

CITY OF MOUNT GAMBIER

Meeting to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier
on Tuesday, 17th November, 2015 at 6.00 p.m.

AGENDA

CONSIDERATION FOR EXCLUSION OF PUBLIC

moved that pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public (with the exception of other Council Members and Council Officers now present) be excluded from the meeting in order for Council Agenda Item 1 to be received, discussed and considered in confidence.

The Council is satisfied that the information to be received, discussed or considered in relation to this Agenda Item is information that pursuant to:

- **section 90(3)(b)** – the disclosure of which could reasonably be expected:
 - to confer a commercial advantage on a person with whom the Council is proposing to conduct business,
and;
 - would prejudice the commercial position of the Council.

- **section 90(3)(d)** - is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
 - to prejudice the commercial position of the person who supplied the information,
and;
 - to confer a commercial advantage on a third party.

The information to be received and discussed relates to the business of a 3rd party organisation with whom Council is considering to conduct business the disclosure of which would reasonably be expected to prejudice or confer advantage on the commercial positions of various stakeholders and the current operating activities of that organisation.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because disclosure would prejudice the Council’s position in negotiating appropriate commercial and acceptable community outcomes with 3rd party stakeholders.

<u>Item No.</u>	<u>Subject Matter</u>	<u>S90 (3) Grounds</u>
1	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO.</u> <u>75/2015 - Riddoch Art Gallery- Ref. AF11/1615</u>	(b) & (d)

seconded

IN CONFIDENCE

CORPORATE AND COMMUNITY SERVICES REPORT NO. 75/2015

SUBJECT: RIDDOCH ART GALLERY

REF: AF15/428

Goal:

Building Communities

Strategic Objective:

- (i) Strive for an increase in services and facilities to ensure the community has equitable access and that the identified needs of the community are met*
- (vi) Recognise and support our volunteers, community organisations and their sustainability as they continue to be the foundation of the community*
- (vii) Support the community's development through nurturing collaborative relationships and partnerships and through direct access to Council for recognition, funding, facilitation and in kind support.*

Background

A Comprehensive Directions Paper was considered in conjunction with Corporate and Community Services Report 59/2015 presented to Council on 18th August 2015. Resulting from Council's resolution a Working Party was formed comprising Cr Penny Richardson, Cr Sonya Meziniec, Cr Ian Von Stanke, Cr Mark Lovett, Barbara Cernovskis and the Chief Executive Officer. The approach by Council to the Riddoch Art Gallery, Country Arts SA and District Council of Grant was based on agreed future funding, retention of the Art Collection, dissolution of the Riddoch Art Gallery Board and continuance of the role of Gallery "Friends". The establishment of an Advisory Group to provide advice to Council specifically on art purchases and related matters was also noted.

The three funding parties presented to the Riddoch Art Gallery Board on the 8th September with the Board resolving a number of matters that would be presented to the Riddoch Art Gallery Members for consideration including the dissolution of the Riddoch Art Gallery Board. The outcome of a special meeting of the Riddoch Art Gallery Member's meeting held on the 26th October resulted in the non acceptance of the Board's recommendation and the resignation of four Board Members. Since that time the Riddoch Art Gallery Board has new Members and a new Chair. It continues to operate without a Gallery Director, a situation ongoing since early this year.

Council's Riddoch Art Gallery Working Party has met numerous times to discuss ongoing matters and to consider Council's approach to the possibility of Council assuming responsibility for the Gallery. On the 15th October Mayor Lee and the Chief Executive Officer met with the Chair of Country Arts SA (CASA), Lew Owens and the Chief Executive Officer Steve Saffell to discuss the Riddoch Art Gallery future and at that time they proposed a financial package that would be provided to Council should we assume responsibility for the Gallery. Subsequent to this meeting a counter position was made by Council to CASA and a new position has since been provided by CASA via letter dated 10th November, 2015 (attachment 1) that details the extent of CASA's proposed funding agreement.

CASA is clearly supportive of the Riddoch Art Gallery Board's dissolution and Council having full responsibility for the Gallery. Council's focus and intent has always been that should the Council assume responsibility for the Gallery (with support from the other funding bodies) the Gallery would remain in its current location. Due to the collection needing climate control air-conditioning, as do

some visiting exhibitions, there is no other current suitable location. Further, there are substantial synergies to be gained between the Main Corner and Gallery functions.

