16.2 Interim Saltwater Project Learnings Report

Strategic Objective:	Strategic Outcome: Leadership Provide effective governance and organisational leadership.
Directorate:	Office of the CEO
Reporting Officer:	Chief Executive Officer - Garry Hunt
Authorised By:	Chief Executive Officer - Garry Hunt
Nature of Decision:	Noting: The item is simply for information purposes and noting.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. Saltwater History [**16.2.1** - 45 pages] 2. Saltwater Council Decisions [**16.2.2** - 9 pages] 3. Schedule of Saltwater concept designs [**16.2.3** - 8 pages] 4. Feasibility Study into a Performing Arts & Creative Industries Centre for the Shire of Busselton - P [**16.2.4** - 212 pages] 5. Capes Regional Arts and Cultural Facilities Needs Assessment - Peter Alexander 2012 [**16.2.5** - 90 pages] 6. Community Survey Outcomes [**16.2.6** - 34 pages] 7. KPMG Independent Review Saltwater Project (incl Appendix B & C) [**16.2.7** - 71 pages] 8. KPMG Report Appendix A - Saltwater cost analysis [**16.2.8** - 6 pages] 9. KPMG Report Appendix D - Project Risk Register [**16.2.9** - 8 pages] 10. Financial Costs Saltwater [**16.2.10** - 1 page] 11. Project Planning and Management Framework [**16.2.11** - 35 pages] 12. Schedule of Interim Learnings for the Saltwater Project [**16.2.12** - 4 pages]

OFFICER RECOMMENDATION

That the Council receives and acknowledges the Saltwater project learnings in this interim report.

EXECUTIVE SUMMARY

The purpose of this report is to provide the Council with interim learnings from the Saltwater Project to date, noting that final outcomes and conclusions will be reported six months following project completion.

STRATEGIC CONTEXT

Organisational learning is an important component of effective governance because it strengthens the City's ability to adapt, improve, and uphold ethical and effective decision-making. It also helps create a culture of transparency and continuous improvement**.**

The learnings identified in this document have been prepared with the benefit of hindsight. This report is not a forensic analysis of the activities that have taken place from the inception of the Saltwater Project. This report also acknowledges that the building construction program for the

Saltwater performing arts facility is yet to be finalised.

Not all questions that the community might have about this facility are capable of being responded to at this time. In particular, those that refer to the total cost of the project. This is because the project is not yet complete. The financial information contained in this report relates to the actual costs estimated and charged to date to the specific accounts set up by the city to track the expenditure for the Saltwater project. Costs in relation to in house project costs and lost opportunity costs are not yet reflected within this interim saltwater project findings.

The decision to take control of the Saltwater site was a considered decision made as a result of prevailing circumstances. One of the items that requires completion is the audiovisual equipment. Access to the equipment and the ability to install is a challenge. Other matters which require determination relates to occupancy, certificates and testing of the various systems within the building.

Focus at the present time is to:

1. complete the building
2. make the facility available as soon as possible to the public,
3. give priority for the smaller usable areas (such as gallery, foyer, function/rehearsal room and Weld Theatre), with the focus for the main auditorium to be the final priority.

It is likely that there will be ongoing conjecture about value for money that is not an issue which is unique to the Saltwater project. For reasons that don't always become evident in Australia, expenditure on sporting facilities does not capture the same level of scrutiny as the review of arts and culture facilities. Art and culture facilities are only built periodically (generational) and invariably have a lifespan much longer than most other community facilities.

BACKGROUND

At the ordinary Council meeting on 11 December 2024, a Notice of Motion was considered by the Council who resolved (C2412/364):

> *That the Council seeks a report from the CEO in September 2025 detailing the organisational learning from the Saltwater project (including its various other historical project names). The report's scope shall include but not be limited to matters the City must consider via its ARC, staff resourcing/capability plan and LTFP for any similar projects and its internal processes generally. If and where the 'learning' is deemed of a confidential nature by the CEO, then the CEO is to bring that (part of the) report separately so as not to compromise the needed transparency of the balance of the learning.*

The motion was not supported by officers as an evaluation report of this nature would be undertaken at project closure and the conclusion of the Saltwater project, looking at the project delivery process, outcomes and learnings. To ensure the review could be completed as thoroughly as possible an alternate timeframe of the end of December 2025 was preferred by officers when it was expected the construction phase of the project would then be completed.

At the 24 September 2025 Council Meeting, officers recommended the deferral of the organisational learning report for the Saltwater Project until six months after the official opening of the venue, to:

- Ensure a comprehensive and informed reflection,
- Reduce risks of producing incomplete or premature insights,
- Not divert resources from project delivery and commissioning, and;
- Potentially expose the City to risk.

Council instead resolved (C2509/283):

> *That the Council extends the Resolution date C2412/364 Saltwater project learnings to an interim report following the installation of the new Council prior to December 2025 or before. The final Report to be tabled six months after the official opening of the venue.*

OFFICER COMMENT

This report and officer commentary is provided within the strategic context outlined above. In summary, it is not a forensic analysis of the activities that have taken place from the inception of the Saltwater Project with the building construction program for Saltwater yet to be finalised.

In preparing this report officers have focussed on areas of the project where there is the ability to have the most informed reflection at this point. The report has been completed and informed by

- historical records held by the City,
- the writing of the Saltwater History (Attachment 1) required by the Council under resolution (C2411/337),
- decisions of the Council from 2010 (Attachment 2), and

Also attached to this report (Attachment 3) is a document which show how the project scope and budget changed over the life of the project and information on Saltwater costs that can be provided at this stage, including borrowing costs.

Following a review of these various reports related to the Saltwater Project, the preliminary learnings outlined below have been identified. Learnings are structured under the following headings:

a) Project scoping
b) Project procurement
c) Building construction contract
d) Project management and reporting
e) Community engagement and advertising of a business plan
f) Cost benefit analysis

a) Project scoping

The idea for an arts, culture, tourism, retail, and commercial offerings within an integrated Cultural Precinct first stemmed from the 2004 Shire of Busselton Cultural Mapping report. The first feasibility study was undertaken in 2008 (Attachment 4). Then in 2010 the Council adopted the development of a Performing Arts/Convention Centre among the top priorities in the Strategic Action Plan 2010–2020 (C1006/200).

In 2010 concept designs were developed by Kerry Hill architects, who showed how Lot 450 on Queen Street (Department of Parks and Wildlife site) could accommodate a major cultural facility, including a 450-seat theatre, a 250-person convention space with breakout rooms, and integration with existing cultural assets. The plans also considered flexible function areas,

backstage and loading facilities, and commercial activation opportunities to create a vibrant precinct connected to the CBD and foreshore.

In 2011 these concepts were presented to the Council who resolved that Lot 450 Queen Street was to be the site the Busselton Performing Arts and Convention Centre (BPACC) and land swap negotiations commenced with the Department of Parks and Wildlife to obtain it. These negotiations have continued for over a decade without success.

In 2012, to establish the scope for concept planning Peter Alexander was engaged to undertake a joint initiative with the Shire of Augusta Margaret River for a Capes Regional Arts and Cultural Facilities Needs Assessment Report (Attachment 5). The report was informed by feedback from over 500 community members and concluded that the proposed facility was long overdue and increasingly essential as the city continued to grow. It recommended a black box-style performing arts centre with approximately 300 seats, ideally located in the Cultural Precinct. The report also highlighted the Centre's potential to support visual arts, cross-disciplinary collaborations, and regional touring artists, while serving as a venue for conferences and trade shows, enhancing both cultural and economic vitality.

Further community consultation was conducted to inform site selection during 2014. Between 2013 and 2017, successive annual budgets funded a series of feasibility studies, economic impact assessments, cost-benefit analyses, and business case developments. These efforts produced over ten concept designs and three separate market demand assessment reports, all aimed at securing State and Federal Government support.

In May 2016, Council endorsed Lots 43 and 44 Queen Street (situated adjacent to the ArtGeo Gallery and Weld Theatre) as the new preferred location (C1605/127). These lots, owned freehold by the City and gifted by the State in 2010, offered immediate availability and strategic advantages. The site allowed full integration with existing cultural assets and activation of the last vacant land in the Cultural Precinct. Concept plans demonstrated the ability to deliver all core functions—such as a 450-seat theatre and convention spaces—while adding benefits including improved street frontage, better loading access, and opportunities for commercial activation like a laneway-style wine bar or café.

Several working groups functioned during the scoping and design phases these included:

- Busselton Performing Arts Centre Working Group (BPACWG)
- Councillor Working Group
- Creative Industries Working Group
- Aboriginal Advisory Group
- SW Business Events Group
- Gallery Working Group

These groups engaged with local community, stakeholders and performing arts centres across Western Australia to help inform the scope of the building, design, business cases for funding applications and advocacy.

In reviewing the project scoping, the following has been learnt:

1) The City's initial vision for a performing arts and convention centre was shaped by extensive community consultation and strategic planning, beginning with cultural mapping in 2004 and evolving through multiple feasibility studies and strategic plans.

2) Notwithstanding the above, the identification and prioritisation of a performing arts centre in an arts, culture, and heritage strategy (like the City now has for sport and recreation) may have reinforced its standing with the community as a priority pillar project and was a lost opportunity.

3) Prior to any funding application a strategic position statement detailing the project philosophy (the why) and project parameters would have clarified the need and justification for its priority.

4) Adoption and public advertising of a business case (separate to and regardless of advice in relation to s3.59) prior to submission for the Federal Government Funding application would have aligned community and Council vision, and provided for greater transparency around the project, its strategic priority and the outcomes it would achieve.

5) Earlier and clearer Council commitment to the operational business plan may also have strengthened project support and advocacy and may have been more effective in attracting additional external funding.

6) The $10.35m Federal Government funding opportunity created pressure to proceed with the project earlier than intended and with a modified project scope and budget, underscoring the need for readiness and robust pre-planning before accepting major funding offers.

7) Concept designs made public for consultation including the kinetic façade set unrealistic expectations for the type of facility that could be achieved for the budget available.

8) Scenario planning with the Council that discussed the risk of projects of this nature going over budget, and what would happen if the project needed more budget, did not occur.

9) Resolutions of the Council seeking the CEO to seek further government funding post tender award were unlikely to ever be realised.

10) Peer review by industry specialists and advice from other local governments were invaluable in informing the design to be operationally practical and identifying opportunities for meetings, incentives, conferences, and exhibitions. This advice clarified an auditorium with less than 600 seats would not be financially viable and that use of the auditorium as one multipurpose space with no other function and event spaces would be impractical to program. This led to design changes and increased costs that do not appear to be understood by the community.

11) Comparative case studies with other regional performing arts centres helped tailor the business plan and designs to Busselton's needs and captured project learnings from similar projects.

12) Involvement of a reference group to inform design development was an effective process which emphasised the priority on operational efficiency and meeting the needs of local users.

13) Study tours to learn from other similar venues and Councillor involvement with the BCRG and Aboriginal Advisory Group provided effective ways of educating Councillors

on what is required to design and operate an efficient and successful performing arts and convention centre. Documentation of these learnings was not consistent and involving only a select working group of elected members was less effective than engaging all Elected Members. Broader involvement may have been more efficient and led to better outcomes.

14) This project's 10 year operating forecasts have been useful to inform long term operational financial planning for the City.

b) Project procurement

On 26 September 2019, the City issued Request for Tender (RFT) 14-19 for design and technical services. The RFT was issued privately via Tenderlink to five shortlisted firms, following an earlier Expression of Interest (EOI) process, where each had submitted a preliminary design concept to a design brief.

The design brief was based on 'Oh you beautiful stage – Australian Design and Technical Benchmarks for Performing Arts Centre edition 3' produced by the Victorian Association of Performing Arts Centres. It was also informed by extensive research and consultation with events and arts venues, stakeholder groups and industry associations.

All submissions were reviewed by expert consultants in theatre design, heritage developments and cost accounting. Submissions, evaluations and recommendations were briefed in detail to the Council ahead of a formal agenda item being considered in January 2020.

While Kerry Hill Architects submitted the highest professional fee ($1,979,440), their forecast project budget of $22,587,000 for the design was considered modifiable to meet the approved budget of $21,320,000.

Council formally resolved (C2001/017) to:

1. *Pursuant to RFT 14-19 Design and Technical Services - Busselton Entertainment, Arts and Cultural Hub, accept the tender from Kerry Hill Architects Pty Ltd as the most advantageous tenderer (Successful Tenderer)), subject to minor variations to be negotiated in accordance with Regulation 20 of the Local Government (Functions and General) Regulations 1996 (FG Regs);*

2. *Delegates power and authority to the Chief Executive Officer to negotiate and agree with the Successful Tenderer minor variations in accordance with Regulation 20 of the FG Regs, subject to such variations and the final terms not exceeding a lump sum contract price of $1,979,440;*

3. *Subject to resolutions 1 and 2, acknowledges that the CEO is authorised to enter into a contract with the Successful Tenderer for supply of the relevant goods and services;*

4. *Endorse the removal of Stage 2 from the overall project scope of works to allow further investigation into the viability of other potential sites for the establishment of a creative industries hub component in proximity to the Cultural Precinct; and*

5. *Endorse the project to progress through to detailed design and contract documentation noting the next hold point will be the recommendation for award of the project builder.*

In March 2020, the latest Concept Design and an updated project cost report was presented to Councillors. This briefing was a critical checkpoint in the development of the project, aimed at securing Council direction on how to proceed in light of escalating costs. Council was asked to consider three options:

1. Revert to the original concept design issued at tender and apply value engineering to reduce costs.
2. Approve the current concept design and pursue targeted value engineering, while seeking additional grant funding.
3. Not proceed with the project.

The program to complete concept design development was extended from April 2020 to August 2020 and a period of two months was given to resolve issues with the project budget. A hold point was introduced at the end of the Concept Design phase to review the overall budget and scope before approving progression to Schematic and Design Development stages.

At the 24 June 2020 Council meeting, a notice of motion to reduce the projected costs of the project to the original budget of $21.32 million was considered, contingent on the outcome of a $9.5 million repurposed airport terminal funding request to the State Government. The motion lost 8/1.

There was also an officer agenda report. Attached to this report were the following documents:

- BEACH Business Case June 2020 and supporting documents,
- Business Operations Draft Plan June 2020,
- Design review presentation,
- Draft Masterplan Busselton Creative Centre,
- Cost Benefit Assessment,
- Cost status update summary,
- Lifecycle Management Plan,
- Estimated rates impact of loan and
- Comparison of Loan borrowing draft LTFP.

Most recent versions of the above are available on the City's website here: Documents » City of Busselton

For the purposes of certainty, and transparency, this officer recommendation sought confirmation from the Council as to whether it wished to proceed as per an optimised design and at an increased budget of $28.5M - $30.3M, and that, in the event that the City was unable to secure additional funding, a loan as detailed in the report would be taken. The Council resolved (C2006/066):

1. *Confirms its commitment to the Busselton Entertainment Arts and Creative Hub (BEACH) project (the Project), as per the optimised designs developed by Kerry Hill Architects (June 2020) and at a budget of between $28.5M and $30.3M, dependent on a final decision with regards to the inclusion of a Creative Industries Hub;*

2. *Will consider the inclusion of a Creative Industries Hub within the Project based on additional external funding being secured and on the outcomes of the tendering process and final pricing;*

3. *Continues to seek additional external funding for the project, to reduce the quantum of loan borrowings required for the Project; and*

4. *Endorses as a funding strategy entering into a loan borrowings / debt financing of up to $17M over a 20 year term (to be reduced by any additional external funding that is secured and / or the inclusion of the Creative Industries Hub component).*

On 19 March 2021, the City of Busselton issued Request for Tender RFT 06/21 for the construction of the Busselton Performing Arts and Convention Centre (BPACC). The tender was sent to seven pre-qualified builders who had responded to Expression of Interest EOI02/20. By the closing date of 7 May 2021, the City received three submissions:

- Broad Group Holdings Pty Ltd
- Perkins (WA) Pty Ltd
- Pindan Constructions Pty Ltd

On 18 May 2021, Pindan Constructions Pty Ltd entered liquidation, and their submission was excluded from evaluation.

Broad Group Holdings Pty Ltd was ranked highest by the evaluation panel based on weighted criteria including price, understanding, value management, and personnel experience.

At the Ordinary Council Meeting on 23 June 2021, multiple motions were considered regarding the tender outcome:

Motion 1 (Lost 4/5):
- Accept Broad's tender of $37,988,816 (excl. GST)
- Amend the 2021/22 budget accordingly
- Delegate authority to enter into contract
- Continue seeking additional funding

Motion 2 (Lost 1/8):
- Decline all tenders
- Undertake community consultation via survey if $10 million in additional funding was not secured by 31 July 2021

Motion 3 (Carried 8/1 – Resolution C2106/136), that the Council:

1. *Acknowledges receipt of the tender submissions for RFT 06/21 Construction of the Busselton Performing Arts and Convention Centre; and*

2. *Declines to accept any tender; and*

3. *Continues to pursue additional funding from State and Federal Governments; and*

4. *If a commitment for further funding is not obtained within one month that would maintain or not significantly increase the current financial contribution by the City,*

reviews design options and associated impacts and undertakes a community survey to help inform decisions on the future of the project.

Attempts to attract external funding were unsuccessful and therefore a community survey was undertaken in July–August 2021 to gauge public sentiment on the future of BPACC. Details of the survey outcomes are contained in Attachment 6 and summarised in Attachment 1 - Saltwater History.

At the Ordinary Council Meeting on 8 September 2021, Officers presented the survey results and three options as a recommendation, allowing elected members to determine the path forward.

An alternative motion was foreshadowed which was moved first and carried 7/2 following debate.

Council resolved to (C2109/194):

1. *Receives and notes the outcomes of the survey in relation to the Busselton Performing Arts and Convention Centre (BPACC); and*

2. *Resolves to proceed with construction of the BPACC on the basis of the current and previously tendered design subject to value engineering options that do not materially affect functionality or performance of the centre; and*

3. *Delegates power and authority to the CEO to accept a tender and enter into a construction contract not exceeding the value of $38 million, either through the public invitation of tenders or through utilisation of Regulation 11(2)(c)(i) of the Local Government (Function and General) Regulations 1996; and*

4. *Acknowledges the community sentiment raised by some residents in relation to potential future rate increases and the City's debt levels; and*

5. *Requests that the CEO review funding options for the BPACC which may assist to mitigate concerns around rate increases and debt, including continuing to pursue State and Federal Government funding contributions, reviewing the use of City Reserves to potentially reduce Treasury borrowings, and reviewing Fees and Charges; and present funding scenarios as part of the next review of the City's Long Term Financial Plan.*

On 10 September 2021, the City issued Request for Tender RFT 22/21 for the construction of the BPACC. This was a closed tender, issued to five builders shortlisted through the earlier EOI02-20 process. The tender closed on 6 October 2021, with two submissions received:

- Broad Group Holdings Pty Ltd
- Perkins (WA) Pty Ltd

The construction budget was set at $38 million, with an overall project budget of $44.55 million (excl. GST). Both submissions exceeded the construction budget, with the lowest priced tender exceeding it by approximately $4.6 million. Both tenderers provided value engineering (VE) options. Broad's VE options allowed the City to bring the construction cost under budget, without compromising functionality. Perkins' submission remained above budget even with VE applied.

Total savings were $4,304,305 and the adjusted tender price was $37,736,572, bringing the building contract within budget.

At the Ordinary Council Meeting on 24 November 2021, an alternative motion was foreshadowed and moved. The motion proposed:

1. Declining all tenders
2. Acknowledging Commonwealth support and the lack of State funding
3. Seeking approval to recoup $1.8 million in design and professional fees
4. Requesting reallocation of the remaining Federal grant to other priority projects
5. Revisiting the performing arts project in 2023

The motion was lost, and the officer recommendation was then considered and carried 5/4 (C2111/093):

> ***Council accepts the tender from Broad Construction Pty Ltd for RFT 22/21, subject to minor negotiated variations and a contract value not exceeding $38 million (excl. GST).***

In reviewing the project procurement, the following has been learnt:

15) As early as concept design stage, the tender responses indicated that the City's objectives may not have been achievable within the budget estimate. In hindsight, aims to modify the design through the further design stages to meet the budget were optimistic.

16) The first tender was not awarded in June 2021, and the Council decided to survey the community with 3 options on how to proceed. This led to increased pricing when the project was retendered and considered by the Council in November 2021. This increase totalled $4.5 million or approximately 12% over a 5 month period. This demonstrates the potential cost implications of process delays and additional unplanned consultation.

17) The Expression of Interest (EoI) process used as part of the procurement process may not have delivered the best outcome as it ultimately limited the scope of final tenderers; using the traditional tender approach along with heavily promoting the opportunity may have been more effective.

18) The proposed use of value engineering in future should be carefully scrutinised as in this instance it added risk of variations and claims from the builder, led to disputes between the City and builder, and ultimately caused delays and additional costs to the project.

19) As a further cost savings measure, the City opted not to incur the costs associated with a tool to identify and coordinate various construction elements (Revit model) which could have assisted in streamlining incorporation of the VE Items into the design documentation.

c) Building construction contract

In January 2022, the contract with Broad Construction was signed and construction commenced. The first sod was turned in February.

The Contract was a lump sum contract (or fixed price contract) where the contractor agrees to undertake and complete the construction of a building for a fixed amount, with no adjustment of the contract price unless the principal requires changes to the scope of the project. It is typical for a lump sum contract to have clauses requiring from the principal (in this case the City) to assess and, if approved, pay the additional costs as a result of variations to the project scope. For this purpose, contingency budgets are generally provisioned.

The contract was construct only except for the following elements which the contractor was required to design and construct (the price of which was included in the Contract Price):

- Façade and skylight
- Piling
- Waterproofing to Underground Structures
- Building Access Safety Equipment
- Gallery Specialist Doors

Construction of a complex theatre building of the size and scale of Saltwater brings with it some inherent risk, and a number of factors have adversely impacted the progress and cost of the project. These include design issues, integrating identified value engineering items into the building, developing a final design which was slightly more complex than anticipated, and a range of latent (unforeseeable) conditions.

The initial date for completion was 27 October 2023. Shortly after the Contract commencement date, and pursuant to a request for extension of time by Broad, this date was extended to 1 December 2023 (without delay costs).

The project occurred during a challenging period for the construction industry with surges in material or labour costs as well as supply chain issues. Over the course of the Saltwater project there were several subcontractor insolvencies including most recently the audiovisual and theatre equipment subcontractor.

As discussed above the Contract also included extensive value engineering to bring the contract sum under $38,000,000. The extent of the value engineering at times resulted in other design changes which caused variations and increased the project cost.

Design changes identified after the tender stage resulted in an increased quantity of structural steel being required. This increase was not solely due to additional steel members; some adjustments to thicknesses and section sizes were also necessary.

More broadly the Saltwater project was impacted by a high volume of claims from the contractor. The City's project and consultant team were required to respond to more than 730 claims (including 400 variation claims and 326 extensions of time claims). Some of these claims were approved but the majority were disputed, with the City protecting its contractual position, as it should. The City also defended three adjudications under the *Construction Contracts (Former Provisions) Act 2004* (WA). Clauses inserted to manage possible impacts of COVID-19 were also used to lodge claims. Collectively the high volume of claims and disputed

matters led to increased consultancy and legal costs during construction. The delays in completion of the project also had impacts on operational planning.

In reviewing the building construction contract, the following has been learnt:

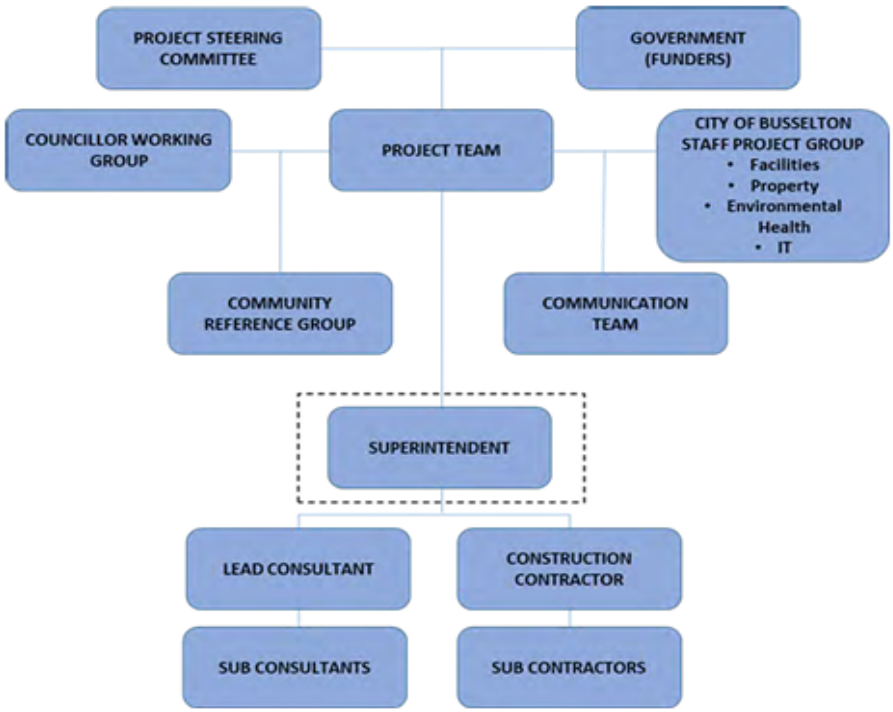
20) The City elected to use a lump sum contract for the construction of Saltwater. Lump sum contracts can create an illusion of certainty but often conceal significant risks in volatile markets. When prices are locked in during periods of instability, any subsequent surge in material or labour costs is pushed entirely onto the contractor. This can lead to financial distress, aggressive claims, and prolonged disputes as contractors seek to recover losses. The Saltwater Project experienced a significant volume of claims and disputes as well as subcontractor insolvencies. Delays, legal costs, and settlements that can exceed what a transparent escalation mechanism in an alternative form of contract would have cost. While fixed price contracts are entirely appropriate, the potential for these factors should be considered in future project / contract decision making.

21) Latent conditions on site generally and particularly around the Weld Theatre integration works were not apparent from the structural assessments undertaken. Consequently, additional contingency should be allowed when upgrading heritage buildings.

22) Project contingency was insufficient for a complex build in a tight labour market experiencing increased materials prices and supply line issues.

e) Project management and reporting

The Saltwater project was managed in-house by the City of Busselton. The following structure provides an indicative diagram of the Project's governance structure in 2021:



Instead of the Project Steering Committee a Project Control Group (PCG) was established. The PCG consisted of the CEO, Director Engineering and Works Services, Director Community and

Commercial Services, Project Manager, Manager Events and Cultural Services, Project Administrator, cost consultant, architect, principal's representative and builder. The PCG met regularly until the project went into construction phase in 2022.

The initial Project Team in 2021 consisted of the positions listed in the table below, with the Director Community and Commercial Services as the Project Sponsor. The Project Manager was the then Manager of Major Projects and Facilities at the City of Busselton.

Title	Role
(Director, Community and Commercial Services)	Project Sponsor/Chair of Project Management Team, Councillor Working Group and Reference Group
(Manager Community Services)	Business Owner/Grant Agreement Manager
(Manager Major Projects and Facilities)	Project Administration/Funding acquittal reporting Project Manager
(Financial Administration Officer)	Contract and Procurement
(Airport Projects and Legal Officer)	Communications/Media monitoring
(Strategic Projects/Grants Officer)	Operational Planning
(ArtGeo Complex Coordinator)	Development approvals coordination
(Manager Development Services)	Property and leasing
(Land and Property Leasing Coordinator)	Facilities management
(Facilities Maintenance Coordinator)	Asset management
(Asset Management Coordinator)	Records Management
(Manager Information Services)	

Once into construction phase the Principals Representative (as opposed to Superintendent) was appointed and fortnightly on-site project meetings were held. The Construction Project Team (as a sub-set of the Project Team) consisted of:

- Project Sponsor
- City Project Manager
- Principals Representative - Donald Cant Watts Corke (DCWC). Services included, but not limited to:
    - Contract Management administration, ensuring the City acted within the terms of the contract at all times
    - Assessing and recommending progress claim payments
    - Assessing validity of Contractor variations
    - Assessing validity of Extension of time claims
- Altus group – Quantity Surveyor
- Kerry Hill – Lead Design Consultant/Architect

While there was a project governance structure and project teams initially in place, the actual project governance lacked robustness, with the Project Team not having a clear documented Terms of Reference or specific and clear authority levels (outside of each individual's usual authority levels).

There was also not a clear transition from the PCG to the Project Group and through to the Construction Project Team. The overarching PCG and the Project Team membership changed significantly over the life of the project, with only four of the original employees from the 2021 Project Team remaining involved in the project today. In that time their substantive roles have

changed due to both employment turnover and organisational restructuring, influencing team members responsibilities outside of the project.

Additionally, due to the progress on site and the number of claims being lodged, there was a shift in focus from management of the broader project to management of the contract. Contractual management generally involved confidential information and therefore limited the meeting of the broader Project Team. Instead, a Senior Project Team was created, however this team also did not meet regularly with management of the number of claims taking up significant time and requiring significant involvement from the City's legal team.

A project plan was developed and included the identification and assessment of 54 project risks. However, regular review and formal adjustment of this project plan was not undertaken.

With respect to project reporting, there was no formal project reporting structure, either to the CEO or to the Council. Project reporting outside of formal Council Agenda Reports has been through Elected Member briefings. Council Agenda Reports often had to be confidential due to containing contractual information, which contributed to a lack of community visibility as to how the project was progressing against program and budget.

In 2024, the City established a Project Management Office within the organisational structure, and a Project Management Framework (PMF) was adopted. Under this, a formalised project reporting system including project risks, record keeping and reporting is currently being implemented at the City, and would have been beneficial for the Saltwater project.

In reviewing the project management and reporting, the following has been learnt:

23) A more formal governance structure like the planned Project Steering Committee would have improved Council's oversight of the project.

24) Whilst staff turnover will be inevitable with a project of this duration, a dedicated project team similar to that used for the airport project may have provided a useful template. This project team would have ideally remained in place for the duration of the project, with sub-project teams reporting through to it.

25) Regular review and adaptation of governance structures are critical as projects move through different phases.

26) Initial risk identification was comprehensive, but ongoing monitoring and adaptation are crucial.

27) At the time there was no formalised project management process or reporting system which would have greatly assisted the project reporting

28) The Saltwater Project should have been required to comply with the Project Management Framework at the time it was adopted (2024)

29) Project reporting through to the Council via the Audit and Risk Committee would have been appropriate to ensure the Committee / the Council were appropriately informed about project risk.

30) The appointment of an independent Probity Auditor may have been beneficial.

f) Community engagement and advertising of a Business Plan

There was community consultation throughout the scoping stage of the project, as outlined under the project and scoping heading. A community survey was also undertaken in 2021, to inform the Council's decision to proceed with the project. A list of all engagement activities up to when construction commenced is located here on the City's website: stakeholder-engagement-timeline.

Several working groups also functioned during the scoping and design phases including a community reference group, the BPACC Community Reference Group (BCRG), which was convened in January 2015 as the Busselton Performing Arts Working Group and revised its name and role in January 2020, with the terms of reference being to:

- provide feedback on designs,
- help develop a Stakeholder Matrix and Communications Plan,
- consult with identified stakeholders,
- provide a conduit to the community, and
- assist with attracting funding, sponsorship and donations.

The first Communications Plan was developed in 2019 with the BCRG, this was reviewed regularly with the BCRG and Councillor Working Group. The first Communications Plan to be developed with the Council was in 2024 as a result of Council resolution (C2411/337) when a project budget amendment report was presented.

Through construction regular progress updates to the community were via the monthly Bay to Bay newsletter. Updates on social media regarding construction were ceased due to polarising commentary and misinformation that they generated. Instead social media focused on growing awareness of the venue and the events it would host and stakeholder engagement to generate bookings.

In relation to the advertising of a Business Plan, in December 2020, the City received legal advice indicating that the BEACH project was *not* a major land transaction under Section 3.59 of the Local Government Act 1995. As a result a business plan was not prepared (to meet the requirements of the Act, noting an Operational Business Plan had been prepared) and publicly advertised.

Reassessment of the 2020 advice began at the Audit and Risk Committee (ARC) meeting on 9 May 2024, where the committee reviewed legal advice relating to Saltwater and other major projects. This review highlighted the need to ensure full compliance with statutory obligations, particularly Section 3.59 of the Local Government Act 1995, which sets out requirements for major land transactions. To clarify the City's obligations, the ARC recommended that the Council:

1. *Direct the CEO to obtain external legal advice to reassess whether the Saltwater project met the definition of a major land transaction.*
2. *The brief for this advice was to include all relevant historical and current information, such as:*
    - *Construction, management and lease contracts*
    - *The impact of the $9.5 million in State funding that did not eventuate, which had been replaced by City borrowings*

This recommendation was endorsed unchanged at the Ordinary Council Meeting on 19 June 2024 (C2406/178).

On 7 November 2024, the City received further legal advice. This new advice, based on an alternative interpretation of Section 3.59, suggested that the project might have required public advertising. The advice was subsequently presented to Elected Members at a briefing session.

Council next considered the issue at the Ordinary Council Meeting on 20 November 2024, during debate on the report covering a budget amendment and communications plan for Saltwater. As part of Council Decision C2411/337, Council resolved to release the "Advertising of a Saltwater Business Plan", as outlined in the Saltwater Busselton Project Update public statement.

In line with Council Decision C2411/337, the public notice "Advertising of a Saltwater Business Plan" was subsequently published, and on 11 June 2025 the Council adopted a Business Plan for advertising in accordance with Section 3.59 of the Local Government Act (C2506/159).

On 27 August 2025 the Council acknowledged (C2508/254) the submission received and decided to proceed with the major land transaction as outlined in the Saltwater Business Plan 2025. A copy of the Plan can be found here: Business Plan 2025 Saltwater Performing Arts and Convention Centre

In reviewing the community engagement and advertising of a Business Plan, the following has been learnt:

31) The BPACC Community Reference Group (BCRG) were extremely helpful in connecting the project team with stakeholders and future user groups, essential to inform the design development phase. Group members were and still are strong advocates for Saltwater, raising $80,000 so far in funding for the venue and will grow into Saltwater volunteers, which the City will rely on to support the venue to operate. (BREC and Mandurah Performing Arts Centre have between 100 – 200 volunteers at any one time).

32) The survey results have frequently been compared to a referendum by some community members who believed the survey results alone would determine if the project proceeded or not. This is despite messaging as part of the survey and in subsequent reporting, that community sentiment was only one factor informing Council's decision making, and that survey results needed to be assessed against the objectives of the project. By way of learnings, survey questions that seek a binary yes/no response should be avoided as they give the perception that the respondents are the decision makers. Additionally, there is a need for the City to continue to explain the purpose of consultation and how it is used in decision making.

33) The contractual constraints associated with reporting on the construction of the project led to extended periods of silence, leading to speculation and mistrust about how the project was being managed. The City also became reluctant to release information around expected opening dates, with previous dates not having been met.

34) Key stakeholder engagement in business events, tourism, visual and performing arts, education and local business has been effective in building advocacy, future audiences and generating bookings for the venue. Over 700 days have been booked extending out

to 2028 with the gallery making up 50% of this number being programmed out for the next 2.5 years. The early appointment of the Venue Manager and Events and Marketing Coordinator were pivotal in achieving this outcome.

35) Regardless of the legislative need to develop a Plan under Section 3.59, the advertising of a business proposal or similar document for Saltwater may have helped to improve the Council's and community's understanding of the benefits of the project.

36) Advertising of such a document would also have addressed speculation that the facility was not needed as Georgiana Molloy were planning to build a performing arts centre at the time and provided the details of the market demand for a large function and conference space dispelling rumours that Geographe Bayview Resort would be addressing this opportunity.

37) The project has had a communication plan which has been regularly reviewed and updated. This would have benefited from being adopted by the Council to ensure clear alignment of community messaging between the Council, the community and the administration.

g) Cost benefit analysis

The business case submitted for Regional Growth Funding forecast used the 2018 Studio Evans Lane Phase 2A concept, which had a total project cost of $21,870,000, and assessed economic impacts as follows:

Construction Phase

- An estimated direct output of $12.9 million and additional flows on increases in output of $8.7 million through other industries, for a total industry impact of $21.6 million. A further $5.4 million in output in the region can be associated with consumption-induced effects;
- Estimated direct income (wages and salaries) of $1.7million, with $1.7 million in additional income generated through flow on effects in other industries and a further $1.6m in household spending;
- Approximately 16.6 direct full time equivalent (FTE) employment positions, with an estimated 34 additional jobs supported through other industries for a total employment impact of 50.6FTE.
- Approximately 1.6 FTE roles for the local aboriginal community and 12.3 FTE for youth.
- Circa $9.2 million to Gross Regional Product (GRP)

Operating Impact

- A total industry impact of $2 - $7 million including $0.6 - $3 million in consumption induced effects.
- Direct income (wages and salaries) of $0.6 - $1.9 million, with $0.6 – $2.9 million in flow on effects;
- Approximately 11 – 26.1 direct FTE, an additional 8.1 - 33.1 FTE supported through other industries and consumption for a total employment impact of up to 59.2 FTE.
- Approximately 5 jobs created ongoing for aboriginal and young people.
- Circa $1 - $4.9 million increase to GRP

Indirect Tourism Impact

- An estimated direct output of $1.8 - $8.5 million with flow on increases for a total industry impact of $2.8 - $12.8 million with a further $1.2 - $5.4 million in output from consumption induced effects.
- Estimated direct income (salaries and wages) of $0.5- $2.4 million, with a further $0.3 - $1.6 million in flow on effects;
- Approximately 11.1 – 51.7 direct FTE, and additional 5.8 - 27.2 FTE supported through other flow on effects to provide an estimated 17 - 78.9 FTE jobs.
- Approximately 5 jobs created ongoing for aboriginal and young people.
- Circa $1.8 - $8.4 million increase to GRP

The results of the cost versus benefit indicated the project would achieve significant societal and community benefits, well in excess of costs:

- the net present value (NPV) analysis estimated net benefits of $43.0 million
- a Benefit Cost Ratio (BCR) of 1.22 and
- internal rate of return (IRR) of 12%,

The City received $10.35 million in funding support from the Federal Government on this basis.

The business case was updated six times for different funding applications. The last Business Case was drafted in 2022 and was updated to reflect the revised construction value of $38 million and updated Economic Impact Analysis done in February 2022 , found here on the City's website: RfR - Business Case Current Template and Busselton Performing Arts and Convention Centre.

In that updated Economic Impact Analysis Saltwater was forecast to create 138 jobs over a two-year construction period and increase economic output by $76.5m to the Capes Region. The economic benefits are summarised in the table below:

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output ($M)	$38.000	$30.415	$8.107	$76.522	1.800	2.014
Employment (Jobs)	45	68	25	138	2.511	3.067
Wages and Salaries ($M)	$4.247	$6.221	$1.793	$12.261	2.465	2.887
Value-added ($M)	$8.394	$11.062	$4.641	$24.097	2.318	2.871

On completion, the project was estimated to stimulate a forecast additional output of $6.6 million annually, ($4.5m in tourism and $2.1m in other sectors) and deliver 44 FTE in direct and indirect ongoing employment (25 in tourism).

This analysis demonstrated that whilst the venue may operate at a net cost, it has the capability to achieve broader economic outputs of six times its cost each year for the City of Busselton community as a whole; in addition to providing significant social benefits in terms of increasing participation in culture and the arts and connecting the community.

An independent review of the project was requested by the Council in November 2023 when the budget forecast for the project indicated cost increases more than the project budget. In addition, construction had also been significantly delayed with an expected completion date at that time of July/August 2024.

On 5 June 2024, a draft independent review report prepared by KPMG was presented to Elected Members at a Q&A session. Then at the 31 July 2024 Ordinary Council Meeting, the report was presented for formal receipt. Attachment 7 (and associated Attachment 8 and 9) is a copy of the KPMG report. Key outcomes and findings are summarised below:

Business Operations Plan review and update

KPMG's findings supported the City's assumptions relating to the key Saltwater markets, including the theatre and performing arts market, the business events market and local audience preference. KPMG found that the City's individual demand and revenue assumptions were reasonable and, in most cases, conservative.

Supporting the demand analysis were the following factors:

- the performing arts industry has largely rebuilt to pre-COVID levels;
- anticipated audience for performing arts content at Saltwater is comparable to attendances in venues in similar sized markets;
- the business events market has shown a strong recovery to near record levels;
- Busselton is a well-established tourism destination due to it beachfront setting and its location on key travel routes from Perth to the Margaret River region;
- connections to Melbourne and Sydney from Busselton Margaret River Airport make Saltwater well placed as a business events destination.

To support the City's Long Term Financial Planning, KPMG prepared an indicative 10-year financial forecast based on the City's updated revenue and expenditure assumptions (Appendix C Saltwater Review Report).

Based on revenue assumptions developed by KPMG, and a high-level review of expenditure, the net operating position of the venue is projected to be a loss of $1,081,891 in Year 1 of (full) operations, improving to a loss of $875,363 in Year 10. Note this does not include allocations or other indirect costs such as legal costs which are operational and are not directly associated with the running of the facility.

Cost options analysis

The cost options analysis considered construction costs to (at that time) complete (best and worst cases), mothball (five and ten years) and demolish. Divesting, by selling the building, was considered but not pursued due to the facility's nature. It was determined that there was unlikely to be interest from the private sector due to commercial risks and the fact the facility is not projected to operate for a profit.

