



Commercial in Confidence

25 June 2020

Ms Emma Murdoch
 City of Port Phillip
 Cnr. Carlisle St & Brighton Rd
 St Kilda, Victoria 3182

Dear Emma,

Please find following our third annual report and forecast as required under clause 16 of the Palais Theatre lease agreement.

16.1 Annual Report

A) Repairs & Maintenance Works

Some major repair works were undertaken in the Palais Theatre’s third year of operation, resulting in an increased spend of nearly 30% on last year. These included an electrical upgrade to the Back of House area, increasing power availability to touring crews for audio, lighting & video. The current air conditioning system required maintenance, and the iconic Palais Theatre sign lighting was repaired, involving a 54M travel tower to reach it. Additional heritage painting was completed, both external and internal. Below is a summary of the R&M works undertaken from 1st May 2019 – 30th April 2020. This includes the above, statutory compliance works and general maintenance of the venue.

Supplier	Description	Amount	
Hede Electrics	Electrical repairs, maintenance & upgrades	\$ 16,276.50	
A Grade Maintenance	Plumbing repairs & maintenance	\$ 13,591.00	
Croft Contracting	Quarterly servicing & repairs to air conditioning	\$ 13,480.00	
Bunnings	R&M supplies expense	\$ 7,749.92	
Altaire Servicing	Monitoring, repairs & maintenance	\$ 6,573.50	
Golden Group	Heritage Painting	\$ 5,961.60	
Entire Service & Maintenance	R&M of foot warmers & associated infrastructure (gas, switchbo	\$ 5,782.77	
Initial Hygiene	Supply of sanitary bins, soap dispensers & air fresheners	\$ 4,878.00	
All Purpose Pumps	Annual servicing - quarterly pump	\$ 3,634.00	
Motion Elevators	Servicing of elevator	\$ 3,328.60	
ADT Fire Monitoring	Fire Monitoring	\$ 2,607.00	
National Wireless	IT upgrades	\$ 2,599.45	
Temple Locksmith	Servicing & Repairs of all locks, security, annual testing etc	\$ 2,597.65	
Forte Signs	Repair of Palais Sign	\$ 2,460.00	
Entire Air Conditioning	R&M of foot warmers & associated infrastructure (gas, switchbo	\$ 1,822.58	
Exopest	Pest Control	\$ 1,752.00	
Hutchinsons	Additional posts to stairwell	\$ 1,558.70	
KingLoc Refridgeration	Shelves for refrigerator	\$ 1,422.41	
Lightmoves	LED repair and maintenance	\$ 1,307.00	
Safety Plus	Safety Services	\$ 1,200.00	
ETS	Travel Tower to repair Palais sign	\$ 1,100.00	
Misc (under \$1000)	Various	\$ 7,032.33	
		\$ 108,715.01	

Additional Headcount, Casual Labour & Consultants

In mid-2019, due to the growth of the business in terms of increasing show count & attendance numbers each year, LNAV made the decision to employ a Facilities Coordinator. This position could no longer be shared with the Operations Manager's role. This role oversees all service contracts, R&M and ongoing capital works in the venue. Darren Cooper was employed on the 26th August 2019. Salary undisclosed.

The casual labour associated with ongoing maintenance & seat repairs was \$30,617.97 for the year.

Consultants were engaged to provide advice on the viability of certain capital projects: namely the air conditioning & tram projects. These were not covered under the capital budget and spend was \$14,160.

Roles	Description of Roles	Amount
Facilities Manager	Permenant Role	undisclosed
Casual Labour	Seat repairs, general R&M	\$ 30,617.97
Consultants	Non capital spend	\$ 14,160.00

B) Booking Schedule

2019 Event Schedule

As per the previous year, the event schedule is presented on a calendar year basis which aligns with all Live Nation's reporting, tracking and statistical analysis. In summary we had:

- 103 ticketed performances (up 5% on 2018)
- 82 different events
- 202K attendees (up 15% on 2018)
- Largest Hirers included:
 - Live Nation Australia (17)
 - Chugg Entertainment (7)
 - Mushroom Group (6)
 - Bluesfest (6)
 - Calisthenics Victoria (6)

