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| **ENCL: NO** | **1ST ORDINARY COUNCIL MEETING/OPEN** | **AGENDA ITEM:** | **14.1.1** |
| **GARDENS AMPHITHEATRE MANAGEMENT - DARWIN ENTERTAINMENT CENTRE** |
| **REPORT No.: 18CL0011 AM:kl COMMON No.: 3418690 DATE: 13/02/2018** |

**Presenter: General Manager City Life, Anna Malgorzewicz**

**Approved: Chief Executive Officer, Brendan Dowd**

**PURPOSE**

The purpose of this report is to seek approval of the continued transfer of operational management of the Gardens Amphitheatre to the Darwin Entertainment Centre (DEC) and enter into a five year management agreement to facilitate DEC’s ability to manage the venue on Council’s behalf.

**LINK TO STRATEGIC PLAN**

The issues addressed in this Report are in accordance with the following Goals/Strategies as outlined in the ‘Evolving Darwin Towards 2020 Strategic Plan’:-

**Goal**

5 Effective and Responsible Governance

**Outcome**

5.5 Responsible financial and asset management

**Key Strategies**

5.5.1 Manage Council’s business based on a sustainable financial and asset management strategy

**KEY ISSUES**

* Council endorsed a trial period for the Darwin Entertainment Centre (Performing Arts Centre) to manage the Gardens Amphitheatre on its behalf.
* An agreement was executed that binds both parties to specific conditions and limitations, inclusive of Council approved fees and charges.
* The trial period concludes on 30 June 2018.
* It is recommended that the trial period transition to an ongoing arrangement for the management of the venue, through a leasing arrangement.

**RECOMMENDATIONS**

1. THAT Report Number 18CL0011 AM:kl entitled Gardens Amphitheatre Management - Darwin Entertainment Centre, be received and noted.
2. THAT Council agree to the continued transfer of operational management of the Gardens Amphitheatre to the Darwin Entertainment Centre and enter into a five year management agreement to facilitate Darwin Entertainment Centre’s ability to manage the venue on Council’s behalf.
3. THAT the Darwin Entertainment Centre provides exclusive ticketing services of all events from 1 July 2018.
4. THAT commercial hirer fees be increased to $7,500 (excl GST) or 6% of net box office (whichever is greater) and that non-commercial hirer fees remain as per Council’s published Fees and Charges.
5. THAT Council notes established community bookings, such as Carols by Candlelight, will be retained at the current level of assistance and subsidy.

**BACKGROUND**

**PREVIOUS DECISIONS**

*DECISION NO.21\5516 (27/06/17)*

***Amphitheatre Fees and Charges - Commercial Hirers***

*Report No. 17C0046 AM:kl (20/06/17) Common No. 3552504*

*A. THAT Report Number 17C0046 AM:kl entitled Amphitheatre Fees and Charges - Commercial Hirers, be received and noted.*

*B. THAT Council adopt the proposed schedule of new fees and charges to take effect from 1 July 2017 as contained in* ***Attachment A*** *of Report Number 17C0046 AM:kl entitled Amphitheatre Fees and Charges - Commercial Hirers.*

*DECISION NO.21\5013 (21/11/16)*

***Gardens Amphitheatre Management - Darwin Entertainment Centre Proposal***

*Report No. 16A0136 DL:jg (21/11/16) Common No. 3418690*

*B. THAT Council agree to the proposal from the Darwin Entertainment Centre for a transfer of venue management for a trial period of 18 months from 1 January 2017 - June 2018, with a review in December 2017.*

1. *THAT Council notes established community bookings, such as Carols by Candlelight, will be retained at the current level of assistance and subsidy during the trial period.*

*DECISION NO. 21\1396 (27/08/13)*

***Darwin Entertainment Centre***

*Report No. 13C0078 JB:kl (27/8/13) Common No. 2167470*

1. *THAT the Darwin Performing Arts Centre Board be invited to submit a proposal for consideration in respect to the management of the Amphitheatre.*

**DISCUSSION**

In 2016, the General Manager, Darwin Entertainment Centre (DEC) wrote to Council proposing a trial management agreement between DEC and Council for the Gardens Amphitheatre.

For some years, the management and access arrangements to the Gardens Amphitheatre was arranged through Customer Services and City of Darwin staff provided event logistics advice to hirers. The range of events at the venue includes established community celebrations such as “Carols by Candlelight” and “Songkran”, the Thai community new year festival, to sponsored or commercial performances such as the Darwin Festival opening concert, the National Indigenous Music Awards, Bass in the Grass, Summer Sessions and rock and pop concerts arranged by professional entrepreneurs.

Many of these events also require appropriate liquor licence approvals or traffic management plans. Council staff are not venue managers whereas this is the primary function of the Darwin Entertainment Centre staff. The venue management trial placed the facility under the control of a professional organisation that is better placed and able to manage, market, and promote the venue and provide professional logistic advice and assistance to hirers and event entrepreneurs. Under the trial arrangements, City of Darwin maintains responsibility for cyclical maintenance and grounds and infrastructure maintenance.

The level of income received from Gardens Amphitheatre hire is not significant. During the 2015/2016 financial year a total of $5032 was received through venue hire of the facility.

