



**17 NOVEMBER 2003**

**Meeting No 1399**

**MINUTES** of an Extraordinary Meeting of the Council of the City of Sydney held in the Council Chamber at the Sydney Town Hall, commencing at 5.10pm on 17 November 2003 pursuant to Notice 24/1399 dated 13 November 2003.

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**PRESENT**

The Right Hon The Lord Mayor Councillor Lucy Turnbull  
(Chair)

Councillors - Dixie Coulton, Kathryn Greiner, Robert Ho and Fabian Marsden.

At the commencement of business at 5.10 those present were:-

The Lord Mayor, Councillors Coulton, Greiner, Ho and Marsden.

The General Manager, General Counsel, Director Corporate Services, Director City Development and Projects and Director Asset Management and Compliance were also present.

**Apology**

Councillor Nick Farr-Jones extended his apologies for his inability to attend the Extraordinary Meeting of Council due to business commitments.

Moved by Councillor Greiner, seconded by the Chair (the Lord Mayor) -

That the apology from Councillor Farr-Jones be received and leave of absence from the meeting be granted.

Carried.

**ITEM 1. KINGS CROSS PARTNERSHIP AND NEW YEAR'S EVE LIVE SITES**

FILE NO:

DATE: 14/11/03

**MEMORANDUM BY THE GENERAL MANAGER****PURPOSE**

1. To seek approval for a 3 year package of initiatives to assist business and community revitalisation of the Kings Cross precinct.
2. To seek approval for funding for two new events for New Year's Eve in Glebe and Kings Cross.

**BACKGROUND**

3. On 8 May 2003, the City's boundaries were extended to include Kings Cross and Glebe.

**Kings Cross Initiatives**

4. The City is undertaking an upgrade of the Darlinghurst precinct in Kings Cross involving the street, footpaths and awnings.
5. The Kings Cross precinct, particularly the retail/business sector, is in need of revitalisation.
6. The City has been approached by the Kings Cross Partnership Inc., the major business organisation in the precinct, to support a range of proposals including Farmers Markets, retail and tourism marketing strategies and shopfront design improvement. Details of the Kings Cross Partnership Inc. are set out in Attachment A.

**New Year's Eve**

7. The City presents New Year's Eve celebrations in the City each year, concentrating on the CBD and Harbour foreshore.
8. The Council has committed to the presentation of New Year's Eve Celebrations for 2003, 2004 and 2005.

**PROPOSAL****Kings Cross Initiatives**

9. It is proposed that the City enters into a 3 year commitment for the following initiatives to revitalise the Kings Cross precinct to include:

- (a) Facilitating the establishment and operation of a monthly Saturday market in Fitzroy Gardens, primarily a Farmers' Market, but open to other activities. The City's support will be for an initial period of 12 months following which all aspects of the market's operation, including funding, will be reviewed. The initial total sponsorship will be \$101,000 (including \$21,000 VIK) which constitutes 12 months seed funding. These markets will commence in 2004.
- (b) Providing annual sponsorship of \$30,000 pa. (including VIK) towards an annual food and wine festival each year for 3 years commencing in 2004. This is similar to the level of sponsorship for the Sydney Food and Wine Fair produced by the Aids Council.
- (c) Developing an annual Christmas event (\$27,200) and decorations (\$25,000) in the Cross to a total value of \$52,200 pa. for 3 years commencing in 2003.
- (d) Sponsoring the Kings Cross Arts Festival, produced by the Kings Cross Art Guild, to a value of \$30,000 pa. for 3 years commencing in 2003.
- (e) Hosting a website for the Kings Cross Partnership for 3 years, to a total value of \$1,300 pa. commencing in 2004.
- (f) Establishing a marketing and advertising program for the Kings Cross retail and business precinct in conjunction with the City's successful Sydney City Marketing Program. The program will be implemented by the City in consultation with the Kings Cross Partnership utilising existing resources supporting the SCM program. The City will provide \$50,000 in seed funding for the 2003/2004 financial year, followed by up to \$50,000 in matching funds in the subsequent two financial years.
- (g) Providing a range of venues to the Kings Cross Partnership to assist in fundraising activities to a total VIK value of \$5,000 pa.