In considering this matter District Council of Grant has formed a Working Party to progress the joint agreement with any final decisions being the responsibility of their Council. The two Working Parties have met and our understanding is that District Council of Grant is supportive of our approach and its ongoing financial contribution.

Attached is a forecast 10 year budget for Riddoch Art Gallery (attachment 2), in particular noting the operational cost to Council.

Next Steps

Council has a detailed platform outlining the basis and structure by which Council would assume responsibility for the Riddoch Art Gallery. Due to the confidentiality order on Corporate and Community Services Report 59/2015 first presented to Council on 18th August, 2015 a full description and explanation of this platform could not be provided to the Riddoch Art Gallery Board as at that time negotiations were occurring between the funding parties and it was premature to assume financial agreement and strategic direction.

It is now appropriate for the Mayor and Chief Executive Officer to formally present to the Riddoch Art Gallery Board the proposal and seek their endorsement of the way forward for the Board to present to their Members. Council has and should continue to be respectful of the Riddoch Art Gallery, it's history, membership and role in the community understanding that the proposed changes are significant. However, the benefits are also worthy being the retention (ownership) of the Gallery's collection, the continuation of the Gallery itself, a role for the Friends and Advisory Group and a broader community engagement with arts and culture.

Platform

As noted in Corporate and Community Services Report 59/2015 presented to Council on 18th August, 2015 the following platform forms the basis for further discussions with Riddoch Art Gallery and for presentation in writing to the Riddoch Art Gallery Board.

Council propose to assume full responsibility for the Riddoch Art Gallery under the following conditions and noting while negotiations are continuing between the three funding parties an "in principle" agreement has been reached.

- Council secures an acceptable level of funding, other support and resources from Country Arts South Australia and District Council of Grant. Resources from the other two funding parties will reduce the impact on Council for the \$300,000 per annum operational cost for Riddoch Art Gallery.
- The Gallery is under the full control of the City of Mount Gambier and is integrated with Council's operations. The timeframe for this transition will be negotiated between Council and Riddoch Art Gallery Board. Current Riddoch Art Gallery governance structures including the Foundation cease any responsibility for the Gallery and are wound up (or continue in another form and purpose other than managing the Riddoch Art Gallery) as required by legislation.

A Gallery Advisory Group is established with representatives from the Friends of the Gallery, stakeholders and others as nominated by Council. This in an Advisory Group only, providing advice to Council on art purchases and associated matters.

- The Riddoch Collection remains in Mount Gambier under care and control by Council and preferably under Council ownership. The Gallery continues in its current location noting it's A Class gallery status and the potential for visiting exhibitions.


- The Friends of the Gallery continues with a governance arrangement suited to their needs. Council acknowledges the valuable role of the Friends of the Gallery, their contribution and support for the Gallery operation.
- All assets of the Gallery (noting the above comment regarding the art collection) become Council property to assist with the effective operation of the Gallery.
- All remaining funds from CASA and District Council of Grant for the 2015/16 financial year are provided to Council upon the assumption of responsibility by the Council.

Summary

Without substantial information to guide their decision making the Riddoch Art Gallery Board and Members (and the three funding parties) will not make progress. The recommendation seeks support for the Mayor and Chief Executive Officer to present detailed information to the Riddoch Art Gallery Board as soon as possible to assist in their decision making.

RECOMMENDATION

- (a) Corporate and Community Services Report No. 76/2015 be received.
- (b) Council endorse the making of an offer to the Riddoch Art Gallery Board to assume full operational responsibility for the Gallery and all associated activities based on the platform as identified in the report and with the following conditions:
 - i. current Riddoch Art Gallery Board to settle all outstanding debts, liabilities and responsibilities of the Riddoch Art Gallery Incorporated and surrender all operating activities to Council.
 - ii. financial assets of the Riddoch Art Gallery to revert to the Council.
 - iii. Ownership of all physical Riddoch Art Gallery assets (including the Institute Collection) to revert to the Council.
 - iv. Riddoch Art Gallery Members and Friends support and participation in Gallery activities to continue as registered volunteers of Council.
 - v. Riddoch Art Gallery Foundation to consider the continued performance of its own objects in conjunction with Council as operator/owner/custodian of the Gallery.
 - vi. CASA support as detailed in this report is satisfactorily negotiated.
 - vii. DC Grant support as detailed in this report is satisfactorily negotiated.
 - viii. Funds not yet provided to the Gallery from District Council of Grant and CASA for the 2015-2016 financial year as provided to Council for the operation of the Gallery.
 - ix. A Riddoch Art Gallery Advisory Group is established that may include but extend beyond Riddoch Art Gallery Friends, funding parties, stakeholders and other as nominated by Council.
- (c) The platform, offer and conditions as identified in the report and resolutions be presented by the Mayor and Chief Executive Officer to the Riddoch Art Gallery Board, for subsequent presentation by the Board to Riddoch Art Gallery Members.
- (d) Subject to an affirmative vote by Riddoch Art Gallery Board and Members in support of the presented platform, the Chief Executive Officer and Riddoch Art Gallery Working Party progress the development and implementation of a transition arrangement for Council to assume operational responsibility for the Gallery from a future date, to be determined in conjunction with the Riddoch Art Gallery Board Members.