The cost analysis across all options (construct, mothball and demolish), determined that all options were likely to exceed the approved project funding, refer to table extract below:

Table 1: Summary of all options

	As Progress Report Mar 24	Forecast Cost Best Case	Forecast Cost Worst Case	Forecast Cost Mothball 5 Years	Forecast Cost Mothball 10 Years	Forecast Mothball Demolition
Total Forecast Cost	$49,280,000	$49,920,000	$54,520,000	$67,312,310	$71,052,310	$52,052,310
Approved Project Funding	$44,550,000	$44,550,000	$44,550,000	$44,550,000	$44,550,000	$44,550,000
Funding Shortfall	$4,730,000	$5,370,000	$9,970,000	$22,762,310	$26,502,310	$7,502,310

The requirement to repay the grants that had been acquitted at the time of the review, more than $11 million, contributed significantly to the funding shortfall for the mothballing and demolition options. KPMG concluded the most effective solution was to undertake the construction as scheduled. Other options, particularly mothballing, were not cost effective with significant funding shortfalls. This option was also supported by the economic and social benefit analysis.

Financial, economic and social benefit analysis

The economic analysis considered construction to complete (best and worst cases), mothball (five and ten years) and demolish scenarios. It adopted the same parameters and assumptions as per the previous cost benefit analysis by RPS Group in the 2020 Business Case, inflated to a 2024 price year. A demand sensitivity analysis was also undertaken to test the impact that a 20% decline in demand would have on the economic analysis.

The result of the economic analysis was that completing the project (best and worst case) delivered the highest benefit to cost ratios and the best net present values. Even in the worst-case scenario with a 20% reduction in demand the analysis demonstrated a benefit to cost ratio greater than one (1.28) and a positive net present value ($12.5 million). This excluded sunk costs but even including sunk costs the CBA was positive.

Mothballing the project for five or ten years was able to generate a positive net present value (albeit smaller than completing the project in either the best or worst case). In circumstances where demand was decreased by 20% it would however result in a benefit to cost ratio less than one and a negative net present value (representing a net economic loss).

In all scenarios demolishing delivered a negative net present value representing a net economic loss, as there are no social or economic benefits to be realised if the project is not completed.

Council postponed receipt of the report (C2407/200) pending further information on the divesting option as it was believed the building and land had value that could be achieved by a sale to convert into an alternative purpose. An updated review report was presented at the 16 October 2024 Council Meeting, including a divestment option, but the Officer recommendation to receive the report was lost 5/4 **(**C2410/310).

In reviewing the cost-benefit analysis the following has been learnt:

38) Many attempts have been made to communicate the benefits that Saltwater will deliver but focus by some sectors has remained on cost. A strategic position statement, succinctly communicating the return on the investment, at the outset of the project and throughout the project may have assisted.

39) Similar return on investment statements are recommended for the district sport and leisure facility, any further developments at the Busselton Margaret River Airport and decisions to proceed or otherwise with future projects of similar significance made by the Council are based on these forecast returns.

40) Officers found the review report by KPMG useful in forecasting requirements to complete the project and reassuring that the operational business plan and operating costs and revenues were accurate and conservative. Due however to some of its content it was unable to be released at the time.

A schedule of all interim learning is attached to this report at Attachment 12.

Statutory Environment

Not applicable

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:
Not applicable.

Policy:
Not applicable.

Financial Implications

The total cost of the project will not be fully known until the formal official opening, however updated budget and YTD actuals are provided in Attachment 10, including costs of borrowing.

The current budget to complete construction of Saltwater – including landscaping, design and professional fees, furniture and fittings, and IT hardware and software – and inclusive of all costs payable to Broad now sits at $58,050,000. Inclusive of pre-tender award (2021) costs to be capitalised (going back approx. 10 years) the total construction cost is forecast to be $60,212,967. Actual YTD spend sits at $55,617,019 (inclusive of the pre 2021 costs).

Borrowing costs, that is the expected cost of loan interest and fees over the life of all associated loans (totalling $30M), are forecast to total $11,718,300. Note this includes estimates (only) for a new $3.5M loan.

In total, direct construction and borrowing costs for the project are estimated total $71,931,268, noting that it is not typical to include loan borrowing costs, which are spread over many years, in the final delivery cost of a project.

Determining the exact cost of more indirect organisational support / staff involvement is challenging, as accounting systems are not designed to report this level of detail, and noting the significant delays experienced during the build process. An interim estimate (considering key project support staff) would place this at $500,000 per annum over 4 years, however further analysis would be required to verify this. Such financial reporting challenges for this project are

not unique to community facilities; similar issues arise across other City projects, including operational expenditure for sporting facilities and community open space areas.

With respect to operational costs for the running of Saltwater, these will not be fully known until the facility has been operational for a year. The City's 2025/26 operating budget (inclusive of allocations, however excluding annual borrowing costs which are accounted for above) has a forecast net cost of $1M.

In terms of financial implications, these will be more fully considered as part of the City's Long Term Financial Plan review and be further reported on as part of the full learnings report.

External Stakeholder Consultation

Not Applicable

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could not accept the officer recommendation.

CONCLUSION

It is intended that the outcomes of this review process will inform how future projects are managed by the City. With respect to the key learnings to date; to ensure clarity regarding the vision and intent of major projects, it is proposed that all future projects of significant scale ($ threshold) be required to have a Council endorsed **Project Philosophy** and **Project Parameters**. These will provide clear guidance for the project throughout its life.

For all reports to Council and to the Strategic Projects Committee, the Project Philosophy and Project Parameters should be clearly identified and consistently referenced.

Project Philosophy / Vision
The Project Philosophy or Vision should outline:

- The intended status and purpose of the facility
- Key design elements
- Intended activities and uses
- Proposed location

Project Parameters
The Project Parameters should address:

- Governance requirements
- Land use and built-form considerations
- Fiscal responsibility and commerciality
- Sustainability considerations
- Liaison and communication protocols with Council and the community

As noted in this report, in 2024, the City established a Project Management Office within the organisational structure, and a Project Management Framework (PMF) was endorsed by the CEO (Attachment 11). The Saltwater Project should have been required to comply with the Project Management Framework at the time it was adopted (2024) and should have been assessed to adhere to the criteria for a **Level 3 (complex) project**. Assigning the project to PMF Level 3 would have improved the early identification of issues and ensured these were formally communicated to Council and the community.

For future projects classified as PMF Level 3, the project management team should comprise the following personnel and consultant resources:

1. Chief Executive Officer
2. Director of Infrastructure and Environment
3. In-house Legal Counsel
4. Probity Auditor
5. Project Manager
6. Quantity Surveyor
7. The officer (Director/Manager) responsible for oversight of the facility once completed

In addition, the team should include a representative from the architectural or design group responsible for the facility's design.

The project team should operate under a **Terms of Reference** that clearly outlines:

- Governance and reporting requirements
- Delegated authority
- Key milestone review points

The Terms of Reference should specifically cover:

- Project scoping
- Project tendering
- Tender assessment
- Construction control
- Project management
- Reporting regime
- Business plan development
- Cost–benefit analysis

Clear articulation of these elements will ensure that Council—and, in turn, the community—are appropriately informed about the progression of major projects.

During annual budget deliberations, Council should designate which projects are to be assigned *strategic/major project* status. These projects should be required to report at least quarterly to the newly established Strategic Projects Committee.

For each major project, a **Communications Plan** should be created, including defined reporting timelines, and adopted by Council. Input into the Communications Plan should be

sought from the Mayor and Councillors, as well as any working groups or community reference groups associated with the project's eventual use.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable

City of Busselton

The History of the Saltwater Performing Arts and Convention Centre development in Busselton

City of Busselton
Geographe Bay

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Introduction

The development of Saltwater Busselton represents one of the City of Busselton's most significant and long-standing cultural infrastructure undertakings. Spanning more than two decades, the journey from early community visioning to the near-completion of a world-class performing arts and convention centre has involved extensive consultation, rigorous planning, financial analysis, site investigations, design evolution, and sustained Council decision-making.

Throughout this period, the project has been shaped by the aspirations of a rapidly growing community seeking enhanced cultural opportunities, improved event capability, and a central facility capable of supporting arts, entertainment, conventions, and creative industries. From the early 2000s Cultural Mapping and Cultural Plan processes, through changing economic conditions, multiple feasibility studies, and evolving regional priorities, the project has consistently remained a key strategic objective for the City.

Saltwater's progression has occurred alongside major regional transformations - including the Busselton Foreshore redevelopment and the Busselton Margaret River Airport upgrade - positioning the venue as a vital component of a broader economic and cultural ecosystem. Over successive Councils, the City has pursued State and Federal government funding, responded to community feedback, navigated complex design and heritage considerations, and adapted to unprecedented construction challenges, including supply chain disruptions and cost escalations.

This report provides a comprehensive history of the project from inception to 2026. It outlines the decisions taken, the financial frameworks that supported the project, the community engagement processes that informed its evolution, the governance mechanisms applied, and the challenges encountered along the way. Most importantly, it documents how a long-held community ambition has been translated into a landmark venue that will support arts, culture, business events, education, and tourism for decades to come.

Saltwater Busselton stands as a significant investment in the future of the City - a reflection of the region's creative identity, its commitment to cultural development, and its belief in the long-term social, economic, and cultural value of the arts.

Early Vision and Foundations (2000–2012)

The early 2000s marked a turning point in Busselton's cultural landscape, as the community and local government began to articulate a shared vision for a vibrant,

purpose-built arts facility. In 2004, the Shire of Busselton initiated a Cultural Mapping Report, engaging 140 community members to explore the region's cultural identity and infrastructure needs. The report identified a clear aspiration: to establish a cluster of arts, culture, tourism, retail, and commercial offerings within an integrated Cultural Precinct. It recognised the transformative potential of arts and culture- not only as creative outlets but as catalysts for social connection and economic transition.

This vision was further refined in 2005, when 242 residents contributed to the development of the Cultural Plan. The Plan emphasised the importance of engaging young people in cultural activities and called for a purpose-built arts building that could accommodate both community and commercial organisations. It imagined a future where Busselton, Dunsborough, and Vasse would grow into major townships within a district of 42,000 people, anchored by a Cultural Precinct that would become a national icon—featuring exhibitions, performances, workshops, and historical re-enactments. The Plan also laid the groundwork for a sustainable future rooted in creativity, environmental stewardship, and community values.

In 2008, a Feasibility Study for a Performing Arts and Creative Industries Centre developed by Pegasus engaged 103 people to assess potential sites and design concepts. This study would later inform more detailed planning and Council deliberations.

The transition from visioning to formal strategy began in June 2010, when the Council adopted the Strategic Action Plan 2010–2020 (C1006/200). Among its top priorities was the development of a Performing Arts/Convention Centre, signalling the Council's commitment to embedding cultural infrastructure within the region's broader development agenda.

In April 2011, Council identified Lot 450 Queen Street - located within the Cultural Precinct and currently occupied by Department of Parks and Wildlife - as the preferred site for the future performing arts and conference venue (C1104/115). The decision authorised the CEO to investigate acquisition options and explore development models, including joint ventures and Shire-led construction with government tenancy. This marked a significant step toward realising the community's long-held aspirations.

Further validation came in 2012, when Council endorsed the advertisement of Peter Alexander's Capes Regional Arts and Cultural Facilities Needs Assessment Report for public comment (C1208/246) in August 2012. Following this consultation, the report was adopted by Council in October 2012 (C1210/297). Informed by feedback from 522 community members, the report concluded that the proposed facility was long overdue and increasingly essential as the city continued to grow. It recommended a black box-style performing arts centre with approximately 300 seats, ideally located in the Cultural Precinct. The report also highlighted the Centre's potential to support visual arts, cross-disciplinary collaborations, and regional touring artists, while serving as a venue for conferences and trade shows - enhancing both cultural and economic vitality.

These foundational years laid the groundwork for what would eventually become Saltwater Busselton. As the next phase of planning and decision-making unfolded, the vision began to take shape in more tangible ways- through design, funding strategies, and community consultation.

Strategic Integration and Site Investigations (2013–2015)

As the vision for a performing arts and convention centre in Busselton matured, the period from 2013 to 2015 marked a shift from conceptual planning to structured investigation and stakeholder engagement. This phase was characterised by the formal integration of the project into the City's long-term strategic framework and the establishment of dedicated governance structures to guide its development.

In February 2013, Council adopted the City of Busselton Strategic Community Plan (2013) (C1302/047), which reaffirmed the community's priorities gathered through extensive consultation. Among these was the clear and consistent call for a performing arts centre - positioned alongside other key aspirations such as airport expansion, youth and aged care services, and foreshore development. This formal inclusion elevated the project from a cultural ambition to a strategic objective.

The following year, in March 2014, Council resolved to explore the inclusion of a multi-functional civic centre and performing arts space within the design of a new civic administration facility (C1403/056). This proposal was opened to public consultation, reflecting the City's commitment to transparency and community input. By July 2014, Council reaffirmed its commitment to Lot 450 Queen Street in the Cultural Precinct as the preferred site for a performing arts centre, this time based on a Proscenium Theatre design concept (C1407/187).

Extensive investigations were undertaken to secure Lot 450 Queen Street as the preferred site for the Busselton Performing Arts and Convention Centre (PACC). Following the 2011 Council resolution identifying Lot 450 as the preferred location and initiating land swap negotiations with the Department of Parks and Wildlife (DPaW), and the 2014 resolution (C1407/186) reaffirming this choice and endorsing a stand-alone performing arts facility within the Cultural Precinct, the City pursued discussions with DPaW for a potential land exchange. These negotiations explored options for providing DPaW with like-for-like accommodation and relocation support to achieve a cost-neutral arrangement.

Concept designs by Kerry Hill showed Lot 450 could accommodate a major cultural facility, including a 450-seat theatre, a 250-person convention space with breakout rooms, and integration with existing cultural assets. The plans also considered flexible function areas, backstage and loading facilities, and commercial activation opportunities to create a vibrant precinct connected to the CBD and foreshore.

Kerry Hill Architects: Lot 450 concept

In parallel with these strategic decisions, the City undertook extensive planning and research. Between 2013 and 2017, successive annual budgets funded a series of feasibility studies, economic impact assessments, cost-benefit analyses, and business case developments. These efforts produced over ten concept designs and three separate market demand reports, all aimed at securing State and Federal Government support.

To guide this increasingly complex process, the Busselton Performing Arts Centre Working Group (BPACWG) was established in January 2015. This group brought together elected members, City officers, and respected figures from the arts community - including representatives from the Busselton Repertory Club, Weld Theatre, CinefestOZ, and actor Myles Pollard. The BPACWG engaged with performing arts centres across Western Australia - including Albany, Kalgoorlie, Geraldton, Bunbury, and Margaret River - to develop comparative case studies and inform a robust business case tailored to Busselton's needs.

Although Lot 450 Queen Street was long considered the preferred site for the Busselton Performing Arts and Convention Centre, negotiations with the Department of Parks and Wildlife revealed that a land swap could not be achieved within the City's required

timeframes. This uncertainty posed a significant risk to delivering the project as scheduled.

Site Transition and Expanded Planning (2016–2017)

In May 2016, Council endorsed Lots 43 and 44 Queen Street as the new preferred location (C1605/127). These lots, owned freehold by the City and gifted by the State in 2010, offered immediate availability and strategic advantages. Situated adjacent to the ArtGeo Gallery and Weld Theatre, the site allowed full integration with existing cultural assets and activation of the last vacant land in the Cultural Precinct. Concept plans demonstrated the ability to deliver all core functions - such as a 450-seat theatre and convention spaces - while adding benefits including improved street frontage, better loading access, and opportunities for commercial activation like a laneway-style wine bar or café. The design also enabled flexible spaces and potential rooftop terraces overlooking Geographe Bay, creating a vibrant link between the redeveloped foreshore and the CBD.

As the project moved into the next phase, the groundwork laid during 2013–2017 - through strategic planning, community engagement, and inter-agency collaboration - would prove critical in shaping the future of what would eventually become Saltwater Busselton. By 2018, the Busselton Entertainment Arts and Cultural Hub (BEACH) had matured into a fully scoped infrastructure project, supported by detailed design, feasibility studies, and a comprehensive financial model developed by Lawrence Consulting. The City of Busselton positioned the BEACH not only as a cultural asset but as a strategic economic driver for the region.

Developing the BEACH Concept (2018)

Budgetary Framework and Funding Strategy

The Performing Arts and Convention Centre project was elevated to a local priority, with indicative funding included in the City's Long-Term Financial Plan from 2017/18 onwards (C1704/087). The LTFP outlines staged financial commitments, including an initial allocation of $400,000 for planning and design over 2017/18 to 2019/20, followed by $9 million per year for construction in 2020/21 and 2021/22. This funding was to be sourced through a combination of grants, loans, and land sales. Council also resolved to develop a business case and seek grant funding, while earmarking proceeds from surplus land sales to support the project.

Construction of the BEACH was scheduled to begin in 2020, contingent on the outcome of a Regional Growth Fund (RGF) application submitted in April 2018. The total project

cost was estimated at $21.87 million, with the City committing $10 million through its Long Term Financial Plan (LTFP). Additional budget allocations were made for upgrades to the ArtGeo Gallery and Weld Theatre, ensuring compliance with the RGF's requirement that applicants contribute at least 50% of total project costs. The City requested $10.935 million in RGF funding to complete the balance.

Independent quantity surveyors Davson + Ward validated the capital cost estimates as part of the design development led by Studio Evans Lane. The preferred Phase 2A concept was selected for its optimal balance of capacity, versatility, and cost-effectiveness.

Phase 2A provided a multiple purpose function/rehearsal/breakout room to seat 160 increasing the total capacity to 1798. This option had an estimated total project cost of $21,870,000. This phase provided an option for an outdoor roof terrace on top of the function room opening out from the first floor function room with views across to Geographe Bay.

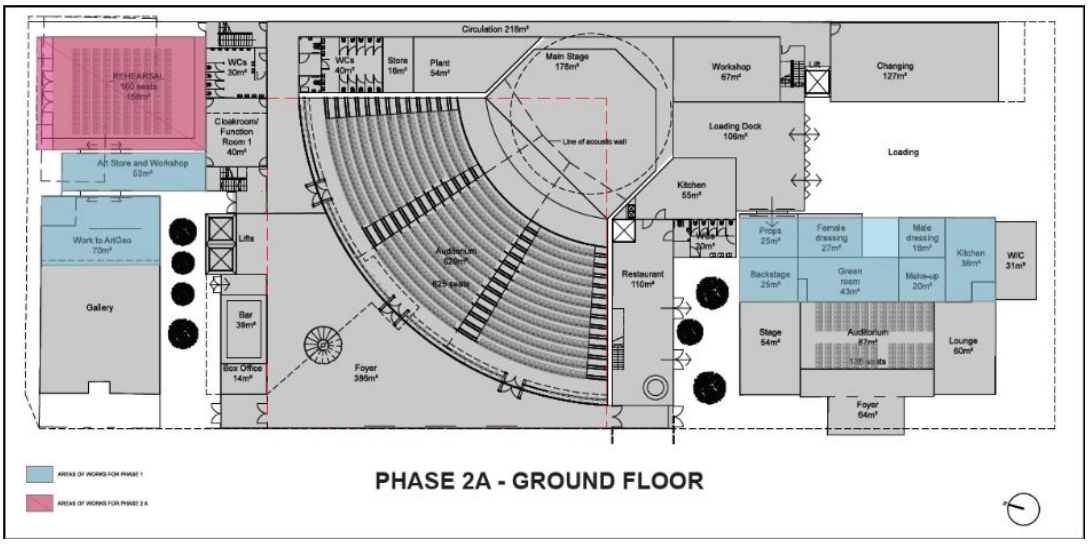

Figure 1: Ground Floor Layout: Concepts only Studio Evans Lane, April 2018

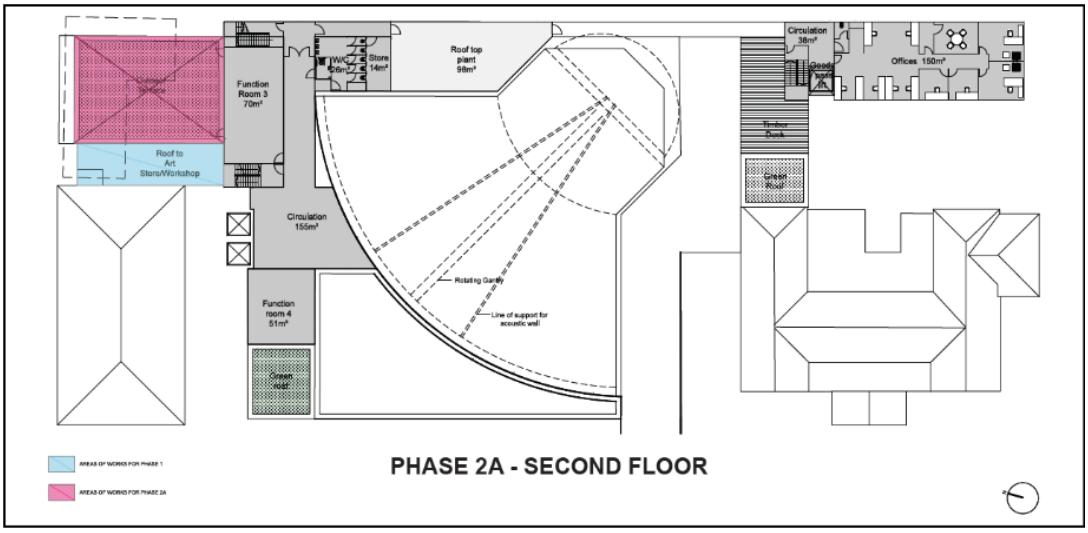

Figure 2: First Floor Layout: Concepts only Studio Evans Lane, April 2018

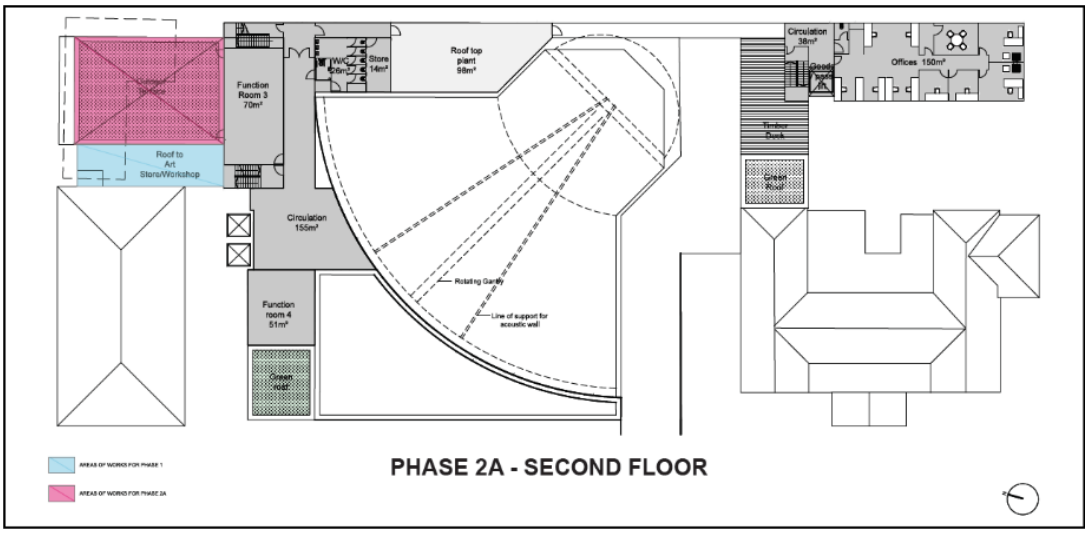

Figure 3: Second Floor Layout: Concepts only Studio Evans Lane, April 2018

Council's earlier resolution in July 2014 (C1407/187) remained active, with the BEACH project earmarked as a beneficiary of proceeds from the sale of surplus land, recognising its district-wide significance.

The project plan emphasised budget discipline throughout the design and construction phases. Should financial constraints arise, Value Management strategies would be employed to reduce scope in a structured manner, with contractor input on buildability improvements. However, critical quality elements - such as foyer space, technical equipment, lighting, acoustics, and ablutions - were deemed essential and not subject to compromise.

Strategic Alignment with Regional Development

The BEACH was conceived as one of three interconnected pillars of regional development, alongside:

- The Busselton Foreshore Redevelopment, which introduced high-quality overnight accommodation and greenfield sites for 4- and 5-star hotels within walking distance of the BEACH.
- The Busselton-Margaret River Airport Upgrade, a $70 million investment that included a new terminal to enable direct flights from Sydney and Melbourne (anticipated late 2018), and future international connections to Kuala Lumpur, Singapore, and Denpasar.

Together, these projects were designed to mutually reinforce each other, attracting new visitors, enhancing regional accessibility, and stimulating economic growth across the South West.

Economic Impact and Business Case Development (2018–2019)

Economic Impact and Justification

As the City positioned itself as *"Events Capital WA,"* major events such as CinefestOZ, Ironman WA, Ironman 70.3, and the Margaret River Gourmet Escape highlighted a growing demand for a large, all-weather venue. The absence of such a space limited the City's ability to host gala events and presentations, particularly in winter. Event organisers strongly supported the BEACH as a permanent, high-quality venue to fill this gap.

The project also complemented the existing Busselton Cultural Precinct, including the ArtGeo Complex, Courthouse Gallery, Old Post Office Tearooms, Weld Theatre, Artists in Residence program, and Acting Up performance group - collectively strengthening Busselton's standing as a key cultural destination.

Multiple studies confirmed the need for a dedicated entertainment and convention venue. In 2016, Studio Evans Lane's market demand assessment showed significant unmet capacity for medium-to-large events, especially conventions and corporate meetings. Lawrence Consulting's economic impact assessment further demonstrated the benefits of combining performing arts with flexible convention spaces to maximise utilisation and support regional economic development.

Regional Impact and Economic Modelling

Economic modelling for the BEACH, as set out in Lawrence Consulting's *Economic Assessment of the Busselton Entertainment Arts + Culture Hub (BEACH)* (November 2018), projected substantial benefits, including:

- $4.7 million in gross annual stimulus by Year 2, increasing to $8.5 million by Year 5.
- $7 million in industry output, with an additional $3.1 million in consumption-driven activity.
- Creation of 52.9 full-time equivalent jobs (direct and indirect).
- $4.9 million in Gross Regional Product, a 0.3% uplift for Busselton.

As part of the 2020 Business Case, developed from the 2018 Studio Evans Lane Phase 2A concept, a Cost Benefit Assessment was prepared which found:

- A Cost Benefit Assessment showing $83 million in net benefits, a BCR of 1.99, and an IRR of 32%, confirming strong economic value.

Aligned with regional goals to diversify tourism, support employment, and build resilient communities, the BEACH was positioned as a catalyst for long-term prosperity in Busselton and the South West.

Operational Planning and Revenue Strategy

As planning progressed into 2018, focus shifted to operational sustainability and long-term asset management. A key revenue strategy was leveraging the conference market - long viewed as vital to achieving the targeted operating deficit - supported by income streams from performing arts programming, conferences, functions, bar and catering services, and commercial leasing. A Programming Policy was intended to balance cultural outcomes with commercial performance.

Operational planning also considered integration with the Busselton Cultural Precinct through shared services, event attraction, and complementary programming involving venues such as ArtGeo and the Weld Theatre. Forecasts for the five-year operating budget incorporated utilisation and pricing assumptions, rental and occupancy projections, staffing levels, and maintenance and equipment requirements.

Forecast Financial Performance and Asset Management

As the project matured, the City refined its understanding of the long-term financial implications of developing and operating the Busselton Entertainment, Arts and Culture Hub (BEACH). Early feasibility work, supported by the Market Demand Analysis and Economic Impact Assessment, established the viability of a highly flexible 600–650 seat multi-purpose theatre, capable of operating in both flat-floor and raked-seating configurations. This design approach was selected not only for its cultural and functional benefits but also for its capacity to support a sustainable operating model.

During the planning phase, the City undertook a series of financial forecasts to understand the likely operating profile of the new venue. These projections indicated that the BEACH would operate at a net cost in its initial years, with profitability expected by Year 3 as utilisation increased and commercial activity matured. Importantly, the City had already demonstrated its capacity to support such a facility: earlier modelling for a 500-seat black-box theatre had assumed a net operating deficit of $350,000 to $500,000 per annum, inclusive of depreciation and long-term capital renewal. This modelling confirmed that the City could comfortably absorb early-stage operating deficits while the venue established its market presence.

A key feature of the financial strategy was the decision to structure commercial operations - such as bar service, restaurant and café offerings, and event catering - through outsourced contracts or commercial leases. This approach reduced operational risk, avoided the need for the City to directly manage hospitality services, and ensured that specialist operators could maximise revenue potential. Surpluses generated through these commercial arrangements were earmarked for transfer into a dedicated Reserve within the City's Long Term Financial Plan (LTFP), providing a mechanism for reinvestment into programming, equipment upgrades, and future capital works.

As the concept design progressed, the City also committed to developing a comprehensive Asset Management Plan tailored to the final configuration of the BEACH. This plan was intended to integrate the new facility into the City's broader asset portfolio, aligning lifecycle costs, maintenance schedules, and renewal planning with the City's established capital works framework. By embedding the BEACH within the LTFP from an early stage, the City ensured that long-term asset sustainability - covering everything from building fabric to specialist theatre equipment- was fully accounted for.

Funding Outcome and Continued Engagement

Despite the strength of the business case and economic modelling, the City's RGF application was unsuccessful, and no alternative funding streams were identified at that time. Nevertheless, work continued on design development and community engagement.

Public outreach included:

- A community engagement function at ArtGeo
- Opportunities for public comment
- Promotional videos and displays for local businesses at a Chamber of Commerce event
- On-site signage, a dedicated webpage, and an email address for feedback

Creative Industries and Regional Prosperity

The BEACH was also designed to support the region's creative industries, which had shown strong growth. A 2012 study by the South West Development Commission found that the sector employed 1,095 people, generating $306 million in economic output. Growth in creative employment averaged 3.6% per annum, outpacing traditional industries and nearly matching the state-wide rate of 4%.

In alignment with regional objectives to create jobs, drive economic growth, and build stronger communities, the BEACH was envisioned as a catalyst for:

- Investment, training, and employment
- Community infrastructure supporting health and wellbeing
- Tourism diversification and economic sustainability
- Regional capacity and prosperity for Busselton and the South West

Architectural Design Evolution (2018–2020)

As 2018 drew to a close, the Busselton Entertainment Arts and Cultural Hub (BEACH) project entered a new phase of design refinement and public engagement. Studio Evans Lane, the lead design firm, developed a series of concept options for the building's primary elevation onto Queen Street, drawing inspiration from:

- Regional identifiers such as the coastline, surf, vineyards, peppermint trees, and ship hulls
- The proximity to the Busselton Jetty and the region's shipping and timber industry
- The building's intended use - movement, sound, and dance
- The surrounding heritage architecture of the Cultural Precinct

These ideas were distilled into two façade concepts: The Big Wave and The Kinetic. Both designs aimed to be engaging and memorable, with strong visual identity, functional optimisation, solar control, and value for investment.

As part of design development in late 2018, the City undertook public consultation through its YourSay Busselton platform, inviting community feedback on two proposed façade concepts for the BEACH project — The Big Wave and The Kinetic. The survey asked residents to indicate their preferred façade design and to comment on the types of cultural, social and hospitality experiences they wished to see in the Cultural Precinct.

The Kinetic façade emerged as the preferred option. This innovative concept proposed a dynamic, moving exterior - a performance in itself. The façade would feature a rubber skin animated by hydraulic arms, creating a constantly shifting surface that responded to sound or programmed choreography. This movement would also serve a functional purpose, stimulating natural convection to reduce solar gain and improve energy efficiency. Advanced projection lighting would enhance the building's visual impact and signage.

Studio Evans Lane – Kinetic facade

While the Kinetic façade was preferred by the community and Working Group, it was not yet included in the business case or costings pending further feasibility studies and detailed design.

In February 2019, Council received a briefing on the outcomes of the YourSay Busselton community consultation, on the two proposed façade concepts and broader Cultural Precinct experiences. The consultation results highlighted strong community support for increased alfresco dining, a bar and café, and a wider mix of activities within the precinct. A media release issued in March 2019 publicly thanked participants and summarised the key findings of this engagement.

Revised Business Case and Funding Opportunity

In April 2019, a new opportunity emerged. The Nannup sawmill, which had previously been awarded funding through the Regional Growth Fund (RGF), withdrew from its project. This freed up $10.35 million in funding, which was offered to the City of Busselton for the BEACH, alongside additional funding for the Australian Underwater Discovery Centre at the Busselton Jetty.
The City was given just four weeks to resubmit its business case. The updated submission included:

- The Kinetic façade concept
- Further market research and demand assessments
- Revised projections showing the BEACH could host:
    - 140 shows per year
    - 160 to 295 total events annually
    - 148,000 to 197,000 visitors per year, including 14,700 to 35,300 from outside Busselton

Economic Impact Modelling

The updated business case included detailed modelling of both construction phase and operational impacts:

Construction Phase Impacts

- $12.9 million in direct output, with $8.7 million in flow-on effects and $5.4 million from consumption-induced impacts
- $1.7 million in direct wages, with $3.3 million in additional income
- 50.6 FTE jobs, including 1.6 FTE for Aboriginal workers and 12.3 FTE for youth
- $9.2 million contribution to Gross Regional Product (GRP)

Operating Phase Impacts

Two scenarios - conservative and optimal - were modelled:

- $2–$7 million in total industry impact, including $0.6–$3 million in consumption-induced effects

- $0.6–$1.9 million in direct income, with $0.6–$2.9 million in flow-on effects
- Up to 59.2 FTE jobs, including 5 ongoing roles for Aboriginal and young people
- $1–$4.9 million increase to GRP

Indirect Tourism Impacts

- $1.8–$8.5 million in direct output, with $2.8–$12.8 million in total industry impact
- $0.5–$2.4 million in direct income, with $0.3–$1.6 million in flow-on effects
- Up to 78.9 FTE jobs, including 5 ongoing roles for Aboriginal and young people
- $1.8–$8.4 million increase to GRP

These figures reinforced the BEACH's role as a regional economic catalyst, supporting tourism, employment, and cultural development.

Cost Benefit Assessment and Economic Justification

A Cost Benefit Analysis (CBA) was undertaken for the BEACH, based on a conservative operating model, to assess its net societal and economic value.

The CBA estimated:

- Capital costs of approximately $20 million, with construction over two years
- Depreciation of $250,000 per annum, based on a 60-year asset life and 25% residual value

The analysis considered a wide range of direct and indirect benefits, including:

- Increased value added to the regional economy from construction and operations
- Visitor spending impacts associated with increased tourism
- Consumer surplus from subsidised or free community access to events
- The residual value of the asset at year 25

The results were compelling:

- Net Present Value (NPV) of $43 million
- Benefit Cost Ratio (BCR) of 1.22
- Internal Rate of Return (IRR) of 12%

Sensitivity testing using discount rates of 3%, 7%, and 10% confirmed BCRs ranging from 1.07 to 1.46 and consistent IRR across all scenarios.

Discount Rate	NPV ($M)	BCR	IRR
3%	24.91	1.46	12%
7%	7.66	1.22	12%
10%	1.93	1.07	12%

These results affirmed that the BEACH would deliver significant community and economic benefits well in excess of costs, supporting its inclusion in the City's strategic infrastructure portfolio.

Budget Adjustments and Funding Commitment

To align with available external funding, the project budget was revised from $21.87 million to $21.32 million. This reduction was achieved through:

1. Exclusion of external landscaping and marquee facilities from the project scope
2. Value engineering adjustments
3. Exclusion of the kinetic façade from costings pending further feasibility studies

Despite these changes, the operating forecasts remained unchanged, and the project retained its core design and functionality.

In June 2019, the City received confirmation that its revised Regional Growth Fund (RGF) application was successful. To secure the funding, a grant agreement needed to be executed by 2 August 2019.

In July 2019, Council unanimously resolved (C1907/131) to accept the funding and commit to its share of the total project budget. This resolution marked a major milestone, transitioning the BEACH from planning to pre-construction.

Risk Considerations

In making this decision, Council identified several key risks, including:

- Earlier than planned construction commencing in 2020/21 instead of 2022/23 forecast in the long term financial plan
- Potential cost escalations
- Market fluctuations affecting operating revenue
- Dependencies on external contractors and suppliers
- Community expectations regarding design features such as the kinetic façade

These risks were acknowledged and incorporated into the City's broader project governance and financial planning frameworks.

Following the successful funding commitment in mid-2019, the City of Busselton moved swiftly into the design procurement phase for the Busselton Entertainment Arts and Cultural Hub (BEACH). This phase was critical in translating the conceptual vision into a detailed architectural plan that could be delivered within the approved budget.

The City continued to work with the State Government to attract additional funding to the project and later in 2019 the SW Development Commission provided funding to develop a business case for a phase two creative industry hub to be added to the concept design. The concept was for a creative maker space, co-working area, recording studio and meeting room for short or long-term rental. The estimated additional cost was $1.1m.

Tender Process and Evaluation

On 26 September 2019, the City issued Request for Tender (RFT) 14-19 for design and technical services. The RFT was issued privately via Tenderlink to five shortlisted firms:

- Box Architects Pty Ltd
- Kerry Hill Architects Pty Ltd
- Peter Hunt Architects
- Willow Digital Pty Ltd
- With Architecture Studio Pty Ltd

The Tender followed an earlier Expression of Interest (EOI) process, where each had submitted a preliminary design concept to a design brief.

The design brief was based on 'Oh you beautiful stage – Australian Design and Technical Benchmarks for Performing Arts Centre edition 3' produced by the Victorian Association of Performing Arts Centres. It was also informed by extensive research and consultation with events and arts venues, stakeholder groups and industry associations Circuitwest and Performing Arts Connections.

All submissions were deemed compliant and were evaluated against the following weighted criteria:

- Concept Design – 45%
- Demonstrated Understanding – 40%
- Key Personnel Skills and Experience – 15%

The evaluation panel assessed each tender based on capability, cost affordability, and risk, including lifetime operating costs to ensure best value for money. Independent reviews were conducted by:

- Peter Mould (design)
- Extent Heritage Advisors (heritage)
- Ralph and Beattie Bosworth (RBB) (cost)

Tender Outcomes and Selection

The ranked outcomes of the evaluation were:

1. Kerry Hill Architects
2. Willow Digital
3. Box Architects
4. Peter Hunt Architects
5. With Architecture Studio

While Kerry Hill Architects submitted the highest professional fee ($1,979,440), their forecast project budget of $22,587,000 was considered modifiable and the design could be refined to meet the approved budget of $21,320,000.

The evaluation panel recommended further review of the top two submissions - Kerry Hill Architects and Willow Digital - to confirm feasibility and alignment with project objectives. These findings were presented to the internal BEACH Working Group, which included Councillor representation.

Kerry Hill Architects – External render November 2019

Willow Digital – External render November 2019

Council Resolution and Budget Confirmation

In January 2020, Council formally resolved (C2001/017) to:

- Accept the tender from Kerry Hill Architects Pty Ltd as the most advantageous submission
- Delegate authority to the CEO to negotiate minor variations, ensuring the final contract price did not exceed $1,979,440, and enter into a contract once negotiations were complete
- Proceed to detailed design and contract documentation, with next project hold point being the recommendation for appointment of project builder
- Remove Stage 2 from the project scope to allow further investigation into alternative locations for a potential creative industries hub

The total project budget was confirmed as:

Funding Source	Amount
City of Busselton – Cash	$10,350,000
City of Busselton – Internal Project Management	$500,000

Funding Source	Amount
City of Busselton – Landscaping Works	$120,000
Total City Contribution	**$10,970,000**
Regional Growth Fund – Design & Construction	$10,350,000
Total Project Budget	**$21,320,000**

This resolution marked a significant milestone, transitioning the BEACH into the design finalisation phase, with Kerry Hill Architects tasked with delivering a refined concept that balanced architectural ambition with budgetary discipline.

Emergence of Community Dissent

Although the project was progressing through its planned stages, community dissent began to materialise when electors passed a motion at the 2 December 2019 Annual General Meeting calling for a comprehensive community survey to determine support for a performing arts centre, willingness to fund its construction and operation, and consideration of alternative locations such as the Brown Street site. When Council addressed this motion at the meeting of 29 January 2020 (C2001/021), it acknowledged the concerns raised but resolved to take no further action, citing more than a decade of prior consultation and strategic decision-making - marking the point where community unease formally entered the public record.

8. Value Engineering and Financial Reassessment (2020)

Updated Cost and Design Scope

The budget estimate for the Concept Design as of 25 March 2020 was $31,314,436, significantly exceeding the approved budget of $21.32 million. A high-level comparison of floor area and construction cost progression revealed:

Design Stage	Date	Area (m^2)	Value	Rate/m^2
Project Brief	1 Oct 2019	3,330	$15,355,359	—

Design Stage	Date	Area (m^2)	Value	Rate/m^2
Tender Submission	29 Jan 2020	5,141 (NLA)	$15,875,000	$3,088
Concept Design	25 Mar 2020	5,759	$23,878,238	$4,146
Change	—	+618	+$8,003,238	+$1,138

Functional Area Comparison

The report compared the original budgeted areas with the current design scope, revealing a net increase of 618 m^2 across the project. The breakdown was as follows:

Zone	Description	Budget Area (m^2)	Current Area (m^2)	Difference (m^2)
1	Theatre/Auditorium	2,016	3,170	+1,154
2	Back of House & Admin	557	778	+221
3	Function & Gallery Spaces	2,038	1,204	-834
4	Weld Theatre	340	415	+75
5	ArtGeo	190	192	+2
Total	—	**5,141**	**5,759**	**+618**

The increase in theatre and back-of-house areas reflected stakeholder feedback and operational requirements, while reductions in gallery and function spaces were part of the value engineering strategy.

