

## 9.6. North Sydney Olympic Pool Redevelopment Project Update

<b>AUTHOR</b>	Gary Parsons, Director Open Space & Infrastructure
<b>ENDORSED BY</b>	Therese Cole, Chief Executive Officer
<b>ATTACHMENTS</b>	1. CONFIDENTIAL - NSOP Redevelopment Report 23 March 2026 [9.6.1 - 8 pages]
<b>CSP LINK</b>	<p><b>Outcome 3 – An active community with space for everyone to exercise and enjoy the outdoors</b> O3. Provide new and upgraded facilities within existing public spaces to increase amenity, accessibility and diversity</p> <p><b>Outcome 4 – A connected LGA where safe, active and sustainable travel is preferred</b> T1. Deliver infrastructure and programs that support healthy and active travel</p>

### PURPOSE:

The purpose of this report is to provide Council with an update on the North Sydney Olympic Pool Redevelopment Project.

### EXECUTIVE SUMMARY:

- Construction works are now substantially complete, with the contractor (Icon) focused on final testing, commissioning, and rectification of remaining defects to progress toward the issuance of an Occupation Certificate, Practical Completion, and handover to Council.
- A design/construction issue affecting the seawater intake pumps has delayed commissioning of the 50-metre pool's top-up water system. These pumps are expected to be operational by the end of March 2026, which is the final outstanding requirement for the issuance Occupation Certificate.
- Although the contractual Practical Completion date remains 19 July 2024, Icon has not yet applied for Practical Completion. Based on current commissioning challenges with seawater intake pumps, Practical Completion is now anticipated in mid-April 2026.
- The overall project remains within the \$122M forecast budget; however, variations, with a submitted value of \$10.89M are still to be resolved.
- Operational readiness is well advanced, including staff onboarding, program finalisation, procurement of equipment and furnishings, and the development of a 12-week marketing campaign, which will commence following Practical Completion.

### RECOMMENDATION:

**1. THAT** the meeting be closed to the public in accordance with Section 10A of the Local Government Act:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.

**2. THAT** the confidential report and related attachments be treated as confidential and remain confidential unless Council determines otherwise.

**3. THAT** Council note the contents of this report in relation to the redevelopment of the North Sydney Olympic Pool.

**4. THAT** Council authorise the Chief Executive Officer to extend key consultants on the North Sydney Olympic Pool redevelopment into April 2026 as required, using the "extenuating circumstances" provisions under s55(3)(i) of the Local Government Act (1993).

**5. THAT** Council authorise the extension of Council's Works Insurance Policy for the redevelopment of the North Sydney Olympic Pool into April 2026 as required.

**6. THAT** Council note that extensions of key consultants and insurances on the North Sydney Olympic Pool redevelopment will be reported to the Council meeting on 27 April 2026.

## **Background**

Construction for the redevelopment of North Sydney Olympic Pool commenced on 9 March 2021. The project scope included the construction of a grandstand seating for 970 people, a 50m outdoor pool, a family leisure pool with splash play, change facilities, gym, creche, a 25m indoor pool, a warm water pool, spa, sauna facilities, steam room, café and retail shop. The redevelopment also included the reconstruction of the former 'Ripples Cafe' on Olympic Boulevard.

The last formal report in relation to this project was provided to Council on 23 February 2026.

## **Report**

### Onsite Progress

All construction works across the facility are now substantially complete. Council's Contractor (Icon) is now focused on the testing, commissioning to achieve an Occupation Certificate, in addition to the rectification of defects for Practical Completion and handover of the facility to Council.

A design/construction issue is preventing commissioning of the sea water intake pumps that provides top-up water to the 50m pool. The Occupation Certificate (OC) requires acoustic testing of these pumps to ensure they operate within the overall operating acoustic restrictions for the facility. It is anticipated that these pumps will be commissioned by the end of March 2026, enabling the issuance of the Occupation Certificate.

The Superintendent and Icon are working concurrently on the review of documentation such as test results, as-built drawings, warranties, and operating manuals to assist with expediting Practical Completion and the handover of the facility to Council.

Final defects inspections of particular sections of the building, which require Council fitout, such as the gym and office areas, have also commenced in anticipation of Practical Completion and handover.

### Contract

The revised contractual date for Practical Completion (PC) for the project remains the 19 July 2024. There are no Extension of Time Claims currently under review and the Superintendent has certified Liquidated Damages to the end of December 2025.

