



<b>8.9</b>	<b>PROPOSED SPONSORSHIP PROGRAM SOUTH MELBOURNE TOWN HALL</b>
<b>WARD:</b>	<b>LAKE</b>
<b>GENERAL MANAGER:</b>	<b>CAROL JEFFS, COMMUNITY DEVELOPMENT</b>
<b>PREPARED BY:</b>	<b>SUSAN STRANO, COORDINATOR ARTS</b>
<b>TRIM FILE NO:</b>	<b>PF17/268577</b>
<b>ATTACHMENTS:</b>	<b>1. Cultural Activation Sponsorship Program Guidelines</b>

## **PURPOSE**

This report seeks Council approval for a waiver to usual hall fees and charges for the South Melbourne Town Hall by way of a sponsorship scheme that will enable targeted cultural activation of the precinct during the Australian National Academy of Music's 15 month management trial. This proposed sponsorship scheme will support the delivery of precinct objectives for Emerald Hill through removing perceived barriers of affordability for community and cultural organisations wanting to use the South Melbourne Town Hall for cultural activation.

## **1. RECOMMENDATION**

That Council:

- 1.1 That Council endorses the Cultural Activation Sponsorship Program for the South Melbourne Town Hall as a trial running alongside the Australian National Academy of Music (ANAM) Operating Agreement for 15 months.

## **2. BACKGROUND**

### **15 Month Trial**

- 2.1 On 19 April 2017 Council resolved to undertake a 15 month trial of a facilities management approach with the Australian National Academy of Music (ANAM) at the South Melbourne Town Hall. The resolution was that Council:
  - 2.1.1 Authorises the Chief Executive Officer or their delegate to enter into an agreement providing for a fifteen month trial of a facilities management approach with the Australian National Academy of Music ("ANAM") at the South Melbourne Town Hall based upon the following terms and conditions (to be reviewed at the end of twelve months):
    - The Australian National Academy of Music will manage all bookings for particular rooms within their leased area which are currently accessible to community on behalf of Council. This will include the ANAM weeks which ANAM currently manages under the lease, as well as the Council weeks that Council currently manages (as defined in the lease);
    - The agreement for the trial will include the following rooms at the South



Melbourne Town Hall – the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor’s Dining room;

- During at least 19 Council Weeks in a calendar year, any bookings for the Australian National Academy of Music or affiliated organisations must be approved by Council, with community bookings to take precedence;
- The Australian National Academy of Music can retain any revenue that is made during the trial period. This will be reviewed at the conclusion of the trial period;
- The Australian National Academy of Music will use the fees that are adopted within Council’s budget for the hire of these facilities by the public;
- The Australian National Academy of Music will not restrict the parties that may utilise the facilities including other tenants of the South Melbourne Town Hall, other than parties not aligned with Council policy;
- The Australian National Academy of Music and Council will establish targets that are designed to achieve an increase in use of the South Melbourne Town Hall;
- The Australian National Academy of Music will report quarterly to Council on all bookings, enquiries, complaints, costs and total revenue received as well as any other metric that the City of Port Phillip determines is reasonably necessary to give efficacy to this agreement;
- The City of Port Phillip will be provided with access to the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor’s Dining room free of charge during the Council Weeks, as well as for the uses specified in the lease during the ANAM Weeks, including Council Meetings and South Melbourne Market meetings; and

2.1.2 Authorises the Chief Executive Officer or their delegate to include any other terms that the City of Port Phillip determines are appropriate to ensure the efficacy of this arrangement.

2.1.3 Considers a further report at the end of the fifteen month trial to determine its success or otherwise unless the agreement has been terminated earlier in accordance with the above agreement.

2.1.4 Directs Officers to inform the Australian National Academy of Music that Council requires the lease documentation, reflecting the terms agreed in December 2015, be signed within 45 days of the 19 April 2017.

2.2 In June 2017, Council entered into a new lease with ANAM for the South Melbourne Town Hall (SMTH) for a period of 15 years.

2.3 Since that time, Officers have been working with ANAM to prepare an operating agreement to support implementation of the trial. The operating agreement will be finalised once the direction has been received regarding the matter being brought to Council.