While a rate of $3,500/$m^2$ was considered acceptable for a building of this type, the current rate was under review by Kerry Hill Architects (KHA) and Altus Group (cost planners) to better align design with budget.

Additional items not included in the above summary accounted for a further $7,436,200, including:

- Contingency
- Technical equipment (lighting/sound)
- Public art
- Professional fees
- Headworks charges
- Kitchen equipment

These components were subject to further review, with expectations that contingency, public art, and professional fees would reduce proportionally to the total project value. KHA also committed to reassessing headworks, kitchen, and technical equipment costs.

Value Engineering Strategy

To bring the project back within budget, a series of value engineering options were identified, ranked from lowest to highest cost impact:

- Reduce courtyard covered area
- Delete basement and relocate services to ground level
- Delete terrace over ArtGeo
- Remove Level 1 office and redesign back-of-house as single storey
- Remove cover over loading dock
- Revert to straight seating in auditorium
- Delete cable net
- Reduce theatre technical equipment specification
- Remove sub-stage
- Exclude Weld Theatre modifications (potential future stage)
- Reduce gallery size and share with foyer; convert rehearsal room to smaller studio
- Relocate rehearsal to ground floor; reduce conference capacity;
- Delete gallery and courtyard all together and continue using ArtGeo in current state

Council Direction and Program Extension

The project team presented the latest Concept Design and an updated project cost report to Councillors. This briefing was a critical checkpoint in the development of the Busselton Entertainment Arts and Cultural Hub (BEACH), aimed at securing Council direction on how to proceed in light of escalating costs.

Council was asked to consider three options:

1. Revert to the original concept design issued at tender and apply value engineering to reduce costs.
2. Approve the current concept design and pursue targeted value engineering, while seeking additional grant funding.
3. Not proceed with the project.

The program to complete concept design development was extended from April 2020 to August 2020 and a period of two months was given to resolve issues with the project budget. A hold point was introduced at the end of the Concept Design phase to review the overall budget and scope before approving progression to Schematic and Design Development stages.

Precinct Planning, Engagement and Heritage (2020)

Stakeholder Engagement and Design Input

Extensive consultation was undertaken with a wide range of stakeholders to inform both design development and value engineering decisions. These included:

- Education and training providers: Cape Naturaliste College, Georgiana Molloy Anglican School, TAFE, CQ University
- Arts and performance groups: Busselton Repertory Club, Acting Up drama school, film producers, Creative Corner, CinefestOZ, Jazz by the Bay, Busselton Brass Band, Busselton Choral Society, Cape Harmony Choir, Innovations Dance Academy, Jazz Attack, Southern Blue Dance, Voices of the Vasse, individual artists
- Event and venue professionals: BREC, Circuitwest, WA venues (in-person and online), conference event managers
- Hospitality suppliers
- Aboriginal groups and individuals

This engagement helped shape the functional and technical requirements of the venue, ensuring it would be operable, inclusive, and responsive to the needs of diverse users.

Aboriginal Advisory Group and Heritage Planning

The City established an Aboriginal Advisory Group to guide cultural representation and inclusion in the design. Engagement with the Heritage Council of Western Australia also commenced, with early guidance leading to the appointment of Hocking Heritage Design Studio to prepare a Heritage Impact Assessment.

A pre-lodgement meeting with Heritage Council officers was scheduled once the Concept Design reached a presentable stage, to be followed by a formal presentation to the full Council.

Precinct Planning and Interpretation Strategy

In May 2020, the City engaged Ink Strategy to develop the *Busselton Cultural Precinct Interpretation Strategy*, a body of work intended to articulate the precinct's cultural and heritage values and guide future programming and naming for the Performing Arts and Convention Centre. Consultation for the strategy ran from May to August 2020 and included participation from arts, heritage, tourism, business and creative industries representatives, Traditional Owners, and the broader community.

A YourSay survey sought input on:

- cultural and heritage associations with the precinct
- aspirations for programming across both the Centre and the wider precinct, and
- naming ideas for the new venue.

The survey attracted 250 submissions, complemented by 20 detailed stakeholder interviews with representatives from arts, culture, Traditional Owners, tourism, heritage groups and local business. Ink Strategy finalised and released the completed Interpretation Strategy in September 2020.

Regional Collaboration and Strategic Partnerships

During this period, the City also initiated collaboration with regional partners to strengthen the South West's capacity to attract and host business events. Partners included:

- Augusta-Margaret River Shire (AMRS)
- City of Bunbury
- BREC
- HEART
- Arts South West (ASW)
- Margaret River-Busselton Tourism Association (MRBTA)
- Business Events Perth

This regional strategy aimed to position the BEACH as a cornerstone venue in a broader network of cultural and business event infrastructure across the South West.

Woodturners Relocation and Site Preparation

The Woodturners relocation from the shed behind the old Agricultural Bank Building progressed smoothly. The final design was approved by the Department of Planning, Lands and Heritage on 3 January 2020, with construction of the new premises scheduled to begin in April 2020 and complete by July 2020—clearing the way for future development within the precinct.

Regular updates were provided to the community via the Bay to Bay newsletter, and meetings with the community reference group increased to monthly, reinforcing transparency and public involvement.

Public Update and Revised Budget

In May 2020, the City published a Bay to Bay newsletter article offering a public "sneak peek" of the updated design. The article revealed a new project budget estimate of $28.5 million, reflecting the refined scope and value engineering efforts.

The updated design featured:

- A 650-seat flexible auditorium
- A purpose-built art gallery
- Multi-purpose function and convention spaces
- Full backstage and administration facilities
- Integration with the historic Weld Theatre

The article also noted that Stage 1 of the BEACH was partially funded by the Federal Government ($10.35 million), with additional funding being sought from the State Government. Proceeds from the sale of the Old Library site in Mitchell Park were earmarked to support the project.

Subject to funding and approvals, the project was targeted for completion in November 2022, offering a timely boost to the arts and construction sectors impacted by COVID-19.

Funding, Tendering, and Community Sentiment (2020-2021)

At the 24 June 2020 Council meeting, two notices of motion and an agenda report were considered in relation to the Busselton Entertainment Arts and Cultural Hub (BEACH), reflecting both financial scrutiny and strategic direction.

Funding Motions and State Support Debate

The first item (18.1) proposed a motion to reduce the projected costs of the BEACH to the original budget of $21.32 million, contingent on the outcome of a $9.5 million repurposed airport terminal funding request to the State Government. The motion was lost 8/1, on the basis of Council support for the current design and funding strategy.

A second motion (18.2) proposed that Council contact the Minister for Regional Development and the Minister for Transport to support repurposing Busselton Margaret River Airport funding for a new terminal to the Australian Underwater Discovery Centre (AUDC) at Busselton Jetty. This motion was also lost 8/1.

Ironically, in March 2021, Premier Mark McGowan announced that the $9.5 million would be allocated to the AUDC. However, by October 2021, the AUDC faced its own cost escalations, with the total project cost rising to $49 million, ultimately resulting in the project not proceeding.

Council Endorsement of Optimised Design and Loan Strategy

The third item at the June meeting was the Officer report. Attached to this report were the following documents:

- BEACH Business Case June 2020 and supporting documents,
- Business Operations Draft Plan June 2020,
- Design review presentation,
- Draft Masterplan Busselton Creative Centre,
- Cost Benefit Assessment,
- Cost status update summary,
- Lifecycle Management Plan,
- Estimated rates impact of loan and
- Comparison of Loan borrowing draft LTFP.

For the purposes of certainty, and transparency, the officer recommendation sought confirmation from Council that it wished to proceed as per the optimised design and at an increased budget of $28.5M - $30.3M, and that, in the event that the City was unable to secure additional funding, a loan as detailed would be taken.

Officers recommended that the Council:

1. Confirm its commitment to the BEACH project, based on the optimised design by Kerry Hill Architects (June 2020), with a budget of $28.5–$30.3 million, depending on the inclusion of a Creative Industries Hub.
2. Consider inclusion of the Creative Industries Hub only if additional external funding is secured.
3. Continue seeking external funding to reduce the need for loan borrowings.

4. Endorse a loan strategy of up to $17 million over 20 years, to be reduced if further funding is secured.

Council also considered alternative options:

- Reducing project scope
- Not proceeding with the project
- Deferring design until external funding was secured

Council approved the recommendation 8/1 (C2006/066), with the decision grounded in the belief that the project should only proceed with the optimised design. Acknowledging that reducing scope would risk delivering a substandard facility with known shortfalls and increased operating costs.

With interest rates falling to historic lows (approximately 2.2%), the proposed loan structure offered an intergenerational equity mechanism, aligning with the facility's projected 50+ year operational life. A longer loan term was deemed more appropriate than the original $7.5 million over 10 years.

On 27 July 2020, Council adopted the 2020/21 Annual Budget (C2007/069), noting the loan facility and estimating a drawdown of $7.5 million in the financial year. The final decision to raise the loan would be made after reviewing construction tenders.

Heritage Council Review and Approval

Following Council's formal commitment to the Busselton Entertainment Arts and Cultural Hub (BEACH) project in June 2020, the City of Busselton entered a critical phase of cultural planning, stakeholder engagement, and heritage integration.

The City worked closely with the Heritage Council of Western Australia to understand the requirements of the approval process. Preliminary feedback included:

- Commendation for the improved proposal
- Support for integration of Weld Hall and its repositioning
- Concerns regarding demolition of an internal wall and alterations to the ArtGeo building

The Heritage Council requested:

- An Interpretation Plan to communicate the cultural significance of the precinct
- An elevation drawing from Adelaide Street

On 22 September 2020, Heritage Council approval was granted with conditions, including:

- Revision of demolition plans
- Provision of basic services and infrastructure

- Preparation of conservation works schedules
- Dilapidation surveys and structural monitoring
- A Construction Management Plan
- A formal Interpretation Plan

The approved design featured a contemporary three-storey centre, set back from the street and broken into smaller sections to reduce visual impact. The Weld Hall Theatre would continue to operate as a community venue, integrated into the new facility.

With design documentation complete and funding strategies in place, the City of Busselton progressed to the construction procurement phase for the Busselton Performing Arts and Convention Centre (BPACC), formerly referred to as the BEACH.

At the meeting of 28 October 2020, a report was considered in relation to motions raised by the Bay to Bay Action Group. Motion 3 sought to express a vote of no confidence in the Mayor, Councillors and CEO over the handling of the BPACC (formerly BEACH) proposal. Council noted the motion but rejected it (C2010/120), acknowledging that it carried no legal standing and did not reflect the broader community's views.

Section 3.59 initial advice

In December 2020, the City sought and received legal advice indicating that the BEACH project was *not* a major land transaction under Section 3.59 of the Local Government Act 1995, meaning no business plan or public advertising was required at that time. Subsequent developments and further legal considerations are outlined later in the report.

Tender Process and Evaluation

On 19 March 2021, the City of Busselton issued Request for Tender RFT 06/21 for the construction of the Busselton Performing Arts and Convention Centre (BPACC). The tender was sent to seven pre-qualified builders who had responded to Expression of Interest EOI02/20.

By the closing date of 7 May 2021, the City received three submissions:

- Broad Group Holdings Pty Ltd
- Perkins (WA) Pty Ltd
- Pindan Constructions Pty Ltd

Perkins (WA) Pty Ltd submitted both a conforming and a non-conforming tender. The non-conforming tender, which proposed contract amendments and a reduced price, was rejected under Regulation 18(2) of the Local Government (Functions and General) Regulations 1996 due to its deviation from specified requirements.

The conforming tender from Perkins was evaluated alongside Broad's submission. However, Broad Group Holdings Pty Ltd was ranked highest by the evaluation panel based on weighted criteria including price, understanding, value management, and personnel experience.

On 18 May 2021, Pindan Constructions Pty Ltd entered liquidation, and their submission was excluded from evaluation.

Thus, while Perkins' conforming tender was eligible, Broad was the highest ranked eligible tenderer following evaluation.

Council Deliberations – 23 June 2021

At the Ordinary Council Meeting on 23 June 2021, multiple motions were considered regarding the tender outcome:

Motion 1 (Lost 4/5):

- Accept Broad's tender of $37,988,816 (excl. GST)
- Amend the 2021/22 budget accordingly
- Delegate authority to enter into contract
- Continue seeking additional funding

Motion 2 (Lost 1/8):

- Decline all tenders
- Undertake community consultation via survey if $10 million in additional funding was not secured by 31 July 2021

Motion 3 (Carried 8/1 – Resolution C2106/136):

- Acknowledge receipt of tenders
- Decline to accept any tender
- Continue pursuing State and Federal funding
- If funding not secured within one month, review design options and undertake community consultation

This decision reflected Council's desire to avoid increasing the City's financial contribution and to seek broader community support before proceeding further.

In the next month attempts to attract external funding remained unsuccessful and therefore, in accordance with the Council resolution, the City of Busselton undertook a community survey in July - August 2021 to gauge public sentiment on the future of the Busselton Performing Arts and Convention Centre (BPACC). The survey was conducted by an independent research company and aimed to inform the Council's decision-making by capturing a broad cross-section of community views.

Survey Participation and Sentiment

A total of 2,352 responses were received, grouped into categories including:

- Residents
- Out-of-area ratepayers
- Visitors
- Businesses
- Council-affiliated individuals

The survey offered three options:

- Option A: Proceed with the full design
- Option B: Proceed with a reduced-cost version
- Option C: Do not proceed

The results revealed a divided sentiment among residents and businesses, with stronger support from out-of-area ratepayers, visitors, and council-affiliated respondents:

Group	Proceed (A or B)	Do Not Proceed (C)	Unsure/No Response
Residents (n=2,108)	948 (45%)	1,117 (53%)	42 (2%)
Random Sample	185 (44%)	218 (52%)	17 (4%)
Opt-In Sample (n=1,688)	760 (45%)	895 (53%)	—34 (2%)
Out-of-Area Ratepayers (n=48)	35 (73%)	13 (27%)	0 (0%)
Visitors (n=93)	84 (90%)	8 (9%)	1 (1%)
Businesses (n=562)	258 (46%)	292 (52%)	11 (2%)
Council Affiliated (n=108)	77 (71%)	31 (29%)	0 (0%)

Group	Proceed (A or B)	Do Not Proceed (C)	Unsure/No Response
Combined Ratepayers - Random (n=420)	202 (48%)	202 (48%)	17 (4%)

Qualitative analysis showed that:

- Supporters of Option A cited economic and social benefits.
- Supporters of Option B viewed it as a cost-effective compromise.
- Supporters of Option C were primarily concerned about financial impacts.

Council Deliberation and Decision

At the Ordinary Council Meeting on 8 September 2021, Council received the survey results. Officers presented all three options without a recommendation, allowing elected members to determine the path forward.

An alternative motion was foreshadowed which was moved first and carried 7/2 following debate.

Council Resolution C2109/194

That the Council :

1. Receives and notes the outcomes of the survey in relation to the Busselton Performing Arts and Convention Centre (BPACC); and

2. Resolves to proceed with construction of the BPACC on the basis of the current and previously tendered design subject to value engineering options that do not materially affect functionality or performance of the centre; and
3. Delegates power and authority to the CEO to accept a tender and enter into a construction contract not exceeding the value of $38 million, either through the public invitation of tenders or through utilisation of Regulation 11(2)(c)(i) of the Local Government (Function and General) Regulations 1996 ; and
4. Acknowledges the community sentiment raised by some residents in relation to potential future rate increases and the City's debt levels; and
5. Requests that the CEO review funding options for the BPACC which may assist to mitigate concerns around rate increases and debt, including continuing to pursue State and Federal Government funding contributions, reviewing the use of City Reserves to potentially reduce Treasury borrowings, and reviewing Fees and Charges; and present funding scenarios as part of the next review of the City's Long Term Financial Plan.

Rationale for Proceeding

Council's rationale for proceeding with the Busselton Performing Arts and Convention Centre (BPACC) was centred on the project's long-standing history, demonstrated community need, and its financial viability:

- The project had been investigated and consulted on for 17 years, forming one of the City's longest-running cultural infrastructure priorities.
- It was incorporated into the City's first Strategic Community Plan more than a decade ago and reaffirmed in subsequent SCP reviews.
- The City had secured a $10.35 million Federal Government grant, enabling the project to progress to design and tender stages.
- The Long-Term Financial Plan (LTFP) had made provision for a $28 million project, with projected rate rises remaining below 3% over the next decade, demonstrating capacity to absorb operating impacts.
- With interest rates at historic lows—the lowest since the Reserve Bank of Australia was established in 1959—Council recognised a rare opportunity to secure long-term, low-cost borrowings, improving affordability.
- The full design was considered a multi-functional facility capable of serving local community needs while also attracting commercial operators and touring events, helping generate revenue to offset operational costs.

Following the decision made on 8 September 2021 (C2109/194) to proceed with construction based on the current and previously tendered design, the City advanced to final contractor selection and detailed financial planning, enabling the BPACC to move toward delivery.

11. Construction Procurement and Funding Framework (2021–2022)

Tender Evaluation – RFT 22/21

On 10 September 2021, the City issued Request for Tender RFT 22/21 for the construction of the BPACC. The tender closed on 6 October 2021, with two submissions received:

- Broad Group Holdings Pty Ltd
- Perkins (WA) Pty Ltd

The construction budget was set at $38 million, with an overall project budget of $44.55 million (excl. GST). Both submissions exceeded the construction budget, with the lowest priced tender exceeding it by approximately $4.6 million.

However, both tenderers provided value engineering (VE) options. Broad Group Holdings' VE options allowed the City to bring the construction cost under budget, without compromising functionality. Perkins' submission remained above budget even with VE applied.

To support Council's consideration, the VE items were summarised in the following table.

Value Engineering Summary

Broad's VE options delivered $4.3 million in savings, including:

Category	Description	Savings
Structure	Timber to steel, concrete colour change, boundary wall redesign	$934,022
Finishes	Simplified ceilings, reduced carpet rate, artificial benchtops, simplified timber panels	$1,263,046
Exterior	Roof light redesign, alternative glazing and AC systems	$287,794
Services	Mechanical and electrical adjustments	$191,742
Other	Removal of landscaping and loose furniture (budgeted separately), simplified kitchen and cabinetry	$1,627,701
Total Savings	—	**$4,304,305**

These savings reduced Broad's price to an adjusted tender amount of $37,736,572, bringing the building contract within the approved construction budget.

Total Project Budget and Funding Breakdown

To provide full visibility over the financial implications of the tender process, the project team also prepared a breakdown of the total project budget, showing both budgeted and actual values at the time of assessment. This is presented below.

Component	Budget	Actual	Variance
Building Contract (incl. Weld Theatre)	$38,000,000	$37,736,572	-$263,428

Component	Budget	Actual	Variance
Consultant Design	$2,800,000	$2,800,000	$0
Contingency	$3,000,000	$3,000,000	$0
Loose Furniture/AV	$250,000	$250,000	$0
Landscaping	$500,000	$400,000	-$100,000
Additional Design Fees	—	$69,000	+$69,000
Utility Costs	—	$193,000	+$193,000
Total	**$44,550,000**	**$44,448,572**	**-$101,428**

Funding Sources

To accompany the budget detail, the funding structure for the total project is summarised below.

Source	Amount	Notes
Federal Grant	$10,350,000	Extended to 30 June 2023
Loan Borrowings	$26,500,000	Fixed 20 years @ 2.5%
Old Library Site Sale	$2,700,000	—
P&G / Building Reserve	$575,000	—
LRCIP Federal Grant (Tranche 3)	$1,920,000	—
Surplus 2020/21	$1,000,000	—

Source	Amount	Notes
Developer Contributions	$625,000	—
Sponsorship (Rio Tinto)	$250,000	—
Furniture & Equipment Reserve	$350,000	—
Total Funding	**$44,550,000**	—

A Lotterywest application for $2.7 million was submitted in October 2021 to support Weld Theatre integration and shared community spaces. If successful, this would reduce required loan borrowings to $23.8 million.

Financial Capacity and Risk Assessment

The City's financial modelling confirmed its ability to service the loan while maintaining acceptable debt ratios. The Debt Service Coverage Ratio (DSCR) was projected to remain above the minimum standard of 2.0, exceeding the highest standard from 2028/29 onward.

Council also had flexibility to:

- Adjust fees and charges
- Review cash reserves (which had a balance of $62.8 million at the time)
- Defer the 1% rate transfer to the CBD Upgrade Reserve, noting recent CBD upgrades were funded through LRCIP Tranche 1

In the absence of additional funding, a rate increase of up to 2% would be required over three years, raising projected increases from 2.5% to 3.5% annually. A 1% increase equated to approximately $18 per household per year.

Council Considerations and Officer Recommendation

Officers recommended awarding the tender to Broad Construction, noting:

- The project had taken nine years to secure Commonwealth funding
- It represented a once-in-a-generation investment in arts and culture
- The facility would support events, tourism, and community wellbeing
- The risk of returning $10.35 million in Federal funding could jeopardise future funding opportunities

Council was asked to weigh:

- Reputational risks (both for proceeding and not proceeding)
- Financial risks in the current climate
- Community sentiment, which remained divided
- The long-term economic and social benefits

Following the tender evaluation in October 2021, the City of Busselton faced a pivotal decision regarding the future of the Busselton Performing Arts and Convention Centre (BPACC). The project had reached a critical juncture, with construction tenders received and financial modelling confirming the City's capacity to proceed.

Council Deliberation and Contract Award

At the Ordinary Council Meeting on 24 November 2021, an alternative motion was foreshadowed and moved first, in accordance with clause 10.18(7) of the City's Standing Orders Local Law 2018. The motion proposed:

1. Declining all tenders
2. Acknowledging Commonwealth support and the lack of State funding
3. Seeking approval to recoup $1.8 million in design and professional fees
4. Requesting reallocation of the remaining Federal grant to other priority projects
5. Revisiting the performing arts project in 2023

This motion was lost, and the officer recommendation was then considered and carried 5/4 (C2111/093):

- That the Council accepts the tender from Broad Construction Pty Ltd for RFT 22/21 Construction of the Busselton Performing Arts and Convention Centre subject to minor variations being negotiated in accordance with Regulation 20 of the Local Government (Functions and General) Regulations and subject to the building construction contract value not exceeding $38,000,000 (excluding GST).

This decision marked the formal commitment to construction and the culmination of nearly two decades of planning and consultation.

Construction Commencement and Naming (2022)

Construction Commencement and Loan Amendment

In January 2022, the contract with Broad Construction was signed, and construction commenced. The first sod was turned in February, symbolising the beginning of a transformative chapter for Busselton's cultural landscape.

Also in February 2022, Council approved an additional loan facility to support the project (C2202/035):

1. Amended the 2021/22 Annual Budget to borrow a further $10 million over 20 years
2. Authorised the CEO to advertise the intent to borrow, in accordance with Section 6.20(2) of the Local Government Act 1995

This brought the total loan commitment to $26.5 million, secured at a fixed interest rate of 2.5%, with modelling confirming the City's ability to maintain healthy debt ratios.

Funding Outcomes and Adjustments

Despite continued efforts, a Building Better Regions Fund (BBRF) Round 6 application was unsuccessful. However, the City secured a $1.8 million contribution from Lotterywest, supporting:

- The new art gallery
- Weld Theatre back-of-house upgrades
- Integration works, including dressing rooms, green room, and meeting spaces

Naming of Saltwater Busselton

At the Ordinary Council Meeting on 19 October 2022, Council formally endorsed the name Saltwater Busselton for the new performing arts and convention centre (C2210/260).

The name was chosen following extensive community consultation, including engagement with the Saltwater Aboriginal Advisory Panel. It honours the Wadandi people, whose name means "Saltwater people," and reflects the centre's connection to place, heritage, and culture.

As construction of Saltwater Busselton progressed, the City of Busselton entered a phase of critical reflection and governance review to ensure transparency, financial accountability, and legal compliance.

Governance, Oversight and Independent Review (2023–2024)

Adoption of Cultural Precinct Strategy

On 21 June 2023, Council adopted (C2306/117) the Busselton Cultural Precinct Strategy as a guiding framework for future planning and development of the precinct. The Strategy recognises the precinct's historic significance, its emerging role alongside the new Saltwater Performing Arts and Convention Centre, and its potential to become a

vibrant cultural, creative and economic hub. By endorsing the Strategy, Council set a clear direction for enhancing heritage spaces, strengthening cultural programming, improving connectivity with the CBD and foreshore, and supporting a thriving "village" of artists, makers, community groups, and visitors.

Project Update and Independent Review Initiated

At the Ordinary Council Meeting on 15 November 2023, Council received a confidential Saltwater Project Update. The report outlined:

- Milestones achieved and delays encountered
- Budget adjustments and the need for additional funding
- Anticipated economic, environmental, and social benefits
- Challenges faced and strategies implemented
- A roadmap for upcoming phases, including key activities and expected completion dates

The 15 November Council report recommended an additional $3.9 million funding for the Project. Increasing the Project budget to $48.45 million, representing an increase of 8.7% on the original Project budget. Officers at the time thought this reasonable due to:

- the complexity of the building;
- development of a final design post execution of the Contract; and
- the difficult construction environment.

Council adopted (C2311/181) an alternative recommendation (contained in a confidential attachment), which included:

- Directing the CEO to prepare a communications plan for Council adoption
- Commissioning an independent review of the project, with the scope to be presented to the Audit and Risk Committee (ARC)

Audit and Risk Committee Review – November to December 2023

At the ARC meeting on 29 November 2023, the scope of the independent review was presented. The committee review focused on:

- Financial management
- Risk assessment
- Regulatory compliance

The ARC identified risks such as potential cost overruns and delays due to unforeseen circumstances, and recommended:

- Stricter financial controls

- Enhanced project monitoring
- Improved stakeholder communication

The ARC endorsed an alternative recommendation contained in confidential attachment 2, which was subsequently adopted by Council at the Ordinary Council Meeting on 13 December 2023 (C2312/214).

Legal Reassessment – Section 3.59 of the Local Government Act

The legal reassessment process began at the Audit and Risk Committee (ARC) meeting on 9 May 2024, where the committee reviewed legal advice relating to Saltwater and other major projects. This review highlighted the need to ensure full compliance with statutory obligations, particularly Section 3.59 of the Local Government Act 1995, which sets out requirements for major land transactions.

To clarify the City's obligations, the ARC recommended that Council:

1. Direct the CEO to obtain external legal advice to reassess whether the Saltwater project met the definition of a major land transaction.
2. The brief for this advice was to include all relevant historical and current information, such as:
    - Construction, management and lease contracts
    - The impact of the $9.5 million in State funding that did not eventuate, which had been replaced by City borrowings

This recommendation was endorsed unchanged at the Ordinary Council Meeting on 19 June 2024 (C2406/178).

On 7 November 2024, the City received further legal advice. This new advice, based on an alternative interpretation of Section 3.59, suggested that the project might have required public advertising. The advice was subsequently presented to Elected Members at a briefing session.

Council Response and Public Communication Strategy

Council next considered the issue at the Ordinary Council Meeting on 20 November 2024, during debate on a report covering a budget amendment and communications plan for Saltwater. As part of Council Decision C2411/337, Council resolved to:

- Release the "Advertising of a Saltwater Business Plan", as outlined in the Saltwater Busselton Project Update public statement
- Convene a workshop with Elected Members to review the communications plan to ensure future messaging:
    - Provides a purely factual narrative of the project's background

- Is clearly separate from promotional communications relating to Saltwater's operations.

This decision reflected Council's commitment to transparency, community accountability, and legal compliance, particularly in light of the evolving interpretations of statutory requirements.

Independent Review and Council Response – June to October 2024

The governance and oversight process continued in mid-2024. On 5 June 2024, the draft independent review report prepared by KPMG was presented to Elected Members at a Q&A session. The report provided:

- An assessment of project progress, milestones, and delays
- An update on the budget and financial position
- Recommendations for risk mitigation and financial adjustments
- Emphasis on the economic and social benefits of Saltwater
- A roadmap for the final project phases and expected completion timeframes

At the 31 July 2024 Ordinary Council Meeting, the report was scheduled for formal receipt. However, Council postponed receipt pending further information (C2406/196).

An updated version of the independent review was then presented at the 16 October 2024 Council Meeting. The Officer Recommendation to receive the report was lost 5/4 (C2410/310), demonstrating the ongoing scrutiny, differing views, and active debate surrounding the project's governance and financial implications.

Final Budget Adjustments and Completion Phase (2024–2025)

Budget Amendment and Communication Plan – November to December 2024

At the 20 November 2024 Council Meeting, Council considered a confidential budget amendment and communication plan for Saltwater. The agenda report recommended increasing the total forecast cost from $44.55 million to $51.55 million, citing unforeseen costs and the need for additional funding.

After lengthy debate, Council endorsed (C2411/337):

That the Council:

1. For the reasons outlined in this report, endorses a change to the forecast total Saltwater project cost from $44,550,000 at tender award to $51,550,000; and
2. Endorses the following amendments to the 2024/25 budget:

a. movement of $5,380,978 already allocated as part of the original forecast cost of $44,550,000, from the following reserves and restricted accounts onto the budget to be spent as originally planned:

- Capital grants ($144,709)
- Loan funds ($1,778,418)
- Saltwater Reserve ($2,656,297)
- Parks and Gardens Reserve ($144,413)
- Furniture and Equipment Reserve ($229,519)
- Corporate IT Reserve ($54,683)
- New Infrastructure Development Reserve ($300,389)
- Community Facilities – City District Restricted Account ($72,550)

b. a new amount of $7,000,000 to enable the project to reach completion, funded from the following reserves and through New Loan Borrowings of $5,264,952 over a loan term of 10 years:

- New Infrastructure Development Reserve ($1,278,295)
- Legal Expenses Reserve ($340,000)
- Community Facilities – City District Restricted Account ($116,753)

c. Loan repayments and associated fee expenditure of $360,000 to be added to the budget under project 10022 Saltwater.

d. To offset c. above, the budgeted interest earnings revenue that will be derived to be increased by $360,000.

3. Authorises the CEO to give local public notice under Section 6.20 of the Local Government Act 1995 of the proposed New Loan Borrowings.
4. Requests the CEO to make provision in the Long-Term Financial Plan and the 2025/2026 Budget for an additional 1% rate increase for the purpose of funding additional loan repayments, with the revenue from the extra 1% to be structured so as not to be absorbed into general revenue (given it is a short term extra-ordinary item until the additional debt is paid off), for example by transferring it to a reserve for purposes of making loan repayments.
5. Requests the CEO to undertake for future budgets a review of costs to identify savings associated with the provision of arts and culture services and for these savings to be directed to paying off the new Saltwater loan borrowings. This will take priority in the service review and for this service, will be completed in time for the 2025/26 budget.
6. Endorses for release the 'Project Costs' sub-section of the Saltwater Busselton Project Update public statement at Attachment 4 with changes to reflect the loan funding as per this alternative motion.
7. Endorses for release the 'Advertising of a Saltwater Business Plan' sub-section of the Saltwater Busselton Project Update public statement at Attachment 4, to occur after the workshop required by point 9.
8. Endorses for release the Council decision history of the project as at Attachment 3 inclusive of links to the relevant minutes (inclusive of decision and where publicly available agenda item) of each council decision, and including making public the agenda item and decision of the Council made 31 July 2019 regarding

the funding agreement (C1907/131) and the agenda item (excluding the attachment) regarding the Audit and Risk Committee recommendation for a second piece of legal advice re s3.59 (C2406/178).

9. Requests the CEO to convene a workshop with Elected Members to review the Saltwater Communications Plan and the remaining aspects of the public statement to ensure that further communications regarding the construction of the Saltwater venue include a purely factual narrative detailing all aspects relating to the background of the Saltwater project, separate from promotional communications in relation to the operations of Saltwater.

Initial Council Resolution – December 2024

At the Ordinary Council Meeting on 11 December 2024, Council considered a Notice of Motion and resolved (C2412/364) that the CEO provide a report in September 2025 detailing organisational learning from the Saltwater project (including its previous project names). The report was to cover:

- Matters requiring ARC consideration
- Staff resourcing and capability planning
- Implications for the LTFP
- Broader internal process learnings

Council also required that any confidential material be separated by the CEO to preserve transparency for the remainder of the report.

Officers did not support the September 2025 deadline, noting that an evaluation of this nature is normally undertaken at project closure, when complete information on delivery processes, outcomes and lessons is available. Given expectations at the time that construction would conclude by late 2025, officers recommended December 2025 as a more realistic timeframe.

Budget Amendment and Change to Decision C2411/337 – December 2024

At the same meeting on 11 December 2024, an Elected Member brought forward a Motion for Revocation or Change of Decision C2411/337. Council adopted the motion (C2412/368), amending the budget to:

- Fund $5.26 million of the additional $7 million required from the Building Reserve rather than through new borrowings
- Revoke points 2c, 2d, and point 5 of Resolution C2411/337
- Remove reference to the 2025/26 Budget in point 4
- Request the CEO to update the LTFP to reflect these financial adjustments

These changes reflected Council's focus on fiscal responsibility while still supporting the successful completion of Saltwater Busselton and maintaining community trust and legal compliance.

Workshop and Public Notice – January to March 2025

Following Council's late-2024 direction to improve factual and transparent communication, a workshop with Elected Members was held on 22 January 2025 to review the Saltwater Communications Plan. The workshop emphasised:

- Strict separation between factual project reporting and
- Any promotional messaging associated with Saltwater's future operations.

In line with Council Decision C2411/337, the public notice "Advertising of a Saltwater Business Plan" was subsequently published in City Connect on 19 March 2025, appearing on page 8 of the *Busselton Dunsborough Mail*.

Revised Timing of the Organisational Learning Report – September 2025

At the 22 September 2025 Council Meeting, officers recommended deferring the organisational learning report until six months after the official opening of Saltwater. This was to ensure the evaluation was comprehensive and informed by actual operational experience, given the project's ongoing delays.

Council did not support this recommendation. Instead, it adopted Resolution C2509/283, which:

- Extended the reporting timeline from Resolution C2412/364
- Required an interim report to be provided after the installation of the new Council and no later than December 2025
- Confirmed that the final report must still be delivered six months after the venue's official opening

This approach preserved Council's expectation for early insights while still allowing for a full evaluation once Saltwater became operational.

City takes control of the Saltwater site

Following the Special Meeting of Council held on 3 December 2025 (SC2512/02), the City released a statement on 19 December 2025, advising that it had assumed control of the Saltwater site:

The City of Busselton has taken control of the Saltwater site and will now progress outstanding items to bring the performing arts and convention centre to its completion and opening.

Items to be completed to enable opening of the facility, including installation of audio-visual equipment, minor items associated with completion, and commissioning to ensure the facility meets the highest standards.

Queen Street (between Marine Terrace and Adelaide Street) is open from today, 19 December 2025. Occasional closures may occur in early 2026, as we work hard to complete the final works.

This project has been delivered during one of the most challenging periods for the construction industry in recent history, with cost escalation, supply chain disruptions and labour shortages affecting projects across Western Australia. Despite these challenges, the City has remained steadfast in its commitment to deliver this important community asset.

We appreciate the community has waited a long time for the building to reach this point. The City will announce the opening date of Saltwater towards the end of January 2026. To bring the build to its conclusion, the City has given public notice of its intention to borrow $3,500,000 and to use $3,000,000 currently held within the City's Airport Reserve. The Council has made this decision in the best interest of the community to ensure the building is completed and any further risk is managed.

To maintain transparency, the City will provide a report to Council and the community on interim project learnings and final costs once they are confirmed.

Saltwater Performing Arts and Convention Centre represents a significant investment in our community's future for the arts, culture and events, and will be appreciated for decades to come. We look forward to welcoming residents and visitors to the venue in 2026.

Conclusion and Next Steps

The development of Saltwater Busselton has been an extraordinary, multi-decade undertaking - one shaped by shifting economic conditions, evolving community expectations, and an unwavering commitment to delivering a transformative cultural asset for the region. As this report demonstrates, the project has navigated complex planning, rigorous financial decision-making, extensive consultation, and unprecedented construction challenges. Despite these pressures, the City has continued to progress Saltwater with perseverance and a strong focus on long-term value for the community.

Saltwater now stands on the cusp of completion. The core construction works are largely finalised, the site has been handed to the City, and the remaining activities - specialist fit-out, commissioning, final compliance checks, and integration of technical systems—are well underway. These final steps are critical to ensuring that the facility operates safely, efficiently, and to the high standard expected of a landmark regional venue.

BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE – COUNCIL DECISIONS

Date	Council Resolution	Council Decision
9 June 2010	C1006/200 *Carried 9/0*	**16.1 DRAFT STRATEGIC PLAN AND ACTION PLAN 2010-2020** Council adopts the Strategic Action Plan 2010 - 2020 Strategic Priority No. 1 • Busselton Foreshore revitalisation • Dunsborough Foreshore revitalisation • Complete Busselton to Dunsborough cycleway • Completion of an integrated Dual Use Path in Busselton • Community Resource Centre and Library expansion • A modern children's playground/fund park facility • **Performing Arts/Convention Centre**
13 April 2011	C1104/115 *Carried 9/0*	**17.1 REQUEST TO INVESTIGATE THE ACQUISITION OF LOT 450, IN THE CULTURAL PRECINCT, FROM THE DEPARTMENT OF ENVIRONMENT AND CONSERVATION AND CONSIDERATION OF THE SITE AS A LOCATION FOR BUSSELTON'S PERFORMING ARTS CENTRE** That the Council: 1. Confirm Lot 450 Queen Street as being the preferred site for a future performing arts and conference venue, subject to its suitability being established. 2. Endorse the CEO to investigate the acquisition of Lot 450 Queen Street from the State Government of Western Australia; 3. Endorse the CEO to pursue the potential for a land swap with the WA State Government, Department of Environment and Conservation by identifying land available for such a purpose; 4. Prepare a report relating to re housing the Department of Environment and Conservation through investigation of the potential to develop a new State government dedicated office building in which to co locate the local offices of State agencies; and 5. Present a report on the range of procurement mechanisms, including: * Options for a joint venture partnerships with the private sector; and * Development of the building by the Shire of Busselton on the basis that the State Government commits as the lead tenant. CARRIED 9/0
22 August 2012	C1208/246 *Carried 8/0*	**13.1 CAPES REGIONAL ARTS AND CULTURAL FACILITIES NEEDS ASSESSMENT** That the Capes Regional Arts and Cultural Facilities Needs Assessment Report be advertised for community comment for a period of 21 days and the result be reported to Council.
24 October 2012	C1210/297 *Carried 9/0*	**13.1 CAPES REGIONAL ARTS AND CULTURAL FACILITIES NEEDS ASSESSMENT REPORT** That the Council adopts the Capes Regional Arts and Cultural Facilities Needs Assessment Report as a guide to future planning.

		The Capes Regional Arts and Cultural Facilities Needs Assessment Report will be made available to the public on the City's website within one week of the Council resolution and an implementation plan will then be developed. Key Points within the Report [pg 60] "The Needs Analysis undertaken during the course of this Project indicated that the likely demand is more for a performing arts centre of the order of 300 seats (pg. 11 estimated cost of $20-$22 million for capital) preferably in black box style…..In recommending this sort of facility, it is important to take account of the findings and community response that came out of this Project – and also the work undertaken by Pegasus [2008 Feasibility Study] which was also a comprehensive survey workshop forum." [pg. 61] "On the basis of research and on findings and benchmarking in relation to facilities design, capacity, utilisation, subsidies, and associated research undertaken across a wide cross section of the community and other documentation/research the concept of a performing arts centre located in Busselton is supported and recommended". "In summary, it is seen that his facility would be welcomed in the local community as a long overdue. The need is becoming more critical as the City develops further. It would be a valuable focus point for all parts of the community and the development of the potential of that community, as evidenced in the research for this Project, and other referred to elsewhere [in the report]. This facility in its proposed location would encompass both performing and some visual arts capacity in terms of gallery space. It would also be in proximity to cross art form work through other cultural facilities and arts organisations located in the Cultural Precinct, involving both professional and non-professional artists who are resident in and touring the region. It is also important to note the capacity for conferences and trade shows and the importance this raises for the operational and budgetary framework for this centre."
27 February 2013	C1302/047 *Carried 9/0*	**14.1 ADOPTION OF THE STRATEGIC COMMUNITY PLAN (2013)** Council adopts the City of Busselton's Strategic Community Plan (2013) There were many valuable ideas recorded by the community through the consultation and within that there were a number of clear priorities identified. These included (but are not limited to): • airport expansion; • improved facilities and services for youth and the aged; • foreshore development and the development of shared open spaces enabling a range of activities and social interaction; • improvements to public transport both within and to the district; • higher education provision; • a strong diverse economy that supports local business; and • a performing arts centre for the district.
12 March 2014	C1403/056 *Carried 5/4*	**15.1 PROPOSAL TO ADVERTISE FOR COMMUNITY CONSULTATION: THE POTENTIAL INCLUSION OF A MULTI-FUNCTIONAL CIVIC CENTRE AND PERFORMING ARTS SPACE IN THE DETAILED DESIGNS FOR A REDEVELOPED ADMINISTRATION FACILITY** That the Council: 1. Commits to a civic administration project and indicates its intention to include a multi-functional civic centre/performing arts space as a component of the design and building process of that project.