A definitive date for actual PC is undetermined as Icon is unable to apply for PC until OC is achieved. Given the current issues with the seawater intake pumps, PC is now anticipated to be mid-April 2026.

The project has been the subject of 2,183 Requests for Information (RFIs). No further RFIs have been submitted since the last report to Council and there are no RFIs outstanding. No further RFIs are anticipated given the advanced stage of the project.

There are 1104 quality matters which remain outstanding. These matters are either, open and being worked on (144), ready for inspection (606), or in dispute (354). 267 matters have now been closed. It is anticipated that outstanding quality matters will now reduce as consultants commence final inspections and sign-off of rectified defects.

Prioritisation is being given to the rectification and sign-off of those items that are critical to the opening of the building, noting that Icon have 12 months to rectify defects that the Superintendent has deemed to be minor omissions and defects that will not unreasonably affect the use of the facility.

Icon have now submitted 834 Variation Claims over the course of the project. The status of outstanding and or unresolved variation claims as of 6 February 2026 is as follows.

<b>Category</b>	<b>No.</b>	<b>Submitted Value</b>	<b>Assessed Value</b>
Variations assessed but not agreed.	106	\$5,906,791	\$1,753,565
Variations under assessment	11	\$4,551,699	TBC
Forecast variations to be submitted	19	\$ 431,000	TBC
<b>Total</b>		<b>\$10,889,490</b>	

It should be noted that the “Submitted Value” noted in the table above is the value of the variation claimed by Icon and the maximum amount that could be paid, not necessarily the amount that will be agreed or paid by Council. Further details in relation to outstanding or unresolved variations are included within the confidential attachment of this report.

The revised construction contract sum as of the 28 February 2026 is \$93.6m, which is the current amount agreed to be paid to Icon.

#### Extension of Consultants and Insurances

At its meeting of 23 February 2026, Council resolved to authorise the Chief Executive Officer authorisation is sought for Council’s Chief Executive Officer to extend consultancies on the project into March 2026 as required, using the “extenuating circumstances” provisions under s55(3)(i) of the Local Government Act.

Agreements with key consultants were extended into March 2026, with services now delivered on an hourly-rate basis rather than under fixed-sum arrangements, which was required during construction.

As Practical Completion is now unlikely to be achieved before the end of March 2026, further extensions to consultancy agreements will be required into April 2026 to finalise outstanding matters. Authorisation is therefore sought for the Chief Executive Officer to extend these agreements into April, noting that all associated costs are expected to remain within budget.

At its meeting on the 23 February 2026, Council resolved to extend Works Insurance for the project into March 2026 due to the delay in Practical Completion. Insurance cover was

subsequently extended at a cost of \$68,521.82(Excl GST). Given the uncertainty around Practical Completion this will need to be extended into April 2026.

### Total Project Costs

The total project costs remain within forecast costs to completion of \$122m budget developed in February 2024, which was developed with an anticipated date for project completion of December 2024. Whilst project expenditure currently remains within budget, there are a significant number of variations that are either under assessment or that have not been agreed unresolved or yet to be submitted as noted previously in this report. These variations, together with required extension of insurance, will place pressure on the allocated budget for this project.

### Legal Matters

Legal proceedings between Council and Brewster Hjorth Architects, and between Icon and Council, are currently with the NSW Supreme Court. These proceedings will have no impact onsite progress, Practical Completion and handover of the facility to Council.

### Operational Readiness

Council's Leisure and Aquatic team continue to be involved in handover and training activities, including filtration and water treatment, electrical, mechanical, Audio Visual, CCTV and access control. It is anticipated these activities will continue until Practical Completion.

The public exhibition of the NSOP Fees and Charges has ended, and the outcome of this consultation will be subject of a separate report to Council.

Finalisation of all programs and services to be offered through NSOP are mostly complete, providing clarity on what will be available across the Gym Services, Aquatic Programs, and Customer Service areas of the venue from opening.

Procurement for IT equipment, loose furniture & fittings, and gym equipment are complete, and waiting formal handover of the facility to proceed with delivery and installation. Council is also in discussions with the Icon to gain early access/control of certain areas in NSOP so installation dates can be brought forward, allowing the Leisure and Aquatics team to move onsite as soon as possible following Practical Completion.

Council's Communications, Events and Leisure & Aquatics teams are developing a 12-week marketing campaign that will commence after Practical Completion up until the opening of the venue. The campaign will ensure the community are well informed about what the venue will offer, it will provide the opportunity for a 'sneak peek' of the facility, and it will suitably launch NSOP to the community.