A handwritten signature in black ink, appearing to read 'Mark McSHANE', written in a cursive style.

Mark McSHANE
CHIEF EXECUTIVE OFFICER

10th November, 2015
TLG

CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL

moved that having considered Council Agenda Item 1 in confidence under section 90(2) and (3)(b & d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the report and minutes relevant to Council Agenda Item 1 be retained in confidence and that this order be reviewed every 12 months, as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>S.90(3) Grounds</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
1	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 75/2015 - Riddoch Art Gallery- Ref. AF11/1615</u>	(b) & (d)	Report	Until : 24 months have elapsed, or; The proposed platform as contained in CCS Report 75/2015 has been presented by the Riddoch Art Gallery Board to its Members, whichever occurs first.
			Attachment 1 and Attachment 2	Until : 24 months have elapsed, or; The inclusion of the proposed Financials being included in Council's Budget, or; An announcement by CASA or the Minister with regard to their proposal, whichever occurs first.

seconded

10 November 2015

Mr Mark McShane
Chief Executive Officer
City of Mount Gambier
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Far North & West
Middleback Arts Centre

Mid North & Yorke
Northern Festival Centre

Riverland & Murraylands
Chaffey Theatre

Limestone Coast
Sir Robert Helpmann Theatre

Hopgood Theatre

STATEWIDE PROGRAMS
Arts & Cultural Development
Visual Arts
Performing Arts
Grant Funding

ABN 63908129329

Dear Mark

IN CONFIDENCE

Re: Riddoch Art Gallery – Country Arts SA Funding Contribution

Further to our recent discussions, I am writing to outline and confirm Country Arts SA's future funding commitment for the Riddoch Art Gallery.

Firstly, I can confirm that Country Arts SA is happy to enter into a funding agreement with Council for the operation and management of the Riddoch Art Gallery. This will be a four year agreement with KPIs agreed by both parties of similar form to those contained in the current funding agreement with the Riddoch Art Gallery Inc.

Country Arts SA's funding commitment will be \$65,000 in 2016/17 reducing by \$10,000 per annum over each of the remaining three years. Whilst we cannot guarantee that any further funding will be provided beyond the four year agreement we would be prepared to insert a negotiation clause to enable the parties to explore options beyond the initial four year agreement.

In addition to this operating grant, Country Arts SA is prepared to enter into a Creative Communities Partnership Program (CCPP) agreement with Council to jointly fund a position at the Gallery of up to \$50,000 per annum for a period of three years. The position would be employed by Council but would also be required to deliver services to Limestone Coast communities on behalf of Country Arts SA. The role and duties would be agreed between the parties and outlined in the CCPP agreement.

Toward the end of the three year period, Council will have the opportunity to reapply to renew the position for a further period of up to three years. The success of the application will depend upon the success of the position in achieving the required outcomes within the first three years, quality of the application and the demand for the program at that time.

In regard to the Riddoch Art Gallery collection, Country Arts SA supports Council assuming care and control of the collection on behalf of the Mount Gambier and surrounding communities. As indicated, our preference is for the collection to be gifted to Council however this is contingent upon approval by Cabinet which is currently being sought but at this stage cannot be guaranteed.

I have met with the Director of Art Lab regarding ongoing assistance with restoration and conservation of the Riddoch Art Gallery collection and he is happy to continue the current arrangement of support (currently valued at \$10,000 to \$13,000 per annum) should the collection come under the care and control of Council in the future.

