

ITEM 7. REDFERN OVAL - LICENCE AGREEMENT WITH THE SOUTH SYDNEY RABBITOHS**FILE NO: 5264950****SUMMARY**

Redfern Park is being redeveloped to substantially upgrade the historic passive park area, to provide an attractive open quality playing field accessible to the public, a low rise grandstand containing amenities and change rooms (including space for the Rabbitohs), a kiosk/café and meeting room designed to meet the Council's environmental targets.

The South Sydney District Rugby League Football Club (Rabbitohs) has played or trained rugby league at Redfern Oval since the club was founded in 1908.

In 2006, Council adopted the Redfern Park Plan of Management which committed to entering into a Licence Agreement with the Rabbitohs for the use of Redfern Oval and its associated facilities for the purposes of training for rugby league football and up to eight pre-season or exhibition matches.

It is proposed that the Rabbitohs return to Redfern Oval once completed under a formal licence agreement for a period of 20 years (2x10).

There will also be provision for passive and active community use of the field and facilities as designated public space. Bookings and access will be managed by Council.

The proposed Licence is required to be advertised for public comment for a period of 28 days in accordance with the Local Government Act 1993 before being considered for approval by Council. It is also proposed that Council now enter into an Agreement to Grant Licence containing provisions for the statutory process to be completed prior to a Licence being granted.

RECOMMENDATION

It is resolved that:

- (A) approval be given to the advertising of a proposed Licence Agreement between the South Sydney District Rugby League Football Club (Rabbitohs) and Council for the use of Redfern Oval and specific designated facilities for a period of 20 years (2x10) in accordance with the requirements of the Local Government Act 1993; and
- (B) Council enter into a contract being an Agreement to Grant Licence with the Rabbitohs, with the key terms being as set out in paragraphs 6, 19 and 20 of the subject report, noting that the Agreement contains conditions precedent that require the completion of statutory process before a licence may be entered into.

ATTACHMENTS

Attachment A: Redfern Oval – Proposed Licensed Areas

BACKGROUND

1. The South Sydney District Rugby League Football Club (Rabbitohs) has played or trained rugby league at Redfern Oval since the club was founded in 1908.
2. In 2006, the Rabbitohs relocated their training activities to Erskineville Oval on a shared basis with the South Sydney Junior Football Club until the Redfern Oval upgrade is completed.
3. Council resolved at its meeting of 15 May 2006 that the new facility at Redfern Oval will remain the spiritual home of the Souths NRL Football Club and will also be available for use by other levels of football such as junior and school sport, including the South Sydney Junior Football Club.
4. Council adopted the Redfern Park Plan of Management on 23 October 2006, which stated (p28) that Council could grant "License for the purposes of providing the South Sydney District Rugby League Football Club (Rabbitohs) training venue" and "Licence to play eight pre-season/exhibition Rabbitohs fixtures per calendar year".
5. The Rabbitohs have asked Council to formalise their use of the facility through a Licence Agreement, which will commence following the completion of works, estimated to be in July 2008.

KEY IMPLICATIONS

Licence Agreement

6. It is proposed to establish a Licence Agreement with the Rabbitohs for their use of Redfern Oval. Key terms of the Licence will be:
 - (a) A Term of 20 years similar to that given to the South Sydney District Cricket Club for the use of Alan Davidson Oval.
 - (b) Exclusive use of a dedicated area within the grandstand comprising change rooms, toilets, gymnasium, store room, offices and physio room (the "Club Rooms") as outlined in Attachment A.
 - (c) Use of the public amenities and public areas.
 - (d) Priority use of the playing field for 10 hours per week during the pre-season and 20 hours per week during the competition season. This will be dependent upon field condition and independent field carrying capacity reports and will be principally confined to Mondays to Fridays.
 - (e) Annual Licence fees to be paid by South Sydney Rabbitohs.
 - (f) Agreement that the City will manage all bookings for Redfern Oval.
 - (g) Agreement that the City will provide all maintenance to the facility (except for the "Club Rooms") and field as it sees fit to comply with terms of the Licence Agreement.
 - (h) Agreement that the Rabbitohs will provide all necessary cleaning, waste management, maintenance and outgoings to the "Club Rooms" shown in Attachment A.