### **New Year's Eve Events**

10. It is proposed that the City develop two new events for its new communities for New Year's Eve celebrations:
  - (a) A range of roving entertainment, children's rides and vending to support the crowds who watch the New Year's Eve fireworks from Embarkation Park. This will include toilets, security and a possible road closure at the northern end of Victoria St. The cost of this event is \$22,500.
  - (b) A two day, low-key Live Site at Federal Park in Glebe, consisting of a large screen broadcasting the fireworks and other entertainment on 31 December and 1 January; entertainment on a stage built for the event, vending and children's activities, supported by security, toilets, etc. The cost of this event is \$72,800.

**OPTIONS**

11. To approve the package of initiatives for Kings Cross.
12. To vary the package of initiatives for Kings Cross.
13. To approve the new events for New Year's Eve in Glebe and Kings Cross.
14. To vary the new events for New Year's Eve in Glebe and Kings Cross.

**CRITICAL DATES**

15. 1 December 2003 to implement the new events for New Year's Eve.

**POLICY IMPLICATIONS**

16. Not applicable.

**FINANCIAL IMPLICATIONS/FUNDING CERTIFICATES**

17. The costs of these initiatives are outlined below.

	2003/2004	2004/2005	2005/2006
Farmer's markets	101,000		
Food & Wine Fair sponsorship	30,000	30,000	30,000
Christmas event and decorations	*52,200	52,200	52,200
Kings Cross Arts Festival sponsorship	*30,000	30,000	30,000
Hosting Kings Cross Partnership website	*1,300	1,300	1,300
Retail & business marketing program	*50,000	**50,000	**50,000
Venues in kind	5,000	5,000	5,000
New Year's Eve event in Kings Cross	22,500		
<b>Subtotal for Kings Cross</b>	<b>292,000</b>	<b>168,500</b>	<b>168,500</b>
New Year's Eve event in Glebe	72,800		
<b>Total</b>	<b>364,800</b>	<b>168,500</b>	<b>168,500</b>

\*These costs are within existing budgets.

\*\*Matching funds.

Any costs for this financial year which are not contained in existing budgets will be funded through the General Manager's Contingency.

**ECONOMIC/SOCIAL/ENVIRONMENTAL IMPACTS**

18. The initiatives outlined in this report, particularly those to revitalise the Kings Cross precinct, will provide positive economic and social benefits for the Kings Cross and surrounding communities.

## **CONSULTATION**

19. The City has consulted with many stakeholders in Kings Cross and Glebe, including the Kings Cross Partnership, the police in both areas, and the City's Place Managers.

## **RELEVANT LEGISLATION**

20. Not applicable.

## **CONCLUSION**

21. The Kings Cross initiatives will be of significant benefit to the business and broader Kings Cross community.
22. Together with the New Year's Eve events, these initiatives express a positive new relationship between the City of Sydney and the constituents of its expanded local government areas.
23. It is recommended that Council support both packages for a 3 year period.

## **RECOMMENDATION:**

That arising from consideration of a Memorandum by the General Manager to the Extraordinary Meeting of Council on 17 November 2003, in relation to Kings Cross Partnership and New Year's Eve Live Sites, it be resolved that:

- (A) Council approve the proposed 3 year package of initiatives for Kings Cross;
- (B) Council approve the proposed New Year's Eve events in Kings Cross and Glebe for 3 years;
- (C) the General Manager, in consultation with the Lord Mayor, do all things necessary to implement Council's decision;
- (D) Council's attorney be authorised to execute all necessary documentation.

