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I hereby give notice that a Council Meeting will be held on:

Date: Tuesday, 18 January 2022
Time: 6.00 p.m.
Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier

link for public to view: <https://www.youtube.com/user/CityOfMountGambier/live>

CONFIDENTIAL AGENDA

**Council Meeting
18 January 2022**

A handwritten signature in black ink, appearing to read "Sarah Philpott", is positioned above the printed name and title.

**Sarah Philpott
Chief Executive Officer
14 January 2022**

26.2 PROPERTY MANAGEMENT - LEASING – REPORT NO. AR22/430

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Mayor, Councillors and (Council Officers) be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 26.2 AR22/430 Property Management - Leasing.

The Council is satisfied that, pursuant to section 90(3) (a), (b), (d) and (e) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)
- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
 - conducting business; or
 - proposing to conduct business; or
 - to prejudice the commercial position of the Council
- 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, or
 - to confer a commercial advantage on a third party
- matters affecting the security of
 - the Council, or
 - Council Members, or
 - employees of the Council, or
 - Council property, or
 - the safety of any person

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 the information to be considered relates to the personal and commercial business affairs of the proponent and negotiation of business arrangements that, if discussed in open session, could confer an advantage on the proponent with whom Council is proposing to conduct business and prejudice the commercial position of the Council in those negotiations.

26.2 PROPERTY MANAGEMENT - LEASING – REPORT NO. AR22/430

Committee:	Council
Meeting Date:	18 January 2022
Report No.:	AR22/430
CM9 Reference:	AF13/64
Author:	Michael McCarthy, Manager Governance and Property
Authoriser:	Tim Coote, General Manager City and Community Growth
Summary:	This report presents a proposal for future arrangements associated with the leasing of the Old Town Hal.
Strategic Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)
- (b) information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or proposing to conduct business; or to prejudice the commercial position of the Council
- (d) 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, or to confer a commercial advantage on a third party
- (e) matters affecting the security of the Council, or Council Members, or employees of the Council, or Council property, or the safety of any person.

REPORT RECOMMENDATION

1. That Council Report No. AR22/430 titled 'Property Management - Leasing ' as presented on 18 January 2022 be noted.
2. That the Chief Executive Officer and Mayor be authorised to negotiate and execute (including affixation of the Common Seal if/as necessary) documentation for the surrender of the current Old Town Hall Lease, and granting of a new lease for the Old Town Hall ground floor annex area (only) for a period up to five years on commercial terms with the James Morrison Academy.
3. That an invitation be extended to the James Morrison Academy/James Morrison to present at an information/briefing session to discuss broader economic and cultural development and promotional opportunities.



TYPE OF REPORT

Corporate

BACKGROUND

In 2013 Council first considered supporting the concept of the James Morrison (Music) Academy (“JMA”), with a lease subsequently granted for the Old Town Hall and portion of the Institute Building for a bachelor degree level music program in association with the University of South Australia (“UniSA”).

In early 2021, following the withdrawal of UniSA due to changing federal funding arrangements as well as the effects of COVID19, JMA relinquished the Institute portion of their lease, accommodating their reduced student numbers solely within the Old Town Hall building.

With the last of the bachelor degree level students completing studies in 2021, JMA have approached Council with their proposed future operations. A copy of a letter from James Morrison AM is attached for Members information (**Attachment 1**).

Mr Morrison indicated a strong preference to present personally to Members at an informal workshop or during a formal Council meeting, however this has yet to be accommodated due to the Christmas/New Year period, existing Council information sessions/meetings and James’ own touring calendar commitments.

This report presents the immediate leasing matters associated with JMA’s lease of the Old Town Hall, whilst leaving open the opportunity for further engagement with James Morrison and JMA regarding ongoing opportunities associated with their Mount Gambier based operations.

PROPOSAL

The permitted use in the current lease of the Old Town Hall is for a bachelor degree level university program based on previous Council resolutions and public consultation conducted in 2014. The progressive changes to JMA operations over the past 18 months have eroded JMA’s capacity to comply with this condition of use and the recent graduation of the remaining bachelor level students warrants a surrender of the current lease and review of any future arrangements.

The current lease includes provision for early surrender in such circumstances.

As inferred in the attached letter (Attachment 1) and raised during a recent discussion with James Morrison, JMA are seeking to retain a presence in the Old Town Hall in the form of a tenancy of the rear annex area on the ground floor, which would leave the remainder of the two storey premises available for alternate use.

Should Council be agreeable to such an arrangement, a new five year lease is proposed on similar commercial terms as existing arrangements. Given the reduced tenancy area without access to wet area facilities or separate metering a gross rental plus any separate rates/taxes is proposed.

Similar to the past arrangements, Council may also consider whether any ‘inducement’ (i.e. rental discount) is warranted in recognition of any benefits from the occupation and activation of the building/precinct by JMA and any other ancillary arrangements that might arise.

A new lease would include formalities to surrender the existing lease, thus making the entire Old Town Building available, whether for Council’s own operational purposes or some other tenancy arrangements. Further consideration may be put such potential uses and a further report would be presented to Council should this eventuate.

