



<b>8.9</b>	<b>PALAIS THEATRE - COMMUNITY FUND COMMITTEE AND COMMUNITY ADVISORY COMMITTEE - TERMS OF REFERENCE</b>
<b>WARD:</b>	<b>LAKE</b>
<b>GENERAL MANAGER:</b>	<b>CHRIS CARROLL, ORGANISATIONAL PERFORMANCE</b>
<b>PREPARED BY:</b>	<b>ANTHONY SAVENKOV, SENIOR PROJECT PROPERTY MANAGER</b>
<b>TRIM FILE NO:</b>	<b>20/15/42</b>
<b>ATTACHMENTS:</b>	<b>1. Proposed terms of reference - Palais Theatre Community Fund Committee 2. Proposed terms of reference - Palais Theatre Community Advisory Committee</b>

## **PURPOSE**

To seek Council's approval of the terms of reference for the two committees required to be established under the lease of the Palais Theatre.

## **1. RECOMMENDATION**

That Council:

- 1.1 Approves the Palais Theatre Community Fund Committee Terms of Reference (attachment 1).
- 1.2 Approves the Palais Theatre Community Advisory Committee Terms of Reference (attachment 2).

## **2. BACKGROUND**

- 2.1 Live Nation Australia Venues Pty Ltd ("Live Nation") leases the Palais Theatre in St Kilda.
- 2.2 The lease is governed by agreement dated 30 June 2016 between the (committee of management) City of Port Phillip as landlord, and Live Nation as tenant, approved by the Minister for Energy, Environment and Climate Change, ("Lease").
- 2.3 The lease commenced on 1 April 2017. The lease term is thirty years.
- 2.4 As noted by Council on 13 September 2016, the tenant's financial commitment under the lease is approximately \$60M over thirty years. This sum comprises rental, asset maintenance/upgrade/renewal, and other direct community benefits.
- 2.5 One such community benefit is the Palais Theatre Community Fund ("Fund"). The purpose of the Fund is to raise money for community projects, programs, and developments.



- 2.6 Live Nation is required to contribute fifty cents per ticket sold in the Palais Theatre to the Fund, and also to undertake fund-raising from time to time for the Fund.
- 2.7 Live Nation is required to establish a committee to manage the Fund (“Fund Committee”).
- 2.8 Additionally, Live Nation is to establish a second committee - a Community Advisory Committee (“Advisory Committee”) - to provide input into the considerations of the Fund Committee, and to inform residents of St Kilda about the venue’s business plan, event calendar and proposed construction works.
- 2.9 Live Nation has prepared the terms of reference for the Fund Committee and for the Advisory Committee, and in accordance with the Lease, submitted them for approval. (They are attached as Appendix 1 and Appendix 2 respectively).

### **3. KEY INFORMATION**

- 3.1 The Fund Committee and Advisory Committee are external committees, to be established and managed by Live Nation. However, under the Lease it is the role of City of Port Phillip as landlord to approve their respective terms of reference.
- 3.2 The terms of reference have been reviewed by Council Officers, and are considered to reconcile with the intent of the lease and thereby to support the successful operation of the Committees.
- 3.3 Once the terms of reference are approved, Live Nation shall undertake an expression of interest process seeking nominations for community representatives and manage the appointment process.
- 3.4 For identifying the Palais Theatre Community Fund Committee members to be nominated by City of Port Phillip, a practical option is to draw from the existing Community Grants Assessment Panel Reference Committee. Alternatively, nominees may be drawn from the pool of candidates identified through the process to be carried out by Live Nation for selecting the community representative members.
- 3.5 City of Port Phillip has mechanisms to evaluate the effectiveness of the Committees over time.
  - The lease requires that Live Nation report to City of Port Phillip annually on:
    - 3.5..1 the Community Fund activities, application of funding and financial position; and
    - 3.5..2 the activities of the Advisory Committee.
  - Further, City of Port Phillip is entitled to review and audit the operation of the Community Fund at any time during the term of the Lease.
  - In the event that the Fund Committee does not properly administer the Fund, City of Port Phillip has power under the Lease to direct Live Nation to administer the Fund.



## **FURTHER SUPPORTING INFORMATION**

### **4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

4.1 This report supports the delivery of the following outcome in the draft Council Plan 2017-2027:-

- 1.1 A safe and active community with strong social connections.

### **5. CONSULTATION AND STAKEHOLDERS**

5.1 Email updates have been sent at key times to interested parties.

5.2 Live Nation have commenced compiling a database of stakeholders to send regular updates to.

### **6. LEGAL AND RISK IMPLICATIONS**

6.1 Officers continue to work with Live Nation to ensure its commitments under the Lease are fulfilled.

### **7. SUSTAINABILITY – Triple Bottom Line**

#### **7.1 ENVIRONMENTAL IMPLICATIONS**

- The Fund has potential to support environmental projects, programs, and developments.

#### **7.2 SOCIAL & CULTURAL IMPLICATIONS**

- The Fund has potential to support social and cultural projects, programs, and developments.

#### **7.3 ECONOMIC IMPLICATIONS**

- The Fund is estimated to accumulate approximately \$100,000 in ticket sales contributions in the first year alone – thus having potential to significantly stimulate local projects, programs and developments.

#### **7.4 FINANCIAL IMPLICATIONS**

- The Committees are to be managed by Live Nation. City of Port Phillip's involvement is to be managed as part of the ordinary management of the Lease.

### **8. IMPLEMENTATION STRATEGY**

#### **8.1 TIMELINE**

- Officers will advise Live Nation of Council's decision.
- Should Council resolve to approve the terms of reference, this will allow the commencement of the expression of interest by Live Nation seeking Committee members.



**8.2 COMMUNICATION**

- Council is committed to the long term success of the Palais Theatre.
- The Palais Theatre Community Fund Committee and the Palais Theatre Community Advisory Committee are important commitments of the tenant under their lease, and will help them collaboratively deliver value to the City of Port Phillip by harnessing the wealth of skills and knowledge in the community.

**9. OFFICER DIRECT OR INDIRECT INTEREST**

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.