

ATTACHMENT A

**RESOLUTION OF COUNCIL –
30 MARCH 2015 – FUTURE MANAGEMENT
AND GOVERNANCE MODELS FOR
CITY RECITAL HALL**

Resolution of Council

30 MARCH 2015

ITEM 8.3 FUTURE MANAGEMENT AND GOVERNANCE MODELS FOR CITY RECITAL HALL (S113103.003)

It is resolved that:

- (A) Council support the establishment of a not-for-profit organisation, constituted as a public company limited by guarantee under the Corporations Act 2001 (Cth), with primary responsibility for operating the City Recital Hall and optimising its social, cultural and economic value;
- (B) pursuant to section 358 of the Local Government Act 1993:
 - (i) Council approve the making of an application for the Minister's consent to establish the new entity;
 - (ii) Council note that the establishment of the new entity is in the public interest and the contents of the proposed application to the Minister at Attachment C to the subject report; and
 - (iii) authority be delegated to the Chief Executive Officer (CEO) to finalise and submit the application to the Minister on behalf of Council;
- (C) Council note the proposed governance structure detailed in the proposed company constitution at Attachment B to the subject report;
- (D) Council note a key objective of this governance change is increased venue activation, catalysing increased attendances by new and diverse audiences, economic benefit to the surrounding precinct, and employment opportunities for musicians and theatre workers at the venue;
- (E) Council note that the initial member of the company will be the Council of the City of Sydney, and that the initial company directors will be appointed by Council in accordance with the constitution at Attachment B to the subject report;
- (F) Council note the financing and subleasing arrangements that are described at Attachment D to the subject report to allow the organisation to occupy the City Recital Hall and fulfil its obligations under the funding agreement;

- (G) in accordance with section 356 of the Local Government Act, and subject to the granting of ministerial consent described in clause (B), Council approve the funding of an amount of up to \$450,000 in set-up costs and including a grant to City Recital Hall Limited for the purpose of a contribution towards the costs of operation within the 2015/16 financial year;
- (H) subject to the granting of ministerial consent described in clause (B), authority be delegated to the CEO to enter into a Funding Agreement with the new entity no later than 1 October 2015;
- (I) subject to the granting of ministerial consent described in clause (B), and the development of a Funding Agreement described in clause (H), that the Funding Agreement includes the following conditions:
 - (i) The company must review in good faith the skills, knowledge and experience of any staff that were but are no longer employed by Pegasus or Theatre Services Ltd at City Recital Hall during the period 1 January 2015 – 30 September 2015 with a view to optimising employment opportunities for these staff prior to advertising any vacant roles to the market;
 - (ii) The company must report to the City on the number of previous staff employed by the new entity at the conclusion of its first six and twelve months of operation; and
 - (iii) The company must contact the Media, Entertainment and Arts Alliance with the intention of negotiating and registering an enterprise agreement for the staff of the City Recital Hall;
- (J) Council note that a decision regarding the level of grant funding to the new entity for the financial years 2016 – 2020 will be made by Council following the provision of a detailed four year business plan from the new entity prior to the end of its first year of trading;
- (K) Council note that subject to the granting of ministerial consent described in clause (B), a review of the performance of the organisation and its governance model will be undertaken at the conclusion of its first five year term in October 2020 and reported back to Council at that time; and
- (L) Council note that the last audited financial statements of Pegasus Venue Management Pty. Ltd. include provisions for staff entitlements (including long service leave payments) and that Pegasus made the following statement to the City on 26 March 2015: “Pegasus has successfully managed venues for Councils for the past 22 years with integrity and in a professional manner and has had experience with similar circumstances brought about by proposed changes to the management model. Pegasus is cognisant of the legal responsibilities, statutory requirements and obligations regarding employee entitlements and is fully capable of compliance with the relevant regulations.”

Motion carried.