Should Council proceed with the new management arrangements for the Riddoch Art Gallery, Country Arts SA will support the transfer of all assets, including all unspent funds from the Gallery to Council on the dissolution of the Riddoch Art Gallery Inc. In addition, Country Arts SA agrees to pay all remaining grant funds due to the Gallery at the time of dissolution to Council under the same conditions currently in place with the Riddoch Art Gallery Inc (currently estimated to be \$82,500).

Finally, Country Arts SA is prepared to relinquish the lease of the Gallery building with Council if Council proceeds with the proposed new management arrangements of the Riddoch Art Gallery.

Country Arts SA strongly believes that Council's proposal represents the only viable option for the Gallery into the future as the current financial position of the Gallery would preclude us from entering into a new financial agreement with the Riddoch Art Gallery Inc.

I would like to take this opportunity to congratulate Council on its vision and commitment to the Gallery and we look forward to working with the City of Mount Gambier, District Council of Grant and the members of the Riddoch Art Gallery in bringing this exciting new era for the Gallery to fruition.

Should you require any further information or clarification on any matter raised above please do not hesitate to contact me.

Yours sincerely



Steve Saffell
Chief Executive Officer

Riddoch Art Gallery

Long Term Financial Plan Model

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:		2014/15 Actual	2015/16	2016/17 Plan Year 1	2017/18 Plan Year 2	2018/19 Plan Year 3	2019/20 Plan Year 4	2020/21 Plan Year 5	2021/22 Plan Year 6	2022/23 Plan Year 7	2023/24 Plan Year 8	2024/25 Plan Year 9	2025/26 Plan Year 10
INCOME													
Arts, Cultural Programs & Exhibitions				5,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000
Donations		5,504											
Entry Fees		4,135											
Funding - City of Mount Gambier	2.3%	58,000		0	0	0	0	0	0	0	0	0	0
Funding - Country Arts SA		165,000		65,000	55,000	45,000	35,000	0	0	0	0	0	0
Funding - District Council of Grant	2.3%	20,000		20,000	20,460	20,931	21,412	21,904	22,408	22,924	23,451	23,990	24,542
Fundraising	2.3%	3,109		2,000	2,046	2,093	2,141	2,190	2,241	2,292	2,345	2,399	2,454
Grants - Other	2.3%	2,000		50,000	51,150	52,326	0	0	0	0	0	0	0
Interest		2,526											
Memberships		3,510											
Other		0											
Reimbursements		2,231											
Rent Received		1,881											
Sales (Net Return)	2.3%	7,703		15,000	15,345	15,698	16,059	16,428	16,806	17,193	17,588	17,993	18,407
Sponsorship		1,363											
Workshops & Classes	2.3%	0		5,000	5,115	5,233	5,353	5,476	5,602	5,731	5,863	5,998	6,136
Total Revenues		\$276,962		\$162,000	\$174,116	\$171,281	\$109,965	\$80,999	\$82,057	\$88,140	\$89,247	\$95,380	\$96,538

