



- 8.2** **FACILITY MANAGEMENT PLAN - SOUTH MELBOURNE TOWN HALL - AUSTRALIAN NATIONAL ACADEMY OF MUSIC**
- WARD:** **GATEWAY**
- GENERAL MANAGER:** **CHRIS CARROLL, ORGANISATIONAL PERFORMANCE**
- PREPARED BY:** **TOM MCQUALTER, PROPERTY ADVISOR**
JOANNE MCNEILL, ACTING MANAGER
ASSET PLANNING & PROPERTY
- TRIM FILE NO:** **0380/208-05**
- ATTACHMENTS:** **1. Australian National Academy of Music (ANAM) - South Melbourne Town Hall - Report 8 December 2015**

PURPOSE

The purpose of this report is for Council to consider an alternative proposal from the Australian National Academy ("ANAM") for the management of the Main Hall, Council Chamber's, Ballantyne Room and the Mayor's Dining room which are within the ANAM lease area at the South Melbourne Town Hall.

I. RECOMMENDATION

That Council:

- 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):
 - 1.1.1 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);
 - 1.1.2 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;
 - 1.1.3 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;

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- 1.1.4 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;
- 1.1.5 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;
- 1.1.6 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;
- 1.1.7 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;
- 1.1.8 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;
- 1.1.9 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
- 1.1.10 Council has the ability to terminate this agreement at its own discretion at any time.
- 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.
- 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.
- 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. BACKGROUND

- 2.1 At the Ordinary Council meeting on 8 December 2015 Council resolved to lease part of the South Melbourne Town Hall ("SMTH") to the Australian National Academy of Music ("ANAM").
- 2.2 The relevant extract from the minutes of the ordinary council meeting on 8 December 2015 are provided as attachment 1 to this report.

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- 2.3 The ANAM was established in 1995 as part of the Commonwealth Government's "Creative Nation" policy as Australia's national centre for training the country's elite level musicians.
- 2.4 In 1996, an agreement was established between City of Port Phillip, ANAM, Melbourne University and the Victorian government that enabled ANAM to utilise the SMTH including the eastern side of the building on two levels and the auditorium.
- 2.5 The ANAM currently have three lease agreements with Council in place that commenced in 1996. The resolution of Council on 8 December 2015 envisaged those three lease agreements being merged into a single document to simplify the arrangements for all parties.
- 2.6 The ANAM currently pay \$117,000 per annum as rental and as occupancy costs to the City of Port Phillip under the existing arrangements.
- 2.7 The SMTH has a variety of users and tenants including ANAM, Multicultural Arts Victoria, a Community Hub, ASSIST and three community rooms for hire. Council also utilises the Council Chamber for its ordinary meetings in South Melbourne.
- 2.8 The ANAM sought a new long term lease to replace its existing leases in 2015 in order to achieve some security of tenure and to enable it to plan its future at the SMTH.
- 2.9 One of the key terms of the new lease was to allow ANAM access to the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor's Dining room ("the SMTH facilities") for 33 weeks of the year although they could be available for the community when they are not being used by ANAM in that time period. The Council would control the bookings and community access to the ANAM facilities for the remaining 19 weeks of the year.
- 2.10 ANAM continues to occupy the premises on a month-by-month basis as the as the term of the previous lease agreements have expired.
- 2.11 The proposed new lease, approved by Council on 8 December 2015, remains unsigned by ANAM at this time.

3. KEY INFORMATION

- 3.1 During 2016 it became apparent to both ANAM and the City of Port Phillip staff that there were a number of issues with the current management model in which ANAM takes bookings for 33 weeks and the Council for 19 weeks. The split of the bookings management was ineffective and inefficient for the following reasons:
 - 3.1.1 There is confusion for the public about whom they can book the auditorium through;
 - 3.1.2 There are different rates depending on whether it is booked through ANAM or Council;
 - 3.1.3 ANAM assist with auditorium bookings regardless of whether it is their booking for which they do not recover their costs;
 - 3.1.4 Which ultimately lead to a low utilisation rate of the auditorium.