		2. As soon as possible the Council, invites – over a period of 28 days -, public comment in relation to the concept plans shown to Council on 5th March, and also in relation to the funding model that relates to this project. The council will be fully informed of the results of this consultation when making any final decisions.
23 July 2014	C1407/187 *Carried 9/0*	**15.1 PLANS FOR THE CONSTRUCTION OF A CITY CIVIC AND ADMINISTRATION FACILITY AND CONSIDERATION OF INCLUSION OF A MULTI-FUNCTIONAL CIVIC CENTRE** That the Council: …… 3. reconfirms its commitment to Lot 450 Queen Street, Busselton in the Cultural Precinct being its preferred site for a Performing Arts Centre based on a Proscenium Theatre design concept and continues land negotiations with the Department of Parks and Wildlife to secure the site; 4. endorses the concept of the proposed Performing Arts Centre located in the Cultural Precinct and it being elevated as a City of Busselton local priority project; 5. requires the Corporate Business Plan action for the development of a business case for the design and development of a performing arts space / convention centre to be for a Performing Arts Centre in the Cultural Precinct; 6. includes indicative funding for a Performing Arts Centre in the Long-Term Financial Plan from 2017/18 financial year onwards with design costs, construction over two years and operational costs, and that grant funding be actively sought for this project; 7. earmarks the proposed Performing Arts Centre project as a beneficiary of the proceeds of the sale of land surplus to the City's requirements in accordance with the Strategic Land Audit in recognition of its District-wide benefits.
25 May 2016	C1605/127 *Carried 9/0*	**13.1 BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE - ALTERNATIVE SITE** That Council 1. Reconfirms its commitment for the development of a Performing Arts and Convention Centre 2. Endorses Lots 43 and 44 Queen Street as the preferred site for the PACC; and 3. Endorses continue liaison with the Department of Parks and Wildlife for the acquisition of Lot 450 Queen Street for future needs and completion of the Cultural Precinct.
31 July 2019	C1907/131 Link to released agenda item *Carried 8/0*	**20.1 FUNDING AGREEMENT - CONFIDENTIAL** That the Council endorses the recommendation outlined in the report.
2 December 2019	C1912/243 *Carried*	**GENERAL MEETING OF ELECTORS – MOTION** That the City of Busselton conduct a thorough survey of the Busselton Community to ascertain if the community wants a performing arts centre, whether they are prepared to pay the construction costs for it and pay the costs to operate it, and to decide the community's preference for the location of the proposed new Busselton entertainment centre; and that

		the location options include the Brown Street Council owned future parking site near the historic Butter Factory Museum.
29 January 2020	C2001/017 *Carried 9/0*	**14.5 RFT14-19 DESIGN AND TECHNICAL SERVICES – BUSSELTON ENTERTAINMENT ARTS AND CULTURAL HUB** That the Council: 1. Pursuant to RFT 14-19 Design and Technical Services - Busselton Entertainment, Arts and Cultural Hub, accept the tender from Kerry Hill Architects Pty Ltd as the most advantageous tenderer (Successful Tenderer)), subject to minor variations to be negotiated in accordance with Regulation 20 of the Local Government (Functions and General) Regulations 1996 (FG Regs); 2. Delegates power and authority to the Chief Executive Officer to negotiate and agree with the Successful Tenderer minor variations in accordance with Regulation 20 of the FG Regs, subject to such variations and the final terms not exceeding a lump sum contract price of $1,979,440; 3. Subject to resolutions 1 and 2, acknowledges that the CEO is authorised to enter into a contract with the Successful Tenderer for supply of the relevant goods and services; 4. Endorse the removal of Stage 2 from the overall project scope of works to allow further investigation into the viability of other potential sites for the establishment of a creative industries hub component in proximity to the Cultural Precinct; and 5. Endorse the project to progress through to detailed design and contract documentation noting the next hold point will be the recommendation for award of the project builder.
29 January 2020	C2001/021 *Carried 9/0*	**16.2 RESPONSE TO MOTION – GENERAL MEETING OF ELECTORS 2 DECEMBER 2019 – PERFORMING ARTS CENTRE** That the following Motion carried at the General Meeting of Electors, 2 December 2019 (C1912/243), be noted by Council and that, given the extensive consultation undertaken since 2007 in relation to the development and location of a performance arts centre, no further action be taken: *That the City of Busselton conduct a thorough survey of the Busselton Community to ascertain if the community wants a performing arts centre, whether they are prepared to pay the construction costs for it and pay the costs to operate it, and to decide the community's preference for the location of the proposed new Busselton entertainment centre; and that the location options include the Brown Street Council owned future parking site near the historic Butter Factory Museum.*
24 June 2020	C2006/066 *Carried 8/1*	**15.1 PROGRESSION OF THE BUSSELTON ENTERTAINMENT ARTS AND CREATIVE HUB** That Council 1. Confirms its commitment to the Busselton Entertainment Arts and Creative Hub (BEACH) project (the Project), as per the optimised designs developed by Kerry Hill Architects (June 2020) and at a budget of between $28.5M and $30.3M, dependent on a final decision with regards to the inclusion of a Creative Industries Hub; 2. Will consider the inclusion of a Creative Industries Hub within the Project based on additional external funding being secured and on the outcomes of the tendering process and final pricing; 3. Continues to seek additional external funding for the project, to reduce the quantum of loan borrowings required for the Project; and

		4. Endorses as a funding strategy entering into a loan borrowings / debt financing of up to $17M over a 20 year term (to be reduced by any additional external funding that is secured and / or the inclusion of the Creative Industries Hub component).
27 July 2020 (Special Council Meeting)	C2007/069 *Carried 8/1*	**6.1 ADOPTION OF 2020/21 ANNUAL BUDGET** That Council: 1. Notes that the loan facility for the Busselton Performing Arts and Convention Centre as indicated in Note 6 on page 30 of the 2020/21 budget documentation is in accordance with Council resolution #C2006/066 (borrowing up to $17 million) and it is estimated to draw down up to $7.5 million in the 2020/21 financial year. 2. Notes that the raising of this loan will be subject to a further decision of Council after it has considered the tenders for construction at a future ordinary Council meeting.
28 October 2020	C2010/120 Carried 7/0	**16.1 RESPONSE TO BAY TO BAY ACTION GROUP MOTIONS MOVED 16 SEPTEMBER 2020** **Motion 3:** That this meeting of very concerned citizens express a vote of no confidence in the City of Busselton Mayor, Councillors, and CEO, in their handling of the BEACH proposal. **COUNCIL DECISION** That the Council: 3. In relation to motion 3, note but reject the vote of no confidence motion.
23 June 2021	C2106/136 Carried 8/1	**14.2 RFT 06/21 CONSTRUCTION OF THE BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE (BPACC)** That the Council: 1. Acknowledges receipt of the tender submissions for RFT 06/21 Construction of the Busselton Performing Arts and Convention Centre; and 2. Declines to accept any tender; and 3. Continues to pursue additional funding from State and Federal Governments; and 4. If a commitment for further funding is not obtained within one month that would maintain or not significantly increase the current financial contribution by the City, reviews design options and associated impacts and undertakes a community survey to help inform decisions on the future of the project.
26 July 2021 (Special Council Meeting)	C2107/139 *Carried 8/0*	**6.1 ADOPTION OF 2021/22 ANNUAL BUDGET** That the Council: 1. Notes that the loan facility for the Busselton Performing Arts and Convention Centre as indicated in Note 6 on page 31 of the 2021/22 budget documentation is in accordance with Council resolution #C2006/066 and it is estimated to draw down up to $10 million in the 2021/22 financial year; and 2. Notes that the raising of this loan will be subject to a further decision of Council.
8 September 2021	C2109/194 *Carried 7/2*	**16.2 BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE - CONSULTATION OUTCOMES** That the Council: 1. Receives and notes the outcomes of the survey in relation to the Busselton Performing Arts and Convention Centre (BPACC); and 2. Resolves to proceed with construction of the BPACC on the basis of the current and previously tendered design subject to value engineering

		options that do not materially affect functionality or performance of the centre; and 3. Delegates power and authority to the CEO to accept a tender and enter into a construction contract not exceeding the value of $38 million, either through the public invitation of tenders or through utilisation of Regulation 11(2)(c)(i) of the Local Government (Function and General) Regulations 1996 ; and 4. Acknowledges the community sentiment raised by some residents in relation to potential future rate increases and the City's debt levels; and 5. Requests that the CEO review funding options for the BPACC which may assist to mitigate concerns around rate increases and debt, including continuing to pursue State and Federal Government funding contributions, reviewing the use of City Reserves to potentially reduce Treasury borrowings, and reviewing Fees and Charges; and present funding scenarios as part of the next review of the City's Long Term Financial Plan.
24 November 2021	C2111/093 *Carried 5/4*	**14.2 RFT 22/21 CONSTRUCTION OF THE BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE (BPACC)** That the Council accepts the tender from Broad Construction Pty Ltd for RFT 22/21 Construction of the Busselton Performing Arts and Convention Centre subject to minor variations being negotiated in accordance with Regulation 20 of the Local Government (Functions and General) Regulations and subject to the building construction contract value not exceeding $38,000,000 (excluding GST).
23 February 2022	C2202/035 Carried 8/1	**16.1 BUDGET AMENDMENT - ADDITIONAL LOAN FACILITY** That the Council agrees to: 1. Amend the 2021/21 Annual Budget to borrow a further $10 million over a period of up to 20 years for the purposes of funding the construction of the Busselton Performing Arts and Convention Centre; and 2. Authorise the CEO to advertise Council's intent to borrow $10 million in the 2021/22 financial year to fund the Busselton Performing Arts and Convention Centre over a period of up to 20 years in accordance with Section 6.20(2) of the Local Government Act 1995.
19 October 2022	C2210/260 *Carried 7/0*	**15.2 NAMING OF THE BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE** That the Council endorses the naming of the Busselton Performing Arts and Convention Centre as Saltwater Busselton.
21 June 2023	C2306/117 *Carried 8/0*	**15.1 BUSSELTON CULTURAL PRECINCT STRATEGY** That the Council adopt the Busselton Cultural Precinct Strategy as a guide to future planning.
15 November 2023	C2311/181 *Carried 7/0*	**18.1 SALTWATER PROJECT UPDATE - CONFIDENTIAL** That Council adopt the alternative recommendation as outlined in confidential Attachment 1.
13 December 2023	C2312/214 *Carried 4/2*	**18.1. AUDIT AND RISK COMMITTEE - 29 NOVEMBER 2023 - SALTWATER PROJECT - CONFIDENTIAL** That the Council endorse the alternative recommendation contained in confidential attachment 2.
19 June 2024	C2406/178 Link to released	**18.1 AUDIT AND RISK COMMITTEE – 9 MAY 2024 – LEGAL ADVICE** That the ARC recommend the following motion to the Council: 1. The CEO source external alternative legal advice (to that provided in December 2020 by McLeods) to provide a second opinion on the statutory requirement to advertise the BPACC (now Saltwater) business

	agenda item *Carried 4/2*	plan pursuant to s3.59 (Major Land Transaction) Local Government Act 1995. 2. The brief for the external alternative legal advice to provide all of the information that was provided to McLeods causing its initial advice (to Dec 15, 2020 inclusive), and the new information causing subsequent advice (post 15 Dec, 2020) along with the Council's most up to date position for purposes of seeking advice in relation to: a) The appropriateness (or otherwise) of including contracts including but not limited to; construction, management and leases together for a common overall purpose being that of contributing/combining to the implementation of the BEACH then BPACC (later to be described as Saltwater) project proposal for the purposes of forming a Major Land Transaction (s3.59 LG Act); and b) The triggering of the need to re-advertise a business plan (under s3.59) when planned State funding of $9.5m^ did not eventuate (causing this amount to be replaced via further debt funding contributed by City ratepayers). If the balance of the advice in the interests of transparency is to support public advertising under s3.59 at any time now or in the past then what options exist to ameliorate this situation from this point forward to mitigate risk (in a broad sense). Specific advice is required pursuant to LG Act s3.59(9). ^$9.5m exceeded the Reg 8 threshold of approx. $7.7m at the time.
31 July 2024	C2407/200 *Carried 7/0*	**18.1 SALTWATER PROJECT REVIEW - CONFIDENTIAL** That Council postpone receipt of the report until the next practical Ordinary Council meeting, pending further information.
16 October 2024	C2410/310 *Lost 4/5*	**18.1 SALTWATER PROJECT REVIEW – CONFIDENTIAL** That the Council receives the Saltwater Project Review Report as per confidential attachments 1, 2, 3 and 4.
20 November 2024	C2411/337 *Carried 6/2*	**18.1 SALTWATER BUDGET AMENDMENT AND COMMUNICATION PLAN** That the Council: 1.For the reasons outlined in this report, endorses a change to the forecast total Saltwater project cost from $44,550,000 at tender award to $51,550,000; and 2. Endorses the following amendments to the 2024/25 budget: a. movement of $5,380,978 already allocated as part of the original forecast cost of $44,550,000, from the following reserves and restricted accounts on to the budget to be spent as originally planned: • Capital grants ($144,709) • Loan funds ($1,778,418) • Saltwater Reserve ($2,656,297) • Parks and Gardens Reserve ($144,413) • Furniture and Equipment Reserve ($229,519) • Corporate IT Reserve ($54,683) • New Infrastructure Development Reserve ($300,389) • Community Facilities – City District Restricted Account ($72,550) b. a new amount of $7,000,000 to enable the project to reach completion, funded from the following reserves and through New Loan Borrowings of $5,264,952 over a loan term of 10 years: • New Infrastructure Development Reserve ($1,278,295) • Legal Expenses Reserve ($340,000)

		• Community Facilities – City District Restricted Account ($116,753) c. Loan repayments and associated fee expenditure of $360,000 to be added to the budget under project 10022Saltwater. d. To offset c. above, the budgeted interest earnings revenue that will be derived to be increased by $360,000 3. Authorises the CEO to give local public notice under Section 6.20 of the Local Government Act 1995 of the proposed New Loan Borrowings. 4. Requests the CEO to make provision in the Long-Term Financial Plan and the 2025/2026 Budget for an additional 1% rate increase for the purpose of funding additional loan repayments, with the revenue from the extra 1% to be structured so as not to be absorbed into general revenue (given it is a short term extra-ordinary item until the additional debt is paid off), for example by transferring it to a reserve for purposes of making loan repayments. 5. Requests the CEO to undertake for future budgets a review of costs to identify savings associated with the provision of arts and culture services and for these savings to be directed to paying off the new Saltwater loan borrowings. This will take priority in the service review and for this service, will be completed in time for the 2025/26 budget. 6. Endorses for release the 'Project Costs' sub-section of the Saltwater Busselton Project Update public statement at Attachment 4 with changes to reflect the loan funding as per this alternative motion. 7. Endorses for release the 'Advertising of a Saltwater Business Plan' sub-section of the Saltwater Busselton Project Update public statement at Attachment 4, to occur after the workshop required by point 9. 8. Endorses for release the Council decision history of the project as at Attachment 3 inclusive of links to the relevant minutes (inclusive of decision and where publicly available agenda item) of each council decision, and including making public the agenda item and decision of the Council made 31 July 2019 regarding the funding agreement (C1907/131) and the agenda item (excluding the attachment) regarding the Audit and Risk Committee recommendation for a second piece of legal advice re s3.59 (C2406/178). 9. Requests the CEO to convene a workshop with Elected Members to review the Saltwater Communications Plan and the remaining aspects of the public statement to ensure that further communications regarding the construction of the Saltwater venue include a purely factual narrative detailing all aspects relating to the background of the Saltwater project, separate from promotional communications in relation to the operations of Saltwater.
11 December 2024	C2412/364 *Carried 5/4*	**16.1 SALTWATER PROJECT LEARNING** That the Council seeks a report from the CEO in September 2025 detailing the organisational learning from the Saltwater project (including its various other historical project names). The report's scope shall include but not be limited to matters the City must consider via its ARC, staff resourcing/capability plan and LTFP for any similar projects and its internal processes generally. If and where the 'learning' is deemed of a confidential nature by the CEO, then the CEO is to bring that (part of the) report separately so as not to compromise the needed transparency of the balance of the learning.
11 December 2024	C2412/368 *Carried 6/3*	**17.1 REVOCATION / CHANGE MOTION** That the Council, with respect to Council Decision C2411/337: 1. Change point 2b to amend the budget to fund $5,264,952 (of the $7,000,000 additional funding) from the Building Reserve instead of through New Loan Borrowings;

<table>
<tr><td></td><td></td><td>2. Revoke point 2c, 2d and point 5;
3. Change point 4 to remove reference to the 2025/2026 Budget; and
4. Request the CEO to update and bring back for consideration an amended LTFP, incorporating the changes from this decision.</td></tr>
<tr><td>26 February 2025</td><td>C2502/39

Carried 8/0</td><td>11.4 ADMINISTRATIVE BUDGET AMENDMENT – SALTWATER
That the Council endorse the following requested budget amendments:
<table>
<tr><th colspan="6">Amendment Description</th></tr>
<tr><th colspan="6">Project Description</th></tr>
<tr><th rowspan="2">Item #</th><th>Budgeted Municipal Net Current Position</th><th>Operational Expenditure Budget</th><th>Capital Expenditure Budget</th><th>Grant</th><th>Reserves or Restricted Assets</th></tr>
<tr><th>Increase / (Decrease)</th><th>Increase / (Decrease)</th><th>Increase / (Decrease)</th><th>(Increase) / Decrease</th><th>Increase / (Decrease)</th></tr>
<tr><td rowspan="4">1</td><td colspan="5">Re-assign Legals Costs budget from project 12652 to 10022, with the associated legal reserve funding to also be re-assigned between these projects.</td></tr>
<tr><td colspan="5">12652 – Design of Structure / Professional Fees (C)</td></tr>
<tr><td></td><td></td><td>(340,000)</td><td></td><td>340,000</td></tr>
<tr><td colspan="5">10022 – Saltwater Operations (O)</td></tr>
<tr><td></td><td>340,000</td><td></td><td></td><td>(340,000)</td></tr>
</table></td></tr>
<tr><td>11 June 2025</td><td>C2506/159

Carried 9/0</td><td>14.1 SECTION 3.59 SALTWATER BUSINESS PLAN ADOPTION FOR ADVERTISING
That the Council, in accordance with Section 3.59 of the Local Government Act 1995 adopt for public advertising the Saltwater Business Plan 2025 for a period of six weeks.</td></tr>
<tr><td>27 August 2025</td><td>C2508/254

Carried 6/2</td><td>14.1 SALTWATER BUSINESS PLAN CONSULTATION
That the Council acknowledges the submission received and decides to proceed with the major land transaction as outlined in the Saltwater Business Plan 2025 (Attachment 1).</td></tr>
<tr><td>24 September 2025</td><td>C2509/283

Carried 6/2</td><td>14.1 SALTWATER PROJECT LEARNINGS
That the Council extends the Resolution date C2412/364 Saltwater project learnings to an interim report following the installation of the new Council prior to December 2025 or before. The final Report to be tabled six months after the official opening of the venue.</td></tr>
<tr><td>3 December 2025</td><td>SC2512/02

Carried 5/4</td><td>7.1 SALTWATER BUSSELTON – PROJECT UPDATE
That the Council adopt the Officer Recommendation contained in the Confidential Attachment 1.</td></tr>
</table>

Schedule of Saltwater concept designs

Note all designs include essential areas such as dressing rooms, green room, kitchen, toilets, storage, loading dock, foyer and box office.

Year	Consultant	Concept	Scope	Capacity/Size	Cost
2010	Kerry Hill Architects	Site exploration and first concepts Lot 450	2 levels with fly tower	3404 m2 gross area 357 moveable banks of seats theatre 167m2 rehearsal room 60m2 multi-purpose room 25m2 function room 16m2 kitchen	Not provided
2012	Peter Alexander	Capes Arts and Cultural Needs Assessment	Single level black box multi-purpose theatre space.	300 seats	$20-$22m estimate

2014	Kerry Hill Architects	Further Concepts for Lot 450	2 levels with dress circle and multipurpose rehearsal and function room on 2nd floor. Fly tower	2455m2 gross area 400 seat theatre – retractable seats 221 m2 Rehearsal/function room 22m2 commercial kitchen 9m2 finishing kitchen	$12,563,100
2016	Kerry Hill Architects	Concepts for Lots 43 & 44	2 levels Laneway café/bar 450, 550 and 650 seat theatre site exploration Fly tower	450 seat theatre had 200 seat/20 table function mode, car, trade & fashion show modes Approx. 200m2 rehearsal/ function room had 90 seat/9 table function mode or 192 seat	Not provided

				lecture mode, trade show mode	
2016	Lawrence Consulting and Studio Evans Lane	Initial Flexible Concept	Concept developed to support Market Demand Analysis and Economic Impact Assessment (November 2016) found previous capacities unviable and No flytower	625 seat theatre, sub dividable into 3 x 200 seat auditoria and 650 banquet style seating for convention and conference use.	Estimated construction cost only of $18m
2018	Studio Evans Lane	Phase 1	Base model 2 levels with open courtyard as main function area	4536m2 gross area 1776 total capacity 185m2 function/rehearsal room ground floor	$20,820,000
2018	**Studio Evans Lane**	**Phase 2A** **Concept and costing used in Regional Growth**	**A multiple purpose function/rehearsal/breakout room to seat 160** **Optional rooftop function area**	**4571m2 gross area** **1798 total capacity** **185m2 function/rehearsal room ground floor**	**$21,870,000**

		Fund (RGF) application			
2018	Studio Evans Lane	Phase 2B	Additional function space and meeting room on first floor.	4731m2 gross area 1940 total capacity 70m2 function/rehearsal room on level 2 160m2 function space	$22,420,000
2018	Studio Evans Lane	Façade concepts	Hydraulic kinetic façade and wave design	Façade only	Not costed
2019	**City of Busselton**	**Updated Business Case for RGF**	**Phase 2A with kinetic façade project budget revised from $21.87 million to $21.32 million achieved through:** **1. Exclusion of external landscaping and marquee facilities from the project scope** **2. Value engineering adjustments**	**4571m2 gross area** **1798 total capacity** **185m2 function/rehearsal room ground floor**	**$21,320,000**

			3. Exclusion of the kinetic façade from costings pending further feasibility studies		
2019	Kerry Hill Architects	Tender submission concept	3 levels with additional rooftop bar Ground floor rehearsal room. Foyer gallery space. ArtGeo building repurposed as commercial bar with laneway severy and seating. Open courtyard inside foyer for small events Optional stage 2, level 1 Adelaide Street for potential creative industry hub (not costed)	5,141m2 gross area 604 seat flexible performance and convention centre 391 m2 function space 360 people banquet 113m2 kitchens ground floor and level 1	$22,587,000
March 2020	Kerry Hill Architects	Concept design development	Overall increase in gross floor of 618m2 area attributed to the following: • Auditorium +1,154m2	5759 m2 gross area	$31,314,436 Plus $7,436,200 for additional items: • Contingency

			• Admin and back-of-house +221m2 • Weld theatre +75m2 • ArtGeo =2m2 Reflecting stakeholder feedback and operational requirements.		• Technical equipment (lighting/sound) • Public art • Professional fees • Headworks charges • Kitchen equipment Plus $1.1m for phase 2 Creative Industries Hub.
June 2020	Kerry Hill Architects	Optimal design	Multiple changes to maximise functionality, ensure operational flexibility, and maximise patronage including: • addressing 'lessons learned' • improved capacity and quality of conferencing facilities to fill market gap	6,255 m2 gross area	$28.5m - $30.3m

			• inclusion of a class AA gallery to broaden capabilities and attract tours, (was in the City's 2017 Long Term Financial Plan with a $2m budget) and • incorporate a 'Creative Industries Hub' to support industry diversification.		
2021	Broad Construction	Final Tender Design	Value engineering changes totalling $4,304,305 to bring construction cost within budget: • Timber to steel, concrete colour change, boundary wall redesign • Simplified ceilings, reduced carpet rate, artificial benchtops, simplified timber panels • Roof light redesign, alternative glazing and AC systems • Mechanical and electrical adjustments	-	$37,736,572

			• Removal of landscaping and loose furniture (budgeted separately), simplified kitchen and cabinetry • Descoping of finishes to Level 2 bar • Deletion of ground floor kitchen • Descoping and removal of some lighting and AV equipment		

FEASIBILITY STUDY

A PERFORMING ARTS AND CREATIVE INDUSTRIES CENTRE FOR THE SHIRE OF BUSSELTON

Prepared by Pegasus Venue Management Pty Ltd 2008

FEASIBILITY STUDY INTO A PERFORMING ARTS & CREATIVE INDUSTRIES CENTRE FOR THE SHIRE OF BUSSELTON

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Acknowledgements:

This Community Cultural and Arts Facilities Fund project was supported by the State Government through the Department of Culture and the Arts

and the South West Development Commission

Notes from the consultants:
The consultants wish to acknowledge the significant and ongoing contribution and support of the Busselton community and the Shire in the development of this project.

This report, where possible should be printed in colour, however please consider the environment before deciding to print.

The information provided herein has been prepared on instructions from our client and for the benefit of the client. We do not accept responsibility to any other person for the contents of the special purpose report. Our procedures use industry expertise and generally accepted industry principles to collect, classify and summarise information. To the extent permitted by Law neither Pegasus nor any member or employee of Pegasus accepts liability for any loss or damage which any person, other than the client, may suffer arising from any omissions or negligence on our part.

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Executive Summary & Key Recommendations

> *"From the Sydney Opera House to the Walkington Theatre in Karratha, the performing arts play a vital role in building stronger and more sustainable communities in Australia. Performing arts venues and touring companies are a hub for local cultural activity promoting inclusion and community development"*[1].

Brief and Methodology

The purpose of this report is to identify the most appropriate space model, size and site for a Performing Arts and Creative Industries Centre for the Shire of Busselton. The most important factors taken into consideration when identifying a space that will be well-utilised and financially sustainable are:

1. Capacity – what are the likely attendance rates?
2. Size – what are the current gaps in provision and what size will generate the most activity?
3. Cost – who will use it and what is affordable? What is the financial impact on the Shire to operate it?
4. Alternatives – are there currently other alternate venues that can be used to house the minority of groups who will not be able to access the proposed space due to size or cost constraints?

In applying this key criteria the consultants reviewed all literature available from the Shire of Busselton (and other sources) related to community infrastructure, tourism, cultural mapping, creative industries development, demography and planning as well as examining existing cultural facilities in the Shire and adjacent Shires. A detailed consultation process also took place including one-on-one interviews, community surveys and workshops which all reinforced the overwhelming desire from within the Busselton community for a local performance space. It should be noted that the community's notions of appropriate size and scale of the proposed space varied immensely which further revealed that the space model (and site) identified as the most suitable for the Shire would not be universally agreed upon however, the provision of any space

[1] *We All Play A Part (2008)* www.weallplayapart.com.au

would be seen as being in the right direction. Outlined in Appendix Two are the responses received from the web survey (available to the general public) which highlights the varying ideas of what this space should be.

The Shire of Busselton indicated that the six potential sites already identified in the Cultural Plan and Leisure Services Plan should be analysed. These sites were matrixed and then rated to determine the most attractive site for the purposes of the proposed facility. Further geotechnical analysis should be undertaken on the identified preferred site(s) prior to officially allocating the site for the development.

Situational Analysis

Situational Analysis - Demography

A significant characteristic of the Shire of Busselton affecting the planning and eventual operation of a PACIC is the fluctuating population experienced throughout the year (particularly in the summer months), including a significant rate of unoccupied private dwellings which, at around 26%, is very high when compared to the rest of the state. While part-time residents may be equally supportive of a venue as permanent residents, they cannot be counted as prospective patrons given that their stay may be unlikely to coincide with specific events. Further, the attendance rates of the non-permanent residents and tourists at cultural events will reflect their attendance patterns when they are at their permanent residence i.e. if they do not attend the theatre at home, it is likely they will mirror this attendance pattern in Busselton. Therefore, in the consideration of appropriate facilities for Busselton, the needs and likely attendances of the permanent residents in the Shire were of primary importance.

The population growth rate in the Shire is one of the highest in the region and indeed the state. This growth does not necessarily equate to the need for comparable facilities such as the Bunbury Regional Entertainment Centre (BREC) (in terms of size and program delivery). The venue market is not able to sustain two venues with such large capacities within 50kms of each other. One of the key rationale behind the size of BREC was to enable it to serve a population beyond its immediate catchment (including Busselton). However, the proposed PACIC has one significant competitive advantage over BREC. Currently, there are only (approximately) 2,500

room nights available in Bunbury, compared to (approximately) 13,000 in Busselton which will improve the proposed facility's desirability to the MICE (Meeting, Incentives, Conventions and Events/Exhibition) market. This is explored further in *Tourism and the MICE Market.*

In reviewing the demography of Busselton and attendance rates at cultural events across WA, it was highlighted that the greatest opportunities for the presentation of events in Busselton lie in popular music and theatre. These types of events also ranked highly in the community consultation process for the preferred performances to be presented at the proposed PACIC. This bodes well for the success of the centre and is reflected in the suggested Space Model.

Situational Analysis - Creative Industries

Although a broad term, the creative industries (CI) encompass performing and visual arts, writing and publishing, fashion, architecture, multimedia, graphic and other forms of design, film, television and advertising.

In determining the appropriateness of a dedicated space in Busselton for the development of the creative industries it is pertinent to define the difference between a CI *precinct* and CI *Centre.* A CI Precinct is a collection of businesses or organisations of the same industry geographically located together with the purpose of them working together and encouraging entrepreneurship. A CI Precinct is generally a place incorporating a large land space or several dedicated, co-located buildings where cultural product is made and consumed, open to the public and a destination in its own right. The adoption of Signal Park provides the greatest opportunities for the creation of a CI precinct due to the location of existing facilities which fall under the banner of creative or cultural industries e.g. ArtGeo, the Courthouse Gallery and the potential redevelopment of the police station for cultural purposes.

A CI Centre is a smaller, singular space however the co-location with 'like' facilities provides optimum opportunities for success. A CI Centre may include a variety of organisations with interchangeable/adaptable purposes and tenants and may be considered more a workplace with exhibition space open to the public than a destination in its own right.

In Busselton (and surrounds) there is a higher concentration of companies and individual operators who can be classified as part of the creative

industries, compared to the rest of Western Australia where there is a comparatively wide dispersion and low-density of creative activities. Examination of the economic impact of these organisations had been conducted previously in the Vasse Region Creative Industries Study however the monetary output of these organisations/individuals is not an accurate reflection of the true levels of engagement in the region due to the high level of volunteer/amateur participation in this sector.

An important point raised in the Vasse Region Creative Industries Study (which was highlighted throughout the course of this study) was that there is little room for the creative industries in the region to progress without some input from Local Government in terms of infrastructure. This correlated with the findings of this study.

This study therefore suggests that the Shire needs to further define the level it wishes to engage the creative industries community. Whilst the progression and continued collaboration of the creative industries in the region seems to rely on support from the Shire or external funding bodies, the Shire needs to determine whether it wants a true Creative Industries Centre or if what it really wants is a combination of affordable studio/workshop/exhibition space for the regions artisans and, perhaps a Shire funded business incubator for startup CI businesses.

Situational Analysis - Current Facilities

In examining the facilities available for hire in Busselton a key finding was that most of those serving the arts industry are not-purpose-built for that function. Whilst the conversion of spaces such as the Old Courthouse Gallery and Agriculture building into arts venues can contribute to the aesthetic of an artistic experience, the traditional presentation of performing arts requires purpose-built spaces. Currently, professional work presented in Busselton is staged at the Weld Theatre and the Uniting Church Hall. The Weld Theatre is a much-loved community asset however it is constricted in terms of size and facilities. Other suitable performance spaces, including the Bunbury Regional Entertainment Centre and the Margaret River Cultural Centre, are deemed to be too far away and not owned by the Busselton community, reinforcing the community's desire for a local, professional performance space.

Consultation with local users highlighted that, in some cases, they may not have the capacity to pay for a local, but professionally managed, space. The

local hirers were asked what they pay for the facilities they currently use and what they would be willing to pay for a new facility. The response indicated that, without significant subsidy from the Shire, the proposed facility will be out of the financial reach of some of these groups. The Shire should not expect that the space will be used by every local group as some will never have the financial ability to pay an appropriate access fee.

Situational Analysis - Tourism and the MICE Market

As previously noted, the Shire of Busselton has a competitive advantage due to the high levels of accommodation available in Busselton and the influx of tourists during peak seasons. This also represents opportunities in attracting the MICE (Meeting, Incentives, Conference and Events) market however this is not also without some limitations:

- Access – in order to attract the MICE market, venues must be easily and quickly accessible as participants are generally time-poor and require fast access therefore rail, bus and car hire are not viable alternatives, so unless air access is forthcoming, convention infrastructure at the proposed PACIC should not be viewed as a constant, reliable income stream. The recent commissioning of a feasibility study to investigate an airport for the South West region is an excellent step forward.
- Accommodation – whilst the number of room nights available in Busselton is attractive, ideally accommodation should be co-located with the conference facilities – none of the proposed sites currently fit this criterion
- Competition – a number of regional (and new) performing arts centres in regional WA are now targeting the MICE market including Bunbury, Geraldton and Albany and have plans for capital expenditure to increase their ability to cater for these events.
- Marketing support – a venue suitable for the MICE market requires specific, targeted marketing strategies outside the normal scope of a performing arts centre.

Under the proposed space model, it is expected that there might be a small volume of MICE market usage, but this would be ancillary to the core business of the venue.

Situational Analysis – Consultations

The key segments of the consultation process can be summarised as follows:

- Cultural Partners Reference Group
- Shire of Busselton Councillor briefing and meeting(s) with Council Officers
- Industry Partners Meeting (e.g. Busselton Chamber of Commerce, Geographe Bay Tourism Association)
- Potential Hirer Survey
- Public Workshop
- Public Survey

On a local level, the key finding was that the proposed PACIC is a long-awaited and much desired project for the Shire to pursue. However, the consultants did note a gap between the perceived and actual needs of the local community when reviewing what the proposed venue can sustain in hirer use and attract in terms of audience attendances. In particular, the public survey (available on-line and in hard copy format) revealed that although there is an almost public consensus that this project should proceed, the public perceptions of size and scale of the venue(s) vary considerably.

Key issues for the Shire highlighted during this consultation will be to:

1. balance the access of local user groups at affordable hiring rates, against the operating costs of the venue; and
2. invest in an entrepreneurial program to attract and build local audiences.

Overall, the consultants compiled the varying and often conflicting needs and desires of the local community, potential hirers and the performing arts market in general to develop the most responsible and financially sustainable space model that would result in optimum utilisation.

Space Model

Performing Arts Centre

Based on the consultations and research conducted, the consultants developed a responsible proposal to meet the needs of the community. Although there are grand visions, this model is the most fiscally and operationally sound option. The underpinning problem with developing a performance space in Busselton is that whilst there is currently an absence of any such space locally and its absence has been noticeable for seemingly some time, there is not yet the volume of hirers and audiences that demonstrate the need to replicate the Bunbury Regional Entertainment Centre. To develop a large venue at this stage would require an extremely large recurrent operating budget of possibly half a million dollars plus enormous capital costs. Even if this could be afforded, the venue occupancy would not be maximised, risking potential community backlash over an empty, expensive theatre.

The space model proposed is indicative of a sustainable venue that will provide professional facilities with room to grow as the Busselton community grows.

Key issues addressed in developing the space model include:

- Identifying gaps in provision, taking the entire region into account
- Identifying the levels of potential audiences and the types of events with the best opportunities for success
- Ensuring the venue is as financially sustainable as possible (although all venues require ongoing subsidy)

As such, the space model proposed provides two stages of development (for the performing arts centre component). It is important to adopt this phased approach as the audience and hirer market in Busselton is currently untested and the research suggests not sufficient to warrant the expenditure required for progression immediately to the facility proposed in Stage Two. The market in Busselton will take time to develop and increase and therefore the Shire should look to proceed to Stage Two in a period of not less than five years. A further feasibility study should be undertaken once the Stage One facility has had time to develop and clearly indicates the need for expansion.

> *Stage One* – a 250 seat black box theatre. The theatre should be viewed as a multi-purpose space which can accommodate

not only varying types of performances but also functions, meetings and training purposes. The site plan should incorporate a cafe or similar to add vitality and increase traffic through the centre.

Stage Two – a 400 seat proscenium arch theatre. This theatre will allow for increased variety in programming and hiring, however a venue of this capacity should only be considered once the market clearly indicates the necessity and ability to sustain (which currently it does not).

Creative Industries Centre

The Creative Industries Centre space model requires further direction and consideration by the Shire. Two options presented in this report are:

Option One – create a true Creative Industries Centre including affordable artist's studios, shared workshop, meeting and exhibition spaces, an education or training facility, a CI business incubator, shared reception facilities, subsidised office space, technology suites, storage space and some retail space. In assessing this option, the Shire needs to realistically assess whether they wish to engage with and support the local CI's to such a level which justifies a costly and resource hungry project.

Option Two – an artist's hub incorporating studios, workshop and exhibition space as well as an AV studio and music studio and/or practice rooms. This option is obviously of smaller magnitude but also more accurately represents the current needs of the creative industries in the Shire and surrounds based on their current levels of activity.

Option two is the most viable in the short-term. It is recommended that the Shire pursue option two and allow components of option one to be factored in to future planning. The Shire must recognise that from conception through the functioning, this is a long process and all stakeholders must be fully committed and willing to adapt to changes in the environment along the way.

KEY RECOMMENDATION #1: That, should the Shire wish to proceed with a performing arts venue, the staged development approach is adopted and proceeds with the further planning of the 250 seat black box theatre

KEY RECOMMENDATION #2: That the Shire define the level it wishes to engage creative industry organisations (and individuals) in the Shire (and surrounds). In the short term it is recommended that the Shire adopt Option Two as the most viable and resolve to investigate further expansion of infrastructure for the creative industries as the centre develops.

Programming / Usage

Hiring

A significant issue facing local users in Busselton will be the cost of hire. In the event that air access to Busselton (which would service the MICE market) is not forthcoming and based on the Perth Convention Centre forward bookings, the venue's ability to attract high value hiring clients will be small. Similarly, regardless of what is built in Busselton, Bunbury will attract the majority of the commercial promoters due to their established audience base and the perception that Busselton is part of that catchment. This leaves the bulk of the hiring clients as educational, community groups and local professional arts organisations.

Given the responses from these groups regarding their current expenditure on facility hire, there is some doubt that all these groups will be able to afford to use the venue without subsidy from Council. Therefore the hiring mix should occur along a spectrum of financial relationships and levels of risk. The Financial Plan supplied in this report allows for these varied relationships and divides the potential hirer market into three segments:

1. Educational – schools and other educational/training institutions
2. Community – non-profit organisations
3. Corporates and Commercial promoters – including MICE market operators, and professional promoters.

The venue should aim to maximise income from corporate and commercial hirers to ensure the viability of offering lesser rates for educational and community hirers. This may be in the form of a hiring charter, allowing a provision for community and educational hirers to secure their required dates, whilst still ensuring corporate and commercial hirers (who often require a long lead time) have access to attractive dates.

Programming

The other avenue for attracting performances to Busselton is an active entrepreneurial program, which again requires subsidy from the Shire (separate from the venue's operational subsidy). Programming is essential for the cultural vitality of the venue, ensuring that the community has access to a wide-range of professional performing arts.

KEY RECOMMENDATION #3: That the Shire pursue an entrepreneurial programming policy and encourage the use of the propose venue by local hirers by offering accessible rates and charges.

Site Analysis

Detailed site analysis was conducted based on the criteria of the most appropriate site for the location of a Performing Arts and Creative Industries Centre. It should be noted that no geotechnical analysis was applied to the investigation and the Shire should proceed with such analysis of the top three preferred sites prior to officially adopting the final site.

The site recommended as the preferred option for the PACIC is Signal Park due mainly to its high visibility, connectedness to both the Busselton CBD and foreshore, the co-location of other cultural facilities (providing the Shire with the opportunity to consolidate the site and its surrounds as Busselton's "Cultural Precinct") and the more than adequate land size which in turn provides for greater design flexibility. Other advantages of this site include excellent pedestrian and traffic access, the opportunity for

iconic design and greater opportunities to service both residents and visitors to the Shire.

The greatest constraint on this site is that it is not owned by the Shire and is constrained by the process required to change the purpose of an A Class Reserve i.e. approval by both houses of parliament.

The Foreshore and Stanley Street site (formerly known as the FESA site) are equally ranked as the second most preferred sites and should the Signal Park site become unfeasible due to land acquisition costs or a problematic geotechnical analysis, these sites would still be adequate for the purposes of building the PACIC. As such, these sites should also be the subject of geotechnical investigations along with Signal Park.

The other sites investigated as part of this study were:

1. Vasse Newtown
2. The current Shire Administration Offices site
3. The current Busselton Hospital site

KEY RECOMMENDATION #4: That the Shire adopt Signal Park as the preferred site for the proposed Performing Arts and Creative Industries Centre and conduct geotechnical analysis on this preferred site as well as the Foreshore and Stanley Street sites (as contingencies).

Management Models & Operating Structure

The management of cultural spaces involves the delivery of multiple and often conflicting outcomes and requires a high level of specialisation.

The proposed PACIC should be viewed as one development, however management structures vary for each component depending on which options the Shire resolve to pursue. As such the management models are separated here for the purpose of clearly defining the requirements of each component.

Management Models - Creative Industries Centre

Option One – requires a management structure that represents the partners and both undertakes the collaborative marketing of the

businesses and the precinct as well as managing the tenancies and the physical assets. Ideally a cultural manager should be in place to oversee the strategic development and programming of the precinct and a separate body be engaged to manage the tenants.

