

Item 3.

Grants and Sponsorship – Ad Hoc Grant - Griffin Theatre Company Ltd - Capital Works Funding Request

File No: S117676

Summary

Griffin Theatre Company Ltd (Griffin) operates out of the historic Stables Theatre at 10 Nimrod Street, Darlinghurst.

The company's operations are well supported, and Griffin recently joined Creative Australia's National Performing Arts Partnership Framework, one of only 37 organisations nationally that meet the creative, financial and governance standards required for this group.

Griffin's 105-seat auditorium is an adapted space and lacks many basic theatre facilities as well as accessibility requirements.

In 2022, after purchasing the building with a gift from the Neilsen Foundation, Griffin began planning a major redevelopment to make the Stables Theatre both accessible and fit for purpose. Costings obtained in late 2023 indicated construction costs of \$12.2 million. However, tender quotes received by Griffin in April 2024 saw this increase to just over \$17 million.

Fundraising for the redevelopment by Griffin is ongoing and to date has raised over \$12.5 million. However, despite scope and cost reductions, Griffin is still facing a \$3 million funding gap to cover the unanticipated increase in construction costs.

In early June 2024, Griffin made a special request to the City of Sydney to consider funding support of \$1 million for the project. Should Council approve the \$1 million grant, the funding gap Griffin would continue to fundraise for would be \$2 million.

This report recommends a grant of \$1 million to support Griffin to realise the project and help protect and enhance cultural infrastructure assets in the City of Sydney Local Government Area in line with cultural infrastructure targets adopted in Sustainable Sydney 2030-2050 Continuing the Vision. The proposal to redevelop and expand the Stables Theatre is specifically designed to increase development and presentation opportunities for new local work and independent performing arts producers in the small-to-medium theatre sector.

Recommendation

It is resolved that:

- (A) Council approve a cash grant of \$1,000,000 (excluding GST) to be sourced from the 2024/25 General Contingency Fund to Griffin Theatre Company Ltd towards the Griffin Seaborn Broughton and Walford (SBW) Stables Theatre Redevelopment at 10-12 Nimrod Street Darlinghurst NSW;
- (B) Council note that payment of the \$1,000,000 (excluding GST) cash grant will only be paid following Griffin Theatre Company Ltd demonstrating that funding in full has been secured for the project; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the grant agreement with Griffin Theatre Company Ltd.

Attachments

Nil.

Background

1. Griffin Theatre Company Ltd (Griffin) is Australia's only theatre company solely dedicated to developing and staging Australian plays. Founded in 1979, it has debuted over 400 new Australian plays, and launched the careers of some of Australia's most prolific playwrights, screenwriters, actors and directors.
2. Griffin is a champion of diversity in Australian theatre. Since 2017, over 50 per cent of mainstage writers and directors have been women and since 2021, over 50 per cent of its mainstage writers and directors have been from a First Nations or Culturally and Linguistically Diverse (CALD) background. In 2021, Griffin was invited to join Creative Australia's National Performing Arts Partnership Framework, recognising its achievements and the impact of Griffin on the national cultural landscape.
3. Since its founding, Griffin's home has been the historic Stables Theatre at 10 Nimrod Street, Darlinghurst.
4. The Stables Theatre is a small scale venue with a 105-seat auditorium. While the theatre is much loved it lacks many of the basic theatre facilities required by an established company of its stature.
5. In 2022, as a result of a significant gift of \$5 million from the Neilson Foundation, Griffin became the owner of the Stables Theatre and the adjoining property at 12 Nimrod St, Darlinghurst and began planning for a major redevelopment to make the theatre both accessible and fit for purpose.
6. The new Griffin theatre is being designed by Tim Greer of Tonkin Zulaikha Greer Architects (TZG).
7. When completed, this new theatre will be a substantial addition to the cultural infrastructure of Sydney and provide multiple benefits for the company, the sector and the community:
 - (a) An expanded and flexible 151-seat theatre delivering improved audience experience and standardised to better allow touring of Griffin productions.

Lift access across all three levels is currently not possible within the current building footprint. This, plus other elements of scope, will see the theatre being fully accessible to Disabled & d/Deaf artists and audiences aligning with Griffin's principles of access, equity and inclusion.
 - (c) The new theatre is designed to minimise construction waste and will have multiple environmentally sustainable design features in line with Griffin's Sustainability Action Plan.
 - (d) A larger multi-purpose foyer with a bar and retail offer, event and performance capabilities, allowing for diversified programming to reach new audiences.
 - (e) A new rehearsal room adjacent courtyard, workshop and amenities to significantly improve creative outcomes, streamline operations and reduce reliance on hire of external facilities.
 - (f) Improved back of house configuration including technical equipment, larger dressing rooms, improved artist amenities and storage areas.