(SGD) ROBERT DOMM  
General Manager

Moved by the Chair (the Lord Mayor), seconded by Councillor Ho -

That arising from consideration of a Memorandum by the General Manager to the Extraordinary Meeting of Council on 17 November 2003, in relation to Kings Cross Partnership and New Year's Eve Live Sites, it be resolved that:

- (A) Council approve a three year package of initiatives for Kings Cross, as follows:
- (i) facilitating the establishment and operation of a monthly Farmers Market in Fitzroy Gardens (in accordance with paragraph 9(a) of the subject Memorandum) to a maximum of \$101,000;
  - (ii) providing \$30,000 in annual sponsorship (including value in kind) towards an annual food and wine festival each year, for three years, commencing in 2004;
  - (iii) developing an annual Christmas event and decorations in Kings Cross to a maximum total value of \$50,000;
  - (iv) supporting an annual Kings Cross arts festival to a value of \$30,000 per annum;
  - (v) hosting a website for the Kings Cross Partnership for three years, to a total value of \$1,300 per annum, commencing in 2004;
  - (vi) establishing a marketing and advertising program for the Kings Cross retail and business precinct, to be implemented in consultation with the Kings Cross Partnership. The City will provide \$50,000 in seed funding for the 2003/2004 financial year, followed by up to \$50,000 in matching funds in the subsequent two financial years;
  - (vii) providing a range of venues to the Kings Cross Partnership to assist in fundraising activities to a total value in kind of \$5,000 per annum.
- (B) Council approve the proposed New Year's Eve events in Kings Cross and Glebe for three years, following a traffic management study;
- (C) the General Manager, in consultation with the Lord Mayor, do all things necessary to implement Council's decision;
- (D) Council's attorney be authorised to execute all necessary documentation;
- (E) the General Manager report to Council by August 2004 on the progress of the initiatives described in the subject Memorandum.

The motion was carried on the following show of hands -

Ayes (4) The Chair (the Lord Mayor), Councillors Greiner, Ho and Marsden

Noes (1) Councillor Coulton

Motion carried.

**ITEM 2. INVESTMENTS HELD BY COUNCIL AS AT 31 OCTOBER 2003 (S02-0960)**

Moved by Councillor Coulton, seconded by Councillor Greiner -

That arising from consideration of a report by the Senior Accounting Officer (Creditors) to the Extraordinary Meeting of Council on 17 November 2003, on Investments Held by Council as at 31 October 2003, it be resolved that the subject report be received and noted.

Carried.

**ITEM 3. CLASSIFICATION OF LAND (U01 – 00799 AND S06 – 03169/3)**

Moved by Councillor Greiner, seconded by Councillor Coulton -

That arising from consideration of a report by the Manager Property Strategy to the Extraordinary Meeting of Council on 17 November 2003, on the Classification of Land at 60-70 William Street East Sydney and the lands at the KENS site, known as Lots 3 and 5 in Deposited Plan 1054157, it be resolved that the above lands each be classified as operational land.

Carried.

**Order of Business**

In accordance with Clause 12(2) of the Local Government (Meetings) Regulation 1999, Council resolved that the order of business be altered such that Item 5 be brought forward and dealt with before Item 4.

**ITEM 5: INVESTIGATION INTO SOUTH SYDNEY CITY COUNCIL  
INVESTMENT PROPERTIES**

FILE NO:

DATE: 14/11/03

**MINUTE BY THE LORD MAYOR**To Council:

At the request of the Minister for Local Government, the Hon Tony Kelly MP, the Department of Local Government has undertaken an investigation under section 430 of the Local Government Act 1993 in relation to whether the removal of the eight investment properties from South Sydney City Council would have such a detrimental effect on the revenue of South Sydney Council that it could not continue to function.

The investigation has now been completed, and the Department of Local Government has provided the City of Sydney with a copy of the report, which is attached. (Attachment A)

The primary finding of the report is that the transfer of the properties to the City of Sydney would not have such a detrimental effect on the revenue of South Sydney Council that it could not continue to function.

The poor financial performance of South Sydney Council is a result of their poor management and unwillingness to address inefficiencies.

The report states that:

South Sydney City Council's financial management techniques are quite limited. It does not have a clear financial strategy, nor has it demonstrated a commitment to long term financial planning. Importantly, it has not provided any clear financial assessment to support the [South Sydney] General Manager's claim that the loss of the eight investment properties would make the council financially unviable. (p.23)

To remove assets and income that rightly belong to the residents and ratepayers of the City of Sydney in order to prop up South Sydney Council's inefficiencies is wrong.

