

10.8. Sunset Cinema - 2024/25 Venue Hire Agreement for North Sydney Oval

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ATTACHMENTS	<ol style="list-style-type: none"> 1. CONFIDENTIAL - Sunset Cinema - Comparison Table 2023-24 vs 2024-25 [10.8.1 - 1 page] 2. CONFIDENTIAL - Heads of Agreement - Sunset Cinema 2024-25 [10.8.2 - 2 pages]
CSP LINK	<ol style="list-style-type: none"> 1. Our Living Environment 1.4 Well utilised open space and recreational facilities 4. Our Social Vitality 4.1 North Sydney is connected, inclusive, healthy and safe

PURPOSE:

The purpose of this report is to seek Council’s endorsement of a Heads of Agreement which will form the Venue Hire Agreement for MMR Entertainment Pty Ltd (“Sunset Cinema”) to operate at North Sydney Oval during 2024/25.

EXECUTIVE SUMMARY:

- Sunset Cinema (previously Starlight Cinema) has operated at North Sydney Oval (NSO) for almost 25 years, traditionally operating under a Venue Hire Agreement (VHA).
- Under the Sunset Cinema 2024-25 VHA, it is proposed that Sunset Cinema will control all food and beverage (F&B) services for every screening, previously Council-controlled beverage sales. An increased venue hire fee will offset revenue previously generated through beverage sales while also removing certain operational risks.
- Recent changes in the agreement for cricketing use of North Sydney Oval means the number of screenings available to Sunset Cinema have increased, which will benefit both Council and Sunset Cinema.
- Sunset Cinema have proposed providing Council with 100 general admission tickets (to be distributed at Council's discretion), in addition to a 90-second pre-show advertisement at every screening.
- The proposed 2024-25 Sunset Cinema VHA will provide an improved experience for all patrons, an increased number of screenings, and a better financial result for Council.
- Should Council wish to discuss this report it is noted that the attached confidential document includes commercial information that would, if disclosed, prejudice the commercial position of the person who supplied it. Further, release of the information would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information

in future and would affect Council's ability to obtain value for money services. As such should this matter be discussed it should be considered in closed session.

RECOMMENDATION:

1.THAT Council note the contents of this report in relation to the proposed Venue Hire Agreement for the Sunset Cinema to operate at North Sydney Oval during 2024-25.

2.THAT Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

(d) commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it

It is further noted that release of this information would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services.

3. THAT Council endorse the proposed terms in the attached Heads of Agreement.

4. THAT Council authorise the CEO to finalise negotiations and enter into a Venue Hire Agreement with Sunset Cinema for the use of North Sydney Oval during 2024/25.

Background

For almost 25 years Sunset Cinema (previously Starlight Cinema) has operated at North Sydney Oval (NSO) for three - four evenings each week from December through to March, providing the community with a family-friendly, unique entertainment option at one of Sydney's most iconic outdoor venues.

Recent changes in cricketing bookings of the Oval have resulted in an increased availability of the Oval for Sunset Cinema in 2024-25.

Council's adopted fees and charges do not currently fit the unique requirements of hosting the Sunset Cinema at NSO. Therefore, the proposed terms of the attached Heads of Agreement are required to be endorsed by Council. This Heads of Agreement will form the Venue Hire Agreement (VHA) between Sunset Cinema and Council.

Report

Under previous agreements, Council has been the vendor for beverage sales, and Sunset Cinema has operated snack bar facilities and outsourced the hot food vending to a third party.

Sunset Cinema has approached Council with a proposal to deliver a complete food and beverage offering which will significantly improve the range and quality of products, enhancing the patron experience.

Beverage sales are a source of revenue for Council, however the loss in revenue is outweighed by eliminating the costs associated with stock procurement and staffing for each screening.

The proposed 2024-25 VHA for Sunset Cinema will include all fees for cleaning, security, and lighting. Council will also receive 100 general admission tickets (to be distributed at Council's discretion), in addition to a 90-second pre-show advertisement at every screening which Council can use for its own media or that of its partners.

The attached 'Sunset Cinema - Comparison Table 2023-24 vs 2024-25' provides a high-level comparison of the operational and financial performance between the 2023-24 and projected 2024-25 Sunset Cinema seasons.

At the conclusion of the 2024-25 season, Council will meet with Sunset Cinema to review the season and identify where changes can be made to ensure it continues to be a successful event into the future. The intention is to apply the key learnings from the 2024-25 season to a new, multi-year VHA, securing a long-standing entertainment option at NSO for years to come.

Consultation requirements

Community engagement is not required for the purposes of this report.

Financial/Resource Implications

The proposed Sunset Cinema VHA for the 2024-25 season will deliver a better-quality experience for all patrons, along with an improved financial return to Council through a reduction in resources by Council.

Legislation

s608(1) of the NSW Local Government Act 1993.