**Activation of the Emerald Hill precinct through increased utilisation of the Town Hall**

- 2.4 Following extensive community consultation on 12 September 2011 Council adopted the Emerald Hill Vision: *“Council’s vision is to create a vibrant arts and community hub to reinvigorate the precinct around South Melbourne Town Hall and to re-establish it as the cultural and civic heart of South Melbourne.”* One of the deliverables was *“Creating a vibrant and accessible South Melbourne Town Hall.”*
- 2.5 The purpose of the 15 month management trial is to resolve the inefficiencies and challenges posed by the existing arrangements between Council and ANAM with the aim of increasing activation across both Council and ANAM weeks and to support the objective of the precinct being an active cultural hub.
- 2.6 Council resolved to apply the standard fees and charges for the trial, in line with the other two town halls. The decision to standardise the fees and charges across all three town halls was made to avoid creating a situation where the SMTH becomes the preferred venue of the three due to significantly cheaper rates.
- 2.7 In addition to standardisation of the fees and charges, Council resolved to allow ANAM to keep all revenue from bookings to support delivery of the service. This will be reviewed at the end of the trial.
- 2.8 Some community and cultural organisations had expressed they currently experienced barriers to access to the SMTH auditorium and that Council’s fees and charges are cost prohibitive. Multicultural Arts Victoria and the South Melbourne Symphony Orchestra are among these groups and it is unknown how many more would use the hall if it was more affordable.
- 2.9 In developing a detailed operational agreement for the trial, Officers have identified that there are a number of regular users of the auditorium under existing arrangements with ANAM that would be significantly impacted by the changes in the Council fee structure. Some of these organisations currently book their activities through ANAM during the ANAM 33 weeks to avoid Council’s fees and charges. These are organisations that, given the goals of the precinct as a cultural hub, would ideally continue to utilise the facilities for their cultural activities
- 2.10 Given that Multicultural Arts Victoria (MAV) and the South Melbourne Symphony Orchestra (SMSO) have ongoing and longstanding relationships with the South Melbourne Town Hall their needs can be met operationally, through lease and licence agreements. These agreements will reflect existing long term arrangements for the Orchestra and for MAV through its proposed renewed lease. Both of these organisations made submissions to Council’s budget process in May regarding their use of the Town Hall.
- 2.11 Furthermore, these allocations of use (3 auditorium uses for MAV and existing arrangements for the SMSO) will be reflected in the operating agreement with ANAM. ANAM will be required to enter into an agreement with the SMSO for its weekly rehearsals and quarterly performances.



**Established mechanisms for discounting the standard fees and charges**

- 2.12 There are existing mechanisms for discounting the standard fees and charges. The existing mechanisms available for applying for a discounted rate for the three town halls by community organisations are:
- Town Hall Subsidy program – available once a year per organisation
  - Special dispensation of fees and charges under delegation due to exceptional circumstances
- 2.13 Council also has a community grants program and a cultural development fund to support community groups. The Community Grants, Cultural Development Fund and Town Hall Subsidy Scheme provide strategic opportunities to work in partnership with community groups and cultural organisations to strengthen community capacity and promote a creative and engaged community in the City of Port Phillip.
- 2.14 The Town Hall Subsidy Program is restricted to one use per organisation per year. This helps the occasional user, however does not resolve the issue that has been identified with existing regular users that will require support to continue their use under the standardised rates and charges during the trial.

**3. KEY INFORMATION**

- 3.1 In order to avoid any unintended consequences of the trial, such as reduced utilisation of the facilities by cultural organisations due to inability to pay the council rates and charges, it is thought that an additional mechanism for discounting the approved fees and charges is required for identifying and providing support to the community organisations that contribute to cultural activation of the precinct.
- 3.2 It is proposed that a Cultural Activation Sponsorship program be trialled for 15 months, aligned with the management trial, to assist community organisations to activate the South Melbourne Town Hall with cultural activity. This will complement the existing arrangements as outlined below
- Apply the fees and charges as approved in the budget
  - Apply the normal town hall subsidy program
  - Add in an additional cultural activation sponsorship program specific to the SMTH
- 3.3 Sponsorship would comprise in-kind support to hire the South Melbourne Town Hall auditorium (room hire only - not inclusive of security, staffing or equipment hire)
- 3.4 The Cultural Activation Sponsorship Program complements the Town Hall Subsidy Scheme, providing an avenue for organisations wanting to activate the South Melbourne Town Hall more than once in a year. This program would allow up to 20 subsidies per year, organisations being able to apply more than once.
- 3.5 Council's Community Grants, Subsidies and Donations Policy is currently being reviewed. The proposed Cultural Activation Sponsorship Program will be consistent with this policy and the Access and Allocation policy.
- 3.6 Events or functions that are held in Council spaces must be free of any form of discrimination as outlined in the Racial and Religious Tolerance Act and Equal Opportunity Act



- 3.7 The Cultural Activation Sponsorship Program will contribute to community organisations ensuring activation for cultural purposes with demonstrated community benefit. This will be monitored and measured during the trial period as part of the assessment of the operating model and ANAM's role in the facility management of the South Melbourne Town Hall areas for which they are licenced.
- 3.8 Given that ANAM is collecting any revenue generated by bookings for the town hall under the agreed terms of the 15 month trial, this in kind support would not impact Council's budget. It would impact ANAM's ability to generate revenue from the bookings that are awarded sponsorship. However, community access is an important factor and KPI for ANAM. The Sponsorship Program is a tool that ANAM and Council can also use to reduce barriers to hall bookings.
- 3.9 Assessment of submissions to the program would happen as they are received and be conducted by the existing assessment panel for the Local Festivals Fund. This includes officers from Economic Development, Events and Arts with sign off by the Manager, Vibrant and Creative City. These submissions would include input from officers from Community Facilities and Meetings and Events.
- 3.10 Evaluation of the Sponsorship Program would be part of the evaluation and review if the operating agreement trial, with data showing the number of community enquiries and bookings, sponsorship and subsidy applications and the effect of sponsorship on the number of community bookings.



## FURTHER SUPPORTING INFORMATION

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

- 4.1 This proposal supports strategic direction #5: We thrive by harnessing creativity. Specifically, promoting community participation and engagement in arts, culture and heritage and fostering development of the City's creative people and culture through programs, services, spaces and funding for artists and arts organisations.
- 4.2 The South Melbourne Town Hall is an iconic asset within the Emerald Hill precinct, developing as a unique cultural hub. This proposal assists with the integration and inclusion of other resident and neighbourhood organisations.

### 5. CONSULTATION AND STAKEHOLDERS

- 5.1 ANAM has been closely involved in the development of this proposal, which will form part of the operating agreement for the trial period of 15 months.
- 5.2 Multicultural Arts Victoria and the South Melbourne Symphony Orchestra have also been part of the consultation around affordability and availability of space within the South Melbourne Town Hall.
- 5.3 Council officers across Property and Assets, Meetings and Events, Community Facilities and Arts have worked together on this proposal.

### 6. LEGAL AND RISK IMPLICATIONS

- 6.1 There are no known legal or risk implications to this proposal.

### 7. SUSTAINABILITY – Triple Bottom Line

#### 7.1 ENVIRONMENTAL IMPLICATIONS

- 7.1.1 Applicants will be asked to address Council priorities, including sustainability, as part of their submission. Sustainable practices (eg waste management, promotion, transport) would be highly valued.

#### 7.2 SOCIAL & CULTURAL IMPLICATIONS

- 7.2.1 Social and cultural implications are likely to be an increase in cultural participation in a range of different events at the South Melbourne Town Hall.
- 7.2.2 An increase in events and activations generates an increase in activity within the precinct bringing social and economic benefits to local business and amenity.

#### 7.3 ECONOMIC IMPLICATIONS

- 7.3.1 An increase in events and range of audiences and participants should flow on to local businesses, particularly cafes and restaurants.



**7.4 FINANCIAL IMPLICATIONS**

- 7.4.1 The Cultural Activation Sponsorship Program is unlikely to have major financial implications as the sponsorship is based on waiving the hall-hire fee. Instead it represents an opportunity cost of income for those events (up to 20 pa) which ANAM would forego.
- 7.4.2 The Cultural Activation Sponsorship Program would require the recipient to acknowledge the value of the sponsorship.

**8. IMPLEMENTATION STRATEGY**

**8.1 TIMELINE**

October 2017	Finalise ANAM operating agreement
November 2017	Finalise Smarty grants application and assessment
Early December 2017	Advertise program
February 2018	Applications assessed. This would continue in a rolling fashion and alongside ANAM’s facility management process.
March – May 2019	Evaluation of the Sponsorship Program alongside the review of ANAM’s) Operating Agreement

**8.2 COMMUNICATION**

- 8.2.1 The Sponsorship Program will be advertised and community and arts organisations will be emailed regarding the program opportunity
- 8.2.2 ANAM will have an online booking system that will have a link to the Sponsorship Program application process
- 8.2.3 Council’s website will include this Sponsorship Program on its Grants and Subsidy page.
- 8.2.4 Key messages are that:
  - The South Melbourne Town Hall is a unique community and civic asset that is central to the Emerald Hill precinct being a cultural and artistic hub.
  - ANAM will be managing bookings on behalf of Council during 2018
  - Port Phillip City Council has created a Cultural Activation Sponsorship Program to assist community and cultural organisations to use the South Melbourne Town Hall for cultural activity.



**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.