It is further proposed that a opportunity be arranged for James Morrison to attend an information session to discuss associated opportunities with Council Members.

LEGAL IMPLICATIONS

As a proposed surrender and granting of a new lease to a legal entity, including over community land, it is necessary that appropriate documentation be utilised to formalise such business



arrangements and that Council act in compliance with the adopted community land management plan for the subject land being the Cave Garden.

The community land management plan anticipates leasing of the buildings contained within the Cave Garden community land parcels, and the Local Government Act does not require public consultation on leasing where in compliance with a management plan for a term not exceeding five years.

STRATEGIC PLAN

The current and proposed arrangements for James Morrison Academy at the Old Town Hall are in alignment with various goals and objectives across all five themes/goals in Council's Strategic Plan 2020-2024.

COUNCIL POLICY

N/A

ECONOMIC IMPLICATIONS

The key economic implications arising from the changes to the James Morrison Academy are beyond the scope of this report and Council. Council can however determine the extent to which it will contribute to the pursuance of further economic benefit for the City through its continuing arrangements with the James Morrison Academy.

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

The Cave Garden and surrounding precinct are the art and cultural centre of the City. Retaining the presence of the James Morrison Academy in this precinct has art and cultural merits, which should be balanced with the opportunities that might arise from an alternate use of the high profile space proposed for continued occupation for this purpose.

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

N/A

RISK IMPLICATIONS

A key risk associated with this matter is the loss of the substantial tenancy of the Old Town Hall, which is imminent irrespective of the outcome of Council's deliberations in this matter.

Risk focus is directed toward opportunity associated with continued occupation of the Old Town Hall annex by the James Morrison Academy (or for other purposes, and the regional/national/international promotion of Mount Gambier of a continued relationship with James Morrison Academy).

This report is focussed specifically to leasing matters, with broader risk/opportunity to be addressed a broader economic and cultural development matters.

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

A joint communication strategy would be developed with James Morrison Academy for any formal announcement of their altered and continuing tenancy arrangements (if/as relevant).



IMPLEMENTATION STRATEGY

Any changes to leasing arrangements will be formally documented with support from Councils property lawyers to ensure a proper surrender and re-leasing on a commercial basis.

CONCLUSION AND RECOMMENDATION

Having provided Council with a brief update on the James Morrison Academy this report recommends that the Chief Executive Officer and Mayor be authorised to negotiate and execute (including affixation of the Common Seal if/as necessary) documentation for the surrender of the current Old Town Hall Lease and granting of a new lease for the Old Town Hall ground floor annex area only for a period up to five years on commercial terms with the James Morrison Academy.

That further engagement occur with the James Morrison Academy in the form of a presentation by James Morrison at an information/briefing session to discuss broader economic and cultural development and promotional opportunities.

ATTACHMENTS

1. Letter from James Morrison AM

CONFIDENTIAL





4th January 2022

Dear Councillors,

Eight years ago, I approached Council with a proposal to create a music academy in the heart of Mount Gambier, this was after twenty-seven years of my involvement in Generations in Jazz and a belief that the Mount should be a centre for jazz education in Australia.

In 2015 the Academy became a reality and over the ensuing years we've seen hundreds of graduates go into the world, taking the message of their experience in Mount Gambier as far as Europe, the US, South America, and all over the Asia-Pacific region. In jazz circles around the world, Mount Gambier is now known as a place of excellence in music education. In addition, we've had many of the world's best come to the Mount and they too speak highly of the jazz culture in this city.

Along the way we opened a jazz club, eventually collaborating with local business (The Limestone Coast Pantry) which has seen jazz you would only expect in a New York club to be available to local residents and visitors alike.

It's been seven wonderful years and the chance to bring world class faculty to regional South Australia and further cement Mount Gambier's reputation as a centre for jazz has been a privilege and we can't thank our supporters enough – of course chief amongst these is the City of Mount Gambier, you have all contributed in a way that will benefit so many young people for the rest of their lives.

So...what's next for JMA?

As you would all be aware the last two years have been tumultuous, with many tertiary students studying online and music programmes disrupted in so many ways across the country. At JMA we've been luckier than many, with most of our students being able to complete their degrees in person at the Old Town Hall campus. But even so, the closing of borders and restrictions on movement have challenged students and faculty at every turn.



Large universities have borne similar burdens and our partner, University of South Australia, is no exception, ceasing all their 'third party' programmes last year. With the cessation of new intakes, JMA spent 2021 completing the degrees of our enrolled students - and now we come to a crossroads at the start of 2022.

The circumstances in which we find ourselves have led to a decision to cease operations in our present form. That is, to substantially close the campus at the Old Town Hall.

It's time for a new chapter and we're very excited to announce a change in direction for JMA and the beginning of a new initiative for the Academy.

