

CONSIDERATION FOR EXCLUSION OF PUBLIC

Cr Meziniec 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. 75/2015 - Riddoch Art Gallery- Ref. AF11/1615</u>	(b) & (d)

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*
- (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, 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.
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 - 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.
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- (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