Following Council’s decision in November 2016, an agreement was entered into to trial the management arrangements for a period of eighteen months, to be reviewed in December 2017.

The Gardens Amphitheatre is considered by many touring artists to be one of the best outdoor venues in Australia for its ambience and intimate nature. Its proximity to the CBD makes it comparable to venues such as the Riverside Stage in Brisbane and the Myer Music Bowl in Melbourne. Having experienced venue managers with vast industry knowledge and networks has had a material impact with national and international hirers. DEC has been instrumental in creating awareness and interest amongst event organisers and hirers with high level performances attracted to the venue, delivering to the Top End community a suite of cultural offerings.

DEC facilitated successfully seven events during 2017 without incident. In particular, having experienced venue managers with industry experience has enabled hirers to discuss a broad range of topics with DEC professional staff who can advise hirers on options for production, site crew, marketing and ticketing. DEC is currently preparing a toolkit for hirers that will include a detailed information pack, site templates and streamlined processes in line with other DEC managed facilities and comparable venues around Australia.

After the reviewing the site and discussions with local, national and international hirers, DEC proposed several infrastructure improvements. Investment in site infrastructure will render the venue more attractive to hirers, lowering the overall operational costs for events and positively influence decisions by event organisers to include Darwin as a destination for touring acts and performances. DEC has completed some identified infrastructure improvements at the venue and contributed to some of these costs. Improvements include:

* Purchase of new portable wheelchair lift – to be used between the Gardens Amphitheatre and DEC (Completed);
* Former wheelchair ramp removal – (Completed);
* Box Office and Back Stage wi fi access – (In Progress);
* Temporary fencing and onsite storage;
* Upgrade Box Office facilities;
* Additional backstage dressing rooms and tour manager office (Demountable structure with shower facilities);
* Split system air-conditioners in the rear of the existing building;
* CCTV;
* Upgrade to site safety lighting;
* Power system upgrades; and
* Increased public and performer amenities.

All user groups, commercial and community based will benefit from infrastructure improvements.

DEC has advised the current fees and charges for venue rental are well below those of comparable venues nationally. To support the professional management and use of the facility, the recommended increase in venue rental will bring the management protocols and procedures in lines with national venues. Revised commercial hire fees and charges (and deposits) will ensure that entrepreneurs do not block book the venue and cancel bookings at late notice. DEC believes that increased commercial hire fees while improving service, will increase interest and attract more large scale, commercial events to the venue.

Comparable venues nationally all retain control of the ticketing of events and performances at respective venues. A recent risk management audit has identified that without control of ticketing, DEC is unable to determine accurate numbers inside the venue at any given time. This raises serious safety and governance concerns in the event of a security threat, accidents requiring efficient evacuation or environmental disaster. Currently, neither DEC nor Council have any capacity to confirm to the appropriate authorities that the venue capacity has not been exceeded for large scale events.

A wide range of ticketing providers are currently used for events and performances at the Gardens Amphitheatre. Most, if not all, utilise interstate or international service providers. Using a well-established, reputable, local ticketing provider will ensure funds are reinvested in the community and enable DEC to maintain and support the various venue safety requirements at a national standard.

As the trial period has seen many improvements to the management of the venue and enhanced service provision to hirers, it is recommended that the transfer of operations to DEC contour for further period of five years. In addition, it is recommended that commercial hire fees be brought into line with comparable venues interstate. DEC has recommended an increase from the current $1,654 to $7,500 (excl GST) or 6% of net box office (whichever is greater). It is proposed to introduce the new fee structure from 1 January 2019 to enable appropriate consultation timeframes for hirers. In addition, DEC seeks approval from Council to provide exclusive ticketing services to all events from 1 July 2018 to provide safety and service assurance to stakeholders and the community.

**CONSULTATION PROCESS**

In preparing this report, the following City of Darwin officers were consulted:

* Manager City Operations

In preparing this report, the following External Parties were consulted:

* Darwin Entertainment Centre
* Department of Tourism and Culture

**POLICY IMPLICATIONS**

City of Darwin Policy No. 046 – Recreation and Healthy Lifestyle, provides a framework for the design, development and management of facilities that support pursuits to encourage healthy lifestyles and community connectedness.

City of Darwin Policy No. 007 – Arts and Cultural Development, supports diverse and quality art programs that encourage participation, provide access to creative spaces, enhance a sense of place and foster cultural vitality.

**BUDGET AND RESOURCE IMPLICATIONS**

Transferring venue management to the Darwin Entertainment Centre has resulted in increased productivity and efficiency by releasing Customer Service staff from this responsibility.

**RISK/LEGAL/LEGISLATIVE IMPLICATIONS**

Currently, a management agreement between Council and the Darwin Entertainment Centre provide the framework for the management of operations of the Gardens Amphitheatre. It is proposed a further five year agreement be entered into for the ongoing management and operations of the facility.

**ENVIRONMENTAL IMPLICATIONS**

Nil

**COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION**

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

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| **ANNA MALGORZEWICZ** | **BRENDAN DOWD** |
| **GENERAL MANAGER CITY LIFE** | **CHIEF EXECUTIVE OFFICER** |

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