Item 8.3
At Council
7 April 2025

Relevant Information for Council

FILE:	**S117676**	**DATE:**	4 April 2025
TO:	Lord Mayor and Councillors		
FROM:	Emma Rigney, Executive Director City Life		
THROUGH:	Monica Barone PSM, Chief Executive Officer		
SUBJECT:	Information Relevant To Item 8.3 – Grants and Sponsorship – City Recital Hall Ongoing Operational Funding and Sublease		

For Noting

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

Purpose

To provide clarification about City Recital Hall's ongoing operational funding request and sublease.

Background

At the meeting of the Cultural, Creative and Nightlife Committee on 31 March 2025, further information was sought on the following:

Analysis of the additional information provided by City Recital Hall Limited

Utilisation Data

The City Recital Hall Limited (CRHL) presentation reported an average of 49-56% utilisation over the last 10 years, however CRHL annual acquittal reports higher percentage utilisation (between 68%-73%) for the FY2016-2018 periods.

CRHL have since confirmed that they didn't supply the utilisation details for those years as they didn't have all the information. They are aware the methodology used for calculating utilisation pre-2019 used a different model (using a base of 342 days per year) which changed from 2018/19 (using a base of 355 days per year) and have further expressed they are not clear on what was considered an event or performance that was included in the utilisation figures from FY2016-2018. CRHL is standardising their metrics and methodology for utilisation to ensure accurate and consistent reporting and will continue to do so moving forward.

City staff have sent the relevant acquittals to CRHL for their reference.

Staff Resourcing

CRHL grant application presented an argument that 5 new staff would increase utilisation, develop new audiences and generate sponsorship income. The CRHL presentation revised expenditure based on the proposed $1 million grant would fund 2 new staff:

Development and Sponsorship Manager - Return on Investment demonstrated in presentation

Customer Data and Ticketing analyst (Return on Investment was demonstrated in CRHL business plan attached to grant application).

Profit and Loss Summary

Given CRHL are aligning the additional $1.5 million in funding with revenue generating positions, the City would have expected to see an increase in operating surplus forecasted across the 5-year grant period.

Marketing

Should CRHL be awarded $1 million in annual funding, CRHL propose to reduce programming and marketing expenditure in FY26. CRHL's grant application, and Business Plan noted an urgent need for a Marketing Plan, re-branding strategy and a focus on developing new audiences and attracting new hirers. The City will work with CRHL to ensure that the marketing spend still forms part of the $1 million offering to support the urgent need as required in the Business Plan.

Potential implications and sources of additional funds for CRHL

Any additional spending within the Grants program must be found within the Grants budget.

Therefore, an increase in cultural spending for City Recital Hall will reduce spending in other priority areas across the Grants programs.

Consideration of naming rights to ensure Council has a role (and that any proposed name is consistent with other Council policies and positions)

The City of Sydney has a 99-year lease agreement with Mirvac Funds Management Australia Limited for the City Recital Hall. Under the lease agreement the City does not have rights regarding naming or branding for City Recital Hall, therefore it is required that the City approach and request Mirvac's consent for any name change.

The City of Sydney's Naming Policy does not specifically address sponsorship as part of a name for a building. However, given the nature and intent of the Naming Policy, and as per the recommendation, Council will be consulted about the proposed name change. Any name change must be consistent with landlord consent, and the City's Naming Policy. Through the operation of the new sublease terms, the City will ensure these requirements are met before approving any name change.

The City is the owner of the current registered business name City Recital Hall Angel Place. Should a new name be approved for the Hall, it is recommended that the new name be registered and a further name registered including the sponsor name if naming rights are also granted. The City would then hold 3 registered business names for the Hall. The City also owns 2 trademarks for CRH, City Recital Hall and City Recital Hall Angel Place. New trademarks would also be registered.

Comparison of funding for CRH versus other cultural institutions

The National Comparisons supplied by CRHL in their proposal to Council are almost all State Government owned cultural assets in receipt of State Government operational subsidies through the relevant Arts Ministries. To note, Perth Concert Hall is owned by Perth City Council, but their $757,000 annual operating grant is provided by the WA Arts and Culture Trust (WA Arts Ministry) and not by Council. State Governments work with much larger budgets than local councils and have a remit to provide and maintain significant cultural assets. These are generally established and operated with Government Trusts.

However, there is some cultural infrastructure that has been built and is owned by local councils.

Of a comparable size and purpose to City Recital Hall is the Pavilion Performing Arts Centre Sutherland Ltd.

This is a company that was established by the Sutherland Shire Council to operate the Pavillion Performing Arts Centre. It has one main theatre with a 686 capacity which is used as a concert hall and was opened in January 2023. In 2024 the Sutherland Shire Council contributed a cash subsidy of $1.7 million to the company as per their annual report. It should be noted that this venue is half the size in seating capacity of the City Recital Hall and therefore harder to increase revenue through ticket sales.

Memo from Emma Rigney, Executive Director City Life

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Approved

P. M. Barone

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Chief Executive Officer