2019 Shows	Date of show	Promoter	Demographic
Interpol	Friday 4 January, 2019	Secret Sounds	M&F 18+
Leon Bridges	Mon 14-Tue 15 January, 2019	Chugg	M&F 18+
The Empire Strips Back	Friday 18 January, 2019	Tenderloins	M&F 18+
Khabib Nurmagomedov	Sunday 20 January, 2019	The Hour Group	M 18+
RTX Presents: Achievement Hunter Australia Tour	Friday 25 January, 2019	RTX Exhibitions	M&F 12+
Roger Hodgson	Saturday 2 February, 2019	Bluesfest	M&F 30+
For King and Country	Sunday 3 February 2019 3pm & 7pm	Light FM	M&F 18+
RuPaul's Drag Race: Werq the World	Friday 8 February, 2019	Voss Events	M&F 18+
Parsifal	Wed 20, Fri 22 & Sun 24 February, 2019	Victorian Opera	M&F 18+
Hanson	Wednesday 27 February, 2019	Chugg	F30+
Rita Ora	Friday 1 March, 2019	MJR Presents	F12+
Belinda Carlisle	Saturday 2 March, 2019	Abstract Touring	M&F 30+

John Prine	Thursday 7 March, 2019	Frontier	M&F 18+
Engelbert Humperdinck	Saturday 9 March, 2019	MJR Presents	M&F 30+
Roady for Roadies	Sunday 10 March, 2019	Palais Theatre LNAV	M&F 18+
Luke Combs	Wednesday 13 March, 2019	Chugg	M&F 18+
Jabardhasth Come 'Dhee'	Saturday 16 March, 2019	ME TV PTY LTD	Families
The Gala for Oxfam	Wednesday 20 March, 2019	Melbourne International Comedy Festival	M&F 18+
Rob Brydon	Fri 22 & Sat 23 March, 2019	Live Nation	M&F 18+
Opening Night Allstars Supershow	Wednesday 27 March, 2019	Melbourne International Comedy Festival	M&F 18+
Ross Noble	Fri 29 & Sat 30 March, 2019	A-List Entertainment	M&F 18+
Tim Minchin	Wed 3-Sun 7 April, 2019	Live Nation	M&F 18+
The Greatest Love of All - Tribute to Whitney Houston Starring Belinda Davids	Wednesday 10 April, 2019	Rockcity	M&F 18+
Norah Jones	Friday 12 April, 2019	Frontier	M&F 18+
Charley Pride	Saturday 13 April, 2019	Russian Ballet Ltd	M&F 30+
David Gray	Fri 19 & Sat 20 April, 2019	Bluesfest	M&F 18+
Tim Minchin	Tue 23 & Wed 24 March, 2019	Live Nation	M&F 18+
Hozier	Thursday 25 - Friday 26 April, 2019	Chugg	M&F 18+
Ray Lamontagne	Saturday 27 - Sunday 28 April, 2019	Bluesfest	M&F 18+
Dine with Heart	Wednesday 1 May, 2019	Sacred Heart Mission	M&F 18+
Go!! Show Gold	Saturday 4 May, 2019	Backstage	M&F 30+
Dylan Revisited	Friday 10 May, 2019	Abstract	M&F 18+
A Bowie Celebration	Saturday 11 May, 2019	Liberty	M&F 18+
Kacey Musgraves	Tuesday 14 May, 2019	Chugg	M&F 18+
Andre Reyes formerly of Gipsy Kings	Thursday 16 May, 2019	Big Deal Touring	M&F 18+
Australia's Got Talent - Judges Auditions	Wednesday 22 - Thursday 23 May, 2019	Fremantle Media	Families
Apia Good Times	Saturday 25 May, 2019	Premier Artists	M&F 18+
Brian McKnight	Friday 31 May, 2019	Delta Bravo Presents	M&F 18+
The Sopranos in Conversation	Saturday 1 June, 2019	Abstract	M&F 18+
Aziz Ansari	Monday 3 June, 2019	Live Nation	M&F 18+
Nick Offerman	Friday 7 - Saturday 8 June, 2019	Live Nation	M&F 18+
Calisthenics Victoria State Team in Concert	Sunday 9 June, 2019	Calisthenics Victoria	Families
The Monkees	Saturday 15 June, 2019	DRW	M&F 30+
Billy Ocean	Wednesday 19 June, 2019	Lennard Promotions	M&F 30+
St Kilda Film Festival Opening Night	Friday 21 June, 2019	City of Port Phillip	M&F 18+
Cosentino	Saturday 29 June 2019 2.30pm& 7.30pm	Live Nation	Families
The Wiggles	Thursday 11 July 2019 10am, 1pm, 4pm	The Wiggles	Families
Pink Floyd Experience	Saturday 3 August, 2019	In The Flesh	M&F 18+
Indian Film Festival Awards Night	Thursday 8 August, 2019	Mind Blowing Films	M&F 18+
Dope Lemon	Friday 9 August, 2019	Live Nation	M&F 18+
Snow Patrol	Saturday 10 August, 2019	Live Nation	M&F 18+
Parkdale Primary School	Wednesday 14 August, 2019	Parkdale Primary School	Families

