



**Lane Cove  
Council**

# Late Agenda Ordinary Council Meeting 21 May 2026, 7:00 PM

Council will commence consideration of  
all business paper agenda items at 7.00 pm.

- 0 MAYORAL MINUTES**
  - L.1 MAYORAL MINUTE - CONTRIBUTION OF JACKY BARKER TO THE LANE COVE AREA ..... 3**
  
- 0 OFFICE OF THE GENERAL MANAGER REPORTS**
  - L.1 GALUWA RECREATION CENTRE - FINALISATION AND EXECUTION OF FOOD, BEVERAGE, AND EVENT(S) LEASE ..... 5**

**Item No:** L.1  
**Subject:** Mayoral Minute - Contribution of Jacky Barker to the Lane Cove area  
**Record No:** SU62 - 36788/26  
**Division:** Lane Cove Council  
**Author(s):** Councillor Merri Southwood

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#### **PURPOSE**

To acknowledge and thank Jacky Barker for her contribution to the Lane Cove community.

#### **RECOMMENDATION**

That Council:

1. acknowledge the contribution of Jacky Barker to the life of Lane Cove and her commitment to the role of local independent journalism in keeping our community informed.
2. write to thank Jacky for her role in providing Lane Cove residents with a platform to express their views, for promoting the commercial life of Lane Cove and for fostering community connection through the promotion of events and volunteer opportunities.

## **BACKGROUND**

After a professional life as a lawyer, Jacky Barker decided to change direction and start up a local blog *In the Cove*, that is now a multi-platform media company with the Lane Cove community at its core.

Jacky never seemed to stop – it was difficult to work out when she slept. She popped up everywhere. She was often first with news of power outages, burst Sydney Water pipes, traffic signal failures and, more recently, bus cancellations.

She was on to the opening of every new business in Lane Cove.

But Jacky was more than a reporter of burst pipes and small business.

Her in depth analysis of projects – her recent data centre pieces being one of many - were excellent.

And Jacky still found time to be one of the driving forces behind the Toy Library.

All the while, ITC Chat provided, and will continue to provide, community members with a voice, with Jacky exercising quiet oversight when things got a little heated.

Jacky has twice been acknowledged through Council's Citizenship Awards. Jacky received a 2012 Leadership Award while *In the Cove* was awarded the 2021 Outstanding Business of the Year (Community Connections).

Jacky Barker has contributed significantly to the engaged, cohesive community of Lane Cove.

I hope that you will join me in thanking Jacky for her contribution to the life of our community and congratulate her on her role as a promoter of local independent journalism.

<https://inthecove.com.au/2026/05/02/what-would-lane-cove-look-like-without-in-the-cove/>

<https://inthecove.com.au/2013/03/17/why-did-you-start-in-the-cove/>

Councillor Merri Southwood  
**Councillor**

## **ATTACHMENTS:**

There are no supporting documents for this report.

**Ordinary Council Meeting 21 May 2026**  
**GALUWA RECREATION CENTRE - FINALISATION AND EXECUTION OF FOOD, BEVERAGE,  
AND EVENT(S) LEASE**

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**Item No:** L.1  
**Subject:** Galuwa Recreation Centre - Finalisation and Execution of Food, Beverage, and Event(s) Lease  
**Record No:** SU10714 - 35946/26  
**Division:** Office of the General Manager  
**Author(s):** David Stevens

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## **PURPOSE**

To seek endorsement from Council to the finalisation and execution of the Galuwa Food, Beverage, and Events (**FB&E**) Service(s) Head and Sub Lease(s) with Sydney Sports Management Group (**SSMG**) and Lusso Kitchen (**Lusso**) respectively. The FB&E Service(s) Lease is the final component for Council's delivery of the Galuwa Recreation Centre to our community.

There are timing issues related to the matter, and it is for this reason the report as been tabled in accordance with clause 3.23 of the Code of Meeting Practice as a an 'urgent matter'.

