

Item 13.7**Notices of Motion****Ending Council Grants and Relationships with the Star Casino**

By Councillor Ellsmore

It is resolved that:

- (A) Council note that:
- (i) The Star casino in Pyrmont continues to operate 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 substantial funding to the Western Harbour Business Improvement District (now renamed to the New Sydney Waterfront Co), of which The Star casino was a founding member and board member, and of which both The Star casino and Crown casino are currently active and prominent members; and
 - (v) Council funding includes:
 - (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 2022 to undertake a "Research and Feasibility project to develop an Environmental, Social and Governance (ESG) vision for the Western Sydney Harbourfront Precinct;
- (B) Council also note that:
- (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 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 includes 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 addition 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) The Star casino is not an appropriate organisation to receive or benefit from Council funding;
 - (ii) The Star casino is not an appropriate organisation for the City of Sydney to partner with or otherwise support; and
 - (iii) in the future the City of Sydney Council will not provide funding or other forms of support to the New Sydney Waterfront Co, the Western Harbour Business Improvement District or future iterations, or any other organisations of which The Star casino is a governing member or key beneficiary; 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 and related entities, as well as to organisations in which The Star casino is involved in the governance or is a beneficiary;
 - (b) about opportunities or obligations by Council to end any current funding arrangements with the New Sydney Waterfront Co (and its iterations) and The Star casino, and to recoup previous funding, including on the basis of unethical behaviour and/ or risks related to potential criminal activity;
 - (c) outlining any and all consultation bodies or governance groups the City of Sydney is involved in alongside The Star casino; and
 - (d) outlining amendments that could be made to Council policies, program and grant guidelines to bring this decision into effect; and
 - (ii) withdraw the City of Sydney Council from involvement in bodies or governance groups of which The Star Casino is a leading or prominent member.