Abbey Road Live	Thursday 15 August, 2019	Live Nation	M&F 18+
Ultimate Queen Celebration	Saturday 24 August, 2019	Liberty	M&F 18+
AFL All Australian Awards	Wednesday 28 August, 2019	AFL	M&F 18+
Elwood Primary School	Wednesday 4 September, 2019	Elwood Primary School	Families
Bill Bryson	Thursday 5 September, 2019	Lateral Event Management	M&F 18+
Caulfield Junior College	Tuesday 10 September, 2019	Caulfield Junior College	Families
Wakakirri	Wednesday 11 - Thu 12 September, 2019	Wakakirri	Families
Murrumbeena Primary School	Tuesday 17 September, 2019	Murrumbeena PS	Families
Kris Kristofferson	Thursday 19 September, 2019	One World Entertainment	M&F 30+
Imperial Russian Ballet - Swan Lake	Saturday 21 September, 2019	Russian Ballet Ltd	Families
Postmodern Jukebox	Sunday 22 September, 2019	TEG Dainty	M&F 18+
Joe Bonamassa	Monday 23 September, 2019	J&R Affiliates	M&F 18+
Calisthenics Victoria State Championships	Wed 2 - Sun 6 October, 2019	Calisthenics Victoria	Families
Heart of St Kilda Concert	Wednesday 23 October, 2019	Sacred Heart Mission	M&F 18+
Evil Dead	Thursday 31 October, 2019	MSO	M&F 30+
Suzi Quatro	Monday 4 November, 2019	Duet/RCP	M&F 30+
Em Rusciano	Friday 8 November, 2019	Frontier Comedy	M&F 18+
Josh Thomas	Saturday 9 November, 2019	Token Events	M&F 18+
John Travolta	Sunday 10 November, 2019	Anthology International	F30+
80s Mania	Friday 15 November, 2019	Abstract	M&F 30+
Ian Moss	Saturday 16 November, 2019	Frontier	M&F 30+
Lea Salonga	Wednesday 20 - Thu 21 November, 2019	Michael Cassel	Families
Sooshi Mango	Saturday 23 November, 2019	Mango Productions	M&F 18+
Twelve Chinese Zodiac	Monday 25 November, 2019	Ausfeng	M&F 18+
Brian Lara	Thursday 28 November, 2019	Major Events Company	M18+
Adam Thompson's Bohemian Rhapsody Live	Friday 29 November, 2019	The Harbour Agency	M&F 18+
Dita Von Teese	Saturday 30 Nov - Sunday 1 Dec, 2019	TEG Dainty	M&F 18+
America	Thursday 5 December, 2019	Bluesfest	M&F 30+
Hannah Gadsby	Saturday 7 December, 2019	Token Events	M&F 18+
Opeth	Friday 13 December, 2019	Tombowler Blue	M18+

C) Community Benefit

(i) Use of Premises in accordance with clause 11

Community Reservation Periods

- During 2019 there were 3 Community events/functions conducted at the Palais and these were:
 - St Kilda Film Festival Opening Night
 - Dine with a Heart – Sacred Heart Mission
 - Heat of St Kilda – Sacred Heart Mission

All these organisations secured the Venue for a rental cost of \$1, plus costs and GST.