- 3.2 Whilst there is opportunity to make significant improvements to the current shared management model the ANAM have proposed an alternative method of managing the bookings for the SMTH facilities which would see ANAM;
- 3.2.1 become responsible for the bookings of the SMTH facilities for all 52 weeks of the year;
 - 3.2.2 engage a facilities officer whose responsibility is to market, promote and coordinate the bookings of the facilities for both ANAM and the community;
 - 3.2.3 allow access to the facilities for members of the community for all 52 weeks of the year rather than only the 19 weeks that Council control the facility. This would be subject to availability on a first in best dressed basis and ANAM's usage of the facilities;
 - 3.2.4 allow ANAM access to the SMTH facilities for the 19 weeks that Council is "in control" of the bookings;
 - 3.2.5 collect and retain the revenue from all bookings;
 - 3.2.6 and the City of Port Phillip work together to promote and market the SMTH as a place of community and cultural focus that optimises community and commercial access to the SMTH;
- 3.3 ANAM have also sought to include the Theatrette and some other smaller spaces within the booking system they propose to run. The public usage of the Theatrette is currently managed by Council's Community Development Department.
- 3.4 At present the Theatrette has a community and council utilisation rate above 80%. As such, it is not proposed that Council agree to allow ANAM to include the Theatrette within this proposal.
- 3.5 This report does not recommend that the ANAM take over the control or management of any spaces at the SMTH that are not already included in their lease area.
- 3.6 Council currently sees a low utilisation rate of the SMTH facilities during its 19 weeks of the year. In terms of revenue the City of Port Phillip received \$20,244 in income for the last two financial years which came from 25 bookings of which 4 were funded by Council. As such, the financial impact of the proposal from ANAM is negligible under the current operating arrangements.
- 3.7 It is proposed that Council reserves its rights to reconsider this at the end of the trial period.
- 3.8 The proposal from ANAM would resolve the confusion for the public and remove the confusion regarding variable rates for the public.



FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 The further activation of the SMTH is consistent with the following focus areas in the 2013-2017 Council Plan:
 - 4.1.1 Engaged – A Well-Governed City – Value transparent processes in Council decision making; and
 - 4.1.2 Vibrant – A Vibrant City – Facilitate and support cultural enterprises and clusters
- 4.2 It is also consistent with the Emerald Hill Precinct Masterplan that seeks 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.”
- 4.3 The ANAM lease and the further targets of increasing the activation and community utilisation of the facilities within the SMTH drive straight to the intent of the Emerald Hill Masterplan.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Through the public submission process undertaken in 2015 it was identified that ANAM plays an important role in delivering cultural performances to the municipality.
- 5.2 There was some concerns regarding the inability of the community to access the auditorium and other rooms as a result of the lease to ANAM.
- 5.3 The alternate model of facility management proposed by ANAM works within the terms of the lease negotiated in 2015 and is aimed at increasing the access of the public to the SMTH for both the 33 weeks ANAM controls the SMTH facilities and the 19 weeks that Council does.
- 5.4 It is recommended that ANAM provide quarterly reports on their progress towards an increased activation of the SMTH for the community.
- 5.5 In the event that this does not occur than it is likely that the trial period would not be recommended for extension.
- 5.6 No further public consultation has been taken with the community or the other tenants at the SMTH in relation to this proposal. It is anticipated that this would take place as part of the development of the binding documentation regarding the trial.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 There are no legal implications as a result of this report or any actions taken from it other than the finalisation of any trial agreement should Council resolve to undertake such a trial.



- 6.2 There are a range of reputational risks that exist for Council in allowing ANAM to manage the bookings for the use of the SMTH auditorium. It is anticipated that the largest of these will be the perception that ANAM is taking over the SMTH which was raised during the public consultation period in 2015. These risks will be managed through the communication and engagement strategies outlined in 8.2.1 below.
- 6.3 It is anticipated that the recommended trial, targets, reporting requirements and ability to terminate any trial agreement

7. SUSTAINABILITY – Triple Bottom Line

7.1 ENVIRONMENTAL IMPLICATIONS

- 7.1.1 There are no environmental implications as a result of this report.
- 7.1.2 The lease requires the ANAM to support the sustainability initiatives in their utilisation of the SMTH.

7.2 SOCIAL & CULTURAL IMPLICATIONS

- 7.2.1 It is the intent of the ANAM proposal and the recommendation of this report to increase the public utilisation of the SMTH.

7.3 ECONOMIC IMPLICATIONS

- 7.3.1 There are minimal economic impacts as a result of the ANAM proposal and the recommendations contained within this report.
- 7.3.2 ANAM provide an economic benefit to the community through its utilisation of the SMTH and this report is anticipated to further enhance that benefit.

7.4 FINANCIAL IMPLICATIONS

- 7.4.1 There are minimal budget implications as a result of this report.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

- 8.1.1 In the event Council resolve to agree to a fifteen month trial period (including a three month review period) is anticipated that this the parties would be in a position to commence such trial on 1 July 2017.

8.2 COMMUNICATION

- 8.2.1 As part of the proposal ANAM have indicated that they would produce a marketing and promotional strategy for the use of the SMTH facilities that would be developed in conjunction with Council as well as both Council and ANAM having a website that provides information on how to utilise the SMTH.



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.