Riddoch Art Gallery

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EXPENSES													
Accounting		5,350											
Advertising & Marketing	2.3%	1,855		3,000	3,069	3,140	3,212	3,286	3,361	3,439	3,518	3,599	3,681
Arts, Cultural Programs & Exhibitions	2.3%	0		50,000	55,000	56,265	57,559	58,883	60,237	61,623	63,040	64,490	65,973
Audit		2,390											
Bank Fees		947											
Car		0		0	0	0	0	0	0	0	0	0	0
Catering	2.3%	215		1,000	1,023	1,047	1,071	1,095	1,120	1,146	1,173	1,200	1,227
Cleaning	2.3%	4,665		5,500	5,627	5,756	5,888	6,024	6,162	6,304	6,449	6,597	6,749
Collection - Note 1	2.3%	2,047		2,000	2,046	2,093	2,141	2,190	2,241	2,292	2,345	2,399	2,454
Depreciation		0			0	0	0	0	0	0	0	0	0
Electricity	5.0%	20,295		20,000	21,000	22,050	23,153	24,310	25,526	26,802	28,142	29,549	31,027
Freight	2.3%	885		1,000	1,023	1,047	1,071	1,095	1,120	1,146	1,173	1,200	1,227
Insurance	2.3%	12,893		13,000	13,299	13,605	13,918	14,238	14,565	14,900	15,243	15,594	15,952
Leave Provision		(9,881)			0	0	0	0	0	0	0	0	0
Library, Licences, etc	2.3%	428		500	512	523	535	548	560	573	586	600	614
Memberships	2.3%	462		500	512	523	535	548	560	573	586	600	614
Postage, Printing & Public Relations	2.3%	1,154		1,000	1,023	1,047	1,071	1,095	1,120	1,146	1,173	1,200	1,227
Repairs	2.3%	685		1,000	1,023	1,047	1,071	1,095	1,120	1,146	1,173	1,200	1,227
Salaries - Administration	3.5%	172,576		25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072
Salaries - Curatorial Services	3.5%			30,000	31,050	32,137	33,262	34,426	35,631	36,878	38,168	39,504	40,887
Salaries - Director	3.5%			100,000	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290
Shared Costs, Security, etc	2.3%	3,508		4,000	4,092	4,186	4,282	4,381	4,482	4,585	4,690	4,798	4,908
Stationery	2.3%	1,778		2,000	2,046	2,093	2,141	2,190	2,241	2,292	2,345	2,399	2,454
Sundry (Website, Volunteers, etc)	2.3%	844		1,000	1,023	1,047	1,071	1,095	1,120	1,146	1,173	1,200	1,227
Superannuation	3.5%	13,885		16,000	16,560	17,140	17,739	18,360	19,003	19,668	20,356	21,069	21,806
Telephone/Computing	2.3%	6,368		3,000	3,069	3,140	3,212	3,286	3,361	3,439	3,518	3,599	3,681
Training & Seminars	3.5%	1,134		2,000	2,070	2,142	2,217	2,295	2,375	2,459	2,545	2,634	2,726
Travel	2.3%	0		1,500	1,535	1,570	1,606	1,643	1,681	1,719	1,759	1,799	1,841
Workcover	3.5%	3,122		7,300	7,556	7,820	8,094	8,377	8,670	8,974	9,288	9,613	9,949

Riddoch Art Gallery

Long Term Financial Plan Model

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Workshop/Events	2.3%	1,075		2,000	2,046	2,093	2,141	2,190	2,241	2,292	2,345	2,399	2,454
Total Expenses		\$248,680		\$292,300	\$305,577	\$315,411	\$325,579	\$336,091	\$346,960	\$358,199	\$369,821	\$381,839	\$394,268
OPERATING SURPLUS/(DEFICIT)		\$28,282		-\$130,300	-\$131,461	-\$144,130	-\$215,613	-\$255,091	-\$264,903	-\$270,059	-\$280,574	-\$286,460	-\$297,730
Previous Funding - City of Mount Gambier	2.3%	58,000		58,000	59,334	60,699	62,095	63,523	64,984	66,479	68,008	69,572	71,172
ADDITIONAL COST TO COUNCIL				-\$72,300	-\$72,127	-\$83,432	-\$153,519	-\$191,569	-\$199,919	-\$203,581	-\$212,566	-\$216,888	-\$226,558

Note 1

Art collection & preservation contribution (in kind) is available to the value of \$13,000 p.a. from CASA.

PRELIMINARY

MINUTES OF THE MEETING OF THE CITY OF MOUNT GAMBIER HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT GAMBIER ON TUESDAY, 17TH NOVEMBER, 2015 AT 6.00 P.M.

CONSIDERATION FOR EXCLUSION OF PUBLIC

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In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because disclosure would prejudice the Council's position in negotiating appropriate commercial and acceptable community outcomes with 3rd party stakeholders.

<u>Item No.</u>	<u>Subject Matter</u>	<u>S90 (3) Grounds</u>
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Cr Greco seconded

Carried

Pursuant to Division 3 - Conflict of Interest, Sections 73 and 74 Part 4 of the Local Government Act 1999, Cr Morello disclosed an interest in Item 1 (due to being an employee of Country Arts SA) and did not:

- (a) propose or second a motion relating to the matter; or
- (b) take part in discussion by the Committee relating to that matter; or
- (c) while such discussion is taking place, be in, or in the close vicinity of, the room in which or other place at which that matter is being discussed; or
- (d) vote in relation to that matter.

