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INT23/6564CAF

Tabled doc 26/4/2023



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24 April 2023

Mr Daryl Buckingham
Chief Executive Officer and All Councillors
Tenterfield Shire Council
PO Box 214
TENTERFIELD NSW 2372

By email: d.buckingham@tenterfield.nsw.gov.au

Dear Daryl,

Re: Sir Henry Parkes Memorial School of Arts – Report to Council Meeting of 26 April 2023

We were astonished to discover over the weekend the late Addendum Item to the Agenda of the Ordinary Council Meeting of 26 April 2023. Strangely it is headed 'Arts, Culture and Community Development – Revised Operational Model', yet largely deals with the Lease of the Sir Henry Parkes Memorial School of Arts (SHPMSoA).

The Report and associated recommendation has been put to the Council without any recent discussion or consultation with the National Trust of Australia (NSW) Executive (the Trust) nor the local Friends of Sir Henry Parkes Memorial School of Arts. Given the late notice and timing of this Report, we have found it necessary to write, and copy in all Councillors, so that the Council is properly informed before deliberating on the recommendation included in the Report.

The Trust is greatly concerned with some of the content in the Report and in particular, the wording of the recommendation. A Notice of Termination is a very inappropriate and blunt instrument to use, in order to initiate discussion regarding the future of the facility. We strongly urge the Council to reconsider the recommendation when making a resolution as to how to proceed.

The inclusion of a comparative model used in the Report, being the Plunge Festival held in the Clarence Valley Shire is puzzling. Clarence Valley Shire has a population some nine times that of Tenterfield Shire, together with a significantly greater tourism visitation record. While a similar festival in the Tenterfield Shire would be a terrific initiative, it should not be at the expense of forgoing the wonderful resource the SHPMSoA facility is to the community. To suggest in the table on page 4 of the Report that the SHPMSoA provides nil economic benefit to the local community is nonsense, and that the engagement of groups in the community cannot be enhanced is simply misleading. With more diligent community engagement and promotion of the facility by the Council, both are able to be substantially improved.

For background:

In September 2022 the Trust's General Manager Properties met briefly with the Council's Chief Executive Officer (CEO) and the Manager Arts Culture and Library Services, following correspondence received from the Council's CEO dated 10 August 2022. The discussions were general in nature being focussed on exchanging information on the financial position of both the Council, and the National Trust, and the request for further detail from the Council in respect to the recent, current and future finances and operation, of the property, so that the Trust could better consider the content of the 10 August 2022



correspondence from the Council's CEO. Only very periphery reference to cost sharing and plans was made.

In October 2022 the Trust lodged a GIPA application with the Council seeking historical financial information relevant to the property, so that the Trust could properly assess the matter in light of the previous correspondence from the Council's CEO. We received some of this information in late November, with an undertaking that the additional information would be provided, assuming some internal IT access issues were able to be overcome. We have not received any further communications regarding the GIPA application.

In December 2022, we wrote to the Council seeking the additional information, and advised following the receipt of legal advice, that any termination of the Lease would not relieve the Council from fulfilling its pre-existing repair and maintenance obligations. It is clear from the documents provided to date by the Council, there is a substantial amount of maintenance and renewal required at the property that has been delayed, but should have been addressed, in some cases, many years ago. Further we advised that a continuation of the Lease would allow the Council to address those obligations over a number of years during the lease term. Any termination of the Lease would otherwise crystallise those liabilities for the Council.

Further we confirmed it remained the wish of the National Trust to work cooperatively with the Council to devise an acceptable outcome which will not only benefit the parties, but also the wider community.

We have not yet received a response to our December 2022 correspondence.

There exists a number of omissions, errors and assumptions in the Report:

- The Report advises of budgeted expenditure of \$429K on the SHPMSoA for 2023FY, yet the Monthly Operational Report to March 2023 advises of expenditure flattening out from March at about \$285K or approx. 63% of the budget. The income to March is advised as \$82K or 76% of the budget;
- The Report advises of an annual operational saving of \$322K which would be redirected to Council's overall operational budget. No account is made of the annual cost to lease the Library and necessary ancillary spaces, nor the Council's obligation for backlog maintenance;
- As referred to earlier the termination of the current Lease of the property would crystallise the cost to Council of the backlog maintenance and renewal that has been delayed at the property. In September 2022 the Trust received from the Council a Schedule of Maintenance Estimates, for works mostly overdue, totalling \$866K, excluding the cost of electrical switchboard repairs following a major systems failure;
- We have previously advised with regards to the above, a continuation of the Lease would allow the Council to address those liabilities over a number of years during the term of the Lease, rather than have that cost crystallised should the Lease be terminated;
- The SHPMSoA was developed utilising primarily federal grant funding. As the NT was not a direct party to that grant agreement, we have not had access to it. We are concerned as the 50 year Lease to the Council was an integral part of the development proposal, the grant agreement may well have further implications on the matter to hand;
- The assumption in the Report that the Trust has the capability to assume operational and management responsibility for the SHPMSoA, has been grossly exaggerated. The Trust is very aware of the financial difficulties being experienced by Tenterfield Shire Council, however like the Council, the Trust has experienced significant financial difficulties in recent years. The impact of local flooding, bushfires and COVID 19 have resulted in a significant decline in our revenue from the downturn in property visitation, cancelled events and the flow on negative impacts to many of our revenue sources;



- The Report states that the National Trust has 'access to substantially greater resources and expertise' than the Council. The Trust is the custodian of some 35 properties in NSW (not over 300). Many of the properties it cares for, are as the Trustee under the Crown Lands Management Act, or other types of Trust arrangements. While the Trust does indeed have some 800 registered volunteers in NSW, all are committed to assisting with properties in their own local area. The Trust is involved in a wide range of activity including Advocacy, Education and Property and Bushland Conservation. There are 6 members of the Trust staff located at its Head Office, involved in the management of properties under its custodianship.

In conclusion:

At this stage the Trust has not made any offer to contribute resources or finance to the operation and maintenance of the SHPMSoA. Instead the Trust has sought further information to inform a Report to our Board of Directors for consideration on how to proceed with the matter, and to work collaboratively with the Council to find a more acceptable outcome for the facility which will benefit the parties and the wider community.

The termination of the current Lease may well result in the mothballing of the SHPMSoA by the National Trust, with limited public access to the museum only, subject to the availability of local volunteers. This would be a very sad outcome given the facility is such a unique and important National asset, and one we understand the Tenterfield community is justly proud of.

We strongly urge the Council **NOT** to accept the recommendation included in the Report. As referred to earlier, the use of a Notice of Termination is a highly inappropriate and blunt instrument to use to initiate discussion and/or negotiation on the matter.

Instead we ask the Council to resolve to endorse the Council's CEO, and any other relevant staff, to enter into open discussions and negotiation with the National Trust of Australia (NSW) as to how the facility may continue in operation in a financially sustainable way, for the benefit of Tenterfield residents and the broader community. In our view, reference to the surrender and termination of the Lease should not be included as part of the resolution.

I am hopeful Gerry Hayes our General Manager Properties will be able to move some prior engagements and attend the Council Meeting on Wednesday, to speak to the Council in the Consultation Session prior to the meeting. He will be able to answer any questions you may have.

Yours sincerely,

Debbie Mills
Executive Director

c.c.

Councillor Bronwyn Petrie, Mayor
Councillor John MacNish, Dep. Mayor
Councillor Peter Petty
Councillor Tim Bonner
Councillor Tom Peters
Councillor Peter Murphy
Councillor Kim Rhodes
Councillor Greg Sauer
Councillor Geoff Nye

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