Option Two – the proposed artist's hubs management should be aligned with the performing arts centre management structure as it is simpler and within the overall centre's core business and management skills set. A relationship with an advisory body (e.g. the Margaret River Artisans) should be set up to assist in collaborative marketing efforts for the artists and input into the decision making such as the selection of which artists access studios and at what cost.

Management Models - Performing Arts Centre

The most appropriate management model for the proposed performing arts centres is identified based on the following key objectives:

- The appointment of an experienced, professional arts manager
- The effective sourcing and management of entrepreneurial product
- Efficient and sustainable management of the facilities resources
- The delivery of the Shire and community's vision for the centre
- The capacity to develop and deliver strategic plans and budgets
- The ability to respond to the changing environmental needs of the venue, the arts industry and community expectation
- A clear organisational structure with defined roles and responsibilities

The two most appropriate management models identified for the performing arts centre were:

1. A company limited by guarantee; or
2. Outsourced management

These options afford management the required flexibility to respond to the needs of cultural centre management whilst providing for finite financial input from the Shire. At all times the Shire retains ownership of, input into and credit for their vision for the community.

The human resource requirement for a centre of the scale and size proposed includes:

- Venue / General Manager
- Front of House Manager + casual staff / volunteers
- Operations / Technical Manager + casual staff
- Marketing Manager
- Box Office Manager + casual staff
- Administration Assistant
- Bookkeeper

KEY RECOMMENDATION #5: That the Shire identify the preferred option for the performing arts centre management; either a company limited by guarantee or outsourced management and bring management on board early in the process to advise on the overall project development.

Financial Models / Five Year Plan

The financial modelling conducted based on the space model proposed indicated the below operating and entrepreneurial programming subsidies required for the proposed centre.

Operating Subsidy

Stage One – 250 seat black box theatre

	Pre Opening $	*Year 1* $	*Year 2* $	*Year 3* $	*Year 4* $	*Year 5* $
Total Income	**0**	**167,224**	**243,343**	**275,177**	**303,694**	**344,370**
Total Expenses	**144,170**	**416,852**	**470,940**	**497,413**	**532,464**	**568,624**
TOTAL PROFIT / LOSS	**-144,170**	**-249,628**	**-227,597**	**-222,236**	**-228,770**	**-224,254**
Accumulated subsidy		-393,798	-621,395	-843,631	-1,072,401	-1,296,655

Stage Two – 250 seat black box and 400 seat theatre[2]

	Pre Opening *$*	*Year 1* *$*	*Year 2* *$*	*Year 3* *$*	*Year 4* *$*	*Year 5* *$*
Total Income	**0**	**306,379**	**411,331**	**478,715**	**526,151**	**586,644**
Total Expenses	**190,925**	**645,331**	**717,195**	**755,623**	**799,908**	**844,208**
TOTAL PROFIT / LOSS	**-190,925**	**-338,951**	**-305,864**	**-276,908**	**-273,757**	**-257,563**
Accumulated subsidy		-529,876	-835,740	-1,112,649	-1,386,406	-1,643,969

Entrepreneurial Subsidy

Stage One – 250 seat black box theatre

ENTRPRENURIAL PROFIT LOSS	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
	$	**$**	**$**	**$**	**$**
Total Income	37,763	38,475	38,475	44,531	48,094
Total Expenses	80,993	94,492	94,492	94,492	94,492
NET PROFIT ON EVENT(S)	- 43,231	- 56,017	- 56,017	- 49,961	- 46,398

Stage Two – 250 seat black box and 400 seat theatre

ENTRPRENURIAL PROFIT LOSS	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
	$	**$**	**$**	**$**	**$**
Total Income	54,260	51,200	55,280	63,950	69,050
Total Expenses	119,206	139,074	139,074	139,074	139,074
NET PROFIT ON EVENT(S)	- 64,946	- 87,874	- 83,794	- 75,124	- 70,024

[2] based on proceeding directly to Stage Two which incorporates the operation of both facilities

Therefore the combined subsidy required is:

Stage One – 250 seat black box theatre

	Pre Opening *$*	*Year 1* *$*	*Year 2* *$*	*Year 3* *$*	*Year 4* *$*	*Year 5* *$*
Total Income	**0**	**167,224**	**243,343**	**275,177**	**303,694**	**344,370**
Total Expenses	**144,170**	**416,852**	**470,940**	**497,413**	**532,464**	**568,624**
PROFIT / LOSS	**-144,170**	**-249,628**	**-227,597**	**-222,236**	**-228,770**	**-224,254**
Accumulated subsidy		-393,798	-621,395	-843,631	-1,072,401	-1,296,655
Entrepreneurial Profit/Loss	**0**	**-43,231**	**-56,017**	**-56,017**	**-49,961**	**-46,398**
Combined Subsidy	**-144,170**	**-292,859**	**-283,614**	**-278,253**	**-278,730**	**-270,652**

Stage Two – 250 seat black box and 400 seat theatre[3]

	Pre Opening *$*	*Year 1* *$*	*Year 2* *$*	*Year 3* *$*	*Year 4* *$*	*Year 5* *$*
Total Income	**0**	**306,379**	**411,331**	**478,715**	**526,151**	**586,644**
Total Expenses	**190,925**	**645,331**	**717,195**	**755,623**	**799,908**	**844,208**
PROFIT / LOSS	**-190,925**	**-338,951**	**-305,864**	**-276,908**	**-273,757**	**-257,563**
Accumulated subsidy		-529,876	-835,740	-1,112,649	-1,386,406	-1,643,969
Entrepreneurial Profit/Loss	**0**	**-64,946**	**-87,874**	**-83,794**	**-75,124**	**-70,024**
Combined Subsidy	**-190,925**	**-403,898**	**-393,738**	**-360,702**	**-348,881**	**-327,587**

[3] based on proceeding directly to Stage Two which incorporates the operation of both facilities

Capital Costs

Proposed Busselton PACIC*	250 (Stage one)	Not including the Creative Industries Component	$8million (approx)
Proposed Busselton PACIC*	250 & 400 (Stage Two)	Not including the Creative Industries Component	$20-23million (approx)

* These are preliminary estimates only and will be largely affected by design options, building footprint, capacity and site restrictions/costs and should not be a substitute for calculations made by a quantity surveyor.

Social, Cultural & Economic Impact

> *"The extrinsic benefits of the arts (including the development of non-cognitive skills) are brought about by a prolonged or habitual interaction with the arts"*[4].

As well as investigating the economic impact of the proposed PACIC as required in the study brief, the consultants also reviewed the potential social and cultural impact on the Busselton community.

Social & Cultural Impacts

Overall, the a PACIC in the Shire will contribute to

- community pride
- self esteem
- social cohesion
- social behaviour
- individual's mood & health
- crime prevention
- cognitive skills and educational attainment

The provision of a space which offers outlets for creativity and exposure to arts and culture in Busselton will enhance all levels of cultural

[4] Education for the Creative Workforce

development existent in the Shire and expand the possibilities for development for all residents from a young age through to adulthood.

Economic Impact

The proposed PACIC will have numerous economic impacts in the Shire of Busselton. The most obvious being the employment benefits directly related to the centre and the flow on spending from activities taking place at the centre.

In summary:

Employment:

OPTION	Total estimated FTE employees	Employment in direct dollar terms over 5 year period
250 seat theatre only	8	$1.6m
250 and 400 seat theatres	10.5	$2.4m

Direct Expenditure:

OPTION	Total estimated 5 year expenditure other than wages
250 seat theatre only	$1.1m
250 and 400 seat theatres	$1.6m

Direct expenditure (flow on effect):

OPTION	Total estimated 5 year expenditure	Gross value added multiplier	Gross valued added contribution	Total value added employment
250 seat theatre only	$2.6m	1.79	**$4.65m**	**272**
250 and 400 seat theatres	3.9M	1.79	**$6.98m**	**357**

Direct visitor expenditure:

OPTION	Total accommodation spend over 5 years	Total meals spend over 5 years	Total local transport spend over 5 years	TOTAL SPEND IN LOCAL ECONOMY (not including gifts and personal)
250 seat theatre only	$81,000	$29,700	$5400	**$116,100**
250 and 400 seat theatres	$207,000	$75,900	$11,500	**$294,400**

Indirect visitor expenditure (flow on effect):

OPTION	Total touring visitor spend in local economy over 5 year period	Gross value added multiplier	Gross valued added contribution
250 seat theatre only	**$116,100**	1.46	**$169,506**
250 and 400 seat theatres	**$294,400**	1.46	**$429,824**

Next Steps

The Shire should again look at the development of the proposed PACIC as a singular development but note the separate avenues for progression of the performing arts centre component and the creative industries component.

Progressing the entire development

KEY RECOMMENDATION #6: Develop a detailed project plan which highlights project milestones and funding requirements.

KEY RECOMMENDATION #7: Develop a Community Engagement Plan which may include design workshops, a naming competition for the building and fundraising activities.

Progressing the Creative Industries Centre component

KEY RECOMMENDATION #8: Identify potential funding sources for both the planning and building phases as well as the operations and programming requirements.

KEY RECOMMENDATION #9: Define the mix of artists and industry sectors to be included in the development.

Progressing the Performing Arts Centre component

KEY RECOMMENDATION #10: Confirm the availability of funding within the Shire budget and other potential external sources.

KEY RECOMMENDATION #11: Commence business planning to define the vision and strategy for the centre.

KEY RECOMMENDATION #12: Develop a design brief and detailed cost estimates which will allow the Shire to proceed to concept designs.

Brief & Methodology

Brief

In 2005, Council commissioned and endorsed two reports, the Cultural Plan and Leisure Services Plan. In both plans, the community identified the lack of a performing arts centre within the Shire as a gap in the provision of cultural services.

Concurrently, an increase in the number of organisations and individuals working in the creative industries within the Shire led to the formation of a Creative Industries Working Group by the Busselton Chamber of Commerce, which also included representatives from the Augusta Margaret River Shire.

Consequently the Shire commissioned this study to assess the feasibility of a performing arts and creative industries facility. The objectives of the project were to examine:

- suitable sites,
- management models,
- identification of user groups and uses,
- innovative design,
- urban vitality,
- regional partnerships
- sustainability.

Further investigation was to be undertaken in regards to the continued development of emerging creative industries within the region and the provision of conference and educational opportunities.

The University of WA Faculty of Architecture, Landscape and Visual Art conducted a design studio to develop concept designs however time lines were such that the programme ran prior to this feasibility study. As a result the designs offer a range of inspirations but have not been respondent to the specific site assessments or space model.

The consultants were required to undertake the following tasks:

1) A review of the demographics of the Shire particularly in relation to culture and future population growth.
2) A review of the current cultural landscape, including details on existing cultural facilities in the Shire and adjacent Shires within the following framework:
    a. What are the shortfalls/gaps in provision?
    b. Who uses the current facilities and for what purpose?
    c. How much are users paying?
    d. Potential for audience development/building audiences.
    e. Identification of existing cultural hubs/precincts/clusters in terms of facilities.
3) A consultation process.
4) Sites already identified both through the Cultural Plan and Leisure Services Plan and additional sites based on potential opportunities, land assembly and informal public comment/suggestion including:
    a. Signal Park
    b. Foreshore Reserve near Jetty
    c. Current Shire Building
    d. Vasse Newtown
    e. Current Busselton Hospital site
    f. Stanley Street
5) Rating of sites.
6) Recommend a space model identifying facilities such as for example, performance, workshop, storage, rehearsal space, meeting spaces, cafe, office space etc which will inform the eventual design.
7) Financial modelling and management options. This also includes the delivery of a project Five Year Financial Plan.
8) Assess programming, training and multi-media use.
9) Identify possible funding options and timeframe for construction.

Methodology

The consultants worked with Council Officers to develop a project plan to meet the requirements set out in the brief. Research activities are detailed through the report. A summary of those activities includes:

1) Literature review and desktop research with particular reference to Council's Cultural Plan and Leisure Services Plan.
2) Meetings with Council Officers as outlined in the Consultation section.
3) Council briefing that gave Councillors an opportunity to feedback their thoughts to the consultants.
4) Meetings with UWA representatives and assessment of the UWA Students Design Studio work.
5) Consultation with local business and tourism bodies, further detailed under the Consultation section.
6) Workshop with Cultural Partners Reference Group.
7) Arts and culture industry consultation through one-on-one interviewing.
8) Site visits and inspections to develop the site matrix.
9) Public survey implemented on line and made available through Council in hard copy.
10) Public consultation through focus group sessions advertised by Council to the general public.

University of Western Australia Design Studio

Students from the UWA Faculty of Architecture, Landscape Architecture and Visual Arts were engaged by the Shire of Busselton to work with the community and create concept designs for the Performing Arts and Creative Industries Centre. Community aspirations, dialogue and an open approach to the designs by the students went into the creation of drawings and models exhibited at ArtGeo during the month of August and have been compiled for ongoing public view, however these designs should not be construed as design options for the proposed PACIC.

Initially, the Design Studio was slated to run concurrently with this Feasibility Study, however due to the timing of funding applications and grants this became impracticable. The UWA Design Studio has provided an excellent forum to inspire, excite and provoke discussion on the future of arts, culture and creativity in the region, however it should be noted that this Feasibility Study has been prepared by professional, industry based consultants who conducted independent quantitative research and detailed consultation with a wide variety of key stakeholders. Although the findings from UWA students have been taken into account when preparing this Feasibility Study, they have not and should not be relied upon to evaluate the findings and recommendations provided in this report.

> *"As a Lecturer at the University of Western Australia we had a unique opportunity to be involved in a Design Studio which focused on the design issues for the proposed Performing Arts Centre for Busselton. The Design Studio is a subject undertaken by the final year students of the Bachelor of Architecture degree which allows students to experience real world conditions within an educational environment. Throughout the twelve week semester the students visited Busselton twice and met with community members on each occasion to discuss the feasibility and placement of the proposed Performing Arts Centre. This was undertaken with the support and guidance of the Shire of Busselton. These comments summarise the outcomes of the student's research.*

The students discovered in their research, there was great potential for a Performing Arts Centre for the Shire of Busselton. There was a very active community culture in the Arts and existing events which could take advantage of such a facility however with no immediate centre to draw the disparate groups together as well as to provide a local venue for professional events and locally orientated community organisations. The students found that the design of the theatre should be done to provide a venue compatible with international and national performance space standards with particular emphasis on the technical requirements of the fly tower, stage size and backstage facilities.

Positioning the Centre seemed to be an important factor among many community members however the students thought that all the sites were appropriate except the Hospital site because of proximity and scale to the surrounding residential area. The foreshore sites were seen as advantageous however it would need to be considered over the long term within the context of a broader master plan for the whole foreshore. The FESA and existing council office sites were both ideal and had many opportunities to connect the facility directly back into the town either as a Gateway building or as part of the existing fabric of the town of Busselton. The Vasse site had good connections with the existing school and because it was free from historical or aesthetic heritage was able to sustain a more experimental approach in the design process. From a design point of view all the sites investigated were potentially rich except the Hospital site."

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Faculty of Architecture, Landscape and Visual Arts
The University of Western Australia

Background / Situational Analysis

In this section:

Demographic Snapshot & Attendance at Cultural Events
Creative Industries
Current Facilities
Tourism and MICE Market
Consultations

Demographic Snapshot and Attendance at Cultural Events

The 2006 Census data confirmed that the Shire of Busselton is one of the fastest growing non-metropolitan Local Government Areas in the state – the desirable lifestyle and holiday opportunities available in the Shire have created a high rate of growth and development over the past 20 years and is forecast to continue over the next 20 years.

The Shire's rapidly increasing population has placed demand on urban development, with the Shire's population forecast to reach more than 40,000 by 2021[5]. The annual population growth rate of 2.9% 9 (as recorded in the '06 census) is also well above the State average of 1.6%.

	Population	Average Annual Growth Rate 2001-2006	Density (persons/km^2)
AUSTRALIA	20,701,408	1.3%	2.7
Busselton Shire[6]	**26,638**	**2.9%**	**18.3**
Augusta Margaret River	10,942	1.4	4.9
Vasse Region	37,580	2.5	10.2
South West	217,791	2.3	7.6
Perth	1,519,510	1.8	282

A significant characteristic of the current population in the Shire is the rate of unoccupied private dwellings, at approximately 26%[7] which is very

[5] Source: Shire of Busselton Demography and Planning (2007)
[6] Source: Australian Bureau of Statistics (3218.0 July 07)
[7] Source: Shire of Busselton Demography and Planning (2007)

high when compared to the rest of the state. What this means for the cultural infrastructure of Busselton is that the call on cultural infrastructure could be higher than suggested by census population measures, however whether those residents replicate the attendance patterns of full-time residents is debatable. It is common in the Shire for resident numbers to fluctuate during holiday periods – it is estimated that between tourists and part-time residents occupying their Busselton dwellings, the Shire's population swells to a total of 70,000 people during the peak summer seasons. The likely PACIC attendances of this influx of visitors to the Shire is investigated in Tourism and Mice Market opportunities.

This fluctuating population can make it difficult to identify population attributes, however the ABS Busselton Regional profile offers some statistics.

POPULATION AND PEOPLE CHARACTERISTICS						
		2000	2001	2002	2003	2004
POPULATION BY SEX - at 30 June						
Persons	no.	22,240	23,099	24,333	24,998	25,896
Males	no.	11,043	11,472	12,031	12,331	12,794
Females	no.	11,197	11,627	12,302	12,667	13,102
POPULATION : PERCENTAGE BY AGE GROUP - at 30 June						
Percentage aged 0 to 14 years	%	23.1	22.8	22.4	22.0	21.6
Percentage aged 15 to 24 years	%	11.5	11.6	11.6	11.6	11.6
Percentage aged 25 to 34 years	%	13.5	13.3	13.3	12.9	12.7
Percentage aged 35 to 44 years	%	15.9	15.7	15.7	15.6	15.4
Percentage aged 45 to 54 years	%	12.6	13.0	13.1	13.5	13.7
Percentage aged 55 to 64 years	%	9.2	9.3	9.9	10.0	10.4
Percentage aged 65 to 74 years	%	8.2	8.1	8.0	8.1	8.1
Percentage aged 75 to 84 years	%	4.6	4.7	4.8	4.9	5.0
Percentage aged 85 years +	%	1.5	1.5	1.4	1.4	1.5

The consultants compared the population of Busselton against the attendance at selected cultural events across Australia[8] and noted the following:

1. Attendance rates for at least one cultural venue or event decreased with age from 97% for those 15–17 years to 59% for those 75 years and over. This bodes well for Busselton with a higher younger population.

2. Probable attendance at cultural events in Busselton can be relatively accurately mapped based on the following profiles.

WA ATTENDANCE RATES(%)	
Classical music concerts	10.8
Popular music concerts	30.8
Theatre performances	16.8
Dance performances	9.7
Musicals and operas	14.8
Other performing arts	17.6

Popular music:

- Attendance rates declined with increasing age from 40% in the 18–24 year age group to 7% for people aged 75 years and over.
- Almost two-thirds (65%) of those who attended popular music concerts did so more than once.
- Of those who attended a popular music concert in Western Australia, almost two thirds (65%) did so more than once.

Classical Music

- 11% of women and 8% of men attended a classical music concert at least once per year.
- The age group 55–64 years recorded the highest attendance rate (13%), over double that of those aged 18–24 years (6%).
- Of those who attended a classical music concert in Western Australia, almost three-fifths (58%) did so more than once.

[8] Attendance at Selected Cultural Venues 2005-2006, Cultural Ministries Council (Statistics Working Group) and the Australia Bureau of Statistics (2007)

Theatre

- The attendance rate was higher for women (21%) than men (13%).
- Of those who attended the theatre in Western Australia, over one-half (53%) of those who attended did so more than once.

Dance

- Females were more likely to attend dance performances than males, (13% compared with 7%) with females aged 15–17 years recording the highest attendance rate at almost one-third (30%).
- Of those who attended a dance performance in Western Australia, 46% did so on more than one occasion.

Musicals and Opera

- One-fifth of people aged 45–64 years had been to a musical or opera in the twelve months before interview.
- The attendance rate was higher for women (21%) than men (12%).
- Of those who attended musicals and operas in Western Australia, 45% did so more than once.

Possible Implications for Busselton:

1. The WA data suggests attendance would be higher at popular music events than other performance events.

2. Theatre attendances represent the second highest share of audiences after popular music with age representations consistent with the population characteristics of the Shire of Busselton.

3. Musicals and opera represent a significant attendance level. The drivers of this statistic are predominantly large commercial musicals and fully-staged opera. Due to the scale and nature of these productions, these events do not tour to regional centres so it can be expected that these specific art forms will not provide a driver of the same magnitude for audience attendance in Busselton. This is not to say that reduced scale musicals and opera do not tour, but simply their audience appeal and therefore attendance rates are much lower.

Regional audiences are more likely to travel to capital cities to attend musicals and/or operas as part of a weekend away. Therefore, the statistics relating to Musicals and Opera attendances are not considered significant in relation to planning for performance space/s in Busselton.

The consultants compared the population of Busselton with other neighbouring regional centres to compare the population of each and the provision of cultural/performance facilities of each, and to identify any gaps in the market. This exercise helped to define an appropriate space model for Busselton based on current and expected future needs. (see Space Model).

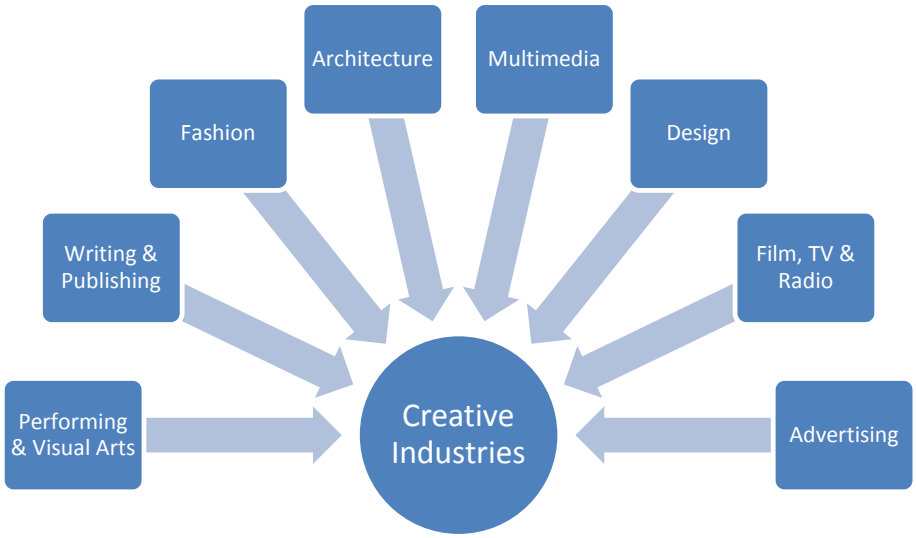
Resident Population[9]			
Local Authority	2001	2006	Average Annual Growth Rate
Mandurah	48,877	58,457	3.6%
Bunbury	30,493	31,421	0.6%
Busselton	23,099	26,638	2.9%
Capel	7,107	10,630	8.4%
Augusta-Margaret River	10,187	10,942	1.4%
Manjimup	10,309	9,773	-1.1%
Donnybrook-Balingup	4,691	5,000	1.3%
Nannup	1,218	1,260	0.7%
Dardanup	8,955	10,777	3.8%
Bridgetown-Greenbushes	4,188	4,119	-0.3%

Although Busselton is catching up to Bunbury in terms of population and is experiencing a higher average annual growth rate, this does not necessarily suggest that Busselton requires a venue of comparable size to the Bunbury Regional Entertainment Centre (BREC). This is explored in further detail in the Space Model rationale, however it is worth noting here that despite Busselton's growing population, the venue market would not be able to sustain two venues of this size within 50kms of each other, particularly given that they are both regional centres. The motivation behind building BREC with such a large capacity was to enable it to serve a population beyond its immediate catchment. In fact surrounding Councils (including Busselton at one stage) contribute to the theatre's annual operating expenses.

[9] Source: Census – Australian Bureau of Statistics (2007)

The Creative Industries

The term 'Creative Industries' (CI) is a very broad term and encompasses a number of different industry sectors including, but not limited to; performing and visual arts, writing and publishing, fashion, architecture, multimedia, graphic and other forms of design, film, television and advertising. The widely used definition by UK Department of Culture, Media and Sport is industries that "have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property"[10].



CI's play an important role in:

- The regeneration and animation of the region
- Attracting skilled and talented people to the area
- Stimulating the local economy
- Social inclusivity

[10] Source: http://www.creativeclusters.com/modules/eventsystem/?fct=eventmenus&action=displaypage&id=33

What is a creative industries precinct?

The term 'creative industries precincts' or 'clusters' is very broad and can mean different things to different people. Often the words 'precincts' / 'centres'/ 'clusters' and 'hubs' are interchanged but stripped down, they basically mean a collection of businesses / organisations of the same industry, geographically located together with the purpose of them working together to encourage entrepreneurship. The UK project, Creative Clusters Ltd, further defines CI clusters as precincts which "include non-profit enterprises, cultural institutions, arts venues and individual artists alongside the science park and the media centre. Creative clusters are places to live as well as to work, places where cultural products are consumed as well as made. They are open round the clock, for work and play. They feed on diversity and change and so thrive in busy, multi-cultural urban settings that have their own local distinctiveness but are also connected to the world"[11]. Thus, CI precincts are by their very nature, complex beasts.

Clustering is also used in other industries – Silicon Valley (IT) in the US is often used as an example and Technology Parks, which many cities have (including Perth) are other examples. However growing research by the UK group Creative Clusters, is showing that CI clusters have different needs than that of other business clusters and that standard business strategies applied to these clusters do not necessarily work. Therefore, getting the purpose and planning for a Busselton CI centre right at the beginning is absolutely essential.

The key driver behind CI centres is about sharing and connectedness – so that all components can "feed" off one another to develop innovation, creativity and business growth. Another important feature is that they have a local distinctiveness and connect to their local community both physically and intellectually. This suggests they cannot be "imposed" but rather should arise from the needs and desires of the local community. A recent study into creating CI precincts in Barcelona, Spain found that the need for the precincts to grow and reflect the local culture and identity is critical as ultimately, these precincts contribute to a sense of place and

[11] Source: http://www.creativeclusters.com/modules/eventsystem/?fct=eventmenus&action=displaypage&id=36

belonging. The report also found that the involvement of a mix of private, public and 'other' partners is a vital ingredient for success[12].

Creative Industries Centres in Australia

Currently, it appears that there are not yet any *fully working* models of a CI centre in Australia. This being due in the main to the long period of time needed to plan and implement these precincts and the need to secure the right mix of private and public partners. CI centres are more than just the physical infrastructure or buildings therefore, they are incredibly difficult to get up and running.

There is an ambitious and impressive precinct being developed by the Queensland University of Technology (QUT) at their Kelvin Grove campus, however this is not yet fully functional. The precinct is described as "Australia's first site dedicated to creative experimentation and commercial development in the creative industries. It provides a unique opportunity for designers, artists, researchers, educators and entrepreneurs to easily connect and collaborate with others to create new work, develop new ideas and grow the creative industries sector in Queensland" [13].

The cost of the site is estimated at $60 million (not including the costs of the residential development) and when completed, will be a stand out model for Australia. The QUT precinct brings together education and training facilities (the precinct is primarily driven by the QUT), mixed density and mixed cost housing (the Kelvin Grove Urban Village – land owned by the QLD government and homes developed by private developers), artist and digital studios, business incubator, performance and exhibition spaces, retail, hospitality and commercial premises. The major partners are the QUT and the Queensland Government (Dept of Housing) and a major focus is the emerging multimedia industry in QLD.

Creative Industries Precincts or Centres in Western Australia

In WA, there is only one creative industries precinct in development and this is far from fully operational (although some artists are already based there). FORM has partnered with the Midland Redevelopment Authority

[12] Source: http://www.ecotec.com/idele/themes/oldindustrial/studies/barcelona_creative_clusters.pdf
[13] Source: http://www.ciprecinct.qut.com

to develop the Midland Atelier at the Midland Workshops site – a series of disused state government owned railway workshops that are undergoing substantial redevelopment. The Workshops site will eventually be a mix of residential, education facilities, retail, hospitality, businesses, artist studios and exhibition space. Like the QUT Creative Industries Precinct, the 'Midland Atelier' is part of a much bigger urban planning project that includes commercial and residential development, other government and private usage and transport infrastructure. Importantly, the Midland Workshops redevelopment is driven by a desire to retain the heritage value of the buildings, which refect an important connection to the Midland community and its history. The industrial feel of the current site is being incorporated into the planning design and usage and this will inspire those traditional and creative businesses that become part of the precinct. The intention is to ensure that the local community retains its strong bond with the site[14].

The Midland Atelier will be home to artist studios for renowned artists with a focus on contemporary design. Already, it is home to furniture and jewellery designers and glass artists will soon also be resident there. The Atelier will comprise workshop and studio spaces and will host residencies from international and national artists, to forge global and national links. The Atelier will work with the educational and industry partners located at The Workshops, to address training and professional development needs and industry development needs. It will be an integral part of the Midland Workshops environment. FORM will play an important role in both its development and on-going operations and programming.

Australian Findings on creative precincts / centres / clusters

An Australian Government report in CI clusters in 2001[15], found that some of the important factors underpinning them are:

- The inclusion of institutional infrastructure (universities, R&D companies, industry associations) play an important role in cluster development
- There are important linkages between commercial and not-for-profit R&D activity that CI clusters should foster

[14] Source: http://www.theworkshops.com.au
[15] Source: http://www.cultureandrecreation.gov.au/cics/

- Training is a critical issue and is central to the ongoing development of creative industries
- Digital content is one of the drivers of CI clusters
- Intellectual Property (how it's developed, who owns it and its future income generating capacity) is an important consideration and feature of the creative industries.

In Perth, a CI analysis was undertaken in 2007, that found "The largest employing CI segment is software, which is also very fast growing" and this is then followed by advertising and music [16]. Amongst other recommendations, it urged the Perth City Council to consider instigating creative "hubs" and connections between CI sector. It also recommends that the state government address some of issues of high speed broadband provision in the state to assist the growing IT development industry.

Other creative hubs that partly mirror the model

There are a number of successful creative hubs that in some way meet the definition of CI precincts / centres / clusters. Strictly speaking they are not a CI true precinct and as they only bring together one segment of the creative industries, or have a focus that is not about developing entrepreneurship within creative businesses. However, they are interesting models to consider in regarding to supporting and stimulating local artists.

- JamFactory (Adelaide) – "Contemporary Craft and Design is a unique centre for the design, production, exhibition and sale of work by leading and emerging Australian designer / makers. Our four studios work in the areas of ceramics, furniture, metal and glass, each combining a rigorous training program with commissions and high quality production work. The studios are amongst the largest and best equipped studios in the southern hemisphere and are national leaders in fostering and developing contemporary craft and design. The Gallery showcases contemporary Australian craft practice and our two award-winning retail spaces offers a wide range of high quality and collectable craft and design. The accomplishments of JamFactory's artists and designers have gained an international reputation for quality and

[16] Source: http://www.cci.edu.au/publications/perth-creative-industries

creativity. The emphasis is on fostering the best in Australian craft and design"[17]

- Media Centre (UK) - The Media Centre was established in 1995 in the heart of West Yorkshire. It comprises a number of refurbished warehouse buildings, providing 72 office spaces for 30 companies and 250 employees. It also includes 21 creative "lofts", live work spaces for creative enterprises, a digital research unit, media lounge (public showcase for creative use of new technologies) and public internet access stations. The Media Centre is located 25 minutes from Manchester and Leeds.

The Media Centre offers serviced accommodation for creative businesses, each of a contemporary design in order to stimulate creative thinking. All offices are equipped with broadband and digital facilities, as well as virtual office services such as secretarial services. Common facilities include meeting and conference rooms and internet labs. Tenants are offered different rates depending on the status of their business. Start-ups access cheaper rates and a range of business sizes and structures are accommodated, including not for profit, commercial business and trade and industry associations. The centre also houses public exhibition spaces and offers public programs. A digital research unit is supported by the Arts Council of England and the National Lottery. This unit exists for research and development purposes of tenants and, commissions artists to develop new technologies. The Unit houses creative labs which are run by the University of Huddesfield in areas such as games design, interactive graphics, 3D design, computing, 3D animation and interactive video. The local councils and Arts Councils are involved in funding these access programs. Industry and education / training programs are encouraged to be developed there and facilities are made available for this.

The Media Centre also has a café and bar that is open to tenants, tourists and community residents. The facility management company is a not for profit organisation and the centre is staffed by both business and creative practitioners. Roles range from Operations Manager to Creative Director. The Media Centre is an excellent example of collaboration between governments (all levels), regional development agencies, industry and arts development[18].

[17] Source: http://www.jamfactory.com.au/
[18] Source: The Media Centre information pack

- Salamanca Arts Centre (Hobart) – the Salamanca Arts Centre is a mixed commercial and not for profit arts centre that offers accommodation for state funded arts organisations (cross artform), artist's studios, commercial arts based business, commercial galleries and theatre and gallery spaces. It is run by a not for profit arts organisation and is funded by both state and local governments. The Centre is based on the Hobart waterfront, which connects the city. The buildings are historically significant and located in one of Tasmania's oldest heritage areas. The architecture is stunning and the area is a major tourist precinct, which incorporates cafes, bars, restaurants and other retail. Craft and fresh produce markets are held each Saturday and these are widely marketed by the Tasmania Tourism Commission as one of the 'must dos' in Hobart.

In Busselton (and surrounds) there is a higher concentration of companies and individual operators who can be defined as part of the "creative industries"[19], compared to the rest of Western Australia where there is a comparatively wide dispersion and low-density of creative activities.

The economic impact of the Creative Industries in the region was investigated in the "Vasse Region Creative Industries Study"[20]. The total economic outputs from creative industry segments in the region were cited as:

Segment	Economic Output
Software and Interactive Media Development	$27.79m
Visual Arts & Design	$18.57m
Architecture	$14.74m
Publishing	$14.27m
Film, TV, Radio	$6.77m
Music and Performing Arts	$2.32m
Advertising Services	$0.06m
Total	**$84.42m**
Total value-add contribution to the economy	$47.19m

[19] 536 registered businesses in the Vasse Region, estimated number of employees exceeding 900, representing 7.1% of the State's CI economy, "Vasse Region Creative Industries Study" (2006)
[20] Vasse Region Creative Industries Study (2006)

A review of the existing CI organisations in Busselton revealed that the level of activity and engagement in these activities is not necessarily reflected by the monetary output of each segment. For example, whilst architectural organisations effect a higher economic output (17.5%) than the music and performing arts (2.8%) the volume of organisations (and thus the level of engagement) in the latter is greater (396 organisations/groups versus 269)[21]. There is also a higher level of voluntary/amateur participation in segments such as Visual Arts/Design and Music/Performing Arts than others such as Software and Interactive Media, Architecture and Publishing.

The study further articulates a number of issues including the lack of infrastructure in Busselton (and to a lesser extent, the South West). Despite the higher density of CIs in Busselton, there is currently little formal connection between and little adequate infrastructure for these groups. This shortfall was also highlighted in the Shire of Busselton's Cultural Plan. The establishment of the Cultural Partners Reference Group provided the first steps towards a dialogue between existing creative groups in Busselton, however this framework may not suit the needs of the commercially focused CI's.

Busselton's Proposed Creative Industries Centre

Busselton's challenge is to determine whether it wants (and needs) a true creative industries precinct as described above or whether what it really wants is a combination of affordable studio / workshop / exhibition space for the region's artisans and, perhaps a low cost business incubator for startup CI businesses. On the surface, the latter may appear to be a CI centre, but in reality it is not. CI centres and precincts are more than just the physical infrastructure – there is much intangible infrastructure that needs to be created, over a long period of time, if a successful CI centre is to emerge. These intangibles include:

- creating a supportive environment and opportunities for the diverse CI businesses to share, enter into joint projects, create entrepreneurial opportunities and therefore generate shared, income generating Intellectual Property (IP);

[21] Vasse Region Creative Industries Study (2006)

- a commitment to and culture of the need for on-going training, education and R&D that underpins continued growth and innovation;
- a culture of sharing ideas where issues around ownership of IP rights are clear and easily resolved;
- creating a place where tenants, residents and visitors actually want to visit, so that the centre does not become purely a place to work (think Technology Parks in the cities – a traditional business cluster). This will be even more important if the CI centre is to be co-located with the PAC. A successful PAC is a vibrant place that has a sense of community, feels alive and is a source of constant activity. If the CI centre does not also emulate this, there is a danger that it will affect the vibrancy of the area that the PAC needs.

All of these intangibles need to be managed and continually developed – they won't just happen by building a centre and locating businesses there (the "build it and they will come mentality"). This is the all-important programming side of a CI centre – an on-going role. The proposed model for the Shire of Busselton is outlined in the Space Model.

Current Facilities

The below table outlines the venues that are available for use or that organizations in Busselton currently utilise to stage their artistic or corporate events. Only venues in the Shire have been included here and outdoor events (e.g. Southbound and winery concerts) have not been considered, as the very nature of these events is based on their outdoor surrounds and are not comparable with the type of events that would be staged at the PACIC.

Facilities ▼ Uses ►	Conferences and Community meetings	Performance	Other Arts	Recreation	Other (accommodation, dining etc)
Abbey Beach Resort	X	X	X		X
Bayview Geographe Bay Resort	X				X
Goose Cafe	X				X
Broadwater Beach Resort	X				X
Wyndham Vacation Resort & Spa	X				X
Busselton Jetty				X	X
Busselton Senior Citizen's Centre	X			X	
Busselton Youth & Community Centre	X	X	X	X	
Busselton Senior High School Hall	X	X			X
Weld Theatre		X	X		
Churchill Park Hall	X			X	
Geographe Leisure Centre				X	
Naturaliste Community Centre	X			X	
Old Courthouse Complex	X	X	X		X
ArtGeo Gallery			X		
Railway Hall	X				X
Acton Park Hall	X				
Carbunup Hall	X			X	
Dunsborough Hall	X			X	X
Kaloorup Hall	X			X	
Ruabon Hall	X			X	
Scout Hall, Busselton	X			X	
Vasse Hall	X			X	
Wilyabrup Hall	X			X	
Yallingup Hall	X			X	
Yoongarillip	X			X	

A key characteristic of these facilities is that most of those serving the arts markets are not purpose-built for that function. The conversion of spaces such as the Old Court House and Agriculture building into arts venues can contribute to the aesthetic of an artistic experience, however, for traditional presentations of arts and performance, purpose built spaces are required.

Current Expenditure on Venue Usage

Whilst the predominant use of local halls or school facilities is not necessarily an indication of the respondents capacity to pay for the facilities they utilise given that there is an under-supply of suitable venues for arts and cultural endeavours, the response to questions regarding the amount users would be prepared to pay for the proposed new facility causes some concern. 36% of respondents indicated that they would expect/be willing to pay up to $50 to utilise the facility, with 14% indicating that they would expect to use the facility for free[22]. These hiring rates were consistent with the type of groups who utilise local halls or school facilities. Without significant subsidy from the Shire, the proposed PACIC would be out of some of these groups' financial reach. Given the current lack of opportunities, the consultants can only estimate that some local groups will be able to elevate to the new PACIC with minimal to zero difficulty, however the indications of willingness or ability to pay for the proposed venue will result in a significant amount of groups finding it difficult to source funds to utilise the venue.

These results from the user group survey indicate little knowledge regarding the structure and operation of facilities of the scale and nature as the proposed PACIC and the commensurate costs (not only in potential hire costs[23], but also in production costs). The response did, however, indicate that this is a much long-awaited and desired venue. It was the consultants impression (based on conversations with local groups and through the potential hirer data) that the space model that is proposed in this report may not be accessible for all groups in Busselton. However, if a space model were developed that could accommodate access for every group, this model would not be of the standard that meets the overall community vision for the centre.

[22] Refer Appendix Three - User Group Survey Results
[23] Refer Financial Model for proposed hiring fee structure

Purpose Built Venues

The primary facilities the residents of Busselton attend for cultural events are the Bunbury Regional Entertainment Centre and the Margaret River Cultural Centre, both about 45 minutes drive from Busselton. Smaller local events are staged at the Weld Theatre which provides an intimate theatre experience with its smaller capacity of 138 seats. This intimacy is appealing to many types of work, such as that produced by the Busselton Repertory Club and the Bare Naked Theatre Company and the Weld Theatre is viewed as a component of a wider context.

Bunbury Regional Entertainment Centre

Located in the heart of the City of Bunbury (175 kilometres south of Perth and 45 km north of Busselton), the Bunbury Regional Entertainment Centre (BREC) serves a population of approximately 80,000 (including catchment areas). The Bunbury City Council built the entertainment centre in 1990 after a community campaign raised over $2 million. The Centre features an 810-seat theatre on 2 levels and a foyer that can be adapted to accommodate receptions, conventions and exhibitions and also operates a Friends of the BREC club which includes discount ticket prices for shows and provides a volunteer base for front of house duties. In 2006, the venue reached a utilisation rate of 260 days[24].

Council and the management of BREC are planning an extension to the Centre to include a smaller theatre space of approximately 400 seats. The ability to program events as part of the MICE market has been limited in past due to a shortage of available room nights in Bunbury (see also "Tourism & MICE Market Opportunities"), however Council have taken

[24] APACA Economic Impact, Venue Charges & Salaries Survey (2006)

steps to address this with the addition of 1050 beds planned between 2007-2021.