- Live Nation continued their special discounted rental rate for schools of \$6,750 plus costs and GST, which enabled the following schools to host their annual concert:
 - Parkdale Primary School
 - Elwood Primary School
 - Caulfield Junior College
 - Wakakirri Performing Arts School
 - Murrumbeena Primary School
- Live Nation continued their special discounted rental rate of \$9,375 plus GST for charities/not-for-profits from City of Port Phillip. This enabled the Indian Film Festival Awards Night to be hosted at the Palais Theatre.
- Other noteworthy community reservations included:
 - Venue Management Association 'After 5' event
 - Victorian Opera 2020 Season Launch
 - Roady for Roadies – access to the Palais Theatre for a community event supporting entertainment industry charity Support Act. This involved a walk through the City of Port Phillip, followed by a free concert at the Palais Theatre. All staff, bar sales and further donation of \$1,000 went to Support Act
 - Free community venue access for several not-for-profit photography and filming projects, stage access for dancers and venue tours – Merinda Calisthenics College, Spectrum Dance Studio, Boston University Graduate venue tours, Romeo Bastoni Couture fashion photo shoot.

(ii) Palais Theatre Community Fund

The Palais Theatre Community Fund is now well established and has received great publicity and positive feedback from the Community. The Committee continues to function well. To date the PTCF has raised \$232,221.35 solely from Live Nation contributing \$0.50 for every ticket sold at the venue. The program has now stemmed five rounds of grants.

- ROUND 3: The third-round grant program commenced February 2019. At the time of the last report, the successful winners were not disclosed. They are now as follows, receiving grants up to \$5,000, totalling \$39,594.
 - Artists for Kids' Culture – Funding the Arts Bus, as a mobile arts facility.
 - Australian National Memorial Theatre– aid in funding new audio and video systems in dance studios
 - BalletLab Association Inc– Help create a dance partnership with Albert Park College
 - Elwood & St Kilda Neighbour Learning Centre Inc. – help fund an art documentary called CITY OF SOULS.
 - St Kilda Mums– Funding 26 prams to assist families in need.
 - The Torch Project– aid in funding a CRM database to manage all their artworks
 - Theatre Works– To fund the purchase and install of new curtains
 - Uniting (Vic & Tas) Ltd– Fund drama project and community performance
- ROUND 4: The fourth-round grant program commenced September 2019. The following successful applications received grants up to \$5,000, totalling \$43,198.
 - Arts Access Victoria– Memo Music Hall Documentary
 - Elwood Cricket Club– Purchase a replacement Bowling Machine
 - Gasworks Arts Park– Kiln replacement in the Resident Artist Ceramics Studio

- HousingFirst Ltd. – HousingFirst 2020 Art Program: Creative and Professional Development Workshop Series
 - Linden New Art Inc– Linden Postcards – The Palais Theatre Community Fund Artist Award and Community Open Day 2019
 - Port Phillip Community Group - Inclusive Christmas Celebration 2019
 - Rawcus Theatre Company Inc– Fanaticus Pop Up
 - SouthPort Community Centre - City of Voices Inclusive Theatre Group Documentary
 - Space2b Social Design– ‘Holding Space’ - Cultural immersions
 - St. Kilda Community Housing– Barkly Street shared equity housing community engagement workshops.
- Round 5 grant program is currently in progress and the application submission process has now closed. The committee expanded its promotional reach for Round 5 to include both not-for-profits and charities and the application process which helped to increase the variety of applications, especially by some who were not able to apply previously. . The committee selected the following successful applicants, with funds totalling \$32,600:
 - Finucane & Smith (Auspicious Arts Projects Inc - A live & online immersive odditorium celebrating Luna Park
 - Uniting (Vic & Tas) Ltd– Covering for outside area at the Engagement Hub
 - Space2b Social Design – COVID-19 project: Space2b in your Home
 - Australian National Memorial Theatre - Upgrade to Infrastructure to allow both classes and performances to be delivered online
 - Theatrical Incorporated– Funding for a Theatrical Workshop
 - Elwood Toy Library– New scooters and Ezyrollers at the toy library
 - Rawcus Theatre Company Inc – Funding a Portal Pop Up project



Representatives of the receivers of the Round 5 Community Fund.