- (i) The Rabbitohs being responsible for the fit-out of the "Club Rooms".
 - (j) Licence fees being paid monthly in advance and Council holding a Bank Guarantee for three (3) months of the "Club Rooms" fee.
7. In order to formalise the process, Council's solicitors have recommended that Council and the Rabbitohs enter into an Agreement to Grant Licence defining the process and the setting of the statutory processes as conditions precedent before a Licence can be issued. It is recommended that Council enter into this Agreement.

Management and Maintenance arrangements

8. Under the Licence Agreement the City will provide all management and maintenance services for Redfern Oval.
9. On 11 December 2006, Council approved the development application for the redevelopment of Redfern Oval and Park. A contract was approved to undertake the works in April 2007 at a cost of \$21M. The works commenced in June 2007 and are due to be completed in mid-2008.
10. The City will provide coordination between user groups, manage the conditions of the Licence Agreement, oversee the field maintenance regime, manage the cleaning, waste and general maintenance program.
11. The City will manage and maintain the field at the required service quality level commensurate with terms of the Licence Agreement in conjunction with independent field condition reports from a qualified specialist in the field.

Community Access

12. Under the proposed arrangements, the City will manage the booking process for the use of Redfern Oval and its facilities, and ensure community use dependant upon field condition.
13. The Rabbitohs have expressed commitment to work in with community use of the facility in accordance with their usage terms within the Licence Agreement.

Facility Upgrade

14. Council is redeveloping Redfern Oval into a first class sporting field with contemporary amenities and facilities for football and community usage. These works also include upgrading the important historic Redfern Park.
15. Facilities include:
- (a) new grandstand, change rooms, toilets and amenities;
 - (b) first class sporting field including major annual renovation to maintain field condition;
 - (c) new conference/meeting rooms;
 - (d) café area; and
 - (e) sporting equipment store rooms.

FINANCIAL IMPLICATIONS**Maintenance and Outgoings**

16. Maintenance costs for the facility are being prepared by staff based on advice from the ground designers.
17. These will be based on industry standard service levels for this type of facility. Services covered include turf management, outdoor area cleaning, graffiti removal, waste collection and disposal, daily opening and closing.
18. Outgoings for the facility will include sports field lighting, minor water usage and electricity use.

Licence Fees

19. It is proposed that there be two separate licence fees. The first (Fee 1) is a fee for the "Club Rooms" area within the grandstand. This fee is proposed at \$50,000 per annum escalating at 4% per annum, based on Council's valuation advice.
20. The second fee (Fee 2) will be for use of the ground and is to be set at one-third of the agreed estimate for maintenance costs and outgoings in the first year. The one-third provision is based on the shared arrangements for other football use (Souths Juniors) and public usage.
21. It is proposed that Fee 2 be reviewed by Council, in consultation with the Rabbitohs, after the first 12 months to ensure that maintenance costs and outgoings are being adequately covered.

RELEVANT LEGISLATION

22. Local Government Act 1993.
23. Redfern Park Plan of Management.

CRITICAL DATES / TIME FRAMES

24. The Rabbitohs are currently using Erskineville Oval for training purposes. The rebuilding of Redfern Oval and Park is programmed for completion in mid-2008.
25. The Licence Agreement needs to be finalised as soon as possible in order to confirm usage arrangements and community access.

OPTIONS**Licence Agreement**

26. Formalising the Licence Agreement with the South Sydney Rabbitohs is the preferred option, as it provides certainty for the Council and the Club to provide a first class training venue for its players whilst providing a contributory revenue stream for the ongoing maintenance of the facility.
27. It also provides a quality sporting venue and recreation and meeting facilities for the community. It is also consistent with Council's Plan of Management for Redfern Park.

PUBLIC CONSULTATION

28. Local residents have been advised of the proposed Licence Agreement through the Redfern Park Plan of Management community consultation process.
29. Further consultation will occur through the advertising of the Licence Agreement proposal as required by Section 47 of the Local Government Act. It should be noted that, if any objections are received in relation to the proposed Licence Agreement, the consent of the Minister for Lands will also be required.

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