

RCM communications issues with government

From: Andrew Wallace <andrew@[REDACTED]>
 To: Daryl Maguire <daryl.maguire@parliament.nsw.gov.au>
 Date: Sat, 16 Jun 2018 22:14:06 +1000
 Attachments: 180508 HoA - RC of Music 1 Simmons St Wagga Wagga Final.pdf (4.43 MB)

Dear Daryl,

Further to our conversation this afternoon, I attach a copy for the draft lease for 1 Simmons Street that arrived today. I will also summarise the growing unrest with our project shared in our conversation.

My concern is that we seem to have a communication problem within sections of government. I have a very strong sense that *Property NSW* in particular is unaware of the rationale and intentions of government in this endeavour. They seem to lack understanding of the workings of a Conservatorium, and of government agreements with the Riverina Conservatorium of Music (RCM) in particular.

I am increasingly concerned that we achieve clarity before going any further with this project. At this stage this project is in danger of failing to meet the expressed desires of government and of the RCM. We do not have clarity of purpose or endeavour between the RCM and Property NSW. We seek your help.

I would hasten to add that the problem does not seem to lie with the officers with whom I have been working. They are good people to work with, and we are developing a good working relationship. The advice provided to them seems to be where issues arise. The assumptions, which underlie the work of the staff within Property NSW, is where our concern lies. They apply normal commercial lease arrangements for surplus government offices to our project, and that will not work. This project requires a very different kind of relationship with government, and there is no evidence that this is understood.

The attached draft lease is a case in point. There are a number of problems that are identified in this document. These reflect a misreading of the role, responsibilities and financial constraints of the RCM, and of the expressed rationale for this lease. I list a small sample:

- A lease of an impossibly short-term of only 5 years is proposed;
- The annual rent plus GST figure quoted is \$345,750.00 (so an actual figure of over \$380,000.00 pa), with a 3% annual increase.

Such a figure is very high for Wagga Wagga, though there is agreement that these costs are ultimately to be borne by government. We will of course argue that these grants will need to be part of the lease arrangement. There is no possibility that an organisation like the RCM could commit to these debt levels without certainty of funding. We are a not-for-profit community organisation with an annual profit of only \$16,000 pa. We can't commit to this agreement without a written guarantee that they are to be funded by government, nor with the other conditions outlined in the draft lease;

- The document suggests building operating hours will be between 8:00 am to 6:00 pm Monday to Friday, which would never work for a Conservatorium with a range of after hours performance programs and teaching, as well as weekend programs; and,
- It is suggested that after-hours airconditioning costs will be \$30.00 per hour and that there will be a number of other constraints upon usage of the building and upon the operational requirements of the RCM.

This document seems to have no understanding of the promises made to the RCM by government, nor of the business model that sits behind community organisations such as the RCM, particularly in a rural community. I am sure that we can explore each of these points and that these issues will be resolved. My concern is about the underlying assumption of the officers in *Property NSW* about the major work in front of us, and of our ongoing relationship with Property NSW.

It is our understanding that we have the long-term commitment of Government to our region and to the city of Wagga Wagga in this project. The Simons Street site permanently addresses the particular needs of the RCM. It is our understanding is that we have a long-term lease (a minimum of 30-50 years plus), on the same arrangements as we currently enjoy with CSU. The Government will provide the property at no effective cost to the RCM. The RCM will have unlimited access to the site. It is understood that this project will be a major infrastructure addition for the region. It is definitely not a short-term fix to provide accommodation for the RCM. Stage 1 and Stage 2 are both on the table and integral to this initiative, with long term implications for our city and the Riverina.

I have contacted Gary Barnes, and may speak with him on this issue next week. I will also meet with Leon Walker (Executive Director, Major Projects at *Property NSW*) and Neil Mangelsdorf (Regional Project Managers Australia Pty. Ltd.) next Thursday to negotiate ways forward on the unfolding works program.

Thank you for your efforts next week to unblock the communication issues that cause us concern. I do think that high-level conversations will permanently settle the issue, and ensure that the needs of Government and the RCM are met, and that we can move forward in a meaningful partnership into the future.

Thank you for listening to our concerns, and for bringing these to the attention of government.

Kind regards,
Andrew

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