Here are a few snapshots of some of the successful applications and how they used the funds.

St Kilda Mums (Round 3)

“St Kilda Mums is grateful for the support of the Palais Theatre Community Fund, which has allowed them to provide the gift of mobility and connectedness to families in need. With their grant St Kilda Mums were able to purchase prams at cost price, when stocks of donated prams ran low, which provide vulnerable families with a means to access support and their community.”



The Torch Project (Round 3)

“The donation of \$5,000 provided by the Palais Theatre has assisted The Torch’s community by supporting Indigenous offenders and ex-offenders in our program to have all their details and artworks registered into a central database facilitating seamless sales of their artwork and providing exhibition opportunities. The financial benefits received by way of artwork and licensing sales for Torch artists improves their financial stability and lifts their social and emotional wellbeing. “



Elwood Cricket Club (Round 4)

“The Elwood Cricket Club used their grant to purchase a professional bowling machine. The machine allows 100 junior and 80 senior members to work on and improve their batting techniques.”



PTCF Community Fund 2019/20					
Year	Month	Deposits - 50c / ticket sold	Payments	Description	Balance
					\$48,996.19
2019	May	\$5,065.50			\$54,061.69
2019	June	\$8,717.00			\$62,778.69
2019	July	\$3,383.00	(\$34,594)	Round 3 Grants	\$31,567.69
2019	Aug	\$7,117.50	(\$5,000)	Round 3 Grants	\$33,685.19
2019	Sep	\$7,934.00			\$41,619.19
2019	Oct	\$2,618.00			\$44,237.19
2019	Nov	\$10,010.50	(\$24,500)	Round 4 Grants	\$29,747.69
2019	Dec	\$6,137.00	(\$18,698)	Round 4 Grants	\$17,186.69
2020	Jan	\$8,882.00			\$26,068.69
2020	Feb	\$4,910.50			\$30,979.19
2020	Mar	\$3,459.50			\$34,438.69
2020	April	\$0.00			\$34,438.69

(iii) Community Advisory and Community Fund Committee

The Palais Theatre Community Fund has continued to operate via Melissa Grenville, Liz Johnstone Julie Mundy, Sue Roff, Leigh Harry and Jaimie Brunton. The committee has met several times throughout the year to discuss the running of the program and to successfully allocate funding for community projects. It was decided in January 2020 to extend all members of the committee for

another year, due to the time it took to setup the process. In late 2020, the committee members positions will all be available for nominations again. All positions will be advertised again publicly.

16.2 Annual Forecast

A) Management of Assets & Facilities.

As agreed on completion of the Year 2 annual report, the total agreed spend as per the BISF was \$2,429,800. This resulted in Live Nation having a credit balance in the BISF for an amount of \$1,458,661.

For the 2019/20 period the indexed BISF obligation (@ 1.2%) was \$517,132. Due to the significant amount of BISF spend brought forward during 2017/18, Live Nation has no contractual obligation under the lease to undertake further BISF works until the year 2021/22, however, we continue to reserve the right to bring forward future BISF expenditure as appropriate.

This year brought Mark Graham’s return to Live Nation Australia Venues as Vice President Venue Development - as Live Nation further invest in the venues business. Mark has been heavily involved with the Capital works program and has worked with COPP to streamline the approval process of capital expenditure and ensure clarity surrounding items being included or not in BISF.

During the 2019/20 period, the following items of capital expenditure were incurred and counted towards the BSIF obligation:

• Painting of Proscenium Arches & repair of Juliet Boxes	\$ 24,260.00
• New Stage Deck	\$ 60,000.00
TOTAL	\$ 84,260.00

Attached to this report is a summary of the current BISF status, refer Attachment A.