## **EXECUTIVE SUMMARY**

- Lease negotiations have reached a mature stage that includes criticality around timing of document(s) execution.
- Council, SSMG, and Lusso (**the Parties**) have proceeded to this point in good faith under the framework of a Heads of Agreement (**HoA**).
- In so doing, SSMG and Lusso have each made a considerable financial undertaking over and above their respective capital contributions to fit out as negotiated under the FB&E Head and Sub Lease(s).
- Council, via its three (3) procurement stages have exhausted FB&E Operator interest.
- The Head Lessee requests the right to extend (via an option) after the initial term of 7 years for a further 5 years and may only do so (accepted by Council), in the absence of financial and / or operational non-performance per the Head Lease.
- This matter was not expressly considered at the time Council considered the matter at the November 2025 Council meeting where it resolved in part to 'delegate authority to the General Manager to execute the variation to the GRC Facility Operation and Management lease and FB&E Services Operation and Management lease'. Accordingly, this report provides an update on negotiations and seeks agreement for the inclusion of a new clause in the draft lease.
- The proposed lease term is consistent with other commercial leases of Lane Cove Council and is aligned with commercial and retail leasing practice.
- The report recommends adoption of the recommendation.

**RECOMMENDATION**

That Council:

1. delegate authority to the General Manager to do all things necessary to enter the FB&E Head Lease with SSMG under the proposed terms including the introduction of clause 29.
2. in so doing, approve same for the FB&E Sub Lease for execution by SSMG and Lusso.

## **BACKGROUND**

Council went to market via an Expression of Interest (**EOI**) and Select Request for Tender (**RfT**) to procure Food, Beverage, and Events Management Services in February 2025 and April 2025 respectively. Council's Tender Evaluation Panel rejected all tenders (two submissions) and issued a Request for Commercial Arrangements (**RfCA**) in September 2025 to three (3) short-listed operators (including Lusso who were ultimately awarded the "contract"). The RfCA was an abbreviated (and robust) procurement process in lieu of FB&E Operator and Specialty Leasing Agent feedback to the RfT that included "Key Assumptions" (eg SSMG capital contribution, rent, and the original term of 10 + 10 years) plus the Evaluation Criteria.

In accordance with Resolution 259/25 from the November 2025 Ordinary Meeting, SSMG's Letter of Intent was accepted and Lusso Kitchen were endorsed as the preferred FB&E operator. The capital contribution as offered by SSMG was integral to progressing FB&E Services. The quantum of SSMG's capital contribution was determined to recover their FB&E investment at a rate of return (annual rent) that was commensurate with market rent and, financially sustainable for Lusso as Sub Lessee for the 7 + 5-year term.

Consequently, a variation to 7 + 5 years for the Facility Management and Operation (**FMO**) and FB&E Services Lease(s) were concurrently and publicly exhibited for 28 days with no submissions received.

Council, SSMG, and Lusso executed a Heads of Agreement on 15 January 2026 that, whilst not legally binding, created a commercial framework in which the Parties could proceed to finalise operator responsibilities, key performance indicators, plus the Lease and Sub Lease. Central to negotiations is SSMG's capital contribution to fit out, and Lusso Kitchen's financial commitment for the purchase of furniture, loose fittings, and consultant engagement for design and house services. Further, and in lieu of the current geo-political environment that has prompted pricing pressures, SSMG have placed a deposit on kitchen plant and equipment to secure future purchases.

## **DISCUSSION**

The Galuwa Food, Beverage, and Events (FB&E) lease negotiations have reached a mature stage that includes criticality around timing. SSMG are making a significant capital contribution to fit out the back and front of house elements to deliver on the FB&E Service(s) and during negotiations they requested a "break cost" at 7 years (**initial term**) should they not survive the initial term. This request was rejected by Council, as it was inconsistent with the terms considered by Council when determining the matter in November 2025.