Feedback received by the consultants indicated that there is a sense of Busselton being a 'secondary' audience at Bunbury; often Busselton audiences hear about shows at Bunbury after they have been on sale for some time and miss out on tickets. There is also unrest, particularly amongst families with young children and older residents, that it is inappropriate (and unsafe) to be driving to Bunbury to attend evening events.

There are several organisations in Busselton who currently utilise BREC for staging their performing arts events, such as high schools and dance schools. Usage of this venue by some of these groups is expected to continue even after the establishment of the PACIC as these groups will still require the higher capacity than that which will be offered in Busselton.

Margaret River Cultural Centre

The Margaret River Cultural Centre is a 400 seat (non-raked) theatre (with small fly tower) which can be configured for a variety of events including conferences, theatre, concerts and cinema. The venue celebrated its 25th anniversary in 2008 and it forms part of the upcoming Council review into establishing the surrounds as a cultural precinct as part of the Augusta Margaret River Shire Council Town Planning Scheme.

This venue is managed by Arts Margaret River (AMR) who actively program events and manage a significant proportion of the cultural activity in the Shire and beyond. AMR also program events in and around Busselton, although have not reported large attendances at these events to date. Consultation with AMR revealed opportunities for partnerships between the Margaret River Cultural Centre and the PACIC in terms of programming, marketing and audience development.

There were no specific references from the Busselton user groups sampled regarding usage of the Margaret River Cultural Centre, however other consultations revealed that residents do attend the venue for cultural events; theatre shows in particular.

Other Venues

Research indicates a small percentage of Busselton residents attend performances further afield at venues such as the Mandurah Performing Arts Centre and some in Perth. These attendances are generally combined with a night or weekend out of town due to distance and, in most cases, the trip is pivotal around the cultural event being attended.

Tourism and MICE Market Opportunities

The Shire is one of the State's most popular tourist and holiday destinations due to its mild climate, attractive coastline, relaxed lifestyle and world-class wine and surf. Income from tourism in the Shire over a single year was estimated by the ABS as over $20.5million, 5.4% of the State's total. The following snapshot of the nature of the Busselton tourism market comes from data aggregated by Tourism Western Australia[25].

Purpose of Visit	Annual Average 02/03		Annual Average 03/04		Annual Average 04/05		Annual Average 05/06	
	Visitors	%	Visitors	%	Visitors	%	Visitors	%
Domestic								
Holiday/Leisure	390,000	68%	417,000	72%	403,500	70%	391,500	67%
VFR	124,000	22%	115,000	20%	125,500	22%	145,000	25%
Business	37,000	6%	31,000	5%	34,000	6%	36,500	6%
Other	18,000	3%	8,500	1%	9,500	2%	7,500	1%
Total	572,500	100%	580,500	100%	578,000	100%	581,500	100%
International								
Holiday/Leisure	26,400	92%	22,700	88%	24,600	88%	25,500	89%
VFR	2,700	9%	3,000	12%	2,600	9%	2,800	10%
Business	0	0%	300	1%	500	2%	200	1%
Other	100	0%	0	0%	200	1%	500	2%
Total	28,800	100%	25,900	100%	27,900	100%	28,800	100%
Total								
Holiday/Leisure	416,400	69%	439,700	73%	428,100	71%	417,000	68%
VFR	126,700	21%	118,000	19%	128,100	21%	147,800	24%
Business	37,000	6%	31,300	5%	34,500	6%	36,700	6%
Other	18,100	3%	8,500	1%	9,700	2%	8,000	1%
Total	601,300	100%	606,400	100%	605,900	100%	610,300	100%

Note:
Purpose categories may not add to total overnight visitor estimates as overnight visitors may report several purposes for visiting various locations on a visit to the region.
Purpose may not add to total due to not all respondents being asked purpose
Purpose for visit categories include the following: **Holiday/Leisure** comprises holidays, leisure/relaxation/getting away, entertainment/attending special events, sport participation, sport spectating, shopping; **Visiting Friends/Relatives** (VFR) comprises visiting friends and relatives of residents; **Business** comprises work (as driver/transport crew), business/other work, conferences/exhibitions/conventions/trade fairs, training and research; **Other** includes everything else such as education (mostly students), employment leisure (e.g. working holiday), personal appointment/business (excl. Health), health related and providing transport.

Consultations with local businesses and the Busselton Chamber of Commerce revealed that there is a general expectation that the PACIC might create an increase in tourism to the region, particularly during off-peak periods, on the basis that performances and activities on offer at the PACIC would provide incentive to visit the town. This is potentially partly true, and a segmentation of the total visitor market and their consumer behaviour gives a deeper insight.

[25] Tourism Western Australia – Regional research and statistics www.tourism.wa.gov.au

Tourism

In 2005/06 the Busselton visitor profile was made up of:

- Intrastate visitors who accounted for 89% of all visitors.
- Interstate visitors who accounted for 7% of all visitors
- International visitors who accounted for 5% of all visitors

Busselton is a town of fluctuating population driven mainly by the tourism market. There are also a number of residents who live only part-time in the Shire. These part-time residents are not considered part of the tourism market for the purposes of providing a snapshot of visitors, however it should be noted that a large percentage of intrastate and interstate visitors to the region stayed in private homes (with friends or relatives) and not in commercial accommodation, so there may be some cross-over between these visitors and part-time residents. These visitors are accounted for in the VFR Purpose of Visit in tables above.

Visitor length of stay can be analysed as follows:

Table: Overall Visitor Summary[26]

Overnight Visitors	**Annual Average 02/03**	**Annual Average 03/04**	**Annual Average 04 /05**	**Annual Average 05/06**
Average Length of Stay (nights)				
Intrastate Stay	3.3	3.4	3.5	3.3
Interstate Stay	3.0	2.9	3.0	3.3
International Stay	3.9	3.9	4.3	5.2

As is evidenced by the above table, the average stay over the four year period has only increased noticeably in the International Visitor segment, whereas intrastate and interstate visitors have remained relatively static. While their stay represents more nights that that of Interstate visitors, it is highly unlikely that the presence of a performing arts venue will increase their daily spend.

The nature of programming in regional performing arts centres is such that professional performances will almost never be programmed for more than one night. The core audiences in Australian regional towns are

[26] Source: LG Area Fact Sheet, Shire of Busselton – Tourism Western Australia

the local residents and venues in regional WA, who have been building subscription audiences over many years, are rarely able to sustain more than one night of any show. Amateur and local professional work often have multiple performances, but unless the performances offer what international visitors believe is an authentic Australian experience, ie indigenous, tourists do not attend in any significant volume.

For the purposes of this report, the key information concerning domestic visitors to Busselton is the purpose of their visit and the activities they are likely to participate in during their stay. The following tables indicate the volume of visitors to Busselton who stayed for leisure purposes. Note that these are visitors who stayed overnight, not day-trippers. There are a significantly smaller percentage of domestic day trip visitors who participate in Arts/Heritage related activities[27]. This sector generally visit for a specific purpose and the limited amount of time spent in the town coupled with the nature of regional performing arts centre programming suggests this is not a sector that will engage with the PACIC.

Table: Purpose of Visit –Holiday /Leisure, Domestic OVERNIGHT visitors

Activity	Annual Average 2002/03		Annual Average 2003/04		Annual Average 2004/05		Annual Average 2005/06	
	Visitors	%	Visitors	%	Visitors	%	Visitors	%
Outdoor/Nature	347,000	61%	346,000	60%	331,500	57%	338,500	58%
Active outdoor/sport	202,000	35%	202,500	35%	196,500	34%	191,500	33%
Arts/Heritage	87,000	15%	102,000	18%	100,00	17%	89,000	15%
Local attractions/ Tourist activities	198,000	35%	216,000	37%	221,000	38%	238,000	41%
Social/other	496,500	87%	503,000	87%	495,000	86%	521,000	90%
Total	572,500	100%	580,500	100%	578,000	100%	581,500	100%

Note: Numbers and percentages do not add up to total as visitors undertake more than one activity when visiting the region. Also, rounding, averaging and those who gave no response is taken into account.
Activity categories include: **Outdoor /Nature** – going to the beach, visit national/state parks, bush walking, rainforest walks, visits to gardens, go whale/dolphin watching, visits to farms. **Sports activities –** scuba diving, fishing, golf, other sports, exercise etc. **Arts/heritage** – visit museum/art galleries, art/craft workshops/studios, attend festivals, fairs, experience aboriginal art/craft and cultural displays, visit history/heritage buildings, sites or monuments. **Local attractions/tourist activities** - amusement/theme parks, wildlife parks/zoos/aquariums, guided tours or excursions, wineries etc**. Social/other** – VFR, restaurants, movies, pubs and clubs, discos, shopping, general sightseeing, picnics, other day trips etc.

Tourists visiting Busselton for holiday/leisure purposes opt to participate in a range of other activities - attend outdoor/nature activities, active outdoor/sports events, general sightseeing, go shopping or on day trips – in far greater numbers than those attending an arts or heritage event. Of

[27] Purpose of Visit – Domestic Day Trips, Tourism Western Australia

course they are not discrete and any one visitor will engage in a range of activities, but clearly arts/heritage currently is significantly less attractive.

The question may be posed whether the development of the professional performing arts may increase the participation rate for arts events, however the experience of venues Australia-wide suggests otherwise. There will certainly be some visitors who participate or attend an event at the Performing Arts Centre, particularly children's events in the school holidays, however the experience of performing arts centres around the country suggests that people who do not attend the theatre as part of their day-to-day life do not change those habits while on holiday and become theatre attendees. Evidence suggests that the tourism market should not be relied upon to attract or create audiences for regional performing arts centres even in destinations such as Busselton that already boasts higher levels of arts/cultural tourism than the state average[28].

Region	**Purpose of Visit – Arts/ Heritage %[29]**
Busselton	15% - 18%
South West	7%
Peel Region	3% - 6%
Perth	3% - 5%

This position should come with one caveat, and that is in regard to special events and festivals. Many Australian regional towns have developed festivals that increase tourism and have significant economic impact, in the same way that the Busselton Ironman Triathalon currently does. Parkes has its Elvis Festival, Wangaratta has jazz, Tamworth has country music, Townsville has chamber music, Byron has blues, Broome has its Shinju Matsuri festival; the list goes on. While the funding programme only has a four year lifespan, it is useful to note that Eventscorp is currently running a Regional Events Scheme (RES) to fund local festivals and sporting events across regional Western Australia. Festivals Australia run by the Federal Department of Environment, Water, Heritage and the Arts also provides support for these types of events. A PACIC would provide some of the necessary infrastructure to create events such as these. It should also be noted that the creation of these events require dedicated professional management and staffing and they cannot be produced by the PACIC core staff.

[28] Purpose of Visit (2002-2006) - Tourism Western Australia
[29] Domestic Overnight Visitors

The comparatively high levels of arts/cultural tourism activity by tourists are due mainly to the volume of galleries and workshops dedicated to arts and crafts in the South West. A PACIC may not necessarily increase the numbers of tourists to the town, but it may increase their spend whilst in town. The development of the Creative Industries Centre in the proposed precinct poses opportunities to expand this market, if sectors that offer interest for tourists such as visual art, pottery, jewellery-making, craft, etc, have a retail outlet. Therefore, the potential of the tourism market as an audience base for the PACIC is identified to be most relevant for the Creative Industries Centre, with the potential of the Performing Arts Centre/ theatre as more of a value-add attraction unless as part of a special event or festival.

MICE Market

"MICE" stands for meetings, incentives, conferences and exhibitions (some substitute "events"). Recently, there has been an industry driven initiative towards using the term "The Meetings Industry" rather than the "MICE Market" label. Whichever term is used, in regard to Busselton it essentially refers to "business tourism".

Globally, the conventions market is massive, with the quest for bigger, better, more sophisticated and impressive conventions being the trend. It is clear that Busselton would benefit from a convention centre to cater for the MICE market. Conventions are no longer just about the business of the agenda, they are about the whole experience provided to the delegate. Tourism features heavily in this and convention organisers are seeking to provide as many destinational experiences for delegates as possible.

The business tourism industry has a vested interest in destinational marketing and relies on high quality visitor experiences and attractions to complement their pitch for conventions in the state. Delegates often stay on after the convention to extend their business activities into leisure. For many conventions, a 'partner program' is delivered alongside so that partners of delegates are encouraged to accompany them. With full free days on their hands, partners need entertaining and organised tours and activities are favoured.

The 'incentives' industry is also a growing market. Incentives are 'reward' holidays for achieving business targets (and thus, incentives to achieve

them) and are prevalent for sales teams. Incentives are generally purely leisure-based and take advantage of local attractions, tours and activities. Money is generally not an issue for these trips, as the host employer wants to spend money and therefore, 'incentivize' their staff.

It is clear that Busselton would benefit from a convention centre to cater for the MICE market. Some of the principle drivers of success for a convention centre include:

- The attractiveness of the area for a tourist market.
- Easy access for interstate and international delegates.
- Co-located or easy to access appropriate levels of accommodation.
- Marketing (sales) support.

The meeting/function room(s) and theatre proposed in the Space Model will be able service some of this market. Busselton's 13,000 hotel/motel beds and its tourist attractions make the town an attractive offering, especially compared to other regional centres such as Bunbury.

Busselton may be well placed to be part of the business tourism scene. It has the potential to provide cultural experiences as part of the business tourism scene – both to the independent delegate who is extending their stay and organised groups.

For groups, scheduled visits to the Busselton PACIC, sunset cocktail functions and themed dinners in the theatre are all attractive activities and at the same time, provide opportunities for delegates to learn about the region. International delegates in particular, want to learn about the place they are visiting, as well as enjoying the social and leisure activities. An important part of this is alterative venues for dinners and cocktail parties that provide a unique experience (i.e. not simply a restaurant or the convention venue). Current examples of this as suggested by the Perth Convention Bureau[30] include, "sundowner cocktails served amid the graceful eucalyptus trees of Kings Park with spectacular views across the pristine Swan River" and "A Night of Stars – Sun Pictures is Australia's oldest picture gardens (outdoor movie theatre) and located right in the middle of Broome".

Since the opening of the Perth Convention and Exhibition Centre, the Art Gallery of WA have reported that requests for hire of their galleries and function rooms for these types of activities have increased. *Australia's*

[30] Perth Convention Bureau http://www.pcb.com.au/files/incentive_itinerary_asw.pdf

South West has also recognised the potential of this industry and within their business plans, developed a number of strategies designed to "work closely with Perth Convention Bureau (PCB) to encourage and bid for conferences, special cultural and sporting events and encourage Business Tourism members to market cooperatively to develop incentive activities and conference touring programs for delegates".

The following are key issues that need to be considered in regard to the MICE market:

1. *Access* – the commissioning of a feasibility study to investigate the need for an airport in the State's South West region is an excellent step forward. Convention centres must be easily and quickly accessible. Although there are arguments made about the viability of rail as a transport option for tourists, it is the consultants' experience that participants in MICE events are time poor and require fast access. For the MICE market, rail, bus and hire car are not viable alternatives, so unless air access is forthcoming, convention infrastructure will be unsustainable.

2. *Accommodation* – while there are significant numbers of bed nights available, the convention model features co-located facilities and none of the proposed sites for the PACIC currently fit this criterion.

3. *Competition* – a number of regional performing arts centres in regional WA are currently targeting the MICE market. Bunbury and Geraldton already operate in this market and have plans for capital expenditure to increase their ability to cater for a range of events. Albany is currently in the construction phase for an entertainment centre that includes a convention/corporate function space. There is also $5M of state money already earmarked for a performing arts centre in Broome, which will also cater for this market. These projects are further advanced than Busselton, and while some towns have accommodation challenges, all already have acceptable transport infrastructure.

4. *The existing market* – out of 148 conferences registered with the Perth Convention Bureau for the period March 2007 to May 2010 only 4% of these are scheduled to take place in regional WA (although only 48% had confirmed their location when this data was released). The Perth Convention Bureau (PCB), despite its

name, caters for the entire WA market, however not all conferences taking place in WA are registered through the PCB. The PCB has recently appointed managers to promote regional WA and increase the number of events taking place; however it should be noted that the PCB has stated that its current direction is to encourage large conventions, which would not necessarily suit the size of the PACIC.

5. *Marketing support* –accessing the MICE market requires specific, targeted marketing strategies, such as membership of bodies such as PCB and the Meetings and Events Australia. It requires strategies such as appropriate targeted advertising and attendance at sales events.

From their META report in 2003[31] Meetings and Events Australia data, which analysed Australian conferences trends, reported that the average conference size was 392 delegates. The report also noted that September was the most popular month to hold conferences and the average length was approximately 2 days. The mean income per participant day was A$469. This augurs well for the suggested size of the PACIC and the capacity trends for Busselton accommodation.

Table: Accommodation Occupancy Averages (2002-2006)[32]

Month	Occupancy Rate
January	70%
February	55%
March	58%
April	56%
May	35%
June	33%
July	39%
August	33%
September	41%
October	51%
November	53%
December	64%
Average	49%

Note: establishments with 15 or more rooms/units surveyed

[31] http://www.meetingsevents.com.au/research/meta.shtml
[32] Source: ABS, Survey of Tourism Accommodation (STA)

Conclusion – Tourism and MICE market

The provision of a space that can handle larger MICE market events than is currently available in Busselton is appealing. However, there is an inherent tension between the operational requirements and the objectives of a performing arts venue and a convention centre, as well as differently focused skill sets. This doesn't entirely rule out the proposed PACIC as a venue for the MICE market as it will still be able service these clients, however it is not possible for a single venue to suit all the fundamental requirements of both the performance and MICE markets. Clearly there are opportunities existent, particularly if the access issue is solved. However if Busselton wishes to focus on the MICE market, then consideration should also be given to a building specifically for that purpose. Co-location with the PACIC would leverage the strengths of both functions.

While the MICE market is a possible target, the general tourist market cannot be relied upon as a solid audience base for the centre. A retail outlet/s for the creative industries component may well convince those tourists to increase their spend while in the area.

Concurrently positioning Busselton as a destination for large events or the creation of unique festivals will contribute to the usage of the facility in terms of hires and the performing arts centre format is conducive for these types of events.

Consultations

The key segments of the consultation process can be summarised as follows:

- Cultural Partners Reference Group
- Shire of Busselton Councillor Briefing and meeting(s) with Council Officers
- Industry Partners Meeting (e.g Busselton Chamber of Commerce)
- Potential Hirers Survey
- Public Workshop
- Public Survey

Overall, there is overwhelming support for the development of a PACIC and these consultations highlighted the gap in provision for any kind of cultural or creative hub in the Shire and outskirts, resulting in a lack of support and direction for artistic development of any kind (as also evidenced in the Shire of Busselton's Cultural Plan).

Although there is a desire for a venue with a comparable (or larger) capacity than the Bunbury Regional Entertainment Centre, the consultation process also indicates that there is a gap between the perceived and actual needs of the Shire when also compared to what the venue can sustain in both hirer and audience bases. Hirer aspirations for the venue need to be carefully balanced against their actual usage, especially when considering their capacity to pay for usage. A key issue for Council will be to balance the access of local user groups at affordable hiring rates against the operating costs of the venue.

Cultural Partners Reference Group

The Cultural Partners Reference Group includes organisations such as:

- Down South Writers Group
- Busselton Pottery Club
- LAMP
- Activ Accommodation
- Leeuwin Links
- Wardan Aboriginal Cultural Centre
- Koorlangka Community Centre Inc
- Busselton Woodturners
- Busselton Historical Society
- Busselton Repertory Club

- Bare Naked Theatre Company
- Geographe Arts Bureau
- Busselton Arts Society Inc
- Busselton School of Dance
- Margaret River Artisans
- Southern Rip
- ArtGeo Gallery and Court House Arts Centre
- Artatac – Busselton Beach Festival Inc

The consultants met with the Busselton Cultural Partners Reference Group on Tuesday 6th May 2008. Identified as potentially the greatest advocates as a group for the Performing Arts and Creative Industries Centre, the group were probed on a variety of aspects of the potential project to elicit answers to the following questions:

1) *Why is a Performing Arts & Creative Industries Centre necessary in Busselton?*
2) *What are your programming and usage aspirations for the Centre?*
3) *What do you identify are the greatest threats to the proposed Centre?*
4) *What parameters do you perceive as vital to the proposed Centre?*

The forum provided the following feedback:

1) Why is a Performing Arts and Creative Industries Centre necessary in Busselton?
    - There is currently no hub for cultural activity in the region
    - It is not appropriate that the residents of Busselton should have to travel up to 45 minutes to Bunbury to attend cultural/entertainment events, especially for schools, families with young children and older residents
    - Further to this point, it is often not feasible for Busselton residents to travel to attend cultural/entertainment events, resulting in these residents simply 'going without'. In particular, education in culture and the arts lacks direction and support which the PACIC would provide
    - The Shire of Busselton is a world class destination that lacks in cultural experiences aside from the exhibition of the visual arts
    - The Shire of Busselton generates large amounts of creativity but lacks any organisation of such and results in a loss of identity

- A Performing Arts and Creative Industries Centre would increase levels of creativity and cultural activity and act as a driver for arts development in all forms for all residents, generating a sense of life and vitality for the region

2) What are your programming and usage aspirations for the Centre?
    - Fundraisers
    - Fashion Parades
    - Production / Studio
    - Live Music
    - Dinner & Dance
    - Rehearsals
    - Workshops / Meetings
    - Nightclub
    - Integration with existing and future outdoor activities / events
    - School productions / recitals
    - School Presentations
    - Cabaret
    - Touring theatre e.g. Bell Shakespeare
    - Workshops from professional theatre companies
    - Conventions / Product Demonstrations
    - Exhibitions – art & craft
    - Commercial Uses
    - Variety Shows
    - Family / Children's events
    - All forms of performance e.g. ballet, opera, theatre, comedy
    - Buskers / outdoor entertainment
    - Outdoor art installations
    - Artisans Precinct
    - Community Meeting Place
    - Integration with Tourism / Visitor Centre
    - Regard the centre as a "Village", a cultural precinct that maintains a constant pedestrian traffic flow

3) What do you identify are the greatest threats to the proposed Centre?
    - Compromises due to funding
    - The time required to develop audience bases
    - Design issues

- Staffing Framework
- Accessibility
- Requires community involvement embedded into operations
- Affordability
- Lack of inclusivity
- Public Transport

4) What parameters do you perceive as vital to the proposed Centre?

Overall

- Aesthetic appeal / ambience
- Design reflecting community culture / values
- Access
- Functionality
- Signage
- Inclusivity / welcoming to all
- Continual use and flow of general public to maintain vibrancy
- Future Planning
- World Class experience
- Parking facilities provided underground or in aesthetically pleasing surrounds

Functionality

- Flexible seating configuration
- Lecture Theatre
- Storage
- Proscenium Arch for the theatre
- Rehearsal Room with a sprung floor
- Dressing Rooms
- Recording Studios
- Concert standard acoustics
- Sprung stage
- Bars
- Office space
- Workshop space
- Exhibition Space
- Outdoor performance space e.g. amphitheatre

Other Issues Arising

- There is a culture of volunteer staff in and around Busselton which the proposed centre could capitalise on.

- Most Cultural Partners attend multiple events at the Bunbury Regional Entertainment Centre each year, although reiterated that Busselton seems to be regarded as a secondary audience source and tend to hear about performances at Bunbury well after shows go on sale, often missing out on tickets.

Shire of Busselton Councillors & Council Officers

In addition to the ongoing consultation with Lorna Secrett (Cultural Planning Officer), the Project Officer responsible for this Feasibility Study, the consultants also met with Paul Martin, Manager of Economic Development, Debra Summers, Manager Corporate Services and conducted a Councillor Briefing.

The meeting with Paul Martin and Debra Summers informed the consultants on the status of the Civic Precinct Project and discussions were held regarding possible co-locations between this site and the Performing Arts and Creative Industries Centre. In particular, the plans for a new Library as part of the Civic Precinct indicated opportunities to enhance the vibrancy and usage of the PACIC. Since this meeting Council have opted to reconsider the siting of the Civic Precinct.

The response from a Councillor briefing indicated that the PACIC would be a welcome additional to cultural life in Busselton but highlighted Council's financial constraints in funding such a major project in the current environment.

Industry Partners Meeting

Attendees:

- Ray MacMillan – Busselton Chamber of Commerce and Pro Busselton
- Doug Kelly – South West Opera
- Jane Manning – Regional Coordinator, Vasse - South West Development Commission
- Russell Chandler – Bare Naked Theatre Company
- Dave Coleman – Rock West Production Company
- Peter Gordon – Owner/Manager – Equinox Cafe
- Matt Walker – Geographe Bay Tourism Association

Key feedback provided by the attendees:

- There are currently high levels of community concern regarding the cost of other major Shire projects and this will highlight the economic viability of a Performing Arts and Creative Industries Centre
- The proposed enhancement of the foreshore and the CBD will see a major change for the future of Busselton (and the wider region) and it should be inherent in the future that planning a performing arts facility continue
- The selection of the preferred site should reflect the economic impact of locating the centre close or within the Busselton CBD and should identify shared facilities such as car parks and the regularity of pedestrian traffic.
- The ideal capacity of the centre varied:
    - 250 seats would be ideal for local and touring theatre productions
    - 500-600 seats would be ideal for commercial uses
    - 800 seats would be ideal for large scale touring musical acts

  The group suggested that a capacity that "engendered the most effective financial sustainable solution" should be selected
- Future expansion of Busselton economically, socially and culturally should be considered when determining the site and space model recommended
- The inbound tourism market should be a key consideration of the space model. Busselton has 13,000 (approximate) hotel/motel beds and a fluctuating population during major events and spring/summer months. The PACIC was seen as an opportunity to

fill beds during non-peak seasons, however the group recognised that the tourism market is not perceived as a key audience sector in any performance space in Australia, however, the PACIC could be seen as a vehicle to attract the conference market.

- The availability of rehearsal space was flagged as an important issue for local dance groups in particular.
- The PACIC should be viewed as a creative industry incubator for current and future groups/organisations in Busselton.
- Busselton is an ideal location for major events and the Chamber of Commerce and Pro Busselton have specific targets for these large scale events, with the goal of one major event in Busselton every weekend. The PACIC is recognised as potentially a key driver to support these targets.
- The conference and convention market is currently driven by the local major hotel groups, most of whom currently need to bring in the required facilities such as marquees to accommodate these markets. The PACIC could supplement and increase the levels of activity in this market by permanently housing the facilities required.
- The economic sustainability of the centre can be enhanced by introducing either Volunteer Programs (such as the Friends of the Theatre at the Bunbury Regional Entertainment Centre) or by privatising management.
- Programming opportunities include:
    - Outdoor Events
    - Incorporate existing major events
    - Lunchtime concerts
    - Lectures / Workshops
    - Training and Education (e.g. Rock West already conducts training in technical production, which is currently unsupported by the lack of suitable production and training facilities).

User Group Survey

In order to establish the levels of usage by the local community, the consultants distributed a survey to 80 potential hirers of which 32 responded. An analysis of the potential levels of usage from other hirers (promoters, non-local hirers etc) was conducted separately.

Potential users were asked to respond to the survey, even if they did not perceive a need to utilise the proposed Centre and to indicate as such.

An analysis of the Survey results established the following key points:

Capacity

- The greatest percentage of respondents required the theatre's capacity to be between 251-400 seats and any additional spaces in the venue (function rooms, rehearsal spaces etc) to hold up to 50 people.
- Over 60% of potential users indicated that they expect an increase in audience/attendee numbers in the next three years, mostly an increase of up to 50 people.
- Whilst there appears to be some demand for a larger capacity in the theatre, the number of groups expecting to need such a capacity and their estimated regularity of use is not enough to justify the increase in the recommended theatre capacity if the entire centre is to be financially sustainable.

Current Usage

- Most user groups currently either use their own facilities (e.g. school halls) or local community halls. In particular school facilities are also currently utilised by both schools and other community groups.

Potential Future Use

Whilst the survey appears to result in high levels of proposed usage, there is a significant gap between the level of facilities required/requested by these potential users and their capacity to pay for them.

Presently, 58% of hirers are able to use their current venue for free and 29% are paying between $0-$50. Although the majority of groups indicated that they were willing to pay slightly more than they do presently, the survey results indicate that this is still only up to $250 per hire. Whilst the respondents advise that they use their current facility either at no charge or at a 'nominal' fee may be indicative of their inability to pay for venue hire at the proposed PACIC, the consultants are cognisant of the fact that often the facility these potential hirers are utilising is their own and therefore would not cost them any additional fees therefore the potential hirer's capacity to pay for the new centre is gauged by the amount they advised they would be willing to pay (q.5), the type of event

they present/manage and how high the level of audiences/attendees is that they attract.

There may be opportunities to hire spaces within the proposed centre within this price range specified by some potential users, however without significant Council subsidy, these groups would not be able to afford to utilise the main theatre space. As indicated in the Financial Plan[33], the median hiring fee to utilise the theatre space could be expected to be over $2,000 per day once all necessary hiring fees, staff costs and ancillary expenses such as theatre equipment are covered.

Those potential hirers wishing to only use spaces such as a meeting/function room or rehearsal space may find it easier to access the facility, depending on the final hiring fee structure proposed.

These findings should also be considered in conjunction with the consultant's findings on other potential users (promoters, non-local hirers etc) when reviewing the recommendations on the space model adopted.

Functional Requirements

- Fly Tower – although 46% of respondents indicated that they would utilise a fly tower if available, the consultants have recommended several options regarding the inclusion of this facility[34] (applicable only to Stage Two – the proscenium arch theatre). In this instance, hirers who wish to utilise this facility will have significant increases in production expenses for several reasons:
    - The construction of 'fly-ready' sets adds to production costs.
    - The operation of a fly tower must be handled by trained, theatre personnel, a cost which is reimbursable by the hirer to centre management.
    - The cost of maintaining a fly tower to industry and safety standards increases operational costs which Council may require to recoup via increased hiring rates.

[33] Refer Financial Plan
[34] Refer Space Model

- The following functional requirements were considered vital by the respondents:

Box Office
Food & Beverage facilities – bar, kiosk, café etc
Office space
Cinema capabilities
Commercial Kitchen
Storage space
Orchestra pit
Workshop space
Reception
Greenroom (sound proofed)
Dressing Rooms (sound proofed)
Piano
Display boards for exhibitions
Meeting facilities – projector & screen, whiteboard, TV/DVD, Internet
Loading Dock

Detailed results of the survey are included in Appendix Four.

Industry Consultations

Many individual industry participants were kind enough to voluntarily give their time and advice on the proposed venue. These views are brought to bear in the recommendations made later in this report. Other industry consultations include:

Australian Performing Arts Centres Association (APACA)

APACA is the national network of performing arts centres, dedicated to the professional development and support of, and to advocate for, its memberships whilst contributing to the development of the performing arts throughout Australia.

It should be noted here that between the time of appointment and the conclusion of this study, consultant Bronwyn Edinger was voted in as President of APACA following the September 08 AGM. The consultants spoke with Rick Heath, Executive Officer, to determine APACA's position on the proposed Performing Arts and Creative Industries Centre in

Busselton. APACA supports the creation of performing arts spaces in regional communities, however cautions that these venues require significant yearly financial commitment from their owners (usually local or state government) to appropriately leverage the infrastructure investment and ensure optimum community benefit. In order to ensure viability, the venue must complement, rather than compete with existing regional cultural infrastructure. Venue success is also predicated on professional management.

Arts Margaret River

A not-for-profit organisation, Arts Margaret River is actively engaged in all forms of the arts as the major arts umbrella organisation in the Shire of Augusta-Margaret River for the past 35 years. It provides an admirable variety of programs; music of all forms, theatre and dance performances and workshops, visual art events, community celebrations including free outdoor concerts and activities and a volunteer run cinema.

Now based in the Margaret River Cultural Centre, Arts Margaret River (AMR) manages all venue hire for this facility on behalf of the Augusta-Margaret River Shire Council.

AMR are active programmers of touring product and have in the past provided arts and cultural events in the Shire of Busselton and reported poor attendances. It is AMR's position that the focus on the proposed centre for Busselton should be on the Creative Industries Centre as its key function and the performing arts centre is only one element of the centre's focus.

AMR perceived the establishment of a Performing Arts and Creative Industries Centre in Busselton as an opportunity for collaborative cultural projects, rather than a competition for audiences and touring product.

Bunbury Regional Entertainment Centre & the City of Bunbury

The consultants met with Graham Harvey, manager of the Bunbury Regional Entertainment Centre. This venue currently consists of an 810 seat proscenium arch theatre, with plans for expansion to add a smaller theatre, capable of hosting more intimate theatrical events.

Built with the support of the people of the South West, who raised over a third of the construction costs, BREC aims "to provide EVERYONE in the South West with the very best of regional, national and international entertainment"[35]

Whilst BREC is currently an attractive option to promoters who wish to tour to regional cities due to its wide catchment and audience capacity, the venue management also undertakes significant levels of entrepreneurial programming.

A key market segment that Bunbury has not been able to service well is the MICE market (Meetings, Incentives, Conventions, Exhibitions) due to the lack of available accommodation in the City of Bunbury. This is something that the City is currently addressing, having commissioned a report into the level and availability of accommodation including recommendations for future increases. The purpose of any increases in accommodation availability would be two-fold – to increase availability of room nights for the inbound tourism market and to expand the opportunities for the city to entice the MICE market.

Graham Harvey suggested that there is a significant level of audience at BREC from Busselton, which is also evidenced in the public survey (nearly 40% of respondents to the Public Survey indicated that they currently attend shows at BREC).

CircuitWest

CircuitWest is the state based member organisation for performing arts centres. Graham Harvey (Bunbury Regional Entertainment Centre) is the President. Longstanding member Brian Robartson (Queenspark Theatre, Geraldton) is the WA representative who sits on the APACA committee. Brian suggested that the relationship between Bunbury and Busselton venues may be similar to the relationship between Geraldton and Dongara and so the best outcome would be that the Busselton provide a complementary venue to the existing Bunbury Regional Entertainment Centre and would ideally be smaller – maybe 450 seats. Commercial promoters who visit Bunbury are very concerned with capacity and catchment, and would be unlikely to present another event in such a small

[35] Source – www.bunburyentertainment.com

radius. Brian cited the problems he had attracting commercial promoters to his 670 seat theatre, even though it is 4 hours from Perth.

Department of Culture and the Arts WA

The consultants have discussed a potential venue for Busselton and the current funding environment. Obviously DCA cannot provide a position on the funding of a venue without receiving a submission, however it is the consultants' view that the perceived need in Busselton is not as high as other regional areas, given its proximity to Bunbury, and therefore possibly of lesser priority. It should also be noted that there has been significant arts investment by the state government in the past 12 months, further reducing the likelihood of significant support for the project.

WA Music Industry Association

The West Australian Music Industry Association Inc, is a non-profit membership based association and the peak representative body for contemporary music in WA.

The consultants spoke with Nigel Bird, Regional Officer at the WA Music Industry Association (WAM). These conversations highlighted the identifiable lack of a contemporary music venue in Busselton and in the case of WAM, no space for workshops. Whilst the regularity of music workshops by WAM varies depending on the availability of funding, the association generally partners with the main centre in each region to deliver these workshops and at present, are limited in the services they can provide to Busselton given the absence of an appropriate venue

WAM has identified that there may be a need for a regional office in the Southwest and has flagged Busselton as an ideal location for such an office. WAM is therefore supportive of the inclusion of a Creative Industries Centre where such an office may be situated. This regional office would be established to support all regions in the Southwest, including Margaret River, Bunbury, Dunsborough, Albany amongst others, and not as an independent association with Busselton. This highlights the opportunity for Busselton to become the centre of Creative Industries in the Southwest. Whilst the positioning of this office in Busselton would require a level of subsidy in order to sustain the operation, there may be

opportunities to partner with other Local Governments in providing this subsidy as part of a Creative Industries Strategy for the South West.

WAM acknowledged that the lack of a creative or cultural hub in Busselton also limits their ability to assist developing local groups. As with the entire music industry itself, the creative industries in Busselton require a hub to maintain and support the levels of activity that currently have little support or direction.

The WAMI Festival also travels to different regional centres each year – locations depend on the funding available– and even though the festival has been to the South West in the past, a Performing Arts and Creative Industries Centre would enable Busselton to be considered as a location for future festivals.

Public Consultation/Workshop

A workshop open to all members of the public was held on Saturday 22nd August 2008. This workshop provided attendees background on the project, including findings to date from the consultants. The attendees were also asked to divide into two focus groups and provide feedback on three set questions:

1) Which of the suggested sites do you think will maximise the opportunities for success of the centre and why?
2) Which of the suggested performing arts centre formats do you think will be most appropriate for the community and why?
3) What are the unique things about Busselton that will ensure this centre is a place that encourages innovation?

The rationale and background of the focus group questions and the responses provided are given overleaf.

Focus Group Question One:
Which of the suggested sites do you think will maximise the opportunities for success of the centre and why?

The consultants provided the top three sites ranked in their independent research – Signal Park, Jetty Foreshore and Stanley Street (provided in no particular order) – for the groups to discuss and analyse.

Focus Group #1
This group opted for the Stanley Street site as they perceived this to be more central in the Busselton CBD and already provided adequate parking. The other two sites were not deemed appropriate due to their location on the waterfront and the inherent issues with inclement weather.

Focus Group #2
This group identified Signal Park as the preferable site although they acknowledged that all sites would be appropriate. They recognised the potential weather issues in locating the centre towards the waterfront, however deemed that Signal Park provided better opportunities in terms of amenities and other cultural facilities. It was also perceived that Signal Park would allow space for an outdoor performance venue such as an amphitheatre to cater for large outdoor events and festivals, whereas this is not possible/appropriate in the Stanley Street site.

Focus Group Question Two:
Which of the suggested performing arts centre formats do you think will be most appropriate for the community and why?

The groups where provided with two spaces models to discuss:

1) A 250 seat black box theatre
2) A 400 seat proscenium arch theatre

Examples of each format were also provided via a powerpoint presentation to familiarise participants with the opportunities, limitations and features of each model.

Focus Group #1
This group identified that they would prefer a centre with both space models, however they believed that the proscenium arch theatre should accommodate up to 800 seats and the black box should seat between 300 and 400 with the capability to expand the capacity. The group also responded that they would like to see an outdoor performance space such as a sound shell or amphitheatre for audiences of 1000-2000. They acknowledged that this facility would not fit on the Stanley Street site (nominated as their preferred site) and that the facility should be co-located with other cultural facilities somewhere in the Shire.

Focus Group #2
This group also responded with the desire for both space models in the one centre, highlighting the growing population and diverse cultural needs of the area as drivers for including both spaces. Due to the greater versatility of a black box space, they nominated this as the preferred space model if the centre was limited to one of the options only. They also acknowledged that the outdoor space suggested by Focus Group One was also appealing.

Focus Group Question Three:
What are the unique things about Busselton that will ensure this centre is a place that encourages innovation?

Focus Group #1

- A high concentration of creative people and industries
- Growing population and the increase/fluctuation in population during the summer months
- A high Youth segment, currently with no outlets for creativity

Focus Group #2

- Growing population and a changing demographic (increases in young families and youth)
- Exchanges with artists in the region
- Large tourism and artistic industry
- Tourists have money to burn, with nothing to do
- Large catchment of creative people beyond the immediate Busselton catchment who could utilise the centre, making Busselton the South West 'capital' for creativity.

Public Survey

In order to allow all members of the public to provide input and feedback on the process, the consultants developed and distributed a survey available via the web and in hard copy form at outlets such as the Council Administration Centre and the Busselton and Dunsborough Libraries. The purpose of this particular consultation was to gauge the level and type of activity the proposed centre could sustain and to inform the rationale

behind the performance space model selected. See Appendix Two for full details of the survey results.

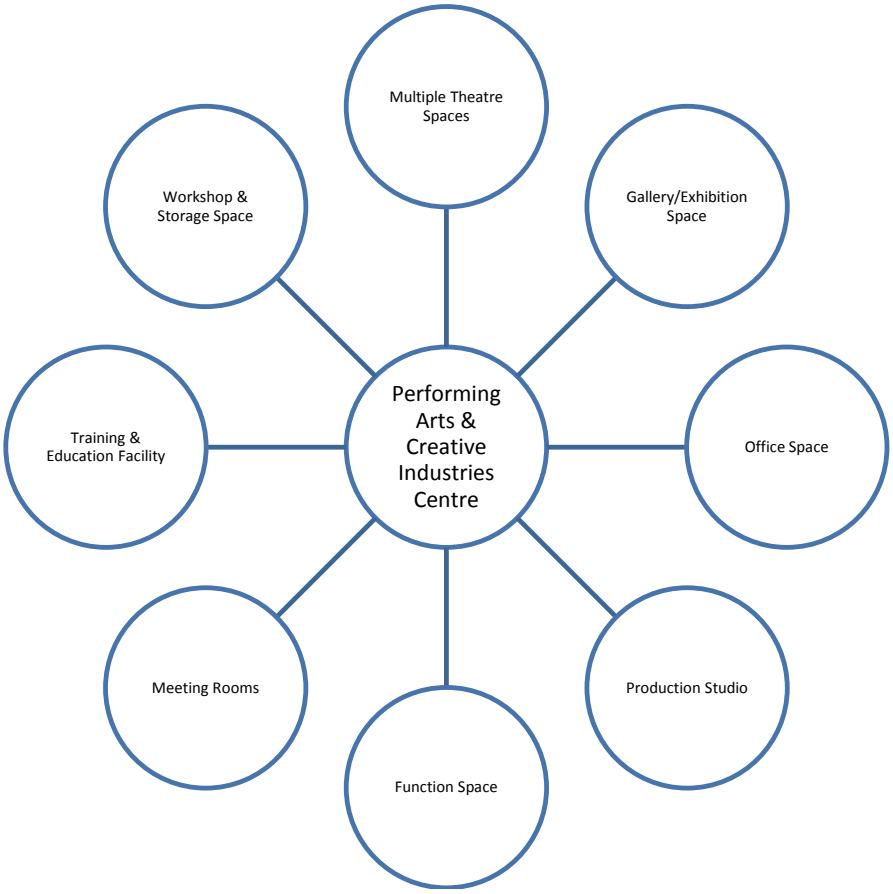
One of the key results of this survey is that no one art-form in particular was overly predominant in the desired activities to be provided at the PACIC although "Theatre" rated highest overall.[36]

The survey results were consistent with other consultation and research conducted to date, however one result of note is that the number of times residents travel outside of Busselton mirrored the number of times they expected to attend the proposed PACIC. In fact, the majority of survey respondents indicated that they didn't attend as many cultural/entertainment activities as they would like due to the lack of a dedicated venue within the Shire and would probably attend more should such a space become available.