In addition to the BISF spending, LNAV has incurred expenditure amounting to \$53,000. These included:

- Additional POS serving point
- Temporary Air Conditioning Solution
- Seating Project Consultancy
- New Radios

The Tram project was also investigated (consultancy costs in R&M), but this project was deemed unfeasible due to the large costs in converting the tram, and the transport costs involved. LNAV is currently working with CoPP on a possible alternative option for the new forecourt area.

There were many projects in progress when COVID-19 pandemic arrived and the mass gathering ban was enacted, forcing the Palais theatre to close it’s doors for an unknown period of time. With no revenue coming in since 13th March 2020, the need was created for Live Nation Australia Venues to place on hold the tender process for the seating, feasibility studies for both the solar array & air conditioning systems. These will be resumed once the business has reopened and built up enough cash reserves to complete these projects.

Therefore, the list of BISF works that have been pre-approved by COPP, include:

Description of BISF Works	Year as per BISF Schedule	Amount as per BISF
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Feasibility Study of 300kw Solar Array	2018 – 2019	\$50,000.00
Upgrade of Air Conditioning System	2026 - 2027	\$50,000.00
Seating, Reconditioning	2018 - 2023	\$300,000.00
Seating, GA Floor	2019 - 2020	\$250,000.00
Additional Seating Costs	2028 - 2033	\$410,000.00
Stage Proscenium Valance	Additional Item	\$35,000.00
Fire Escape Cladding	Outstanding HV Permit Requirement	Non BISF

Note: The following items will be undertaken as part of the Airconditioning Upgrade Project

Installation of Heat Pump System	2019/20	\$ 200,000.00
Replace Existing Split Systems	2017 - 2023	\$ 70,000.00
Replacement Raypak Boilers	22/23	\$ 80,000.00
TOTAL		\$ 350,000.00

Note: Items listed within the original BISF schedule to be undertaken between 2017/23 not currently listed for completion, due to other works being evaluated more critical and were brought forward are as follows.

Solar Panels	18/19	\$ 500,000.00
Rainwater Harvesting	20/21	\$ 150,000.00
BMS & Metering Systems	20/21	\$ 150,000.00
Replacement Domestic Hot Water Systems	2017 – 2023	\$ 50,000.00
TOTAL		\$ 850,000.00

Included as Attachment B is the 30 Year Expenditure Profile – Tenant, which has been populated with actual data for Years 1 - 3 and original BISF schedule timing for the balance.

B) 2020 Event Schedule

- Live Nation had budgeted to undertake 112 ticketed performances in 2020, exclusive of the 8 community dates.
- As of 1 March 2020 (pre-COVID-19), we had 94 performances contracted.
- As of 1 May 2020, we now have 30 performances contracted.
- We are now expecting to conduct between 30 and 50 events in 2020.
- We currently have 58 ticketed performances booked for 2021, which is due to majority of the 2020 performances being rescheduled.
- Providing there are no social distancing restrictions and international travel is permitted during 2021, all indications are that 2021 will be a very busy year.
- The Palais Theatre continues to offer a diverse range of events, including music concerts of all genres, family, community, comedy, opera, ballet, speaking events, functions and the like.

Please note the booking schedule is subject to change, shows can be added or cancelled for varying reasons. The below is as of May 1st, 2020.