- (g) Increased income generation opportunities through additional programming, a bigger bar and increased audience capacity in the auditorium.
 - (h) The capacity to host industry events and allow Griffin to develop strategic partnerships with arts organisations such as Sydney Festival and Sydney Writers' Festival, whose accessibility policies preclude venues that are not wheelchair accessible.
8. Ahead of lodging the Development Application to the City in November 2023 (which was approved on 18 April 2024), the total forecast capital works cost, developed by Griffin's Quantity Surveyor, was \$12.2 million. At that stage, Griffin remained confident of being able to fundraise and/or finance the cost of the project.
 9. In early 2024, Griffin's project managers approached several reputable building contractors as part of the procurement process.
 10. Tender prices were received in late April 2024 and all were considerably over budget. The most competitive tender price was \$5 million over what Griffin had budgeted for.
 11. While Griffin understands this significant increase is consistent with many capital works projects in the current construction climate, the unexpected increase poses a major risk to the project being able to continue.
 12. Fundraising is ongoing and to date has brought in \$12.5 million. This includes:
 - (a) \$5 million from the NSW Government through the Creative Capital Fund (the highest funded project through this scheme), and
 - (b) \$7.5 million in philanthropic and private donations for the redevelopment.
 13. Griffin is now actively engaging with its consultants to identify reductions in cost and scope to the project to reduce its overall cost, without compromising the redevelopment and its many benefits.
 14. Despite all this effort, support and investment, Griffin is still facing a \$3 million funding gap for the redevelopment.
 15. In early June 2024, Griffin made a special request to the City of Sydney to consider funding support of \$1 million for its capital works project as the unanticipated construction costs are threatening the viability of the project progressing.
 16. Should Council approve the \$1 million grant, the funding gap Griffin would continue to fundraise for would be \$2 million.
 17. Council funding would be conditional on Griffin demonstrating to staff that all required funding for the project has been secured.
 18. The newly developed theatre will have significant positive impacts. It will improve and expand cultural infrastructure for the communities in Potts Point, Darlinghurst and across the City of Sydney as well as Sydney's performing arts sector more broadly.

19. Griffin has been operating at close to audience capacity in the theatre for the past five years, with occupancy for Main Stage shows regularly being 90 per cent or greater, notwithstanding the impacts of the Covid pandemic. With the limited capacity, Griffin is currently unable to meet audience demand for new works. As a consequence, growth is stagnant in terms of box office revenue.
20. The redeveloped Stables Theatre will contribute to the City's cultural infrastructure targets adopted in Sustainable Sydney 2030-2050 Continuing the Vision. The project has a strong alignment with the Making Space for Culture property ownership ambitions in the draft Cultural Strategy 2025-2035 (adopted for public consultation at the June 2024 council meeting). Griffin is one of the few arts companies in Sydney which own and control its own capital asset. Council's investment in improved and expanded cultural infrastructure that is owned by the sector itself to be retained for cultural use is a rare opportunity and supports community wealth building.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

21. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
 - (a) Direction 8 - A thriving cultural and creative life - investment in expanded and improved community owned cultural assets provides accessible cultural space for the community to participate in cultural life; increases the supply of space for creatives to work and practice; protects and enhances existing cultural infrastructure; contributes to a public, private partnership model for cultural space; and directly contributes to the City's cultural infrastructure floor space targets.

Risks

22. Griffin fundraising has not yet secured all the funds required to complete the project. A condition of the grant agreement will be that Griffin secure all required funding to deliver the project before the grant is paid.

Social / Cultural / Community

23. The redevelopment will reduce the theatre's impact on local residents and neighbours through improved sound controls and re-routing of patron foot traffic toward Kings Cross and away from residences.
24. The redevelopment will create greater inclusion and equity of access by creating a more welcoming and culturally safe space for First Nations, Culturally & Linguistically Diverse, and Disabled audiences.
25. Additionally, the increased auditorium will see extra seats offered to local community groups through Griffin's unwaged Community Performances, increasing access to the theatre for audiences from lower socio-economic groups.

Economic

26. Griffin at the Stables Theatre plays an important role in supporting the nighttime economy of Darlinghurst and Potts Point, particularly for surrounding food and drink operators.
27. Maximising the Stables Theatre as a performance venue with increased utilisation and high levels of patronage, optimises its economic value through the employment of additional technical, administrative and artistic labour and will increase footfall and spend in the precinct.

Financial Implications

28. The required funding of \$1,000,000 will be sourced from the 2024/25 General Contingency Fund.

Relevant Legislation

29. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions. Public exhibition of this sponsorship is not required because the funds are being paid to a not-for-profit organisation that is not operating for private gain.

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