisions on the North Sydney community.

This current Council was elected in December 2021 and took office in January 2022, more than 9 months after construction on the project commenced and almost 13 months after the rushed construct-only contract was entered into with Icon.

Without any doubt, the current issues are a result of the poor planning and decisions of the previous Council. In fact, that was the conclusion of the independent review reported to Council on 26 April 2023.

A failure of good governance and robust oversight that permitted deficient early planning, the lack of any real community consultation and the flawed decision by the previous Council to rush into a construct-only contract before final construction drawings were provided are at the heart of the delays and additional costs this Council is now having to manage.

It is, therefore, vital that this current Council take every action available to ensure that a future Council will not make decisions that leave a similar mess for their successors to manage and clean up.

So, how did we get here and how do we prevent it from happening again?

The previous Council initially resolved to undertake the much-needed refurbishment of the NSOP within a budget of \$28 million. Loans would not be required to fund a project of that scale.

In September 2018 a “Value Management Workshop” attended by the Design Steering Committee (which included Mayor Jilly Gibson, Cr Drummond and the lessee of the NSOP venues) identified a number of new facilities to be included in the project. This resulted in a budget increase to \$58 million. No community consultation was undertaken on this revised scope that almost doubled the original budget.

It is a matter of public record that I, together with Cr MaryAnn Beregi and former Cr Tony Carr, consistently raised red flags and concerns about the design, scale and cost of the NSOP redevelopment and, particularly the \$30 million in borrowings for the, then, \$63.9 million project.

Indeed, between 2018 and December 2020, we three minority councillors voted against the project on more than 23 occasions. At every major decision milestone we sounded the alarm about insufficient information and planning, the significant risks of the design and scale of the proposal, the lack of a proper budget and business case and the inevitable long term financial impacts of the project.

Over and over again, we unsuccessfully moved motions to introduce a probity adviser and plan, to prevent the closure of the pool, to rescind the resolution to proceed to tender and to enter into the building contract with Icon. We publicly and repeatedly pleaded with the previous Council to reject the tenders, revise the scope of the works and prepare amended plans for the rebuild of the pool within the original \$28 million budget.

We called on the Office of Local Government (OLG) to act and even complained to the Ombudsman seeking an investigation. Our concerns were very public and available.

Our voices were hoarse from calling out the danger of the decision to proceed with insufficient detail and a weak budget.

All to no avail. Instead, in the absence of any conforming tender, the previous Council voted to proceed and, extraordinarily, authorised the (then) General Manager to negotiate directly with the preferred tenderer and enter into a contract for construction-only subject to gaining unanimous consent from a committee comprising the Mayor (Cr Jilly Gibson), the Deputy Mayor (Cr Stephen Barbour) and Cr Ian Mutton in respect to negotiated amendments to the Construction Contract.

It is exceedingly bad governance practice to leave the final terms of a construction contract on a project of this scale to a “sign off” by three councillors from a governing body of 10 councillors.

The lack of any conforming tender was a clear message: the proposed budget was inadequate to build the design.

The construct-only contract with Icon was signed before the provision of “for construction” drawings. The contracted construction budget was artificially and misleadingly low as it did not include essential matters such as the cost of insurance, required works (such as the eastern stairwell), fit-out and insufficient allocation for the costs of project management and design for a project of this scale and complexity.

Failure of external and independent gatekeepers

The OLG Capital Expenditure Guidelines (December 2010) apply to all councils undertaking large scale capital works. Councils are required to comply with the guidelines before committing to a project and commencing construction. Yet, the NSOP project failed to meet many of the requirements of those guidelines including, for example, the proposed project **must** be publicly consulted **prior to making a commitment** to the project (cl 10.7).

This never happened. Our community never had the chance to review the project before Council committed to it. Instead “community consultation” was relegated to the public exhibition of the DA for the project without any of the detailed project costs including a consideration of the “opportunity costs” of committing to the project.

Failure to meet the requirements of the Guidelines did not result in any investigation or intervention by the OLG to prevent Council from proceeding.

The purpose of Council’s Audit, Risk and Improvement Committee (ARIC) is to continuously review and provide independent advice to the Council on how it is functioning and managing risk.

Yet Council’s ARIC (which included independent external as well as councillor membership) met 16 times between March 2018 to December 2021 and not once did they issue any warnings or raise any concerns in relation to the risks of the project, budget, funding arrangements, the scale of proposed borrowings, the governance structure (for example, the project steering group included the lease-holder of the NSOP venues Aqua Dining and Ripples), compliance with the OLG Capital Expenditure Guidelines, the impacts on Council’s long term financial plan.

At every turn the guardrails failed. Intervention by the OLG or Council’s ARIC at any point before decisions were made could have averted the costs and delays this Council is now managing.

The actions of the current Council – 2022 to date

This Council has demonstrated a commitment not only to managing the project to delivery and addressing the long-term financial impacts on council finances in a responsible, open, transparent and accountable way but improving the overall performance and administration of North Sydney Council. To date, this Council has acted to strengthen capacity including:

- recruiting and appointment of the new General Manager;
- reducing management overheads to resource an organisational performance function which is tasked with reviewing the operations of Council, developing and implementing best practice processes and systems;
- strengthening transparency and public participation in Council meetings;
- commissioning an independent review of the NSOP project with the report of the review findings going to Council on 26 April 2023;
- engaging specialist external project managers, programmer and Quantity Surveyor;
- adopting all 33 recommendations of the independent review;
- addressing the \$24m shortfall in the 2023/2024 budget to address the increasing costs of the project; and
- addressing the operational model and preparing a robust business plan for the future operation of the pool.

It is notable that the independent review of the project underscored *the importance of project initiation and planning phases of the project management process in creating a strong foundation for the delivery of the project including, project governance, planning and*

development, feasibility and business case development, procurement strategy, scoping and budget development, and associated decision making.

The failure to undertake early site investigations, particularly of latent conditions of the site, was short sighted and together with the inadequate provision for contingency on a project of this scale and complexity directly contributed to the delays and cost increases.

Significantly, 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.**

The consequences of the failure of early planning and the decisions of the previous Council were inevitable, foreseeable and tie this Council to managing the project to completion and addressing and funding the real costs of the project.

Good governance and decision-making framework

Elected representatives and the organisation more broadly must look unflinchingly at the path taken to this point, learn from it and put strategies and policies in place to make sure it never happens again.

There is a new Minister for Local Government with a commitment to good governance in NSW. The OLG has a new CEO in place and in November 2023 issued new Risk Management and Internal Audit Guidelines to be implemented by all councils by July 2024. This includes new provisions for ARICs.

In January 2024 IPART commenced consultation on the terms of reference for an investigation and report on the financial model for NSW local councils.

This year, under the new leadership of this Council together with the new General Manager and executive leadership team, Council has commenced work on developing and adopting a series of strategies on economic development, arts and culture and social inclusion to guide planning for and delivery of services and projects.

Given the experience of the NSOP redevelopment it is vital that Council also prepare and adopt a rigorous, robust governance and decision-making framework to guide all decisions of Council, no matter how large or small, to ensure transparency, accountability and long-term financial sustainability.

We must act to ensure that such bad governance and decision-making is never repeated.

I therefore recommend:

1.THAT Council prepare, consult on and adopt a Governance and Decision-Making Framework/Strategy as part of the strategic framework being undertaken this year.

2.THAT Council engage with the community, the Office of Local Government, IPART and other external stakeholders to ensure that the Framework/Strategy is best practice and local government sector leading.

3.THAT Council note the new Risk Management and Internal Audit Guidelines issued by the OLG and resolve to immediately reset the external membership of the Audit, Risk and Improvement Committee ahead of the implementing of the guidelines by July 2024.

4.THAT Council inform the community of this resolution.

The Motion was moved by The Mayor.

An Amendment was moved by Councillor Gibson and seconded by Councillor Lepouris:

1. THAT Council prepare, consult on and adopt a Governance and Decision-Making Framework/Strategy as part of the strategic framework being undertaken this year.

2. THAT Council engage with the community, the Office of Local Government, IPART and other external stakeholders to ensure that the Framework/Strategy is best practice and local government sector leading.

3. THAT Council note the new Risk Management and Internal Audit Guidelines issued by the OLG and resolve to immediately reset the external membership of the Audit, Risk and Improvement Committee ahead of the implementing of the guidelines by July 2024.

4. THAT Council inform the community of this resolution.

5. THAT In the light of the current financial crisis, the Mayor take extended leave from her current employment to become a full time Mayor.

The Amendment was put and **Lost**.

Voting was as follows:

For/Against 2/8

For: Councillor Gibson and Councillor Lepouris

Against: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Absent: Nil

The Motion was put and **Carried**.

Voting was as follows:

For/Against 8 / 2

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Councillor Gibson and Councillor Lepouris

Absent: Nil

7. RESOLVED:

1.THAT Council prepare, consult on and adopt a Governance and Decision-Making Framework/Strategy as part of the strategic framework being undertaken this year.

2.THAT Council engage with the community, the Office of Local Government, IPART and other external stakeholders to ensure that the Framework/Strategy is best practice and local government sector leading.

3.THAT Council note the new Risk Management and Internal Audit Guidelines issued by the OLG and resolve to immediately reset the external membership of the Audit, Risk and Improvement Committee ahead of the implementing of the guidelines by July 2024.

4.THAT Council inform the community of this resolution.

PUBLIC FORUM

Councillor Lepouris declared an interest in Item 10.2 and left the meeting at 7.50pm

10.2. Draft Neutral Bay Town Centre Planning Study

AUTHOR: Jing Li, Senior Strategic Planner, and Emma Booth, Team Leader Design

PURPOSE

The purpose of this report is to seek Council's endorsement of the draft Neutral Bay Town Centre Planning Study, and placement of the draft planning study on public exhibition.

On 24 January 2022, Council rescinded the Military Road Corridor Planning Study (MRCPS), noting strong community feedback on the proposed building heights and potential impacts on the centre. Council resolved to further engage with the community and relevant stakeholders to prepare a revised study.

The draft Neutral Bay Town Centre Planning Study (the 'draft planning study') has now been prepared. The same drivers and objectives from the rescinded MRCPS apply, however, a fourth objective was introduced, as resolved by Council to ensure that the scale of growth proposed, has a better balance between development height and the provision of additional public open space compared with the rescinded planning study.

The draft planning study has been informed by detailed community feedback, including the Neutral Bay Alive community consultation group – a new initiative aimed at improving Council's community engagement processes. The study also draws on additional technical advice from both external consultants and Council staff.

The draft planning study outlines planning strategies on four focus areas of placemaking, access, employment, and built form, followed by an implementation plan. It proposes:

- a new Grosvenor Plaza by relocating the Council car park underground;
- a new Rangers Road Plaza by relocating a supermarket underground;
- a new 1,000m² community centre, and upgrade of the existing centre;

- upgraded pedestrian links, solar access provisions; and building setbacks;
- increasing the minimum non-residential floor space (FSR) control from 0.5:1 to 1.2:1;
- increasing the maximum height limit from five storeys to six storeys; and
- a minimum non-residential FSR of 1.5:1, and maximum height limit of eight storeys on key sites.

To achieve a “better balance” between proposed development height and public benefits, detailed built form tests and development feasibility studies were undertaken to reduce the maximum proposed built form heights across the Neutral Bay town centre compared to the rescinded MRCPS while still delivering most of the proposed public benefits. The revised balance means the draft planning study:

- reinstates **30,000m²** of additional employment capacity that was being progressively lost under current controls to preserve the existing town centre’s retail/commercial functions; and
- no increase in overall residential capacity to that currently available under the North Sydney Local Environmental Plan (NSLEP) 2013.

The final study will guide future development and protect existing employment opportunities through managed height increases in the town centre; and deliver much-needed public domain improvements and community facilities.

RECOMMENDATION:

- 1. THAT** Council resolves to endorse the draft Neutral Bay Town Centre Planning Study, as provided in Attachment 1.
- 2. THAT** the draft Neutral Bay Town Centre Planning Study be placed on public exhibition for a period of 28 days.
- 3. THAT** submissions received from public exhibition of the draft Neutral Bay Town Centre Planning Study be reported back to Council with a recommended way forward.

The following people spoke on this item as part of the Public Forum:

- Tim Atkins (Titanium Property, proponent to a Development Application)
- Rick O’Connell (Arcadia)
- Meredith Trevallyn-Jones (Precinct)
- Fiona Gracie (Precinct)

A Motion was moved by Councillor Beregi and moved by Councillor Spenceley:

- 1. THAT** Council resolves to endorse for public exhibition and comment, the draft Neutral Bay Town Centre Planning Study, (from this date forward to be renamed as the Neutral Bay Village Planning Study) as provided in Attachment 1.
- 2. THAT** the draft Neutral Bay Town Centre Planning Study be placed on public exhibition for a period of 35 days and that a community campaign be initiated so that the exhibition is widely known.

3. THAT the submissions received from public exhibition of the draft Neutral Bay Town Centre Planning Study be reported back to Council with a recommended way forward.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 8/ 1

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Councillor Gibson

Absent: Councillor Lepouris

8. RESOLVED:

1. THAT Council resolves to endorse for public exhibition and comment, the draft Neutral Bay Town Centre Planning Study, (from this date forward to be renamed as the Neutral Bay Village Planning Study) as provided in Attachment 1.

2. THAT the draft Neutral Bay Town Centre Planning Study be placed on public exhibition for a period of 35 days and that a community campaign be initiated so that the exhibition is widely known.

3. THAT the submissions received from public exhibition of the draft Neutral Bay Town Centre Planning Study be reported back to Council with a recommended way forward.

Councillor Lepouris returned to the meeting at 8.22pm during Item 10.3

10.3. State Government Planning interventions to increase housing density

AUTHOR: Ben Boyd, Executive Strategic Planner, and Neal McCarry, Acting Manager Strategic Planning

PURPOSE

The purpose of this report is to provide an analysis of the NSW Department of Planning, Housing, and Infrastructure's proposed planning reforms that will introduce overriding planning controls to deliver low to mid-rise housing within the vicinity of existing rail-based stations and commercial town centres, and to seek an endorsement as to the basis of Council's submission.

The NSW Government has committed to an aspirational target to build 377,000 new homes by 2029 in response to the [National Housing Accord](#). Since mid-2023, the NSW Government has been focused on delivering "more" and "affordable" housing. This approach has been progressively expressed through a series of broad policy announcements and media releases. In this context, the NSW Department of Planning and Environment (now Department of Planning, Housing, and Infrastructure – DPHI), released a number of proposals to address this issue in December 2023. In particular, two separate but tandem proposals were released:

- Transport Oriented Development Program; and

- Creation of Low and Mid-rise Housing Explanation of Intended Effect (EIE).

This report focuses primarily on the implications of the Low and Mid-rise Housing EIE. Whilst the overall intent to increase residential densities around rail-based stations and commercial centres is appropriate, the generic blanket approach proposed is not supported. Increasing density should be undertaken with regard to a proper place-based planning process to ensure that all opportunities, constraints, and relevant impacts are considered, including the views of affected communities and to ensure we are delivering great and liveable places.

RECOMMENDATION:

- 1. THAT** Council make a submission to the Department of Planning Housing and Infrastructure based on the information and issues contained within this report. In particular, the submission should strongly object to the progression of the proposal outlined in the EIE, based on the lack of place-based planning undertaken to deliver the desired outcomes.
- 2. THAT** should the State Government seek to progress the proposal outlined in the EIE, that the following matters be objected to and addressed:
 - a. exclude the Town Centre Precincts from applying to the Proposal and subject to a place-based approach similar to the Accelerated Precinct program, or at least the Town Centres that can't be easily identified (i.e., those zoned *E1 Local Centre* and *MU1 Mixed Use*).
 - b. further clarification be provided with regard to measuring of walking catchments.
 - c. object to permitting a 9.5m maximum height limit in the *R2 Low Density Residential* zone to accommodate low-rise housing.
 - d. require different development standards for dual occupancies depending upon whether they are in an attached or detached form.
 - e. object to the permitting of manor houses, terraces and multi dwelling housing within the *R2 Low Density Residential* zone.
 - f. manor houses be defined under the Standard Instrument LEP
 - g. consideration be given to creating a new land use definition to differentiate between the existing definition of manor houses and the proposed definition of manor houses.
 - h. object to the permitting of residential flat buildings and shop-top housing within the *R3 Medium Density Residential* zone.
 - i. the proposed mid-rise housing development controls be excluded from applying to employment zoned land.
 - j. reducing the maximum buildings heights for mid-rise housing.
 - k. remove the FSR controls applying to proposed midrise housing or require that a provision be incorporated which prevents the breaching of either the height or FSR control.
 - l. that maximum parking rates be imposed to low- and mid-rise housing in Station and Town Centre Precincts to ensure that traffic congestion is appropriately managed and encourage the take up of alternative forms of transport to private vehicles.
 - m. the proposal be excluded from applying to Heritage Conservation Areas, and areas subject to hazards identified under the s.9.1 Ministerial Directions.
 - n. that the State Government undertake an immediate review of the State imposed contributions cap on residential development to ensure that councils can continue to deliver local infrastructure to meet future population demand.
 - o. that all proposed variations to the requirements under the Apartment Design Guide be objected to.

- p. that under the proposed mid-rise planning controls, an additional provision be incorporated that mandates the provision of affordable housing in perpetuity at the rate of 2% of all residential dwellings in a new development (or equivalent monetary contribution) if that development is located within 400m of a rail-based station within the Six Cities Regions.
- q. that, consistent with the proposed TOD program, measures be implemented to ensure any approvals granted are acted upon to address pressures on housing supply.

The following people spoke on this item as part of the Public Forum:

- Sarah Kok (local resident)
- Fiona Gracie (local resident)
- Meredith Trevallyn-Jones (local resident)
- Dan Nolan (Zoom)

A Motion was moved by Councillor Beregi and seconded by Councillor Lamb:

1.THAT Council strongly object to the rushed and poorly planned proposed reforms, particularly as exhibited in the Explanation of Intended Effect dated December 2023.

2.THAT Council prepare a submission objecting to the proposals and that the submission be based on the information and issues contained within the report and include the following:

- The blunt one-size fits all approach (with the same controls applying from Newcastle to Wollongong and Greater Sydney) undermines good planning principles and does not address local infrastructure capacity, delivery of utilities and social infrastructure to meet additional population, environmental and heritage impacts geographical differences and local conditions;
- The lack of transparency and rushed community consultation creates uncertainty in the community.
- The lack of place-based planning will fail to deliver the stated desired outcomes to increase affordable housing;
- Call for a proper place-based planning process led by Council with input from the community with reasonable timeframes for delivery.
- Call for publication of housing targets for each of the TOD precincts and local government areas and for the publication of any planning assessment undertaken by the Department in developing the proposed changes.
- Call for release of the (former) Greater Cities Commission draft housing targets which were to be release in September/October 2023.
- Refrain from identifying any E1 centres or MU1 zones as “town centre precincts”.
- Call on the Department of Planning not to proceed with any draft SEPP Instrument until such time as it provides the following:
 1. further clarification be provided with regard to measuring of walking catchments.
 2. Limit maximum height to 8.5m in the R2 Low Density Residential zone to accommodate low-rise housing (and consistent with equivalent development standards in other SEPPs) and do not permit manor houses, terraces and multi dwelling housing within the R2 Low Density Residential zone.

3. Define “manor houses” under the Standard Instrument LEP and create a new land use definition to differentiate between the existing definition of “manor houses” and the proposed definition of manor houses.
4. Require different development standards for dual occupancies depending upon whether they are in an attached or detached form.
5. Exclude residential flat buildings and shop-top housing within the R3 Medium Density Residential zone.
6. Exclude the proposed mid-rise housing development controls from applying to employment zoned land.
7. Reduce the maximum buildings heights for mid-rise housing.
8. Exclude the FSR controls applying to proposed midrise housing or require that a provision be incorporated which prevents the breaching of either the height or FSR control.
9. Impose maximum parking rates to low- and mid-rise housing in Station and Town Centre Precincts to ensure that traffic congestion is appropriately managed and encourage the take up of alternative forms of transport to private vehicles.
10. Exclude Heritage Conservation Areas, and areas subject to hazards identified under the s.9.1 Ministerial Directions.
11. Review and amend the State imposed contributions cap on residential development to ensure that councils can continue to deliver local infrastructure to meet future population demand.
12. No variations to the requirements under the Apartment Design Guide be permitted.
13. Incorporate an additional provision mandating the provision of affordable housing in perpetuity at the rate of at least 2% of all residential dwellings in a new development (or equivalent monetary contribution) if that development is located within 400m of a rail-based station within the Six Cities Regions.
14. Include provisions, consistent with the proposed TOD program, that provide for “use it or lose it” provisions requiring consents to be acted upon to address pressures on housing supply.

3.THAT the submission have regard to the substance of any submissions received from residents prior to 21 February 2024.

4.THAT Council publish the final submission following submission to the Department of Planning.

5.THAT Council send a copy of this resolution and Council's submission to all members of the cross bench and all independent/minor party members.

6.THAT Council submit a GIPA application relating to the Greater Cities Commission Draft housing targets for the North Sydney Local Government Area and for any informing planning assessment reports related to the development of the low and mid-rise housing reforms and the identification of the TOD Precincts.

An Amendment was moved by Councillor Gibson and seconded by Councillor Lepouris:

1. THAT the recommendation be adopted

The Amendment was put and **Lost**.

Voting was as follows:

For/Against 3/7

- For:** Councillor Gibson Councillor Lepouris and Councillor Mutton
- Against:** Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Santer, Councillor Spenceley, and Councillor Welch
- Absent:** Nil

The Motion was put and **Carried**.

Voting was as follows: For/Against 7 / 3

- For:** Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Santer, Councillor Spenceley, and Councillor Welch
- Against:** Councillor Gibson Councillor Lepouris and Councillor Mutton
- Absent:** Nil

9. RESOLVED:

1.THAT Council strongly object to the rushed and poorly planned proposed reforms, particularly as exhibited in the Explanation of Intended Effect dated December 2023.

2.THAT Council prepare a submission objecting to the proposals and that the submission be based on the information and issues contained within the report and include the following:

- The blunt one-size fits all approach (with the same controls applying from Newcastle to Wollongong and Greater Sydney) undermines good planning principles and does not address local infrastructure capacity, delivery of utilities and social infrastructure to meet additional population, environmental and heritage impacts geographical differences and local conditions;
- The lack of transparency and rushed community consultation creates uncertainty in the community.
- The lack of place-based planning will fail to deliver the stated desired outcomes to increase affordable housing;
- Call for a proper place-based planning process led by Council with input from the community with reasonable timeframes for delivery.
- Call for publication of housing targets for each of the TOD precincts and local government areas and for the publication of any planning assessment undertaken by the Department in developing the proposed changes.
- Call for release of the (former) Greater Cities Commission draft housing targets which were to be release in September/October 2023.
- Refrain from identifying any E1 centres or MU1 zones as “town centre precincts”.
- Call on the Department of Planning not to proceed with any draft SEPP Instrument until such time as it provides the following:
 1. 1. further clarification be provided with regard to measuring of walking catchments.

2. Limit maximum height to 8.5m in the R2 Low Density Residential zone to accommodate low-rise housing (and consistent with equivalent development standards in other SEPPs) and do not permit manor houses, terraces and multi dwelling housing within the R2 Low Density Residential zone.
3. Define “manor houses” under the Standard Instrument LEP and create a new land use definition to differentiate between the existing definition of “manor houses” and the proposed definition of manor houses.
4. Require different development standards for dual occupancies depending upon whether they are in an attached or detached form.
5. Exclude residential flat buildings and shop-top housing within the R3 Medium Density Residential zone.
6. Exclude the proposed mid-rise housing development controls from applying to employment zoned land.
7. Reduce the maximum buildings heights for mid-rise housing.
8. Exclude the FSR controls applying to proposed midrise housing or require that a provision be incorporated which prevents the breaching of either the height or FSR control.
9. Impose maximum parking rates to low- and mid-rise housing in Station and Town Centre Precincts to ensure that traffic congestion is appropriately managed and encourage the take up of alternative forms of transport to private vehicles.
10. Exclude Heritage Conservation Areas, and areas subject to hazards identified under the s.9.1 Ministerial Directions.
11. Review and amend the State imposed contributions cap on residential development to ensure that councils can continue to deliver local infrastructure to meet future population demand.
12. No variations to the requirements under the Apartment Design Guide be permitted.
13. Incorporate an additional provision mandating the provision of affordable housing in perpetuity at the rate of at least 2% of all residential dwellings in a new development (or equivalent monetary contribution) if that development is located within 400m of a rail-based station within the Six Cities Regions.
14. Include provisions, consistent with the proposed TOD program, that provide for “use it or lose it” provisions requiring consents to be acted upon to address pressures on housing supply.

3.THAT the submission have regard to the substance of any submissions received from residents prior to 21 February 2024.

4.THAT Council publish the final submission following submission to the Department of Planning.

5.THAT Council send a copy of this resolution and Council's submission to all members of the cross bench and all independent/minor party members.

6.THAT Council submit a GIPA application relating to the Greater Cities Commission Draft housing targets for the North Sydney Local Government Area and for any informing planning assessment reports related to the development of the low and mid-rise housing reforms and the identification of the TOD Precincts.

11.1. Notice of Motion 1/24 - Promotion of CPR Skills in the Community - Cr Welch

- 1. THAT** North Sydney Council run a campaign to encourage the community to learn, or update, their CPR skills.
- 2.THAT** Council help support the running of CPR classes through the local community centres, or other sites.
- 3.THAT** Council look at the feasibility of having defibrillators in our public spaces, such as parks and sporting fields.

BACKGROUND (provided by the submitter)

If a person is unresponsive and not breathing normally, you need to call 000 for emergency help and start CPR straight away.

CPR stands for cardiopulmonary resuscitation. It combines chest compressions and rescue breaths to give a person the best chance of survival following a cardiac arrest. CPR is a life-saving technique, which can sustain life until an ambulance arrives.

According to St John Ambulance: Sudden cardiac arrest is one of Australia's biggest causes of death and disability. It claims the lives of an estimated 22,000 to 33,000 Australians each year.

We all need to know CPR. You never know when it will be required by someone close to you.

The following person spoke on this item as part of the Public Forum:

- Travis Velingos

A Motion was moved by Councillor Welch and seconded by Councillor Beregi

- 1. THAT** North Sydney Council run a campaign to encourage the community to learn, or update, their CPR skills.
- 2.THAT** Council help support the running of CPR classes through the local community centres, or other sites.
- 3.THAT** Council look at the feasibility and cost in a further report of having defibrillators in our public spaces, such as parks and sporting fields and providing CPR training to interested Councillors and staff.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

10. RESOLVED:

- 1. THAT** North Sydney Council run a campaign to encourage the community to learn, or update, their CPR skills.
- 2.THAT** Council help support the running of CPR classes through the local community centres, or other sites.
- 3.THAT** Council look at the feasibility and cost in a further report of having defibrillators in our public spaces, such as parks and sporting fields and providing CPR training to interested Councillors and staff.

9. Reports of Committees

9.1. Environment Reference Group Minutes - 21 November 2023

AUTHOR: Peita Rose, Governance Officer

PURPOSE

The purpose of this report is to inform Council of the proceedings of the Environment Reference Group, and for Council to consider any recommendations from the Reference Group.

This report presents the recommendations of the last meeting of the Environment Reference Group held on 21 November 2023.

There were no recommendations for further actions.

The Minutes are attached for the information of Council.

RECOMMENDATION:

1.THAT the Minutes of the Environment Reference Group dated 21 November 2023 be received.

The Motion was moved by Councillor Gibson and seconded by Councillor Bourke

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

11. RESOLVED:

1. THAT the Minutes of the Environment Reference Group dated 21 November 2023 be received.

9.2. Sport and Recreation Reference Group Minutes - 21 November 2023

AUTHOR: Peita Rose, Governance Officer

PURPOSE

The purpose of this report is to report the proceedings of the Sport and Recreation Reference Group meeting to Council, and for Council to consider any recommendations from the Reference Group.

This report presents the recommendations of the last meeting of the Sport and Recreation Reference Group held on 21 November 2023.

There were no recommendations for further actions at this meeting of the Sport and Recreation Reference Group.

The Minutes are attached for the information of Council.

RECOMMENDATION:

1. THAT the Minutes of the Sport and Recreation Reference Group dated 21 November 2023 be noted and received by Council.

The Motion was moved by Councillor Bourke and seconded by Councillor Mutton

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

12. RESOLVED:

1. THAT the Minutes of the Sport and Recreation Reference Group dated 21 November 2023 be noted and received by Council.

9.3. Sustainable Transport Reference Group Minutes - 5 December 2023

AUTHOR: Peita Rose, Governance Officer

PURPOSE

The purpose of this report is to advise Council of the proceedings of the Sustainable Transport Reference Group meeting.

At its meeting on 5 December 2023, the Sustainable Transport Reference Group workshopped Stage 2 of the West Street Cycleway.

There were no recommendations for further actions.

The minutes of the meeting are attached for the information of Council.

RECOMMENDATION:

1. THAT the Minutes of the Sustainable Transport Reference Group dated 5 December 2023 be received.

The Motion was moved by Councillor Welch and seconded by Councillor Santer

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

13. RESOLVED:

1. THAT the Minutes of the Sustainable Transport Reference Group dated 5 December 2023 be received.

9.4. Waverton Peninsula Working Group Minutes - 5 December 2023

AUTHOR: Peita Rose, Governance Officer

PURPOSE

The purpose of this report is to advise Council of the proceedings of the Waverton Peninsula Working Group meeting held on 5 December 2023.

This report presents the Minutes of the Waverton Peninsula Working Group meeting held on 5 December 2023 for Council adoption.

The following matters were discussed at the Waverton Peninsula Working Group meeting:

- Berrys Bay Masterplan
- Coal Loader Wharf Adaptive Reuse
- Quarantine Depot; and
- Waverton Bowling Club

The minutes of the meeting are attached for information.

RECOMMENDATION:

1. THAT the Minutes of the Waverton Peninsula Working Group meeting of 5 December 2023 be noted.

The Motion was moved by Councillor Santer and seconded by Councillor Lamb

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

14. RESOLVED:

1. THAT the Minutes of the Waverton Peninsula Working Group meeting of 5 December 2023 be noted.

10. Reports to Council

10.1. Matters Outstanding to December 2023

AUTHOR: Ian Curry, Manager Council & Committee Services

PURPOSE

The purpose of this report is to update Council regarding the status of resolutions arising from Mayoral Minutes, Notices of Motion, and Questions Without Notice.

Each month, a report is presented to Council on the status of resolutions arising from Mayoral Minutes, Notices of Motion, and Questions Without Notice.

The attached table has been updated to include resolutions up to the 11 December 2023 Ordinary Meeting of Council.

RECOMMENDATION:

1. THAT the report be received.

The Motion was moved by Councillor Gibson and seconded by Councillor Lamb

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

15. RESOLVED:

1. THAT the report be received.

10.2. Draft Neutral Bay Town Centre Planning Study

This item was considered as part of the Public Forum (see page 16).

10.3. State Government Planning interventions to increase housing density

This item was considered as part of the Public Forum (see page 18).

10.4. Affordable Housing and Heritage Planning - Council Priorities

AUTHOR: Neal McCarry, Acting Manager Strategic Planning

PURPOSE

The purpose of this report is to present to Council the competing strategic planning priorities of significant projects which cannot be pursued comprehensively and concurrently whilst maintaining a level of quality, timeliness, and meaningful stakeholder engagement.

This report presents the projects associated with affordable housing policy and planning, and a comprehensive heritage review, outlines why one should be prioritised over the other, and provides a potential way forward.

At its meeting on 9 October 2023, Council considered a report (Attachment 1) relating to competing planning priorities associated with the preparation of a comprehensive heritage review and pursuing greater levels of affordable housing through the planning system in North Sydney.

That report outlined the resourcing and time challenges of pursuing both these worthwhile and topical projects within existing constraints and wider policy context.

At that meeting, Council resolved to defer consideration of the report's recommendations, until the matter could be more fully discussed at a Councillor briefing. That briefing was conducted on 20 November 2023.

Given the resourcing constraints for a small local government area like North Sydney Council, identifying priorities and resourcing them appropriately, is standard practice. In an increasingly complex planning environment, Council simply cannot embark on all projects that may be desirable or beneficial and complete them in a timely manner and to a high standard.

The report considered on 9 October 2023 discussed the relative priorities of affordable housing and heritage review work and identified that whilst both are important, they cannot be pursued concurrently and effectively within existing resources. It recommended that affordable housing be prioritised ahead of the comprehensive heritage review as a strategic policy priority.

Importantly, at a time when the State Government is actively removing "barriers" (including heritage) to residential growth, pursuing a comprehensive heritage review that may recommend the listing of new heritage items and conservations areas will rely on the State Government to approve the exhibition of such changes. Such significant investment of time, resources, and community expectations is clearly risky in the current policy climate.

This report proposes a compromise in approach which attempts to invest resources into exploring opportunities for affordable housing and housing generally in North Sydney, at the same time as pursuing a modified albeit more modest, heritage review process.

RECOMMENDATION:

1. THAT acknowledging the significant and growing emphasis on housing affordability and its various widespread economic and social impacts, Council note that additional planning resources will be devoted to housing issues in North Sydney with a focus on affordable housing and that the scope of the previously planned comprehensive heritage review, will be significantly reduced.

2. THAT the broad work associated with housing and housing affordability commence immediately and that the comprehensive heritage review not be pursued.

3. THAT in lieu of the comprehensive heritage review, Council pursue a narrower scope review that focusses on matters previously identified by Council staff as anomalous, or that merit new listing and that this scope be controlled to ensure that this work is appropriately resourced.

4. THAT the review outlined in 3 above, commence in late 2024.

5. THAT the North Sydney Local Strategic Planning Statement be amended to give resolution 1 above, effect.

The Motion was moved by Councillor Gibson and seconded by Councillor Beregi.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 9/1

For: Councillor Baker, Councillor Beregi, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Councillor Bourke

Absent: Nil

16. RESOLVED:

1. THAT acknowledging the significant and growing emphasis on housing affordability and its various widespread economic and social impacts, Council note that additional planning resources will be devoted to housing issues in North Sydney with a focus on affordable housing and that the scope of the previously planned comprehensive heritage review, will be significantly reduced.

2. THAT the broad work associated with housing and housing affordability commence immediately and that the comprehensive heritage review not be pursued.

3. THAT in lieu of the comprehensive heritage review, Council pursue a narrower scope review that focusses on matters previously identified by Council staff as anomalous, or that merit new listing and that this scope be controlled to ensure that this work is appropriately resourced.

4. THAT the review outlined in 3 above, commence in late 2024.

5. THAT the North Sydney Local Strategic Planning Statement be amended to give resolution 1 above, effect.

10.5. Investment and Loan Borrowings Report as at 31 December 2023

AUTHOR: Christian Menday, Manager Financial Services

PURPOSE

The purpose of this report is to provide Council with details of the performance of Council's investments and details of loans for the month ending 31 December 2023.

Council's cash and investments total \$159.2 million dollars, including external restrictions of \$86.5 million and internal allocation of \$59.2 million. Council has an unrestricted cash balance of \$13.7 million.

All investments have been made in accordance with the Local Government Act, Regulations, Council's Investment Policy, and the specific conditions of the TCorp Loan Agreement.

For the month of December, the total investment portfolio (Term Deposits, Floating Rate Notes and Bonds) provided a return of +0.32% (actual), or +3.87% p.a. (annualised), marginally under-performing the benchmark AusBond Bank Bill Index return of +0.37% (actual), or +4.43% 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 \$649,000. The total return for the 2023/2024 financial year to date is approximately \$2.7 million. The better-than-expected return is due to the payments for the capital works program progressing slower than expected in the two quarters.

RECOMMENDATION:

1. THAT the report on Investments held on 31 December 2023, prepared in accordance with clause 212 of the Local Government (General) Regulation 2021, and information on Loan Borrowings be received.

The Motion was moved by Councillor Gibson and seconded by Councillor Mutton

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

17. RESOLVED:

1. THAT the report on Investments held on 31 December 2023, prepared in accordance with clause 212 of the Local Government (General) Regulation 2021, and information on Loan Borrowings be received.

10.6. Arts and Cultural Pop-Up Activation of Berrys Bay Quarantine Depot

AUTHOR: Marcelo Occhiuzzi, Director Community, Planning, and Environment

PURPOSE

The purpose of this report is to update Council on the desired temporary activation of the Quarantine Depot cottages at Berrys Bay, with a focus on arts and cultural-type uses.

At its meeting of 28 August 2023, Council resolved to call for ‘Expressions of Interest’ from organisations or groups to apply to lease Cottage One, Cottage Two, or both for the purpose of arts and cultural “pop-up” activation between February and September 2024.

Given that the use of the cottages requires development consent, the investigations into addressing the various requirements of the development assessment process have revealed access issues that need to be addressed prior to consent being able to be issued.

The cottages currently lack Disability Discrimination Act-compliance in terms of their public access arrangements. Council is currently in the process of designing various upgrade works to the cottages and their surroundings, and it is likely that access works will not be completed until late 2024. Given that access to the properties will be required for members of the public, internal advice has indicated that consent can only be granted when such universal access has been satisfactorily created.

Preparation of a development application cannot occur whilst the critical issue of public access is unresolved.

RECOMMENDATION:

1. THAT Council note that the preparation of a development application to activate the Quarantine Depot cottages has been delayed with issues associated with the investigation and design relating to universal access that complies with the Disability Discrimination Act to and around the Quarantine Depot cottages.

The Motion was moved by Councillor Lamb and seconded by Councillor Santer

The Motion was put and **Carried**.

Voting was as follows:

For/Against 10 / 0

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Gibson, Councillor Lamb, Councillor Lepouris, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Nil

Absent: Nil

18. RESOLVED:

1. THAT Council note that the preparation of a development application to activate the Quarantine Depot cottages has been delayed with issues associated with the investigation and design relating to universal access that complies with the Disability Discrimination Act to and around the Quarantine Depot cottages.

10.7. North Sydney Olympic Pool Redevelopment - Project Update

AUTHOR: Gary Parsons, Director Open Space and Infrastructure

PURPOSE

The purpose of this report is to provide an update on the redevelopment of North Sydney Olympic Pool, including expected increases in cost and further time delays.

Construction work on the North Sydney Olympic Pool is delayed due to design and construction issues that have been encountered with the structural steel roof framing over the 25m indoor pool, resulting in the disassembly of this work.

The extent of the delay is currently being assessed and it is anticipated that this will be reported to the next meeting of the Council, however it is estimated the delay could extend completion of construction to late 2024/early 2025.

The current construction contract value is \$63.13m, which includes approved construction contract variations of \$9.6m.

Considerable progress has been made in assessing outstanding claims following the engagement of additional project management and specialist consultants, with 70 outstanding claims now having been assessed for claims between March 2021 and December 2023.

While considerable progress has been made, a high quantum of variations and extensions of time remain to be agreed and both parties are working within the provisions of the contract to resolve these matters.

Confirmation of final project forecasts continues, as outstanding claims continue to be resolved, however it is expected a further \$20M will be required this fiscal year.

Given Council's current financial position, loan funding will be required.

RECOMMENDATION:

1. THAT the meeting be closed to the public in accordance with Section 10A(2) (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.

(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege and because consideration of the matter in open Council would be, on balance, contrary to the public interest as 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.

3. THAT Council notes the contents of this report, which provides an update in relation to the North Sydney Olympic Pool redevelopment project.

4. THAT Council provides notification to the Office of Local Government (OLG) of the expected cost increases in accordance with OLG Capital Expenditure Guidelines.

5. **THAT** Council increase the project budget by \$20M to be funded from additional loan borrowings.
6. **THAT** Council delegate authority to the General Manager to negotiate and execute a loan agreement for \$20M based upon a 20-year loan term.
7. **THAT** in accordance with Section 230 of The Local Government (General) Regulation, the General Manager notify the Office of Local Government of the approved borrowing.

A Motion was moved by Councillor Welch and seconded by Councillor Spenceley:

1. **THAT** Council move in to Closed Session to consider this item.

The Motion was put and **Carried**.

Voting was as follows:

For/Against 8/2

For: Councillor Baker, Councillor Beregi, Councillor Bourke, Councillor Lamb, Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Councillor Gibson, Councillor Lepouris

Absent: Nil

19. RESOLVED:

1. **THAT** Council move in to Closed Session to consider this item.

The meeting moved in to Closed Session at 9.26pm.

The meeting was adjourned at 9.27pm and resumed at 9.32pm in Closed Session.

Open Council resumed at 9.54pm.

The Mayor advised that Council had made the following resolution in Closed Session:

20. RESOLVED:

1. **THAT** the meeting be closed to the public in accordance with Section 10A(2) (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.

(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege and because consideration of the matter in open Council would be, on balance, contrary to the public interest as 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.

3. THAT Council notes the contents of this report, which provides an update in relation to the North Sydney Olympic Pool redevelopment project.

4. THAT Council provides notification to the Office of Local Government (OLG) of the expected cost increases in accordance with OLG Capital Expenditure Guidelines.

5. THAT Council increase the project budget by \$20M to be funded from additional loan borrowings.

6. THAT Council delegate authority to the General Manager to negotiate and execute a loan agreement for \$20M based upon a 20-year loan term.

7. THAT in accordance with Section 230 of The Local Government (General) Regulation, the General Manager notify the Office of Local Government of the approved borrowing.

8. THAT Council delegate authority to the General Manager to negotiate and enter a Settlement Deed and contract changes for the construction contract entered on 18 January 2021 with ICON SI (Aust) Pty Ltd in accordance with the recommendation contained within the confidential report (including the negotiated financial position as at 31 January 2024)

9. THAT an update report be provided to Council's meeting of 26 February 2024.

Voting was as follows:

For/Against 8/2

For: Councillor Baker, Councillor Beregi, Councillor Bourke, , Councillor Lamb, , Councillor Mutton, Councillor Santer, Councillor Spenceley, and Councillor Welch

Against: Councillor Gibson, (Councillor Lepouris did not vote on this Motion)

Absent: Nil

11. Notices of Motion

This item was considered as part of the Public Forum (see page 18).

12. Matters of Urgency

Nil.

13. Closure

The meeting closed at 9.55pm.