EVENT	2020	HIRER
My Dad Wrote a Porno	Wednesday 15- Thursday 16 January, 2020	Live Nation
Tom Segura	Friday 17 January, 2020	Live Nation
Lauren Daigle	Saturday 18 January, 2020	Live Nation
Stand Up for Bush Fire Relief	Monday 20 January, 2020	Token Events
Daniel Tosh	Friday 24 - Saturday 25 January 2020	Live Nation
Empire Strips Back	Saturday 1 February, 2020	Empire Strips Back Pty Ltd
Rupaul's Drag Race	Friday 7 February, 2020	Voss Events
Victorian Opera - Salome	22, 25, 27 February, 2020	Victorian Opera
Tiny Meat Gang	Saturday 29 February, 2020	Live Nation
Pat Metheny	Friday 6 March, 2020	Live Nation
Pixies	Monday 9 - Tuesday 10 March, 2020	Live Nation
To be announced	Saturday 3 - Sunday 4 October, 2020	Calisthenics Victoria
To be announced	Saturday 31 October, 2020	Something Fantastic
Dream Theatre	Wednesday 4 November, 2020	MJR Presents
To be announced	Saturday 7 November, 2020	Frontier
James Reyne	Saturday 14 November, 2020	Harbour
Boy & Bear	Friday, November 20, 2020	Select Music
Zoot	Saturday 21 November, 2020	Tombowler Blue Pty Ltd
Celebration of Neil Young's Live Rust	Fri 4 December 2020	Liberty
Urzila Carlson	Saturday 5 December, 2020	Live Nation
To be announced	Wednesday 9 December, 2020	Sacred Heart Mission
The National	15, 16 & 17 December 2020	Handsome Tours (TEG)

D) Community Benefit & Activities

- Under the Palais Theatre lease agreement, Live Nation are to provide up to 8 days a year for Community use at a rental rate of \$1 per day, plus costs and GST.
- For 2020, 3 projects applied for Round 3 of the City of Port Phillip Palais Theatre Community Reservations grant. All three projects were successful, two projects accepted the grant with one project unable to secure funding to progress their application.
- These groups include:
 - Successful: Dine with Heart, Heart of St Kilda (Sacred Heart Mission), St Kilda City Football and Netball Club Benefit Concert
 - Confirmed: Dine with Heart, Heart of St Kilda (Sacred Heart Mission)
 - Declined: St Kilda City Football and Netball Club Benefit Concert
- Live Nation & the Palais Theatre are continuing to find new and improved ways to ensure that both the community reservations program and the Palais Theatre Community Fund can

reach the organisations that it is set up to support. More information and marketing surrounding these programs is planned for 2020/21, including the success of the events & grants to date. Furthermore, the committees have accepted that PTCF grants may be applied for to cover the costs of the community reservations program. This will ensure that non-for-profit organisations can take advantage of this \$1 rental, and be able to afford the additional costs such as security, PA, lighting etc. Port Melbourne Primary School was our first success story in combining both the community reservations & PTCF grants programs.

- Live Nation's partnership with Get Skilled Access, co-founded by Dylan Alcott OAM, has improved accessibility, and set new standards in the live event industry. The partnership has already seen Get Skilled Access provide accessibility training to 150 Live Nation employees across Australia and New Zealand. Ongoing online modules are required to be completed annually across the business. The Palais Theatre has also had an onsite review conducted of accessibility facilities and received a high rating for patrons with access needs. This review addressed a few minor gaps that were suggested improvements such as signage, which has now been introduced. Palais Theatre is working with CoPP on a pickup/drop off area which will be incorporated into the new Forecourt.
- Palais Theatre's ticketing partner Ticketmaster has also rolled out a new initiative of Access Bookings online. We were the first venue to trial this where instead of the only channel to book an access seat was through the phone, patrons can now do so via the Ticketmaster website. This continues to create an inclusive and smoother process for those with access requirements.
- As part of the commitment to Green Nation's Sustainability Goal, The Palais Theatre has initiated a strategy to introduce compostable cup ware and eliminate single use plastics by 2021. We have been using standard plastic cups for all tap and can products as our liquor license prohibits glass or cans in the auditorium. Over the last 12 months, the Palais Theatre has worked with BioPak, who are a green cup solution, to develop a waste management system that has allowed the venue to adopt compost custom designed cups made of plant materials, allowing us to remove most of the chemical-based plastics previously housed in the venue. Over 20,000 units of custom designed plant-based cups have moved through the Theatre since the start of this year, with the final stages of the implementation scheduled to occur over the next 12 months, including specific compostable bins to ensure the end to end process is complete.
- Other areas that The Palais Theatre team have reduced their environmental impact include a stricter policy over power usage which has seen 25% reduction in energy usage during idle periods and eliminating paper tickets by opting to be a mobile-only ticketing venue. The initiative has seen a great increase in staff morale and positive customer feedback. Subject to the future impacts of Corona Virus, we have budgeted in 2020 to invest in a feasibility study to move the Venue to solar power with an aim to implement the recommendations during 2021.