Cr Morello vacated the meeting at 7.11 pm

IN CONFIDENCE

CORPORATE AND COMMUNITY SERVICES REPORT NO. 75/2015

SUBJECT: RIDDOCH ART GALLERY

REF: AF15/428

Goal: Building Communities
Strategic Objective:

- (i) Strive for an increase in services and facilities to ensure the community has equitable access and that the identified needs of the community are met*
- (vi) Recognise and support our volunteers, community organisations and their sustainability as they continue to be the foundation of the community*
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counter position was made by Council to CASA and a new position has since been provided by CASA via letter dated 10th November, 2015 (attachment 1) that details the extent of CASA's proposed funding agreement.

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In considering this matter District Council of Grant has formed a Working Party to progress the joint agreement with any final decisions being the responsibility of their Council. The two Working Parties have met and our understanding is that District Council of Grant is supportive of our approach and its ongoing financial contribution.

Attached is a forecast 10 year budget for Riddoch Art Gallery (attachment 2), in particular noting the operational cost to Council.

Next Steps

Council has a detailed platform outlining the basis and structure by which Council would assume responsibility for the Riddoch Art Gallery. Due to the confidentiality order on Corporate and Community Services Report 59/2015 first presented to Council on 18th August, 2015 a full description and explanation of this platform could not be provided to the Riddoch Art Gallery Board as at that time negotiations were occurring between the funding parties and it was premature to assume financial agreement and strategic direction.

It is now appropriate for the Mayor and Chief Executive Officer to formally present to the Riddoch Art Gallery Board the proposal and seek their endorsement of the way forward for the Board to present to their Members. Council has and should continue to be respectful of the Riddoch Art Gallery, its history, membership and role in the community understanding that the proposed changes are significant. However, the benefits are also worthy being the retention (ownership) of the Gallery's collection, the continuation of the Gallery itself, a role for the Friends and Advisory Group and a broader community engagement with arts and culture.

Platform

As noted in Corporate and Community Services Report 59/2015 presented to Council on 18th August, 2015 the following platform forms the basis for further discussions with Riddoch Art Gallery and for presentation in writing to the Riddoch Art Gallery Board.

Council propose to assume full responsibility for the Riddoch Art Gallery under the following conditions and noting while negotiations are continuing between the three funding parties an "in principle" agreement has been reached.

- Council secures an acceptable level of funding, other support and resources from Country Arts South Australia and District Council of Grant. Resources from the other two funding parties will reduce the impact on Council for the \$300,000 per annum operational cost for Riddoch Art Gallery.

- The Gallery is under the full control of the City of Mount Gambier and is integrated with Council's operations. The timeframe for this transition will be negotiated between Council and Riddoch Art Gallery Board. Current Riddoch Art Gallery governance structures including the Foundation cease any responsibility for the Gallery and are wound up (or continue in another form and purpose other than managing the Riddoch Art Gallery) as required by legislation.

A Gallery Advisory Group is established with representatives from the Friends of the Gallery, stakeholders and others as nominated by Council. This in an Advisory Group only, providing advice to Council on art purchases and associated matters.

- The Riddoch Collection remains in Mount Gambier under care and control by Council and preferably under Council ownership. The Gallery continues in its current location noting it's A Class gallery status and the potential for visiting exhibitions.
- The Friends of the Gallery continues with a governance arrangement suited to their needs. Council acknowledges the valuable role of the Friends of the Gallery, their contribution and support for the Gallery operation.
- All assets of the Gallery (noting the above comment regarding the art collection) become Council property to assist with the effective operation of the Gallery.
- All remaining funds from CASA and District Council of Grant for the 2015/16 financial year are provided to Council upon the assumption of responsibility by the Council.

Summary

Without substantial information to guide their decision making the Riddoch Art Gallery Board and Members (and the three funding parties) will not make progress. The recommendation seeks support for the Mayor and Chief Executive Officer to present detailed information to the Riddoch Art Gallery Board as soon as possible to assist in their decision making.

RECOMMENDATION

- (a) Corporate and Community Services Report No. 76/2015 be received.
- (b) Council endorse the making of an offer to the Riddoch Art Gallery Board to assume full operational responsibility for the Gallery and all associated activities based on the platform as identified in the report and with the following conditions:
 - i. current Riddoch Art Gallery Board to settle all outstanding debts, liabilities and responsibilities of the Riddoch Art Gallery Incorporated and surrender all operating activities to Council.
 - ii. financial assets of the Riddoch Art Gallery to revert to the Council.
 - iii. Ownership of all physical Riddoch Art Gallery assets (including the Institute Collection) to revert to the Council.
 - iv. Riddoch Art Gallery Members and Friends support and participation in Gallery activities to continue as registered volunteers of Council.