South Sydney Council is viable. The report confirms this. In order to provide proper services to their residents and ratepayers, they simply need to address their own inefficiencies and management deficiencies, rather than rely on assets that belong to another community.

The report recommends that seven of the eight properties be transferred to the City of Sydney. This is a tremendous win for our residents and ratepayers. It will mean their assets will be able to be used for their benefit, rather than to subsidise South Sydney's poor management practices.

RECOMMENDATION:

That arising from consideration of a Minute by the Lord Mayor to the Extraordinary Meeting of Council on 17 November 2003, it be resolved that:

- (A) Council receive and note the report;
- (B) authority be delegated to the General Manager to advise the Minister that:
  - (i) the City considers that all 8 of the properties should be transferred to the City without qualification or restriction;
  - (ii) notwithstanding this view, to avoid ongoing delays which entail unnecessary costs to the community, the City is prepared to accept the recommendation of the report.

(SGD) COUNCILLOR LUCY TURNBULL

Lord Mayor

Moved by the Chair (the Lord Mayor), seconded by Councillor Greiner -

That arising from consideration of a Minute by the Lord Mayor to the Extraordinary Meeting of Council on 17 November 2003, on Investigation into South Sydney City Council Investment Properties, it be resolved that:

- (A) Council receive and note the report pursuant to Section 430 of the Local Government Act 1993;
- (B) authority be delegated to the General Manager to advise the Minister for Local Government that:
  - (i) the City considers that all eight of the properties should be transferred to the City without qualification or restriction;
  - (ii) notwithstanding this view, to avoid ongoing delays which entail unnecessary costs to the community, the City is prepared to accept the recommendation of the report

Carried unanimously.

**Closed Meeting**

At 5.45pm the Extraordinary Meeting of Council resolved -

That, due notice of the intention to close the meeting having been given, the meeting be closed in accordance with the provisions of Section 10A(2)(d)(i) of the Local Government Act 1993 to discuss Item 4 on the agenda as this matter comprised discussion of commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it;

and it was further resolved that the meeting be closed for this item on the basis that discussion of this matter in open session would, on balance, be contrary to the public interest, specifically, there is a need to preserve confidentiality having regard to the subject matter and the circumstances of communications.

Item 4 was then dealt with by the Extraordinary Meeting of Council while the meeting was closed to the public.

**ITEM 4. DARLINGHURST ROAD STREETScape UPGRADE PROJECT - TENDER FOR BUILDING CONTRACTOR (5-485-PBP)**

Moved by the Chair (the Lord Mayor), seconded by Councillor Ho -

That arising from consideration of a report by the Senior Project Manager, City Development and Projects to the Extraordinary Meeting of Council on 17 November 2003, on Darlinghurst Road Streetscape Upgrade Project - Appointment of Building Contractor, it be resolved that:

- (A) Council reject all tenders;
- (B) Council decline to invite fresh tenders in light of the number of tenders received, as it is doubtful that a new tender with the same specification would attract additional tenders or achieve a greater cost savings for Council, and accordingly a satisfactory result would not be achieved by inviting fresh tenders;
- (C) authority be delegated to the General Manager to negotiate with the lowest three tenderers identified in paragraph 13(a) of the subject report;
- (D) Council reduce the scope of works and recover costs as described in paragraph 16 of the subject report;
- (E) Council increase funding to the project by the sum noted in paragraph 16 of the subject report;
- (F) authority be delegated to the General Manager, with the concurrence of the Lord Mayor, to enter into a contract for the works as discussed in the subject report;
- (G) Council's attorney be authorised to execute all necessary documentation.

Carried unanimously.

Monday 17 November 2003

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At 6.00pm the meeting concluded.

Chair of a meeting of the Council of the City  
of Sydney held on 15 December 2003 at which  
meeting the signature herein was subscribed.