

Resolution of Council

8 April 2024

Item 13.7

Ending Council Grants and Relationships with the Star Casino

The original motion was moved by Councillor Ellsmore, seconded by Councillor Scott.

It is resolved that:

(A) Council note that:

- (i) The Star casino in Pyrmont continues to operate, under a special manager, with a suspended licence, following the 2022 inquiry into money laundering and counter-terrorism issues;
- (ii) after failing to adequately address the problems identified by the 2022 inquiry, The Star casino is now subject to a second inquiry by the NSW Independent Casino Commission into its operations;
- (iii) in the last month, The Star casino's Chief Executive Officer, Chief Financial Officer, Head of Customer Service, and Chief of Staff have resigned;
- (iv) the City of Sydney has granted funding to the Western Harbour Business Improvement District (now renamed to the New Sydney Waterfront Co) including:
 - (a) 40,000 for a knowledge exchange grant in 2021 to explore and develop the Business Improvement District model; and
 - (b) 50,000 for an Innovation and Ideas Grant in 2023 to undertake a "Research and Feasibility project to develop an Environmental, Social and Governance (ESG) vision for the Western Sydney Harbourfront Precinct; and
- (v) the New Sydney Waterfront Co's current board members are ICC Sydney, Lendlease, Markham, Mirvac, Sydney Fish Market, The GPT Group, The Star, UTS, Accor, Business Sydney, Crown and Powerhouse. Many other businesses and organisations are members including Business in the Peninsula (Pyrmont,

Ultimo and Darling Harbour) (formerly Pyrmont Ultimo Chamber of Commerce) and Walsh Bay Precinct Association;

(B) Council also note:

- (i) the Western Harbour Business Improvement District / New Sydney Waterfront Co was the first 'Business Improvement District' (or BID) in NSW;
- (ii) it was established in January 2021 with \$450,000 in seed funding from the NSW Government and \$40,000 from the City of Sydney;
- (iii) the NSW Government has recently renamed the Business Improvement District program the Community Improvement District (or CID) program, although the model remains essentially the same;
- (iv) the NSW Government is currently undertaking consultation on legislation to formalise Community Improvement Districts (CIDs);
- (v) the City of Sydney has made a submission objecting to the NSW Government's draft exposure bill on CIDs. The bill proposes that businesses and other organisations who form a CID will be able to compulsorily tax or levy other businesses in a local area, to deliver 'improvements' or 'services', including some activities which would otherwise be the responsibility of the local or State Government;
- (vi) issues with the bill outlined in the City of Sydney's submission include a lack of transparency on resourcing and governance of the proposed CID Regulatory Authority, insufficient level of detail required for a proposal to set up a CID, incorrect assumptions on responsibility for ballot process and property owner lists, a flawed model based on additional compulsory taxes (the CID levy); exclusion of non-landowning businesses or residents in a CID entity; and the misleading renaming of the program; and
- (vii) the City of Sydney's submission opposes the bill in its current form, and recommends it does not go ahead, noting that ... "the legislation presents too many pragmatic challenges that have not been considered, with the likely outcome being that the legislation will either not deliver on the intent and/or will have unintended negative consequences";

(C) Council agree that:

- (i) given the findings of the NSW Independent Casino Commission's Inquiry and the failure to implement changes in a timely manner, The Star casino is not an appropriate organisation to receive or benefit from Council funding;
- (ii) the City's existing Corporate Sponsorship Policy, Investment Policy and Grants and Sponsorship Policy, ensure the City does not support entities who entice people into financial over-commitment, derive their principal source of revenue from gambling activities, and produce, promote or distribute products or services likely to be harmful to the community;
- (iii) local community groups, organisations and events, including Christmas in Pyrmont, Sustainable Destination Partnership, Business in the Peninsula and the Pyrmont Food and Wine Festival are supported by The Star, many of which the City is also involved in. Should the City withdraw its involvement or support of these groups, it could put their operation and events at risk;

- (iv) the City's Chief Executive Officer is currently a member of the New Sydney Waterfront Co's Government Liaison Group, alongside Placemaking NSW, and NSW Department of Enterprise, Investment and Trade. The City also participates in various working groups associated with the New Sydney Waterfront Co including the Precinct Liaison Group, Data Analytics Group and Precinct marketing group; and
 - (v) should the City withdraw its involvement in the New Sydney Waterfront Co, we will lose the ability to help shape the future of an important part of our local area. Importantly, we will also miss the opportunity to support our local business community and ensure that community issues are considered during these processes; and
- (D) the Chief Executive Officer be requested to:
- (i) provide advice to Council:
 - (a) detailing any grants and other Council funding allocations (including program support) to The Star casino;
 - (c) outlining any other governance groups the City of Sydney is involved in alongside The Star casino other than the New Sydney Waterfront Co; and
 - (d) outlining amendments that could be made to Council policies, program and grant guidelines to bring this decision into effect; and
 - (ii) write to the Chair of the New Sydney Waterfront Co expressing Council's concerns about The Star casino's membership on the Board while a second independent inquiry is underway into the operations of the casino.

The amended motion was carried on the following show of hands –

Ayes (7) The Chair (the Lord Mayor), Councillors Chan, Davis, Kok, Scott, Weldon and Worling

Noes (3) Councillors Ellsmore, Gannon and Jarrett.

Amended motion carried.

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