My life-long friend and mentor and Australian music icon Don Burrows spent much of his career teaching, and in particular he had a passion for bringing music to the disadvantaged. This was sometimes children in remote areas, sometimes those with socio-economic challenges, sometimes children in indigenous communities, sometimes music teachers who needed assistance – basically anyone who didn't have the access to musical experiences enjoyed by so many more fortunate. We intend to continue that legacy of Don's in every way we can.

JMA will now operate as more of a 'pop up' academy, working as an outreach organisation taking music to wherever it is needed and inspiring young people who may not otherwise get an opportunity to hear, play and learn about music – and particularly jazz. There will be no geographic limitations to this work, it may be a week in the outback, it may be a day in the inner city, and it may even be on the other side of the world. There will be no age barrier to this work, it may be primary or high school, or adult community members. Our base of operations will still be Mount Gambier and we'll be taking that name wherever we go. We also plan to bring young musicians and teachers to the Mount for special events and further the building of Mount Gambier's reputation as a centre for jazz.

I believe it's important that we maintain and even grow our collaboration with Council as we move into this new area. Stakeholders, artists, schools and the press will notice that our base of operations is still out of the Old Town Hall in Mount Gambier and experiences that we create should also happen there. The possibilities for collaboration with Generations in Jazz and planned festival activities in the Mount are obvious and we intend to look for more ways to add value to what is already happening culturally in our city.

In keeping the JMA base in the Town Hall building I also intend to run my management office from this location. In speaking to one of the biggest jazz agents in Europe and the US recently he said he expected my manager would be based in Sydney or Melbourne now the Academy has changed. When he heard that Mount Gambier would continue to be our base he asked why...I replied, "Where else would an international touring artist such as myself have their office but in the jazz centre of Australia". His reaction was exactly what I've come to expect and on what I wish to build..."Of course".



I'm sorry I can't be there to present this idea to you all personally, it's that time of year where I am touring in the US and I felt it important to get this information to you for your consideration sooner rather than later. Having said that, I would welcome the opportunity to meet with Councillors at the first opportunity to answer any questions and expand on the vision I have for our future in the Mount.

Yours sincerely,



James Morrison AM

CONFIDENTIAL

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CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 26.2 AR22/430 Property Management - Leasing and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (a), (b), (d) and (e) be kept confidential and not available for public inspection until 2 years have elapsed from the execution of arrangements or abandonment of negotiations associated with the proposal.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

**MINUTES OF CITY OF MOUNT GAMBIER COUNCIL MEETING
HELD VIRTUALLY FROM THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE,
MOUNT GAMBIER
ON TUESDAY, 18 JANUARY 2022 AT 6.00 P.M.**

**VIRTUAL MEETING WAS AVAILABLE FOR LIVE STREAMING,
<https://www.youtube.com/user/CityOfMountGambier/live>**

PRESENT: Mayor Lynette Martin (OAM), Cr Sonya Mezinac, Cr Kate Amoroso, Cr Max Bruins, Cr Christian Greco, Cr Paul Jenner, Cr Frank Morello, Cr Steven Perryman

OFFICERS IN ATTENDANCE:	Chief Executive Officer	- Mrs S Philpott
	General Manager City Infrastructure	- Ms B Cernovskis
	General Manager Corporate and Regulatory Services	- Mr D Barber
	General Manager City and Community Growth	- Mr T Coote
	Manager Governance and Property	- Mr M McCarthy
	Media and Communications Coordinator	- Ms S McLean
	iServices Systems Administrator	- Mr A Myers
	Executive Administrator	- Ms T Chant

26.2 PROPERTY MANAGEMENT - LEASING – REPORT NO. AR22/430**RESOLUTION 2022/1**

Moved: Cr Frank Morello

Seconded: Cr Max Bruins

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 - 14 the safety of any person

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 the information to be considered relates to the personal and commercial business affairs of the proponent and negotiation of business arrangements that, if discussed in open session, could confer an advantage on the proponent with whom Council is proposing to conduct business and prejudice the commercial position of the Council in those negotiations.

CARRIED

RESOLUTION 2022/2

Moved: Cr Paul Jenner

Seconded: Cr Kate Amoroso

1. That Council Report No. AR22/430 titled 'Property Management - Leasing' as presented on 18 January 2022 be noted.
2. That an invitation be extended to the James Morrison Academy/James Morrison to present at an information/briefing session to discuss broader economic and cultural development and promotional opportunities.
3. That the Chief Executive Officer and Mayor be authorised to negotiate and execute (including affixation of the Common Seal if/as necessary) documentation for the surrender of the current Old Town Hall Lease, and granting of a temporary lease for the Old Town Hall ground floor annex area (only) for a period up to six months on commercial terms with the James Morrison Academy, pending consideration of a longer lease period following the information/briefing session anticipated in resolution 2.

CARRIED**RESOLUTION 2022/3**

Moved: Cr Paul Jenner

Seconded: Cr Max Bruins

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 26.2 AR22/430 Property Management - Leasing and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (a), (b), (d) and (e) be kept confidential and not available for public inspection until 2 years have elapsed from the execution of arrangements or abandonment of negotiations associated with the proposal.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED