

# Kempsey Cinema Project



**KEMPSEY**  
Shire Council

## FREQUENTLY ASKED QUESTIONS

### **Q: Why is Council contributing to the cinema?**

**A:** The reason Kempsey doesn't currently have a large, modern cinema complex is that our base population is not large enough to justify, on a purely commercial basis, the high start-up cost of construction.

The economic and social boost provided by a modern, purpose-built cinema complex within the Kempsey CBD fits the vision of a vibrant and sustainable future for Kempsey after the bypass and is the reason Council was able to attract \$2m in Federal Government support.

Council's \$2m contribution to the cinema project is one of the many ways Council supports the local business community, and individual businesses. The saleyards facility directly benefits local stock and station agents. The Macleay Valley Food Bowl program provides local agribusinesses with a commercial advantage in the marketplace. The 2015 moratorium on developer contributions for residential subdivision and dwelling developments in Kempsey and Frederickton provides a direct financial benefit to developers.

These initiatives are all in addition to the basic roads, rates and rubbish core business of Council. They aren't legally required services for local government to perform but activities like this are undertaken by most Council organisations to create opportunities, stimulate the economy and give people reasons to live and work in the Macleay.

### **Q: Where has Council's \$2m contribution come from?**

**A:** Council's \$2m contribution will come from existing funds that are held in reserves and don't have any restrictions on how they are used.

A significant part of these funds came from previous sales of unused assets and property, which was put away for future use that would assist the economic and social growth of the area.

### **Q: Do any of the Councillors have anything personal to gain?**

**A:** No Kempsey Shire Council elected representative has declared an interest, commercial or otherwise, in the Kempsey Cinema development. If an interest existed, that Councillor would not be permitted to vote on any resolution of Council relating to the cinema.

### **Q: What are the major benefits of having a cinema in town?**

**A:** A commercial cinema complex in the Kempsey CBD will provide an economic boost to the centre of our Shire's largest town and create a social hub. Project benefits include;

- Job creation during construction and in the ongoing operation
- Creating a reason for local people and tourists already in the area to come into Kempsey and spend money rather than going to neighbouring centres for day trips. This addresses the issue of retail leakage and ensures more money is circulated in the Kempsey economy, providing a further boost to job creation through spending in businesses near the cinema
- Providing a modern and comparable social experience in Kempsey and making it a more appealing place to live and invest in, particularly for families and young professionals
- Creating the conditions that will encourage other businesses such as restaurants and cafes to expand or establish, as has been the case with the re-opening of the Majestic-owned cinema in Sawtell
- Encouraging extended trading hours to bring new life to the CBD at night and over the weekends when it is currently very quiet
- Providing an opportunity for social and cultural enrichment for our community through a state-of-the-art commercial cinema complex.

### **Q: Why not renovate the Bandbox?**

**A:** In the early stages of planning for this project, Council investigated a range of potential locations and spoke with the property owners. The Bandbox Theatre was investigated and visited by cinema operators Majestic Cinemas for technical and commercial compliance.

Part of the criteria that will see Kempsey deliver a commercially competitive cinema experience is a location that is vibrant, near other retail and food outlets for maximum economic returns, which creates an active social hub. The Bandbox Theatre does not meet these commercial and social criteria and cannot provide the same experience as a purpose-built CBD location.

The current contribution to a commercial cinema does not exclude Council from making improvements to the Bandbox in future years.

**Q: Can the venue be used for anything else?**

**A:** Majestic Cinemas have advised that many of its other theatres containing tiered seating and high-quality audio equipment also contain a small stage. They are being used for a variety of purposes, including charity screenings, comedy performances, live theatre and corporate functions. Council has negotiated use of the facility up to 10 times a year for community and corporate events.

**Q: Will my rates go up because of the investment by Council in the cinema?**

**A:** No

**Q: What other costs will Council face?**

**A:** Under the Voluntary Planning Agreement currently on public exhibition, Council will provide a one-off contribution of \$2m towards the project as a matched contribution to the Commonwealth's \$2m grant. Gowing Bros Limited will also invest upwards of \$2.15m, which will include a financial contribution of upwards of \$150k from Majestic Cinemas to fit out the complex.

Gowings will be responsible for constructing the cinema and for formally engaging the cinema operator. Council will not face any ongoing costs or financial risks from construction estimates or delays.

**Q: How does Council make sure the community benefits from investing in this facility?**

**A:** In addition to the modelling and the research supporting the economic and social benefits of activating the CBD, Council has negotiated additional terms in the draft Voluntary Planning Agreement to further secure public benefits. Gowings, as the developer, will have to;

- Make the cinema available to Council as a community space up to 10 times per year. This may include volunteer awards functions, community presentations or education sessions.
- A high-quality community noticeboard will be installed in the foyer area. This will allow ongoing engagement and information sharing between Council and the community.

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# Kempsey Cinema Draft Voluntary Planning Agreement

## FREQUENTLY ASKED QUESTIONS

**Q: What is a Voluntary Planning Agreement (VPA)?**

**A:** A VPA is a legally binding contract between a developer and a planning authority, such as a Council, that determines the criteria for the development.

**Q: What are the benefits to the community of the VPA?**

**A:** The VPA provides a legal framework to guide the funding, construction and management of a 4-screen commercial cinema complex for the Kempsey Central Business District. This development has been supported by the Commonwealth Government through the Building Better Regions Fund in recognition of the significant economic, social and culture benefits it will deliver to the Macleay Valley community.

**Q: Where can the public view the draft VPA?**

**A:** Members of the public can view the VPA and make a submission about the terms of the VPA by going to [www.kempsey.nsw.gov.au/vpa](http://www.kempsey.nsw.gov.au/vpa) or by viewing a copy at Council's Customer Service Centre, 22 Tozer St West Kempsey, between 8:30am and 4:30pm Monday to Friday. The VPA will be on public exhibition for a period of 28 days and the public will have up until 4pm on Wednesday 28 March to make a submission.

**Q: What happens after the public exhibition period finishes?**

**A:** Submissions regarding the terms of the draft VPA will be reported back to Council in April. Should Council resolve to make any further amendments to the VPA document, these will be done before the VPA is executed. Construction will commence after the VPA is adopted.