

Relevant Information for Council

FILE: S117676 **DATE:** 21 June 2024

TO: Lord Mayor and Councillors

FROM: Emma Rigney, Director City Life

THROUGH: Monica Barone PSM, Chief Executive Officer

SUBJECT: Information Relevant To Item 10.5 – Grants and Sponsorship –
Accommodation Grants - Darlinghurst Theatre Company

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

To provide Councillors with information about the Darlinghurst Theatre Company entering into voluntary administration, and the associated implications.

Background

As noted in Item 5 of the 17 June 2024 Resilient Communities and Economic Committee - Grants and Sponsorship - Accommodation Grant Program, the City leases the Eternity Playhouse at 39 Burton Street, Darlinghurst, to Darlinghurst Theatre Company (DTC) under an accommodation grant lease. The lease expires on 30 June 2026.

Further to recent advice from their Board, who reported significant operational difficulties affecting 2023 and 2024 programs, budgets, operations and governance, Darlinghurst Theatre Company are recommended for a new 100 per cent subsidy for the Eternity Playhouse under the current five-year lease for the period 1 July 2024 to 30 June 2025.

The City also leases office and storage space (suites 3.02 and 3.03) to DTC at 101-115 William Street, Darlinghurst under an accommodation grant lease, expiring on 31 October 2027. The report notes that Darlinghurst Theatre Company have provided notice of their intention to vacate these premises and end the lease.

The City has a current grant agreement of \$20,000 with Darlinghurst Theatre Company for the delivery of a First Nations festival called Big Blak Bang, due to be delivered in 2023. \$18,000 of funds for this grant have been paid to Darlinghurst Theatre Company, but the production has not yet been delivered.

On 18 June 2024, Darlinghurst Theatre Company Interim Executive Director Kevin Farmer advised City staff that the company had been placed into voluntary administration as it was likely to become insolvent. Staff then met with the Interim Executive Director and the appointed administrators BRI Ferrier.

In light of this development, City staff will now work with the administrators to understand the full position and consider options for the future operation of the theatre once we have more information. Staff will attend a creditors meeting next week and also formally lodge proof of debt.

It is recommended that the proposed subsidy and grant level for the Eternity Playhouse remain tabled for Council recommendation while staff negotiate and work through this matter. Staff will provide further updates to Council via the CEO Update.

Memo from Emma Rigney, Director City Life

Prepared by: Sasha Baroni, Executive Manager Creative City

Approved

P. M. Barone

MONICA BARONE PSM

Chief Executive Officer