

Item 7.

Land Classification - Customs House, 31 Alfred Street, Sydney

File No: X009118

Summary

On 28 March 2019, the City of Sydney acquired the freehold interest in Customs House, 31 Alfred Street, Sydney, from the Department of Finance acting on behalf of the Commonwealth of Australia. The acquisition of this iconic asset ensures that it remains in public ownership, whilst balancing its community and commercial usage.

The Local Government Act 1993 requires Council to classify land within three months of the date of acquisition.

On 19 November 2018, Council resolved to publicly notify for a minimum period of 28 days a proposed resolution to classify the land as operational.

The application of an operational classification will enable Customs House to continue to deliver its cultural and community services, whilst maintaining an income through commercial / retail leases.

The proposed resolution to classify the land was publicly notified in The Sydney Morning Herald on 4 April 2019 for an extended period of 37 days due to public holidays. Submissions closed on 10 May 2019. As of the date of this report, no submissions have been received.

This report recommends that Council resolve to classify the land as operational.

Recommendation

It is resolved that Council classify Customs House, 31 Alfred Street, Sydney, being the whole of the land contained in Lot 23 Section 103 of Deposited Plan 984172, as Operational land in accordance with section 31 of the Local Government Act 1993.

Attachments

Nil.

Background

1. On 19 November 2018, Council resolved to acquire Customs House, 31 Alfred Street, Sydney. The City settled the acquisition of the property on 28 March 2019.
2. Under the Local Government Act 1993, all Council-owned land must be classified as either community land or operational land within three months of the date of acquisition. Community classification is intended to support the management of recreational open space and reserves.
3. Customs House operates in a commercial capacity, facilitating both commercial and retail leases, whilst supporting community services in the form of:
 - City model;
 - exhibitions;
 - library; and
 - venue for hire (Barnett Long Room).
4. An application of a community land classification to 31 Alfred Street, Sydney, would be inconsistent with its use and would prevent the City from continuing to undertake commercial transactions.
5. The operational land classification will enable the asset to be utilised and managed more effectively, whilst still providing community and cultural services. A community classification would require a significant write-down in the value of the asset affecting the City's financial position.

Relevant Legislation

6. Section 25 of the Local Government Act 1993 requires all public land to be classified as either community or operational land.
7. Section 31 of the Local Government Act 1993 requires Council to classify newly acquired land as operational or community land within three months from the date of acquisition of the land. The following sections of the Local Government Act 1993 are relevant:
 - (a) section 31(2) permits Council to resolve to classify land prior to acquisition or within three months following acquisition; and
 - (b) section 34 requires the proposed resolution to classify be publicly notified and made available for inspection by the public for a period of 28 days.

Critical Dates / Time Frames

8. The proposed resolution was publicly notified for 37 days. The additional nine days were beyond the minimum 28 period, providing allowance for the public holiday period.

Public Notification

9. The proposed resolution was publicly notified in the Sydney Morning Herald on 4 April 2019.
10. No submissions were received.

AMIT CHANAN

Director City Projects and Property

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