The overwhelming desire in the community for the development of a performance space in the Shire was of particular note during this survey process. In particular, the commentary received during the process is indicative of the community's longing for this space – this commentary is included in Appendix Two.

[36] Refer Appendix Two –Survey Results

Space Model



Actual Need vs Perceived Need

The space model presented above represents the community's vision of their ideal PACIC. All performing arts centres in regional Australia require subsidy to operate, so a centre of this size could not operate without significant ongoing subsidy. The capital costs of a properly planned and constructed venue of this nature could be in excess of $40m. For example, the Willoughby City Council project, Civic Place, incorporates a 1000 seat concert hall and a 500 seat lyric theatre, studio/rehearsal space, library and function and meeting rooms. The capital cost for the cultural spaces in this precinct is close to $70m and Council has already assumed $1,000,000 per annum in its forward budgets for recurrent operational funding of that complex. Whilst the space model proposed for Busselton is not on the same scale, the Civic Place example is indicative of the high levels of recurrent funding required to operate facilities incorporating multiple

spaces. Therefore, in response to the consultations conducted and the overall vision outlined in the consultants brief, the desires of the community, existing infrastructure, actual needs and the financial implications were examined to formulate the Space Model.

PERFORMING ARTS CENTRE

It is unlikely that any recommendation that offers fewer facilities than the graphic on the previous page will suit the entire community and potential hirers (identified in the consultation process). The most obvious gap in the provision of cultural infrastructure for the performing arts in Busselton in particular (not taking the entire South West region into account) is a professional performance space. The challenge for the consultants is to arrive at an appropriate size venue and ancillary services that is flexible, but is not so compromised that it becomes a white elephant. When looking at the most appropriate performance space for the Shire, the consultants considered the provision of existing facilities throughout the region as well as the types of existing and potential performance work that local arts workers currently produce or would tour to the area.

After reviewing the demographic and population statistics presented earlier in this report it may appear that Busselton is fast catching up to Bunbury in terms of size, indicated by a greater annual average growth rate (2.9% in Busselton, 0.6% in Bunbury) which suggests that a comparable sized venue is required in Busselton to accommodate for this future growth. The greater volume of tourists through Busselton may also create a perception that a large venue is required, however the reality of the market is that two regional centres in such close proximity cannot sustain two centres of this size.

Further, Bunbury has had nearly 20 years upon which to build their audience base and has a greater fixed population than Busselton (which, as already noted, has a large percentage of part time residents).

In terms of hiring income, it also must be noted that Bunbury's size, accessibility and established audience base will attract any commercial promoters that venture out from Perth. For the most part, the scale of these productions prohibits regional touring, however those that do will consider Busselton as part of Bunbury's catchment area and would assess it as unnecessary to pay for the extra freight and down time that playing Busselton as well would incur.

There are programming opportunities where venue management can 'purchase' performances to come to Busselton. The types of shows that can be presented at the performance space(s) proposed here are further explored in "Programming", however it is important to recognise that proactive programming increases the recurrent funding required by Council.

In terms of local need for a larger venue, only 22 % of potential Busselton hirers require a venue with more than 400 seats and the frequency for each of those hirers is low. That is, a small percentage of users require a high capacity. Given that a venue that can service these hirers already exists in Bunbury and the assessment that commercial promoters will not be a significant market, it is recommended that the largest venue be no more than approximately 400 seats.

The consultation process identified that, ideally, the PACIC should incorporate both a proscenium arch theatre and a black box. Of the user groups surveyed, the required capacity identified by the highest percentage of respondents (35.5%) was 250-400 seats. The different qualities of these facilities are detailed further below, With this in mind, the consultants have developed a space model to be developed in two stages which includes both theatre spaces.

> **STAGE ONE**: Black Box Theatre (250 seats) suitable for performance, small MICE events, rehearsals and training purposes, foyer/exhibition space and meeting and function room/s.
>
> **STAGE TWO**: Proscenium Arch Theatre (400 seats), expansion of foyer to include gallery space

It is vital to note that simply incorporating the two sized theatres and propose one 650 seat theatre is not a solution. This would be self-defeating in that it does not match the actual needs identified by the consultants and has many implications including taking the space out of reach of the majority of potential hirers in Busselton.

The purpose of splitting the project into two stages is to ensure that the Shire can develop new infrastructure in response to the community's levels of activity - creating venues for existing participants rather than enduring low occupancy and small audiences which make the project look unsuccessful. At the present time, it has been identified that there is

insufficient demand from local groups to access and pay for facilities larger than those proposed in Stage One. The phased development of future facilities will allow Busselton to develop audiences and activities, built to such a level that Stage Two infrastructure can be reasonably justified. As community participation in cultural events increases, so will the demand for venues. Therefore it is recommended that the Shire does not proceed to Stage Two until at least five years following the opening of the centre.

In 2006, the Victorian Association of Performing Arts Centres (VAPAC) developed the document "*Oh! You Beautiful Stage! – Benchmarks for Performing Arts Centres"* to serve as a framework for the design of new centres in Victoria. The document has been recognised by the venue management industry as an important working document in the development of new centres across all of Australia. The performances spaces proposed in Stages One and Two fall under the benchmark categories of "B1" or "B2" facilities and the consultants utilised the minimum requirements of these categories to develop the space model outlined here, to ensure the PACIC in Busselton is developed in accordance with best practice. "B1" categories are suitable for touring small to medium productions with full flying facilities (such as the proposed proscenium arch theatre). "B2" categories are suitable for similar sized production but with limited stage height (such as the proposed black box theatre).

STAGE ONE

The black box theatre will be a multi-purpose space, adaptable for meeting, function, rehearsal and training functions. It is also recommended that the building footprint include provision for a cafe and/or retail space, the latter of which is outlined further in the Creative Industries component. Whilst the cafe increases the required building footprint size and capital costs, it adds value to the overall concept in the following ways:

- Increasing the potential for alternate revenue sources and enhances opportunities to provide catering to service other spaces in the venue such as the function/meeting room(s).
- The availability of such facilities is critical to servicing the conference market.
- A constant flow of activity in the centre adds to the venue's image as a vibrant, busy space and encourages traffic through the centre.

The cafe should be incorporated into the site plan in such a way that it can operate on 'dark' (or no performance) venue days and does not require the entire centre to be open.

Black Box Theatres

A black box theatre is a simple theatrical space, with bare walls and flat floor. This type of venue promotes smaller, more intimate theatrical productions with the focus on the performance rather than technical elements and many are painted black to give a sense of 'anyplace' but this is not necessary.

This type of performance space is financially much more accessible for hirers than a proscenium arch theatre as the basic level of staffing that a hirer must pay for is generally lower. A black box is cheaper to maintain and the space can be as versatile as the show being presented requires.

If the black box theatre is versatile and easy to change, the theatre can also serves as a function and meeting room. The black box space can host:

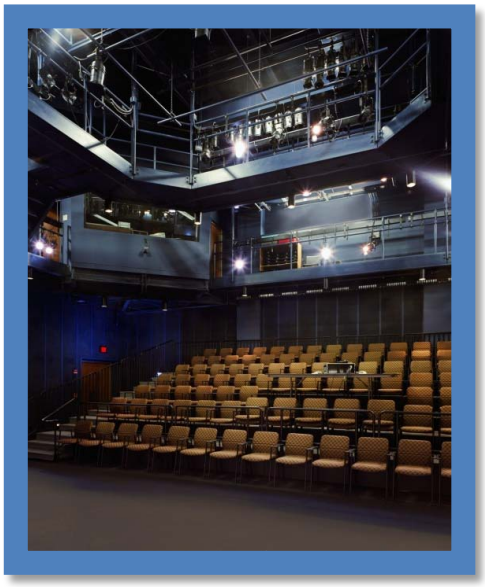
- lectures and other educational symposia
- conferences and corporate meetings
- training in theatre or performance craft
- rehearsals
- functions

The black box theatre format is popular in arts training organisations (colleges/universities) and is often co-located with proscenium arch theatres[37]. The design and the sound-proofing of the PACIC will need to ensure that the use of one space does not exclude use of other spaces at the same time. Portable or retractable seating is the obvious choice for a multi-purpose venue but it does carry with it labour costs for moving and assembly (although this expense is variable depending on the type of seating system utilised), as well as storage issues which need to be incorporated into the centre's design for when seating needs to be reduced and/or removed altogether.

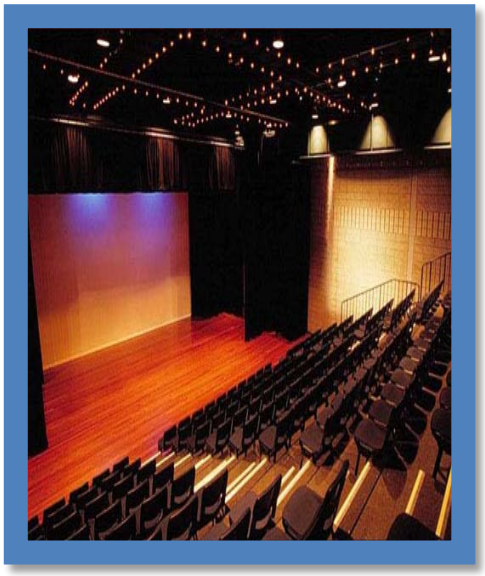
[37] e.g. NIDA – Parade Theatre and Parade Studio, University of Indianapolis - Ransburg Auditorium and Studio Theatre

Some examples of black box theatres include:

Parade Studio, NIDA



Carnegie Mellon University Theatre, Pittsburgh



Lennox Theatre, Riverside Theatres

STAGE TWO

Proscenium Arch Theatres

This type of theatre format is more traditional, whereby the audience view the performance piece through a large archway at or near the front of the stage (proscenium arch); however a theatre can also be referred to as a "proscenium" in any format where the audience directly face the stage, even in the absence of the arch (often referred to as 'end-on' theatre spaces). In all proscenium formats, the audience directly faces the stage which is usually raised several feet above audience level. The side areas masked by the arch are unseen by the audience and serve as wing space.

The proscenium theatre format services a wide variety of performance types from school and dance studio concerts, to theatre and classic or contemporary music.

Some examples of proscenium arch theatres include:

Glen Street Theatre

West Gippsland Arts Centre, Warragul

The inclusion of a fly tower in the proscenium arch theatre proposed in this report is optional. A fly tower is the space above a stage where pieces of set are raised up or 'flown' when not in use.

There are important issues which Council will need to consider when evaluating the inclusion of a fly tower:

a) The variety of performances available for programming would be increased/enhanced by the inclusion of a fly tower. Not all touring performances require the use of a fly tower, however it can be a fundamental technical requirement for a large percentage of these shows.

b) There is currently insufficient demand for a fly tower from the local user groups. The cost implication of using a fly tower may also place this facility out of the financial reach of these users. These cost implications include the minimum staffing requirements to operate the flying system which would be an expense reimbursable by the hirer/user and the increased production expenses inherent with flying sets.

c) Benchmarking of performing arts centres in Australia indicate the inclusion of a fly tower as fundamental to the development of any new centres however, this is dependent upon the type of programming the venue will pursue.

d) The height of the fly tower will have an impact on the urban landscape. Industry standard fly towers are up to six stories high and could create a greater impact at the top rated site (Signal Park[38]) due to its location by the foreshore.

The next step in progressing and further detailing specific building requirements of the proposed PACIC is detailed further in Next Steps which includes specifying the basic requirements of what the space model proposed should encompass.

[38] Refer Site Analysis

Cinema and Live Performance

There is a common desire to combine live performance and cinema activities in the same space due to the assumption that their similar appearance means the two uses can be combined in the one venue. The consultants received feedback that the PACIC should be able to accommodate these two uses, however the specific requirements of each form generally exclude their compatibility in a single space. However, the emergence of film festivals in Busselton (e.g. Cinefest Oz) does require noting when discussing this potential use of the PACIC.

An auditorium designed for live performance can accommodate the screening of films, however the fundamental requirements of both artforms generally precludes cinema as a part of the venue's core business. The acoustic requirements and normal sightlines of cinema differs from those of live performance and the combination of commercial film exhibition and live performance on a regular basis in one space is discouraged[39]. The usage of the proposed PACIC for film festivals which are one-off annual events rather than regular, scheduled exhibition is a possibility, however the technical requirements (supply of suitable projection equipment) becomes an asset management and capital outlay issue without assured ongoing usage of such.

Outdoor Performance Space

The provision of an outdoor performance space was considered in formulating the space model; however this will be reliant on the final site selection. This space can possibly be accommodated if the Signal Park or Foreshore Reserve sites were selected, however it is not feasible to include such a space at the Stanley Street and Shire Office sites. The provision of this space is not considered as essential as other facilities and therefore has not been considered in this report's recommendations. The integration of outdoor performance facilities should be addressed once further geotechnical analysis is conducted and a design brief is developed for detailed costing and concept designs.

[39] VAPAC - Benchmarks for Performing Arts Centres (2006)

CREATIVE INDUSTRIES CENTRE

From reading various Creative Industries (CI) reports and talking to a number of local people in the community, there are two different views as to what a CI centre is and, what the CI related businesses in the region need. These have been distilled into two possible options that the Shire can pursue as the next phase. It should be noted that what is proposed here is a CI Centre and not a CI *precinct*. The selection of Signal Park as the preferred site offers opportunities to explore the surrounds as a Cultural Precinct, however the options below provide alternatives for a CI centre that would operate as a component of the PACIC no matter which site is selected.

Option One

Create a true CI centre along the same lines as the QUT CI precinct and the Midland Atelier at the Midland Workshops – albeit smaller to reflect the differences in size (now and future) of the region's population and available resources and infrastructure. This model would include:

- "Affordable" ($50 - $150 pw[40]) artist studios for varying artforms – studios of varying size, some with wet areas and provision for large scale designers and artisans to work (eg furniture designers). The size, type and height of these studios need to reflect the type of artisans working in the region. For example, there are a number of ceramicists in the region and therefore, provision of large studios, with wet areas and kiln space will be important. Similarly, there are a number of furniture designers and studios for these artisans would need to be large, have height and ability to use machinery within them (and be soundproofed if they are going to sit alongside quieter artisans). However, it is important to note that most of the established artists in the region that have established home studios on their properties (where they often draw their inspiration), are unlikely to move into a town studio. Therefore, these studios are most likely to be occupied by emerging artists and new residents to the area. Rental rates should be offered on a sliding scale and with short terms leases, with the cost considerations being around the stage of the artist's career, size and facilities in the studio and the commercial realities and potential of their artform (eg likely turnover or annual income). Studio sizes should range – for some

[40] Based on current (second quarter FY08/09) rates

50 m2 would be adequate and for others, they would be require greater area. Height is also important, therefore smaller areas could be OK if there is higher ceilings.

- Shared workshop space – areas where artists can hold public workshops, classes and master classes. This would be particularly important to encourage mentoring between established and emerging artists, where limited numbers of established artists actually work in the studios. It is important that it does not just become an emerging artist space – established artists need to be encouraged to come to the centre for other reasons (exhibitions, professional development, sharing, networking).
- Shared meeting space – for industry meetings (eg Vasse Creative Industries Working Group) and professional associations (eg Margaret River Artisans) meetings.
- Shared kitchen and wet area facilities.
- Shared exhibition space for local artists – not limited to those that have studios in the building but definitely with a focus on local artists. This should also not be limited to one artform – i.e. encourage collaborations between visual artists and designers and digital artists.
- An education or training facility / partner – a creative industries outreach campus of TAFE or one of the Universities. Importantly, the courses taught need to reflect the growing CI employment and business needs of the community for example, the graphic design and multimedia sector that is experiencing skills and labour shortages in the region. This facility would be a feeder to the industries that are being simulated by the precinct and, would assist in providing some of the R & D and professional development opportunities that the precinct should foster.
- CI business incubator for the commercial sectors of the industry – eg graphic design, multimedia, advertising and architects. This would be a series of small (10 – 30 m2) studio spaces designed for 1-2 people in start up businesses. The rent would need to be affordable but comparable to commercial rents in the region (perhaps slightly below market rates) so as not to undercut other commercial rentals in the area (and therefore undermine local business support for the centre). Access to these studios would be time limited (2 – 4 years) to enable the business to establish and grow but also enable new players to come in as the start-ups mature. Although the rent may be comparable on a m2 rate to commercial rentals, the real value in these studios would be in:

  - the ability for micro business operators (who often operate from home) to have a more professional look and somewhere to meet clients.
  - the ability for them to tap into a community of peers (connectivity) and to have access to administration facilities (shared copiers, faxes, receptionist, meeting rooms) that would otherwise be unaffordable for a start-up or micro business .
  - the ability to be able to lease a small amount of space (often all that is required), as this is not possible with most commercial tenancies and people end up paying for space that they don't use.
- Rents could be between $80 - $150[41] p m2) and a mix of studio / office sizes would be appropriate to attract some small business (3-5 people), however the focus would be on micro (sole operator) businesses. It is unlikely that mature business would be attracted to this centre as they need larger space, and provision for larger offices would limit the number of business that could be housed at the centre.
- Shared meeting rooms, reception and administration facilities.
- Subsidised larger office space for other not for profit and industry associations (eg a regional office from the WA Music Industry Association, Busselton Beach Festival Inc or the local youth advisory council).
- High speed broadband cabling throughout all offices and studios
- Some retail space – whether this be CI related businesses (eg fashion, jewellery, music or book stores) or non CI related (cafes, small bars).
- "Technology" suites - music recording studios and soundproofed practice rooms (available at cost to local bands – practice rooms are very hard to find), AV edit suites. These could have equipment that can also be hired out to local users – both not for profit and commercial - on a sliding scale of rates.
- Storage space for band equipment – safe and secure - but at cost.

These are the tangibles. The intangibles as mentioned earlier, would also need to be provided and the collaborative management structure required to manage these are outlined further in the Management Model.

[41] Based on end 2008 market rates

It is recommended that an industry body with experience in developing CI precincts, such as FORM, be engaged for the early stages of planning through to implementation and may also have an ongoing role in managing the tenants. Other partners, such as the education and training institution, must also be brought in at the early stages of conception and planning i.e., the Shire should not attempt to develop a centre of this nature on its own – it must engage strategic partners from the outset who are likely to be key stakeholders, and develop the centre as a consortium.

This is a very serious and big proposition that ultimately will take a lot of money (multi millions), time and energy from a consortium of stakeholders to make happen. A successful CI centre requires consistent programming (from educational through to business development and international and national network creation) and therefore, an appropriate and well-resourced body will be required to do this. The Shire would therefore need to consider:

a) who would do this;
b) if any existing organisations in the local community have the capacity to do it and if so;
c) how would they be financially resourced to do it.

At present, FORM, who is best placed in WA to do this type of work, are working extremely hard with a number of stakeholders, to fund the Midland Atelier project and it would be fair to say, that they are not finding this to be an easy task[42].

In considering this option, the Shire needs to realistically assess whether there is enough current activity and growth potential in the CI industries to justify such a costly and resource hungry project. Although the Vasse Region Creative Industries Study calculates that in 2006 some $84 million of direct and flow on CI income was contributed to the region's economy, contrast this with the estimated $10.6 billion that in 2006 the Perth CI income contributed to the economy[43]. Similarly, the same reports (undertaken by the same consultants) estimated Vasse's CI employment levels at 900 – 1100 people and Perth's at 40,000 people (in metropolitan Perth only), which represents 90% of employment in the state's total CI related businesses. Perth's figures are similar to other major Australian cities and yet, QLD is the only state to have a true CI precinct almost fully functional and the Midland Atelier (metro Perth) is WA's first CI precinct,

[42] Source: FORM
[43] Source: "Perth's Creative Industries – An analysis"

which is still in the early stages of planning and implementation. Both of these developments are multimillion dollar undertakings that have been many years in the planning stage.

Note of caution – like performing arts centres, CI centres are not tourist attractions in their own right. Tourists will be attracted only if there is a thriving, vibrant community of creative people working in and around the building. Therefore, some of the activities taking place in the centre may attract tourists, but it should not be viewed as a tourist attraction. Its primary purpose is to stimulate and grow creativity and creative entrepreneurship, not to capitalise on the tourist market.

Option Two

This option is to simply create an artist's hub next to the PAC and is considered by the consultants as the most appropriate model to start with. The predominate focus here would be the visual and performing arts (theatre, dance and music) and would incorporate artist studios, workshop and exhibition space as described above, as well as an AV and music studio and / or practice rooms. This could be managed by the PAC management structure, as it would be simpler and more aligned to the PAC's core business, however there would also need to be an interfacing relationship with an appropriate visual arts body to assist in collaborative marketing efforts for the artists, and the decision making as to which artists access studios and at what cost. This is further explored in the Management Model.

Whichever of the two options eventuates; careful consideration is needed – particularly in relation to the proposed urban and residential plans around the recommended site. Without this, there is a danger that the centre will sit out on its own with no connection to the rest of its surrounds, the CBD and any current or planned tourism precincts and may become a place where no-one thinks to or needs to go. The identification of Signal Park as the preferred site provides the best opportunities in this regard given current planning work being conducted by the Shire regarding the current and future uses of surrounding buildings such as ArtGeo, the Courthouse and the proposed future use of the old police building.

Further to this point, the centre must not be looked at in isolation of what is currently situated and what is being planned around it. It must link to the natural and manmade features around it and create links between the

CBD and the foreshore area. As the Council is about to undergo a Cultural Land Use Planning Strategy (CLUPS) due for completion mid 2009 and a 'Local Planning Strategy' for the next 10 – 15 years, it would be prudent for any further decisions about the CIC to await the results of these strategies, to ensure that the aims of these strategies are being met:

- As stated in the CLUPS application: "This initiative will support existing and future culturally significant sites and infrastructure, unifying experience and procedures. The CLUPS will inform future resource requirements, both human and financial, for the successful implementation of any recommendations" and "'identify and recommend the development of policies, procedures and strategies which underpin the cultural identity of the Shire and serve to embed arts and culture into Shire of Busselton corporate and planning processes" and

- "The Local Planning Strategy sets out the long term planning directions for the local government, applies State and regional planning policies and provides the rationale for the zones and other provisions of the Local Planning Scheme. It provides the strategic framework within which future amendments to local planning schemes will be considered and involves the formulation of a number of strategies and policy outcomes that relate to settlement, tourism, commerce, environment, culture and heritage and rural land use and will inform the Scheme review. Once the Local Planning Strategy has been formulated, the Scheme provisions and associated land use (zoning) outcomes can be confidently addressed through preparation of a new Local Planning Scheme. The Local Planning Scheme provides the statutory framework within which future amendments may be considered[44]".

Ideally, the CLUPS and Local Planning Strategy processes should have taken place before the feasibility for the PACIC commenced, however since this wasn't the case, delaying Council's decision making on the final CIC option, while it may not be palatable, will provide for much better and more integrated outcomes in the long term.

It is further noted that there is also a Regional Economic Development Strategy, being developed jointly between the Shires of Busselton and Augusta Margaret River that has identified CIs as one of 10 potential

[44] Source: RFQ Local Cultural Planning Strategy

industry clusters and will be developing a strategy for the development of this. This must also be considered in determining the options for the CIC as it highly unlikely that the region could support more than one CI centre/cluster. This group could be one of the consortium partners for the CI centre planning and development.

In addition, in considering these two options, the current expectations in the community need to be taken on board as they could become so all encompassing that the resulting centre it is not useful for any one sector or, that they are so broad, that the reality can never actually be met. It may be useful for some education strategies be employed to generate awareness as to what CI centres actually are and what creating what would mean for the community (e.g. resourcing). FORM could be engaged to assist with this process.

Programming / Usage

There is a fundamental driver in any infrastructure development, such as the PACIC, to optimise usage. There are also a multitude of stakeholders with sometimes competing needs. In projects such as this, compromise is often made to facilitate these competing needs, but experience shows that there is a point where compromise and the attempt for optimisation can turn the project into a white elephant that addresses no-one's needs adequately. It is very important, at the start of a project, to identify the core purpose of the venue in order to ensure that other uses do not compromise the ability to fulfill the original purpose.

This report considers that the centre's primary purpose is as a performing arts venue (programming and usage of the Creative Industries Centre is addressed separately in the options provided in the Space Model). This primary function – presenting performance – has two principle occupancy strands that can be described as follows:

- Hiring – whereby hirers book and pay for the use of the venue, implement their own marketing strategies and take the financial risk on the box office. In comparative terms, this type of occupancy offers a lower financial risk.
- Entrepreneurial programming – whereby the venue management actively curates events and management/Council takes a financial risk on the activity. The venue purchases the event (for the "sell-off fee") and pays all costs associated with the marketing and presentation. The venue keeps the ticket income, thus taking the box office risk. Generally, events are purchased "delivered", i.e. the promoter or tour coordinator (e.g. Country Arts WA) is responsible for delivery of the show to the venue. Entrepreneurial programming is a high risk strategy and must be balanced with income from hiring and managed within an appropriate policy framework.

Entrepreneurial Programming & Policy

Industry trends show the increase of entrepreneurial programming as a strategy to maximise occupancy, develop audiences and increase profile. Venues around the country are increasingly co-presenting and producing their own events. This type of programming generally requires Council to provide a dedicated annual subsidy outside of the operating budget. It needs to be emphasised that it takes venues many years to grow solid audience bases and that funding is required in all regional performing arts centres across the country to subsidise these activities due to the inherent financial risk.

Programming will reflect the venue and community's cultural maturity and the desired positioning of the venue as an icon of the South West and should not by simply measured by financial success alone. It is critical that programming be approached in a holistic way to ensure both financial and artistic objects are met, and the brand and integrity of the venue are not eroded. Programming should attempt to address a range of target audiences in the Shire and be reflective of the Shire of Busselton's Access and Inclusion Plan.

The following information gives a flavour of the intricacies of programming and the considerations required when managing a modern performing arts venue. The nature of performing arts is that while expenses can usually be well controlled, presenters and producers are exposed to the uncertainty of income levels. This risk can be mitigated by:

- The implementation of a programming policy and product selection criteria (see overleaf)
- A holistic approach that favours balanced programming, offering a range of financial relationships and a range of products that spread the risk.
- Realistic, sophisticated budget tools to model scenarios based on income sensitivities.
- Constant monitoring of expenses, event sales and marketing activities to assess the achievement of targets and provide opportunities for corrective action.
- The employment of specialised, skilled staff.
- The development of contingency plans.

Due to the level of financial risk, programming of this type cannot be employed as a strategy without highly skilled and experienced staff with:

1. Professional performing arts programming experience
2. Specific arts marketing experience
3. Relationships with principle arts organisations, funding bodies and industry wide networks
4. Expertise in budgeting and financial modelling

Some venue managers also advocate sponsorships as a medium to address the financial risks of entrepreneurial programming. This can be of benefit to Busselton, however, it should not be relied upon in the planning stages of the centre due to the uncertainty surrounding sponsorship availability and appropriateness.

In the consultant's experience as venue managers, we recommend the adoption of the below selection criteria for entrepreneurial programming.

SELECTION CRITERIA	
Events considered to be presented at the risk of the Centre must meeting a minimum of three of the below requirements:	
Occupancy	Increase the volume or range of events presented at the venue
Artistic excellence	Develop, present and promote high quality and innovative performing arts products in a local, national or international context.
Audience development	Engage with audiences to deliver capacity building outcomes for the venue and increase box office activity.
Industry Capacity Building	Collaborate with, develop and facilitate the local performing arts industry and value the role of the artist.
Financial sustainability	Definable target market or track record of audience attendance; delivers effective and innovative business or revenue strategies.
Community value	Content or strategy that celebrates Australian and local heritage, distinctiveness and identity, cultural diversity and pluralism, social justice, accessibility and inclusion.

There are also fundamental requirements of events which are considered for entrepreneurial programming that will govern their inclusion, such as technical specifications, the producer/promoter's capacity to deliver a quality show at a professional level and market requirements (potential of the product to attract an audience). The size and adaptability of the auditorium and the adaptability of ancillary spaces such as a proposed rehearsal space/black box will offer the venue manager more flexibility in programming choices.

The most cost effective way to purchase programming product is through the national touring circuits managed by the state touring coordinators such as Country Arts WA. Product sourced through associated mechanisms is an important source because it is usually subsidised by state and federal government funding and therefore offers less risk to the venue. Delivery of interstate product, however, is also predicated on the volume of WA venues selecting the same show in order for a tour to viably travel to the West, so programming often becomes partially dependent upon factors outside the specific programming needs of Busselton.

Before committing to events in an entrepreneurial program, or any event which poses a financial risk to Council, a detailed budgeting process should be undertaken. An average ticket price is modelled based on expected price reserves and discounts as indicated by identified target markets. Expenses are budgeted and the financial outcome is modelled to clarify income sensitivities – i.e. is "break-even" possible, at what capacity, and what are the implications for changes in the average ticket price. In order to assess the ongoing viability of an entrepreneurial program, assessments must be carried out on the basis of each individual event and the programme as a whole.

A further task in scheduling entrepreneurial events is to calculate proximity to other entrepreneurial events or in order to assess the availability of staff resources and consider marketing database fatigue. Additionally, in participating in the national touring circuits, dates are also often strictly prescribed by the touring coordinator in order to make the tour logistically viable. The date inflexibility of this model may also curtail programming ability, however it is not preventable in the current touring model used in Australia.

All entrepreneurial events should be evaluated post-show. Common indicators include:

- Total attendance (sales plus complimentary tickets).
- Actual ticket sales against budget
- Average ticket price attained
- Actual income and expenditure against budget
- Technical assessment of the event
- Front of house service assessment
- Publicity report indicating level of exposure
- Marketing report assessing value of specific marketing activities

The three principle indicators of the success of the total entrepreneurial programme at the end of a year should include:

- Financial outcome – the extent to which the programme met its overall budget targets
- Audience response – the level of attendances and feedback gained. Audiences can be cost effectively surveyed to assess their opinion of their experience
- Artistic success – quantitative KPIs are not possible in this area, however it is possible to make an on-balance assessment of the artistic success of an event through collating industry feedback and media coverage and reviews where present

It should be noted that, whilst entrepreneurial programming increases the required subsidy from Council, it is essential for cultural vitality and ensuring the community has access to a range of professional performing arts. The touring model in WA is a little different to most other states whereby some of the major WA companies occasionally self-present i.e. hire and take the box office risk, however their sponsorship commitments see that activity more often taking place in the north-west of the state and cannot be relied upon to provide a regular supply of product.

Entrepreneurial funding (which is separate from the operational subsidy) varies from council to council across Australia and it is difficult to determine how much each venue allocates to underwrite entrepreneurial programming as these funds are taken out of the overall subsidy at the budgetary discretion of venue management. The volume of performances programmed are anywhere between 5-20 events (not individual performances) per year. Country Arts WA tours four shows a year; one with technical requirements that only professional performing arts centre can fulfill and three shows that are appropriate for community run venues

of a potentially lower technical standard. These touring shows are supplemented by a national circuit of touring shows (underwritten by the federal government's Playing Australia Fund) however there are issues accessing reasonably priced touring product via this network in Western Australia as not many national tours will come to the state due to its distance.

Hiring

Hiring occurs along a spectrum of financial relationships and level of risk. The line between programming and hiring is often blurred, but best defined by the level of engagement the venue has with the event/show. At the end of the spectrum where the venue is executing the marketing and making decision about the event, the relationship would be considered as a co-presentation and therefore part of a programming strategy, rather than hire. Each event should utilise the most appropriate financial model depending on the nature of the product, the funding sources available and the risk profile of the event. Hire relationships can be articulated as:

1) Straight hire – the hirer takes the full financial risk, pays the venue for all services and executes their own marketing campaign

2) Discounted hire – the client and the venue negotiate a reduction in rates. The venue may use this to introduce a new client to the venue in the circumstance where that client may bring repeat business. Possible financial scenarios include where the venue charges a base amount roughly equivalent to variable costs until box office income reaches an agreed level, after which the venue takes a percentage of the gross box office.

3) Shared risk – the producer/promoter and the venue take an agreed percentage of the box office each, sometimes calculated on comparative expenses. This strategy may be used to attract events that may be otherwise booked at other venues.

The majority of hires at the proposed PACIC would be "straight hires". This category can be segmented in a number of ways which reflect pricing strategy. Most importantly, this segmentation needs to be well-defined and ensure that those who have the greatest capacity to pay, do. Different venues approach this segmentation differently, however the segments include:

1. Corporates – essentially the MICE market.

2. Commercial promoters – those hirers whose motivation behind staging the event is to earn a profit, either directly or indirectly from the event. It should be noted that Busselton will attract few from this segment as they are looking for maximum capacity for minimum performances. Most who consider regional touring (and in WA, many don't) would be attracted to the capacity of Bunbury and will consider Busselton as part of the Bunbury catchment, in the same way as Wollongong in NSW is often considered by commercial promoters as part of Sydney, despite the 90 minute drive.

3. Educational – high school productions and presentation nights Sometimes dance and performance schools are included, although it should be noted that many of these are private businesses.

4. Non-profit organisations – often called "community hire", but may also include non-profit, but professional arts organisations.

Obviously the venue will want to maximise income from corporate and any commercial promoters, while ensuring that community groups pay lesser rates. The difference between the top and bottom rates is often a factor of up to 30%.

Policies around the release of venue booking dates are critical for the management of hirers and the maximisation of programming opportunities. There is a balancing act in which all venues engage in regard to "diary management". The policy may include:

1. Provision for local hires that take place roughly the same time every year to be renewed first, such as local festivals or eisteddfods, for example.

2. MICE events are often booked well in advance and the difficulty of attracting these events puts a high premium on ensuring those clients can access confirmed dates.

3. Next in importance would be the finalising of the entrepreneurial program.

4. And lastly the diary is opened to all other hirers.

Some venues also implement particular policies around the November/December dance school end of year presentations to manage competing claims on the most attractive dates.

Charging policies should also define the approach. The two basic approaches are:

- "Bare walls" – a hire charge is made for the venue and then all ancillary charges such as electricity, staff, equipment, etc are added, based on actual usage.
- "Packaged" – a single charge is made for rent, electricity consumption, core staff and basic equipment and then extra staff, equipment, etc is added to the basic package.

The different approaches suit different hirer groups. Non-professional community and educational hirers often prefer the packaged approach as they can understand clearly up front what costs they are incurring provided they keep within the parameters of services/equipment offered in their package. Professional organisations often prefer the bare walls approach as they have the capacity and skill to budget and identify costs that are unnecessary in their particular circumstance. The down side of this approach for the venue is the extra labour required to quote and re-quote events that are calculated on this basis.

Some venues feature a mix of approaches to tailor their cost structure for specific hirer segments. Given the impact on staffing, the venue charging approach will often be dictated by the staff resources available to the venue.

As already previously established, a significant issue facing local users in Busselton will be the cost of hire. In the event that air access for the MICE market is not forthcoming and based on the Perth Convention Centre forward bookings, the corporate sector and therefore the venue's ability to attract high value hiring clients will be small. Similarly, regardless of what is built in Busselton, Bunbury will continue to attract the majority of the commercial promoters. This leaves the bulk of the hiring clients as educational, community groups and local professional arts organisations. Given the responses from these groups about their current expenditure on

facility hire, there is some doubt that these groups will be able to afford to use the venue unless there is a very high level of Council subsidy.

There are also other indirect costs to hirers which they may not be aware of and should be highlighted, particularly those in the community who will be 'upgrading' by utilising the PACIC.

- Insurances - while most groups will already have policies in place, the costs may be increased e.g. for the standard $10m public liability cover that professional venues require.
- Production costs to increase the level of staging etc to suit the venue (voice amplification, fly tower, larger sets, mandatory venue technical staff).
- Ticketing fees – to ensure appropriate levels of patron service and to comply with industry ticketing codes, professional venues require that specific ticketing systems are used which impose a per ticket charge for the service.

Training Uses

Those venues that have successfully created training partnerships and programs are organisations with multiple venues, large staff, high volumes of entrepreneurial work and large subsidies such as the Sydney Opera House and the Victorian Arts Centre. Some larger regional venues such as the Illawarra Arts Centre and the Civic Theatre Newcastle have also engaged in this area.

The programming and hiring aspects of venue management and the nature of the business models in operation in this industry preclude the commitment of the auditorium on a regular basis for training programs. One off training events are possible to schedule in, but regular events such as the streaming of lectures to a large screen as suggested by the study brief lockout dates and therefore preclude the venue being available for its core purpose. Of course much depends upon specifics and time lines. If the lectures represent a hire that can be booked after the confirmation of the yearly entrepreneurial program (approximately December of the preceding year) then, notionally, all uses can be accommodated.

In circumstances where the PACIC might be paid to deliver specific modules of a training course the following issues arise which present challenges for a smaller centre:

- The pattern of occupancy, particularly for new venues is very ad hoc and there is not a consistent run of productions on which to train people.
- In the technical area the venue would only have one full time person and this could represent an unsustainable impost on their time.
- Good OHS management will mean restricted access to back of house areas so all training must be done by venue staff or with staff in attendance.
- Availability of venue staff with training credentials is often low in regional areas.
- The availability of qualified staff coupled with the requirement for professional levels of client servicing preclude many hirers' events from being used as opportunities for training institutions (aside from in-house staff training).

For these reasons, very few venues have been able to make training partnerships work beneficially, aside from simply hiring the venue out to training institutions.

In order to uncover potential training and education purposes for the proposed PACIC, discussions took place with:

- Ric Stacey – Head of Multimedia - South West Regional College of TAFE
- Jane Harvey – Portfolio Manager, Art & Design - South West Regional College of TAFE
- Jeff MacNish – Director Schools, Warren Blackwood District Education Office
- Jo Dorrington – Participation Officer, Warren Blackwood District Education Office (Busselton / Margaret River Office)

Multimedia

Currently, TAFE runs a multimedia course (Certificate IV In Information Technology – Multimedia) out of the Margaret River campus that has been well subscribed in previous years (though reported numbers down a little this year). The reason it is run out of Margaret River (and not Bunbury) is due to greater demand in the Margaret River and Busselton areas in the past. The Margaret River multimedia course caters for students who want professional careers in the industry and the campus was recently upgraded to provide studio space and facilities for this course. Currently, the multimedia curse is only run in Margaret River and this would only change if there was significant demand to run the course elsewhere. The TAFE reported that there is some demand currently from Bunbury and there is also some resistance from students from Bunbury and Busselton having to travel to Margaret River to study. Currently, short courses aimed at those not seeking a professional career in multimedia are run from the Busselton campus in areas such as Photoshop, which are well supported. These courses are run on a fee for service basis.

Course delivery

It was felt that it was unlikely that qualification courses could be run from the proposed PACIC unless the studios were fully equipped with up to date, high end hardware and software (10 – 12 machines in each training room) and in order to take on new qualifications courses, they would have to close down an existing course (e.g. Margaret River). Given that the Margaret River campus has been recently upgraded to cater for the multimedia course, this seems unlikely in the short term. However, this could be re-visited again in the future depending on the timeframe for construction of the PACIC, as at some point, TAFE will need to purchase all new hardware and software to stay abreast of current developments. If these were provided to TAFE as a part of a training co-location strategy, this would make it a potentially viable option.

However, TAFE did see a very real possibility in running fee for services (e.g. night and weekend) courses from the CIC, as they would have the staff capacity and skills and the costs of running these would be fully recouped by the fees. In this light, they would still need access to 10 – 12 high-end computers and current software and should the CIC charge a fee for room or equipment hire, this may not then be viable. However, a contra exchange for hire fees and access to teaching staff could be a

potential for the CIC and TAFE to investigate, as part of the professional development program that the CIC may provide.

Access to exhibition space

Other opportunities that currently exist for the multimedia course is use of a multimedia exhibition space in the centre for the graduating exhibition in October / November. TAFE would need a guarantee of the space being available each year for this time and, this would be dependent on hiring changes, as TAFE does not currently have a budget for this. Currently there is no physical exhibition space for the multimedia students – they exhibit on-line.

Work experience

Currently, 50% of each student's time is spent on work placements in the industry. The students are always looking for local placements and the PACIC could offer this – particularly within a CIC multimedia / design incubator. A planned annual program of work placements could be designed and negotiated each year with the CIP management body and TAFE, to ensure that a number of opportunities can be provided.

Art & Design

Currently, most of the art and craft courses are run out of the Bunbury campus, with a range of qualifications offered. Some are also run from campuses in Manjimup and Bridgetown (through the local Telecentres) as well as Busselton and Margaret River campuses. There are many professional artists in the Busselton area available to teach.