In response SSMG now seeks the right to call on the 5-year option pending Council's contractual satisfaction of their financial and service(s) performance during the initial term. Such a request represents standard commercial and retail leasing practice and is aligned with Council's other commercial leases on foot.

Specifically, there are two (2) immediate matters for Council consideration:

1. Clause 29 "Option for Renewal"

Operatively, "the Lessor will grant, and the Lessee will accept" pending specific contractual conditions being met (at Clause 29.2) by the Lessee:

- (a) has paid the Rent and any other monies due and payable to the Lessor on the due date for payment; and

- (b) has complied with, and met, all agreed Key Performance Indicators (KPI's); and
- (c) maintained operational standards and service levels as specified in the Specifications; and
- (d) is not in unremedied breach of any of its obligations under this Lease of which it has received notice from the Lessor (and which has not been waived by the Lessor).

Unlike a scenario where there are sequential (executed) leases for identical terms, the above provides for offer and acceptance, and therefore, from the Lessor's (Council) perspective acts as a gatekeeper to extension such that an option may only be granted (and accepted) if all the above conditions have been met. Council's "control" is securitised by the tenant's obligation to perform to the extent that, they may only extend for a further 5 years upon satisfaction (to Council) of contractual performance under the Lease.

Council engaged Specialty Leasing Agents (Precinct Retail and I.B. Property) to participate in all three (3) stages of the FB&E Service(s) procurement process. They have advised that in their experience, neither Agent has finalised a lease in the Hospitality Sector for a term and quantum of investment before Council, where the "right to extend" has not been in favour of the Lessee. In all instances, and similarly to Clause 29 as described above, the Lessee may only extend with Lessor's approval pending contractual performance (financial and / or operational) being met.

## 2. Criticality of Timing for Execution

SSMG and Lusso have jointly spent significant funds to contract a lead design consultant, engage Council's base-build consultants for a Peer (Design) Review, and place a deposit with their supplier to secure the future purchase of capital plant and equipment to fit out the kitchen and cool / keg room.

Geo-political tension has led to an environment of cost pressure and delivery delays for the relevant kitchen and refrigeration equipment required to fit out. SSMG and Lusso identified a reliable (local) supplier with the required plant and equipment inventory held onshore to avoid the logistical challenges associated with international shipping at this time.

Having paid the initial deposit, SSMG and Lusso are now required to pay the next instalment of 45%, which they cannot do without the contractual comfort of an executed Head and Sub Lease. Further, from a banking perspective additional finance (funds) cannot be released for the same reason. Considering this Report being tabled at the Ordinary Meeting, the plant and equipment supplier has extended the payment date to 5pm 22 May 2026 as an act of goodwill.

All negotiations, design development, contractor / consultant engagement, and procurement have been undertaken in the appropriate commercial spirit under the auspices of an executed HoA. Without an executed lease, the Parties are presented with the considerable risk that all the collaboration and efforts described, may amount only to the reputational damage of not delivering on FB&E Service(s).

### **Key matters for consideration**

Having negotiated terms with SSMG, there is a significant risk that that non-acceptance by Council of the Lessee's request under Clause 29 would be a "deal-breaker". Coupled with the imminence of payment terms for the plant and equipment to fit out, the two (2) matters combined make a compelling case for Council to finalise contractual negotiations for execution with haste.

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AND EVENT(S) LEASE**

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Whilst the above points are important, it is incumbent on Council to take a wider and balanced approach in its deliberation to finalise the FB&E Lease and Sub Lease. Such consideration should include:

1. The Lessee's right to extend / renew barring contractual non-performance is commonplace in commercial and retail leases where the tenant makes a significant capital contribution.
2. Such a right is consistent with Council's commercial leases on foot (eg Aldi, Coles, Region Group, and The Canopy restaurants).
3. Council's "control" is securitised by the tenant's obligation to perform to the extent that, they may only extend upon satisfaction (to Council) of contractual performance under the Lease (financial and / or performance default).
4. The Head Lessee and Sub Lessee are committing all capital to fit out back and front of house.
5. The Head Lessee has granted the Sub Lessee the right to extend / renew with same terms.
6. The Head Lessee withdrew its request for a break fee after the initial term (if not entitled to extend for a further 5 years).
7. The Head and Sub Lessee manage all financial and operational risk
8. The Parties share reputational risk.
9. The Parties are jointly (and contractually) motivated by the sustainably successful delivery of FB&E and Service(s).
10. Council exhausted market interest / opportunities via the EOI, RfT, and RfCA process(es) to procure an FB&E Services Operator.
11. Council does not have capital to contribute; any re-deployment of unrestricted reserves would come at an intangible but meaningful social cost to the extent that other projects or programs are deferred and / or do not occur.
12. If Council was to borrow the equivalent of SSMG's capital contribution for fit out, the Principal and Interest repayments would exceed the agreed upon rent paid by Lusso to SSMG.
13. A successful FB&E Operation is value-add to Galuwa as a whole. On the assumption of sustainable financial and community viability, SSMG's financial position as Lessee (FMO) and debtor to Council, is only strengthened.
14. SSMG and Lusso Kitchen are committed to their respective capital contributions despite the current high inflationary environment. Should costs escalate (strong evidence to hand suggesting this is already the case), the Parties will jointly absorb.

Considering the above matters, it is recommended that council endorse the inclusion of clause 29 in the Galuwa Food, Beverage and Events Lease.

Details of the proposed lease have been separately and confidentially been provided to Councillors.

### **FINANCIAL CONSIDERATIONS**

There are no financial impacts to Council arising from the finalisation of the lease in the proposed terms. Non-acceptance of the variation would pose significant financial risk to Council.

## **GOVERNANCE AND RISK CONSIDERATIONS**

Should the Parties fail to agree on the inclusion of Clause 29 as it stands, no other capital investor nor FB&E Operator will be available in the foreseeable future. In such a scenario, Council faces considerable reputational risk in not being able to deliver upon its FB&E Service(s) commitment. From a financial risk perspective through the lens of Galuwa Recreation Centre in its entirety, a reduction in activation of the site (in the absence of FB&E Services) may have operating revenue impacts for SSMG as FMO Lessee.

## **ENVIRONMENTAL CONSIDERATIONS**

The subject of this report has no environmental implications for Council.

## **SOCIAL CONSIDERATIONS**

The recommendations in this report will have positive social outcomes for the community through the opportunity of fully activating the Galuwa Recreation Centre to include the critical and final component of FB&E Service(s). Community Groups, Sporting Clubs and Associations, and Schools were central to Council's stakeholder engagement activities each of whom, expressed a strong desire for Event capability at the site. Further, noting more than 30,000 visitors are attending Galuwa each month, FB&E Service(s) should be viewed as integral to sustainable growth whilst simultaneously delivering the convenience and amenity commensurate with a sport and recreation facility of this caliber.

## **TIMING**

Council has, in the absence of its own funding capacity, identified a capital (fit out) contribution plus an established and well-credentialed FB&E Service(s) Operator to deliver on Council's vision for an "exceptional casual dining and events experience". The current program estimates for completion of the FB&E fit out works is September 2026. There is a significant risk that should the Parties not agree upon the inclusion of Clause 29, both SSMG and Lusso will cease negotiations on the Head and Sub Lease. Council should proceed to Lease(s) execution without delay.

## **LINK TO STRATEGY**

This report relates to the Community Strategic Plan Outcome/s and Goal/s:

- 3 Our Society - An Inclusive, interconnected, active and resilient community
  - 3.1 Community Connections
    - 3.1.1 Maximise the participation of all community members in community life
    - 3.1.2 Focus community funding on projects that encourage diverse community interaction and social cohesion

Louise Kerr  
**General Manager**  
**Office of the General Manager**

## **ATTACHMENTS:**

There are no supporting documents for this report.