Please do not hesitate to contact us if you have any queries in relation to this report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lloyd Jones', is written over a solid horizontal line.

Lloyd Jones
Venue Manager

Attachment A – BISF Status

Palais Theatre - Building Improvement Sinking Fund Overview

Last Updated: 10-Jul-20

Lease Commencement Date: 1 April 2017
 Annual BISF Commitment: \$ 500,000
 Annual Indexation: CPI

	1/4/2017 to 31/3/2018	1/4/2018 to 31/3/2019	1/4/2019 to 31/3/2020	1/4/2020 to 31/3/2021	1/4/2021 to 31/3/2022	1/4/2022 to 31/3/2023	1/4/2023 to 31/3/2024	1/4/2024 to 31/3/2025	1/4/2025 to 31/3/2026	1/4/2026 to 31/3/2027	1/4/2027 to 31/3/2028
Previous Year BISF Value	\$ -	\$ 500,000	\$ 511,000	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132
CPI for 12 months to March		2.2%	1.2%								
Current Year BISF Value	\$ 500,000	\$ 511,000	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132	\$ 517,132
Accumulated Minimum Sinking Fund Contribution	500,000	1,011,000	1,528,132	2,045,264	2,562,396	3,079,528	3,596,660	4,113,792	4,630,924	5,148,056	5,665,188
Actual agreed BISF Expenditure (current year)	2,311,842	117,958	84,260								
Accumulated agreed BISF expenditure	2,311,842	2,429,800	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060
Indexation on any Surplus Balance (ie negative)	-	39,861	17,504	-	-	-	-	-	-	-	-
Total Accumulated & Agreed BISF expenditure	2,311,842	2,469,661	2,531,564	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060	2,514,060
Balance in Sinking Fund	-1,811,842	-1,458,661	-1,003,432	-468,796	48,336	565,468	1,082,600	1,599,732	2,116,864	2,633,996	3,151,128

Reconciliation of 2019/20 actual spend

Painting of Proscenium Arches & repr	24,260.00	Approved BISF
New Stage Deck	60,000.00	Approved BISF
	<u>84,260.00</u>	

Attachment B – 30 Year Expenditure Profile – Tenant

30 year Expenditure Profile Tenant										
	Annual Expenditure					5 Year Blocks				
Expenditure by Category ¹	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30
	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
CAPEX										
Renewal Program										
Upgrade Program	\$ 2,311,842	\$ 117,958	\$ 84,260	\$ -	\$ 1,380,200	\$ 2,110,000	\$ 2,333,250	\$ 2,825,490	\$ 7,688,250	\$ 4,748,750
TOTAL	\$ 2,311,842	\$ 117,958	\$ 84,260	\$ -	\$ 1,380,200	\$ 2,110,000	\$ 2,333,250	\$ 2,825,490	\$ 7,688,250	\$ 4,748,750
OPERATIONAL COSTS										
Utilities	not tracked	\$ 51,645	\$ 49,661							
Essential Safety Measures	Inc. in Routine R&M	Inc. in Routine R&M	Inc. in Routine R&M							
OH&S	Inc. in Routine R&M	Inc. in Routine R&M	Inc. in Routine R&M							
TOTAL	\$ -	\$ 51,645	\$ 49,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MAINTENANCE COSTS										
Routine	\$ 22,152	\$ 30,895	\$ 29,494							
Reactive, inc labour & consultants	\$ 39,199	\$ 84,934	\$ 123,999							
TOTAL	\$ 61,351	\$ 115,829	\$ 153,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 2,373,193	\$ 285,431	\$ 287,414	\$ -	\$ 1,380,200	\$ 2,110,000	\$ 2,333,250	\$ 2,825,490	\$ 7,688,250	\$ 4,748,750

1. Years are based on 1 May to 30 April period