- v. Riddoch Art Gallery Foundation to consider the continued performance of its own objects in conjunction with Council as operator/owner/custodian of the Gallery.
 - vi. CASA support as detailed in this report is satisfactorily negotiated.
 - vii. DC Grant support as detailed in this report is satisfactorily negotiated.
 - viii. Funds not yet provided to the Gallery from District Council of Grant and CASA for the 2015-2016 financial year as provided to Council for the operation of the Gallery.
 - ix. A Riddoch Art Gallery Advisory Group is established that may include but extend beyond Riddoch Art Gallery Friends, funding parties, stakeholders and other as nominated by Council.
- (c) The platform, offer and conditions as identified in the report and resolutions be presented by the Mayor and Chief Executive Officer to the Riddoch Art Gallery Board, for subsequent presentation by the Board to Riddoch Art Gallery Members.
- (d) Subject to an affirmative vote by Riddoch Art Gallery Board and Members in support of the presented platform, the Chief Executive Officer and Riddoch Art Gallery Working Party progress the development and implementation of a transition arrangement for Council to assume operational responsibility for the Gallery from a future date, to be determined in conjunction with the Riddoch Art Gallery Board Members.



Mark McSHANE
CHIEF EXECUTIVE OFFICER

10th November, 2015
TLG

1. **CORPORATE AND COMMUNITY SERVICES REPORT NO. 75/2015** – Riddoch Art Gallery – Ref. AF15/428

Cr Richardson moved;

- (a) Corporate and Community Services Report No. 76/2015 be received.
- (b) Council endorse the making of an offer to the Riddoch Art Gallery Board to assume full operational responsibility for the Gallery and all associated activities based on the platform as identified in the report and with the following conditions:
 - i. current Riddoch Art Gallery Board to settle all outstanding debts, liabilities and responsibilities of the Riddoch Art Gallery Incorporated and surrender all operating activities to Council.
 - ii. financial assets of the Riddoch Art Gallery to revert to the Council.
 - iii. Ownership of all physical Riddoch Art Gallery assets (including the Institute Collection) to revert to the Council.
 - iv. Riddoch Art Gallery Members and Friends support and participation in Gallery activities to continue as registered volunteers of Council.
 - v. Riddoch Art Gallery Foundation to consider the continued performance of its own objects in conjunction with Council as operator/owner/custodian of the Gallery.
 - vi. CASA support as detailed in this report is satisfactorily negotiated.
 - vii. DC Grant support as detailed in this report is satisfactorily negotiated.
 - viii. Funds not yet provided to the Gallery from District Council of Grant and CASA for the 2015-2016 financial year as provided to Council for the operation of the Gallery.
 - ix. A Riddoch Art Gallery Advisory Group is established that may include but extend beyond Riddoch Art Gallery Friends, funding parties, stakeholders and other as nominated by Council.
- (c) The platform, offer and conditions as identified in the report and resolutions be presented by the Mayor and Chief Executive Officer to the Riddoch Art Gallery Board, for subsequent presentation by the Board to Riddoch Art Gallery Members.
- (d) Subject to an affirmative vote by Riddoch Art Gallery Board and Members in support of the presented platform, the Chief Executive Officer and Riddoch Art Gallery Working Party progress the development and implementation of a transition arrangement for Council to assume operational responsibility for the Gallery from a future date, to be determined in conjunction with the Riddoch Art Gallery Board Members.

Cr Persello seconded

Carried

CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL

Cr Greco moved that having considered Council Agenda Item 1 in confidence under section 90(2) and (3)(b & d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the report and minutes relevant to Council Agenda Item 1 be retained in confidence and that this order be reviewed every 12 months, as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>S.90(3) Grounds</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
1	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 75/2015</u> - Riddoch Art Gallery- Ref. AF11/1615	(b) & (d)	Report	Until : 24 months have elapsed, or; The proposed platform as contained in CCS Report 75/2015 has been presented by the Riddoch Art Gallery Board to its Members, whichever occurs first.
			Attachment 1 and Attachment 2	Until : 24 months have elapsed, or; The inclusion of the proposed Financials being included in Council's Budget, or; An announcement by CASA or the Minister with regard to their proposal, whichever occurs first.

Cr Lovett seconded

Carried

Cr Morello resumed the meeting at 7.22 pm