Course delivery

The Art and Design manager felt that there could be potential to deliver courses at the new PACIC however, there would need to be a solid business case for doing this – i.e. facilities available at low cost that are currently not available at any other campus or, high industry demand for new courses (such a graphic design). She reported that they have currently been discussing bringing on board graphic design courses, as they currently do not run any. This has been discussed in light of the Bunbury campus but could easily be run in Busselton. They would need to assess industry demand and availability of people to teach the course in

order to make this decision. They believe there is currently an appetite for graphic design and multimedia courses in the South West.

The cost of hiring facilities at the PACIC may be prohibitive as they do not have this in their budget. The manager reported that they have been trialing a similar mode of delivery through the Manjimup and Bridgetown Telecentres and the hire fees have been problematic for them, as they cannot recoup the additional costs. However, in implementing a new course such as graphic design, where capital outlay for hardware and software would be high, if these facilities were provided by the new CIC, then this would mean that money could be made available for hiring of the facilities. The new CIC would need to discuss with TAFE what their needs would be in terms of hardware / software in order to ensure the right equipment is being provided, if this link is to occur. The TAFE would welcome further discussion about this possibility in the near future. This could be an exciting and important opportunity for the CIC, as it would assist in providing that all-important training and education component.

Similar to the multimedia manager, the arts and craft manager felt that using the centre for the delivery of short (fee for service) courses is also a potential. This would mean that the necessary facilities would need to be provided at the CIC and, they would only choose to run courses there if the venue offered something different and / or unique to the students (e.g. access to facilities that the TAFE cannot provide) or, a more pleasant / unique environment. It would not make sense for them to pay to use an external venue if the facilities or environment was similar to or less than their existing campus / facilities. Again, TAFE would need to be able to fully recoup additional hire fees for this to be viable, so the level of fees will be an important factor.

Exhibition space

The art and craft manger also felt that access to an exhibition space could be a great opportunity – throughout the year and for end of year shows. Cost and guaranteed availability would be considerations here once again.

Education

The opportunities for education centres around two key areas:

a) Facility usage
b) Career pathways

a) Facility usage

Performances and education delivery

Access to facilities that the schools did not have at their own premises was the main link identified. This was mainly for school productions at the PAC but could extend out to any facilities provided through the CIC (multimedia and visual arts). As has been scoped out in the programming model, there is potential for schools to use the PAC for school productions and annual concerts however, it was felt that this would only be if the venue were big enough and / or the schools did not have adequate facilities. This would differ from school to school and the cost of hire would be the main consideration.

In addition to performances, schools may also wish to use the facility for rehearsals, so provision of rehearsal rooms at the PAC was seen as an advantage. In relation to the CIC, it was seen as conceivable that small groups of students could come in to use the technical facilities for areas such as multimedia or art and craft, however there would be many logistical difficulties in doing this, as well as added cost to the school. It would also vary from schools to school depending on the facilities they already have available. This would probably only work for the schools in the Busselton town centre, as class time would be lost for travel.

Professional development and conferences

The district office also felt that depending on the size of the theatre and whether break out rooms were available, there is potential to hire the space for conferences. The office often gets all district teachers together and struggles to find a venue big enough for them to gather in the region (Bunbury is generally their only option). They felt that such a venue could be good for these big gatherings or ever smaller professional development and in-service needs. This would particularly be the case for arts related teachers.

b) Career pathways

The Participation Officer looks after the needs of non-academic students (16 & 17 years) who are undertaking VET pathways. She felt that the PAC would be very valuable for demonstrating to those students that have identified the arts as a career pathway, that this is a viable option. In this light, she felt work experience and structured workplace learning placements, as well as possible traineeships and apprenticeships (where they exist) would be a great opportunity for linkages. Currently, there is very little in the region that can be used in this way. It was felt that the provision of short arts related courses that ran out of the centre would be valuable for these students – although who would pay would be an issue (DET may not pay and this is likely to be costly for students).

Site Analysis

Summary

The analysis of the sites suggested by the Shire was conducted based on the criteria outlined overleaf. All sites, in particular the preferred site recommended, require further investigation on a geotechnical basis prior to be officially adopted by the Council as the site nominated for the PACIC.

For the purposes of evaluating and ranking each site, the grade allocated to sites have been considered based on their own merits as well as in comparison to each other. For example, the Stanley Street site may be considered "excellent" in the Visibility criteria, however when compared to Signal Park, the former site is not considered AS excellent as the latter.

Additional Notes to the Criteria

Land status and ownership – Crown Land, Council owned, influenced by covenants. All sites except the Shire Offices are owned by other entities and the availability of acquisition is not known at the time of writing this report.

Access – including walkability to and from transport, parking, other facilities, proximity to town centre, regional vs local role. In this criteria, the consultants have also considered access to include the ability for vehicular access e.g. trucks access to loading docks for show bump in and out. It is also important to highlight that each site which ranked 'good' in the above matrix each still have their individual inherent flaws (see individual site analysis) however, with these flaws weighted against one another, the sites each meet the 'good' status.

Visibility – prominent site, visible from main roads. The consultants also included a weighting with regards to the type of main road the site is (or is not) visible from. That is, if the site is visible from a main road which is not necessarily frequented by locals but more by visitors or people passing through Busselton. Visibility is weighted heavily in the examination of each site – it is vital for any cultural centre which encourages participation and high levels of activity to always be visible in the community's eye and to avoid the 'out of sight, out of mind' syndrome.

Flexibility – ability to apply adaptive reuse for a new purpose, design suitability, e.g. noise, building footprint etc.

Connections / co-locations / associations – ability to maintain and support current associations, potential for compatible co-locations, potential for developing income streams through co-location / rental.

Partnerships – potential for private / public development partnerships, potential for cost sharing and community partnerships.

Financial Sustainability – potential for significant income generation to minimise impact on Council's recurrent funding, regional role (potential for audience development and not competition).

Landmark significance – cultural/heritage value to the community as a cultural landmark, potential for gateway site, potential for iconic design.

Innovation / Creativity – commissioning an imaginative design, fostering creative partnerships, encouraging innovative programming.

Role in urban vitality and social inclusion – potential to foster networks of community association to build social cohesion, to make a social impact, activation of town/village centres, proximity to cafes, restaurants etc

Site Analysis

	Unsatisfactory	Poor	Satisfactory	Good	Excellent
Land Status & Ownership					
Signal Park			X		
Foreshore Reserve			X		
Current Shire Building					X
Vasse Newtown			X		
Busselton Hospital			X		
Stanley Street			X		
Access					
Signal Park				X	
Foreshore Reserve				X	
Current Shire Building				X	
Vasse Newtown		X			
Busselton Hospital	X				
Stanley Street				X	
Visibility					
Signal Park					X
Foreshore Reserve				X	
Current Shire Building				X	
Vasse Newtown				X	
Busselton Hospital		X			
Stanley Street					X
Flexibility					
Signal Park					X
Foreshore Reserve					X
Current Shire Building			X		
Vasse Newtown				X	
Busselton Hospital				X	
Stanley Street			X		
Connections / Co-locations / Associations					
Signal Park					X
Foreshore Reserve				X	
Current Shire Building			X		
Vasse Newtown			X		
Busselton Hospital		X			
Stanley Street					X

	Unsatisfactory	Poor	Satisfactory	Good	Excellent
Partnerships					
Signal Park					X
Foreshore Reserve				X	
Current Shire Building			X		
Vasse Newtown					X
Busselton Hospital	X				
Stanley Street					X
Financial Sustainability					
Signal Park					X
Foreshore Reserve				X	
Current Shire Building			X		
Vasse Newtown			X		
Busselton Hospital	X				
Stanley Street					X
Landmark significance					
Signal Park					X
Foreshore Reserve					X
Current Shire Building					X
Vasse Newtown			X		
Busselton Hospital	X				
Stanley Street			X		
Innovation / Creativity					
Signal Park					X
Foreshore Reserve					X
Current Shire Building				X	
Vasse Newtown					X
Busselton Hospital	X				
Stanley Street				X	
Role in urban vitality and social inclusion					
Signal Park					X
Foreshore Reserve				X	
Current Shire Building			X		
Vasse Newtown			X		
Busselton Hospital	X				
Stanley Street					X

Note: To be read in conjunction with the explanatory notes.

Score and Rating

	Signal Park	Foreshore Reserve	Current Shire Building	Vasse Newtown	Busselton Hospital	Stanley Street
Land Status & Ownership	3	3	5	3	3	3
Access	4	4	4	2	1	4
Visibility	5	4	4	4	2	5
Flexibility	5	5	3	4	4	3
Connections / Co-locations / Associations	5	4	3	3	2	5
Partnerships	5	4	3	5	1	5
Sustainability	5	4	3	3	1	5
Landmark significance	5	5	5	3	1	3
Innovation / Creativity	5	5	4	5	1	4
Role in urban vitality and social inclusion	5	4	3	3	1	5
Total Score	47	42	37	35	17	42
RANKING	**1**	**=2**	**4**	**5**	**6**	**=2**

Signal Park

This site rated highest overall and has been identified by the consultants as the preferred site for further investigation by Council.

There is significant opportunity for Council to solidify the foreshore end of Queen Street as Busselton's Cultural Precinct, as recommended in the Cultural Plan (2005), with the inclusion of the Performing Arts and Creative Industries Centre with existing cultural facilities such as the Weld Theatre, ArtGeo Gallery and the Old Courthouse Complex. The location will also provide a link between the Busselton CBD and the foreshore. It's location near the Busselton land mark, the Jetty, and popular restaurants and cafes will merge cultural and tourism outlets, heightening the economic impact of the centre and contributing to its identity as a new Busselton icon. This constant flow of pedestrian traffic will also generate a sense of the vitality to the centre as a vibrant, bustling centre of activity.

Importantly, the size of the site (especially in comparison to other sites) provides for a greater level of flexibility in design options.

This site provides excellent pedestrian and traffic access and there is ample parking already available in the site surrounds, however further parking facilities may be required during peak summer seasons when car parking will be stretched to accommodate higher levels of activity at the foreshore.

The consultation process revealed a desire by respondents for the PACIC to service not only the residents of the Shire, but the high levels of tourism in both peak and non-peak seasons. Signal Park (and the Foreshore Reserve to a similar extent) provides the greatest opportunities to service this market.

There is some concern that this sites' close proximity to the foreshore is less visitor-friendly in inclement conditions creating an impact of a less-desirable space in poor conditions. This element requires further investigation regarding the geotechnical implications of the site.

Foreshore Reserve (near Jetty)

This site was ranked as equal second in the preferred site options. It offers similar opportunities as Signal Park (providing good linkages with tourism and creating a constant flow of activity), however the Signal Park site provides a better overall opportunities for partnerships and co-locations which resulted in the higher rating.

The Foreshore Reserve provides great opportunities for iconic design and for becoming a landmark site and should Signal Park become unavailable or unviable for any reason, this site would also service the cultural and economic needs of the Centre well. Along with Signal Park, this site would also service the tourism market as an outlet for holiday or evening activities.

Stanley Street

Initially, the consultants were asked to investigate the viability of the current FESA site, however during the course of the study, the area become inaccessible in the short to medium term and the site now identified as Stanley Street was substituted as a further site along the railway reserve with the same attributes.

It is important to note that this site was assessed against the above criteria keeping in mind that the nearby Busselton Library site was under investigation for the Shire of Busselton's new Civic Precinct. The proposed Civic Precinct was to accommodate the Shire Administration Centre, a Community Resource Centre and an expanded, new Busselton Library. In relation to the evaluation of the Stanley Street site as a location for the PACIC, there are complementary objectives with the Civic Precinct in terms of injecting 'large amount(s) of capital in to making the Busselton

CBD a more vibrant and valuable place to conduct existing business' and "underpin(ning) an integrated precinct of a civic theme to bookend the southern entrance to the CBD"[45].

In terms of evaluating the site as a viable location for the PACIC it was noted that the ability to make the facility an iconic building may be diminished if the building was to be in anyway integrated with the rest of the precinct, however at the same time, if the Civic Precinct does not proceed at this location it will significantly reduce the site's overall attractiveness as a location for a PACIC. Even though the site is located in the CBD, the co-location with other purpose built facilities is a key factor in generating a sense of vibrancy and purpose. The landmark significance of this site rated lower in comparison to Signal Park and the Foreshore Reserve based on comparative qualities, but not necessarily based on its independent merit as there is certainly great potential to solidify the centre as a Busselton landmark.

In terms of accessibility, the Stanley Street site rated highly based on pedestrian traffic and its location in an established part of town, however it was also noted that the site may be constrictive when considering the functional requirements of a PACIC. The fundamental requirement of adequate space for access to loading docks by large vehicles would be inhibited by the footprint size and ease of accessibility via surrounding roads. Signal Park and the Foreshore Reserve scored higher than Stanley Street in this criterion because it was perceived that these sites provide ample space for adequate loading facilities and access for larger vehicles such as pan tech trucks and school buses.

Overall, the Stanley Street site was rated as the equal second preferred site. In most cases, where Stanley Street rated lower than Signal Park, the score was issued based on the comparative assets of each site and not necessarily on its individual appeal. Should Signal Park become unfeasible after geotechnical investigations are completed, the Stanley Street site would still service the Shire of Busselton well.

[45] Business Plan for Civic Precinct Facility on Reserve 41445 Lot 416 Stanley Place, Busselton

Current Shire Building

This is a desirable site when measured against many of the criteria especially in terms of land ownership as the site is the only land currently owned by the Shire, which would significantly reduce the PACIC's capital costs. There are other key advantages such as the potential to be a landmark, gateway site and the subsequent possibilities for iconic design. There is, however, a perception of separation from the Busselton CBD because of its location on the opposite side of the river and despite it being within walking distance from the CBD. Importantly, the location as a gateway into the CBD affects only those entering the town from one direction and (especially for tourists and visitors to the region) there is currently few reasons for visitors to cross the river again except to leave town. This feature resulted in a lower score when compared to other sites in terms of identity.

A key advantage of this site is its aesthetically pleasing surrounds and the subsequent opportunity to commission a creative and even iconic design. This may also create a link between the CBD and the site which would in turn offer opportunities to co-locate other facilities such as the Visitor Information Centre.

Vasse Newtown

Whilst the parcel of land nominated for investigation poses great opportunities for iconic design with its adaptable footprint and the lack of surrounding structures, for the purposes of constructing a PACIC, Vasse is considered too out of town from the Busselton CBD to embrace the cultural identity and sense of vitality sought by the creative and cultural communities in Busselton. The ongoing expansion of Vasse does allow for integration with future developments but the ability to sustain an audience and hirer base in the near future is so low that this site is not considered viable.

Although this site may also be considered visible from main roads, its location out of the Busselton CBD detracts from its attractiveness as a centre visible to all Shire residents. Venues set apart from the daily activities of the broader community are much harder to animate, and any hospitality ventures such as a café or restaurant would be bound to fail, at least in the short to medium term until this area is further developed.

Busselton Hospital

Again, this site was considered to be too far out of the Busselton CBD and there are no identifiable opportunities for co-locations or partnerships, impacting the financial sustainability and role in the creative community. There are currently no cultural activities associated in the immediate surrounds and would result in the PACIC struggling to establish an identity as a vibrant, cultural hub or a place of social inclusivity.

Although located along the Bussell Highway and close to the shoreline, the site was not deemed a visible location, especially when compared to other sites such as Signal Park. Access for small to large vehicles would suit this site, however little to zero pedestrian traffic could be expected. Similar to the Vasse site, it would also preclude successful hospitality outlets.

The potential availability of the land is generally the only advantage this site currently bears, however even this benefit is uncertain pending a decision on the future location of the hospital.

Management Models and Operating Structure

> *"A Performing Arts Centre is probably the most complex facility that a Council is likely to own and manage. Their usage change frequently, often daily... Because of the operational complexity and occupational safety responsibilities, theatres require highly skilled staff, professionally experienced in the performing arts, to ensure their operation is effective, efficient and safe."*[46]

The management of cultural spaces involves the delivery of multiple and often conflicting outcomes. The provision of cultural services especially for regional communities within a financially sustainable framework requires a high level of specialisation.

Creative Industries Centre

In defining the most appropriate management model for the proposed PACIC, the consultants note that the two options of space models presented separately for the creative industries centre have differing management requirements; one operating, in part, separately from the day-to-day operations of the PAC and one integrated to expand the scope of the PAC management.

Creative Industries Centre Option One

The space model proposed in Option One requires a collaborative management structure that represents the partners and both undertakes the collaborative marketing of the businesses and the precinct as well as managing the tenancies and the physical assets. This may or may not be the same body that oversees the strategic development and programming of the centre (and may be the same as the PAC management) while a

[46] Benchmarks for Performing Arts Centres – VAPAC, 2006

separate body is engaged to manage the tenants and work with the representative management body[47].

Creative Industries Centre Option Two

The proposed artist's hub facility co-located with the Performing Arts Centre could be managed by the PAC management structure as it would be simpler and more aligned to the PAC's core business. There would also need to be an interfacing relationship with an appropriate visual arts body to assist in collaborative marketing efforts for the artists and input into the decision making as to which artists access studios and at what cost. It will be important to maintain the integrity of the subsidised and affordable studios and space and ensure that it is not viewed as a potential revenue source for the rest of the facility. A relationship with an advisory body, such as the Margaret River Artisans could be set up to meet this need and perhaps this group is charged with the responsibility of managing and programming the workshop and exhibition space. Failing that, a visual arts curator or program manager should be employed by the PAC management to oversee these functions. The level of activity of the Creative Industries Centre will of course, impact upon the staff levels and skill mix (both staff and governance) of the facility's management structure.

Performing Arts Centre Management

In listing the types of performing arts centre management structures it's important to keep in mind that any facility of this type should not be 'owned' or used or managed exclusively by any particular hirer organisation. The reason for this is borne out of nation-wide experience which has seen difficulties arising from a single or selected group being seen by other users as having priority status in the use of the facility. It generates access and equity problems for the venue and eventually alienates other community groups, creating conflict and ill-will.

[47] It appears the QUT precinct has a similar structure where a separate Pty Ltd body is responsible for managing the business incubator however, the overall precinct is managed and developed by QUT. The Workshops at Midland is also similar – FORM manages the Midland Atelier component and the Midland Redevelopment Authority manages the strategic development of the entire Workshops site.

There are several options for management of cultural venues. For comparison purposes, the following is a list of the most common options currently in practice around Australia:

Instrument of Delegation or Company Limited by Guarantee: The instrument of Delegation to a Management Committee usually comprising of Councillors, council staff and some community representatives more specifically maintains close monitoring by Council of the venue's activities and finances. However the Company Limited by Guarantee model separates Council from the daily operations of the venue and allows a Board of Management representing a broad skills base to report regularly to Council. This model has an appropriate level of Council representation on it and allows management to more efficiently manage the facility.

Department of Council: This management type is more common in regional areas of Australia with varying degrees of autonomy depending on whether or not delegation is given under Section 377/378 to the theatre management, or whether the facility is managed by Council Committee. Many venue managers agree that the Committee model is an unsatisfactory type of management largely because it rarely allows for adequate professional management of a specialist business. It also burdens Council staff with operational and programming decisions which are outside their professional expertise In the past this model has also allowed the potential of political interference from Councillors in the programming of the venue, thus becoming captive to a particular community group rather than delivering a broad range of cultural opportunities for all ratepayers. A further difficulty with this model is that sometimes the industrial relations instrument in place does not provide the flexibility required by the arts industry making staffing significantly more costly and onerous.

Lease to Producing Company: This structure is not favoured and has few precedents. While it absolves council of all management and financial responsibilities, it also means the relinquishment of control over ensuring community access and the delivery of cultural services.

Privatisation: Contrary to some perceptions, privatisation does not mean outsourced or commercial contract management. It involves the sell-off of property as a whole. The most obvious reason to dismiss this as an option is that Council as vendor would have little influence over the development of the building/site and once again would not be able to ensure appropriate cultural service delivery to all stakeholders.

Statutory Body: This will not apply as it relates to those venues such as the Sydney Opera House and the Adelaide Festival Centre which were established and built under a purpose-drawn Act of Parliament.

Outsourced Management: Although relatively rare in cultural venues across Australia, this management function provides an organizational structure which is designed to be flexible, integrated and geared to safeguard the assets of Council. Outsourced management effectively relieves Council of most of the legal and financial burdens of the venue's operations. Under this model, the contracted manager would carry legal and financial responsibility for the facility for an annual management fee while delivering the agreed cultural outcomes. An example of this type of management structure is the current contractual relationship between the Perth Theatre Trust and Ogden IFC.

Conclusion – Management Models

In determining the most appropriate management model for the proposed PACIC, the following objectives were identified as key to the success of the PACIC:

- the appointment of an experienced, professional arts manager
- the effective sourcing and management of entrepreneurial product
- efficient and sustainable management of the facilities resources
- the delivery of the Shire and community's vision for the centre
- the capacity to develop and deliver strategic plans and budgets
- the ability to respond to the changing environmental needs of the venue, the arts industry and community expectation
- a clear organisational structure with defined roles and responsibilities

As outlined above, the management of the Creative Industries Centre may or may not be integrated with the PAC management, depending which option Council chooses to pursue; however, with the above objectives in mind, the two most appropriate management models are either:

- **A company limited by guarantee; or**
- **Outsourced management**

These options afford the venue management the required flexibility to respond to the needs of cultural centre management, whilst providing for finite financial input by Council. Either option requires the appointment of a professional manager who recruits the appropriately skilled staff and reports to Council, removing Council from the daily operations of the facility (which is critical as cultural centre management is not the core business of local government). These models also allow Council to maintain a relationship with the PACIC in order to monitor its ongoing activities and financial status.

Either option pursued by Council will require a strict reporting framework and management guidelines to ensure Council maintains a level of control and contributes to the outcomes of the centre. Key performance indicators ensure the venue is being operated under the required framework designed by Council. These may include:

1. Levels of hirer and audience satisfaction
2. Levels of occupancy
3. Audience attendance
4. Standards of facility management and presentation
5. Safe workplace practices

Operating Structure

The roles of venue management, under either management model option presented above, include:

1. Business Planning
2. Financial Management & Reporting
3. Human Resource Management
4. Programming
5. Venue Hire
6. Marketing
7. Technical Services
8. Front of House Services
9. Ticketing Services
10. Occupational Health and Safety
11. Maintenance and capital works programming

In terms of delivering these roles and responsibilities, it is useful to outline the principle human resource requirements. These key positions are supported by a range of casuals and volunteers. The information provided here should be explored in greater detail in a Business Plan for the centre (see Next Steps).

Venue Manager

- Develop, implement and monitor a strategic plan in collaboration with Council
- Develop and manage an annual budget
- Take a leadership role in the community and maintain professional relationships with the performing arts sector
- Maintain the bookings system to manage events and meetings held at the venue
- Appoint and manage staff
- Develop entrepreneurial program
- Overview food and beverage operations and contracts

Front of House Manager

- Prepare cost-effective rosters for all FOH staff
- Liaise with and provide advice to all hirers in matters relating to FOH
- Recruit, supervise and train casual FOH and bar staff
- Manage and control
- Manage FOH sales and merchandising activities Ensure that all staff, public and hirers observe statutory regulations within the venue including the responsible serving and consumption of alcohol
- Ensure cleanliness of the venue including toilets and garbage bins during performance and advise cleaners of areas requiring particular attention the following day

Operations/Technical Manager

- Manage existing and potential service contracts relating to the maintenance and repair of the venue and environs
- Issue and management of contracts and schedules related to all hirings within management guidelines

- Maintain detailed venue event management documents and plans, distributing these documents to hirers at regular intervals leading up to the hiring period
- Provide advice to all potential and current hirers in technical matters including the provision of estimates for staff, equipment hire and the like
- Recruit, supervise roster and train technical staff Manage all technical equipment
- Manage safety on the worksite

Marketing Manager

- Develop marketing and communication programs to achieve planned goals from increased venue activity and ticket sales and enhance PACIC's visibility and reputation locally and nation-wide.
- Work with hirers and touring coordinators to improve the venue profile and their respective sales
- Implement an "e-strategy" for the venue including the development and management of a web site
- Create and implement marketing and publicity plans to sell tickets for specific performances entrepreneured by the venue
- Manage the venue's marketing research strategy

Box Office Manager

- Responsible for hiring, training and supervising casual box office staff, and for cost-effective rostering
- Management of the front-line sales service for all customers
- Manage ticketing computer system and database
- Manage all financial requirements of the box office
- Provide statistical data and reporting relating to ticketing and performances
- Manage the ticketing requirements of hirers and external ticketing clients, including event building and consignments, as well as ongoing services such as the management of holds, reporting and general advice

Administration Assistant

- Provide an efficient front line answering service for enquiries, directing calls where appropriate to relevant staff
- Collection, distribution and posting of mail and documents
- Photocopying, filing and archiving

- Manage general office procedures including stationery requisitions and storage, and equipment maintenance
- Co-ordinate staff events and meetings, including minutes and agenda
- Oversee style standards and formatting of office documents as required
- Provision of staff amenities
- Provide clerical support for the Venue Manager

Finance - Bookkeeper

- Maintain accurate and timely debtor and creditor controls
- Prepare monthly financial statements and statistical data
- Prepare and monitor weekly time sheets for payroll
- Monitor reconciliations/settlements and issue tax invoices as relevant
- Monitor inventories and stock-takes of liquor and other consumables
- Administer and monitor petty cash and undertake banking duties as required

Financial Models / Five Year Plan

Operational Funding

The Australian Performing Arts Centres Association (APACA) is the peak, representational body for regional and metropolitan performing arts centres around Australia; of it 120-odd member venues, most are Local Government-owned. APACA surveys its membership at two-three year intervals to measure their economic impact. The surveys indicate that all of its constituents receive annual subsidies, principally from their Owner/Councils. Some have occasional capital or project support from their respective State or Territory arts funding agency or from the Australia Council, the federal government's arts funding body.

The following table offers a snapshot of subsidy levels applicable to a sample of performing arts centres around Australia. These have been selected because of their variances in subsidy, seating capacity and configuration, some akin to the proposed PACIC and these should be used as an indicator only. The higher the subsidy the more likely that the venue is actively programming entrepreneurial seasons. These subsidy figures represent the operational funds paid directly to the venues; they do not reveal the 'hidden' subsidies such as capital works, maintenance, marketing or administrative support provided by some Councils to their performance venues.

Table: Comparative Venue Subsidies

Venue Location (capacity)	Subsidy Level
WA Regional (800)	$350,000
NSW Metropolitan (759)	$937,000
QLD Regional (684)	$435,000
WA Regional (810)	$468,000
NSW Regional (495)	$558,000
VIC Regional (490)	$575,000
NSW Metropolitan (400)	$442,000
VIC Regional (400)	$476,000
Busselton – Year One (Stage One)	**$292,859**
Busselton – Year One (Stage Two)	**$403,898**

PROPOSED FIVE YEAR FINANCIAL PLAN - 250 Seat Black Box & 400 Seat Theatre ("the Budget")

This Budget has been prepared in order to attain a realistic idea of the potential Shire subsidy required for the proposed Centre over the first five years of operation. As directed, the consultants provided financial plans for both Stage One and Two (assuming that the black box will still operate under the Stage Two model). The Stage Two figures are provided should the Shire decide to proceed directly to this stage *however this report recommends that Stage Two of the development does not proceed for at least five years following the opening of Stage One*.

It should be understood that the results represent the best estimate based solely on the assumptions and constants applied, and all figures should be read in conjunction with the details provided hereunder.

There are inherent risks involved when relying solely on the results as presented here as they assume a level of support indicated by potential hirers in the consultation process which ultimately are the greatest variable. The nature of performing arts is that while expenses can usually be well controlled, presenters and producers are exposed to the uncertainty of income levels.

Any theatre operational budgeting and can be further affected by:

1. The market perception of hire rates and the ability to amend those rates;
2. The ability (and rate) to on-charge relevant reimbursable expenses;
3. Community economic factors;
4. The standard and type of management.

Definitions

Reimbursements – relate to cost incurred by the venue directly related to venue hire such as staff, technical equipment, electricity and cleaning which are usually charged back to the hirer, sometimes with a specific mark up to cover additional overheads.

Hires - relate to venue usage in which an external organisation seeks to use the venue and pays a hiring fee and applicable reimbursements. There is generally no financial risk to the venue as the hirer pays all expenses

and receives all box office takings. The venue management may wish to implement alternative arrangements for some hires where the venue enters into an agreement whereby the hirer pays a hiring fee or a percentage of box office sales, whichever is the greater. In formulating this budget, only straight hires have been included as it is assumed this will be the agreement in place for the majority of hires.

Entrepreneurial Programming – activity staged at the venue in which the venue management have sourced and paid for the performance, taking the full financial box office risk.

Live Performance Australia (LPA) – the peak body for Australia's live entertainment and performing arts industry. Established in 1917 and registered as an employers' organisation under the Workplace Relations Act 1996.

Ticketing Fees

1. Inside Charges – a source of revenue for the venue from the sale of each ticket, applied to the face value of the ticket.
2. Booking Fees & Processing Fees – commonly referred to as a transaction or service fee applicable to phone or internet bookings.

Assumptions

The following specific assumptions are relied on:

1. *Hire Rates*

Proposed Base* Hire Rates	Educational	Community	Commercial
250 Seat Black Box Theatre	$350	$275	$600
Meeting/Function Room/hr	$45		
Average Hours per function	4		
400 seat theatre	$800	$650	$1,200

* Not including staff, equipment etc

2. *Staff* - reimbursement rates are based the Live Theatre Awards with minimum 4 hour calls. Please refer Appendix Five for detailed constants.

3. *Ticketing Income* - it is assumed that the theatre will be a member of Live Performance Australia and will therefore be a respondent to the "Code of Practice for Ticketing of Live Entertainment Events in Australia".

   There are various ticketing software packages available with different rates and application of license fees and we have therefore based the ticketing fees on the average per ticket expense. Please refer the relevant appendix (five) for detailed constants.

4. *Reimbursements* - mark-ups are calculated based on industry standards however may be affected by local market fluctuations and negotiated rates with individual hirers. Full details of the constants used are provided in Appendix Five.

5. *Beverage* - While gross profit on beverage sales can be calculated with some certainty, the level of beverages actually sold either per performance or the number of performances that may operate beverage services can only be estimated on past experience from venues of similar size and nature.

6. *Entrepreneurial Programming* is a high risk venture and nation-wide experience indicates a deficit should always be expected. The income and expense details will vary considerably from performance to performance and is heavily dependent on a range of variables including ticket price, occupancy rates and type of performance.

7. At this stage no allowance for sponsorship has been included. There is always a difficulty in sponsorship for regional venues:
   (a) Such sponsorship can clash with commercial hirers and their products;
   (b) It can be difficult providing sponsorship rights and concessions under acceptable terms. As an example, a sponsor would ordinarily expect a number of seats allocated per performance. This creates issues with hirers and any entrepreneurial activity for such a small space.
   (c) Aligning a brand in the form of sponsorship can be in direct conflict with the community-minded nature of such venues;
   (d) Legal limitations

8. *Operational Expenses* - In order to provide a true cost it is important, to provide an operating result on the basis of the theatre (as a stand alone operation) being responsible for the payment of all expenses. Some economies of scale may be realised through amalgamating some expenditure items within the Shire's budgets or the Shire providing direct services to the theatre. These may include:

    (a) IT consultants - may be absorbed by the Shire as an in-house expense.
    (b) Insurance - Full insurance has been included in the budget provided, however if insurance is included in the Shire's overall facilities insurance, some savings may be made.
    (c) Electricity rates and telephone charges - may be reduced by using lower rates applied to Local Government.
    (d) Wages - The Shire may be able to supply in-house bookkeeping alleviating this expense, although it is preferable for this work to be conducted within the PACIC operating structure.

    Conversely there are some expenses omitted:
    (a) Land Tax – State Government
    (b) Payroll Tax – State Government
    (c) Council Rates

    Currently, the Shire would be exempt from these cost items. As early as 3rd November 2008 the Independent Pricing & Regulatory Tribunal (IPART) has recommended Local Councils pay their share, however no final decisions have been made public. Western Australia has indicated no change in the status quo.

9. *Live Performance Australia* fees applicable to the presentation of professional performances (the Industrial Relations Service fee) are not included as an expense item as it is assumed it would be fully reimbursable against the particular hirer.

10. We have not been requested to prepare a budget for any opening event. Allowances for pre-opening expenses are included e.g. staff should be employed prior to opening to set up venue management systems and programs.

Summary of Stage One

	Pre-Opening	*Year One*	*Year Two*	*Year Three*	*Year Four*	*Year Five*
Total Subsidy required	**$144,170.00**	**$292,859.00**	**$283,614.00**	**$278,253.00**	**$278,731.00**	**$274,215.00**

PROPOSED FIVE YEAR BUDGET 250 Seat Black Box "Stage One"

	Pre Opening $	*Year 1 $*	*Year 2 $*	*Year 3 $*	*Year 4 $*	*Year 5 $*
INCOME						
Rental Hire Income	0	30,330	43,314	48,389	53,345	59,020
Wages Reimbursements	0	58,391	86,283	95,478	103,371	116,021
Other Reimbursements	0	50,150	76,206	85,339	92,573	104,909
Ticket Income	0	13,575	21,449	28,089	34,684	42,422
Beverage Profit/Loss	0	-375	219	1,434	2,768	4,615
Cafe Income	0	14,000	14,000	14,000	14,000	14,000
Sundry Income	0	1,152	1,872	2,448	2,952	3,384
Total Income	**0**	**167,224**	**243,343**	**275,177**	**303,694**	**344,370**
LESS EXPENSES						
Administration / Finance / Operational	34,200	82,971	87,639	88,238	90,882	93,685
Performance Production costs	2,500	58,700	74,190	84,802	99,528	111,660
Marketing Costs	23,000	13,400	19,685	16,977	17,277	17,583
Wages	84,470	261,781	289,425	307,396	324,777	345,696
Total Expenses	**144,170**	**416,852**	**470,940**	**497,413**	**532,464**	**568,624**
TOTAL PROFIT / LOSS	**-144,170**	**-249,628**	**-227,597**	**-222,236**	**-228,770**	**-224,254**
Accumulated proposed subsidy		-393,798	-621,395	-843,631	-1,072,401	-1,296,655
ADD: Proposed Entrepreneurial Programming						
Entrepreneurial Profit/Loss	**0**	**-43,231**	**-56,017**	**-56,017**	**-49,961**	**-46,398**
Combined Proposed Subsidy	**-144,170**	**-292,859**	**-283,614**	**-278,253**	**-278,730**	**-270,652**

Summary of Stage Two

	Pre Opening	*Year One*	*Year Two*	*Year Three*	*Year Four*	*Year Five*
Total Subsidy required	**-$190,925**	**-$403,898**	**-$393,738**	**-$360,702**	**-$348,881**	**-$327,587**

PROPOSED FIVE YEAR BUDGET 250 Seat Black Box & 400 Seat Theatre "Stage Two"

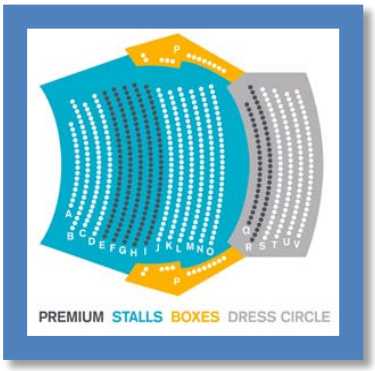
	Pre Opening $	*Year 1 $*	*Year 2 $*	*Year 3 $*	*Year 4 $*	*Year 5 $*
INCOME						
Rental Hire Income	0	60,505	81,539	93,189	100,795	109,120
Wages Reimbursements	0	96,242	131,057	149,300	160,636	176,729
Other Reimbursements	0	100,500	137,731	158,764	171,348	189,034
Ticket Income	0	34,637	44,363	57,355	69,859	84,029
Beverage Profit/Loss	0	-1,377	193	3,227	6,345	10,277
Cafe Income	0	14,000	14,000	14,000	14,000	14,000
Sundry Income	0	1,872	2,448	2,880	3,168	3,456
Total Income	**0**	**306,379**	**411,331**	**478,715**	**526,151**	**586,644**
LESS EXPENSES						
Administration/Finance / Operational	39,700	133,960	139,071	145,539	150,129	154,956
Performance Production costs	4,500	101,507	138,530	145,964	174,097	194,668
Marketing Costs	25,000	14,200	14,555	18,916	15,084	15,461
Wages	121,725	395,664	425,039	445,203	460,598	479,122
Total Expenses	**190,925**	**645,331**	**717,195**	**755,623**	**799,908**	**844,208**
TOTAL PROFIT / LOSS	**-190,925**	**-338,951**	**-305,864**	**-276,908**	**-273,757**	**-257,563**
Accumulated proposed subsidy		-529,876	-835,740	-1,112,649	-1,386,406	-1,643,969
ADD: Proposed Entrepreneurial Programming						
Entrepreneurial Profit/Loss	**0**	**-64,946**	**-87,874**	**-83,794**	**-75,124**	**-70,024**
Combined Proposed Subsidy	**-190,925**	**-403,898**	**-393,738**	**-360,702**	**-348,881**	**-327,587**

Note: Although this report recommends that the Shire does not proceed with the Stage Two facilities (the 400 seat theatre) until at least five years following Stage One, these figures are supplied to indicate the impact the development of Stage Two would have on operating and programming subsidies.

Capital Costs

Provided here is information regarding venues either proposed or currently being built across Australia to provide an indication of the scale and cost of new centres.

THE GLASSHOUSE, PORT MACQUARIE

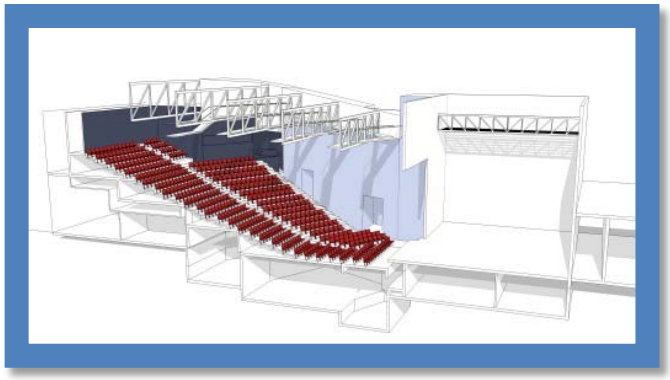


Servicing a population of approximately 69,000 people and located in the town's CBD, the Glasshouse in Port Macquarie is scheduled to open in early 2009. The centre will be owned and operated by Hastings Shire Council.

The construction cost for this project has been valued at $26.67 million. This figure excludes consultant's costs, land acquisition, technical equipment and archaeology. Council has budgeted for the new centre to cost approximately $500,000 per year to run after income has been deducted. This cost will largely be in relation to subsidies for schools and local groups who want to use the facility but could not afford to pay the full costs.[48]

[48] Source: Hastings Shire Council www.hastings.nsw.gov.au

SHOALHAVEN CULTURAL CENTRE



The new Shoalhaven Cultural Centre will be located within the CBD of Nowra to complement Council's Arts Centre and new Multimedia Centre. Together, it is hoped the three centres will provide Nowra with the means to showcase performing and visual artists and an avenue for local people to undertake various courses in performance arts.

DUBBO REGIONAL THEATRE AND CONVENTION CENTRE

Dubbo City Council has an existing Dubbo War Memorial Civic Centre, constructed in 1967, which serves as the current entertainment/cultural facility for the City. The new Dubbo Regional Theatre and Convention Centre will comprise a 500 seat theatre to be built adjacent to the Civic Centre site.

The entire complex is designed to host a range of events including all performance forms, conferences, meetings, school presentations, fairs and product launches. Construction commenced in August 2008 and the venue should be operational by 2010. The total construction cost is estimated at $13.5million with additional land acquisition costs of approximately $1.5million and design costs of around $300,000.

CIVIC PLACE CHATSWOOD

This project is planned by Willoughby City Council who governs a population of about 63,000 people and is located 8.5kms away from the Sydney CBD. The Civic Place project will provide a significant Cultural Precinct primarily for the residents of the Shire, but also for the wider Sydney arts community. Built on the existing Civic Centre site, the new Civic Place will include a 1000 seat concert hall, 500 seat theatre, exhibition hall, rehearsal spaces, a visual arts space, a 5000sqm library, 6000sqm of open space including an amphitheatre as well as incorporating commercial uses such as retail space and serviced apartments.

The total project costs for Civic Place are $162.5million including all professional fees, construction costs and allowances for inflation and contingencies. Willoughby City Council plans to meet these costs by contributing approximately 78% in equity and 22% ($30million) in loan borrowings repayable over 20 years. As part of the overall funding plan for the project, a $3million target has been set for community fundraising which takes including a seat endowment program, special fundraising events, one off donations and sponsorships.

The precinct is expected to open in 2011.

PERTH PERFORMING ARTS CENTRE – "THE HEATH LEDGER THEATRE"

Located on at the corner of Roe and William Streets in Northbridge, the new performing arts venue, which will be named after actor Heath Ledger, will feature a 575 seat main theatre and a 200 seat flexible studio theatre, with associated rehearsal spaces. Designed by award-winning Kerry Hill Architects, the concept for the venue was unanimously judged the winner of the CentreStage design competition by an international jury panel in 2005.

Kerry Hill Architects' design will deliver a building which will not only provide a functional and inspiring venue for performers and their audiences, but will also be a defining architectural landmark for Perth.

The venue will present contemporary performing arts, such as theatre and dance, in diverse ways with a focus on distinctive professional and contemporary work produced locally, nationally and internationally. With state-of-the-art technology and facilities, the venue will ensure that audiences are able to experience this diversity of work.

Design development commenced soon after Kerry Hill Architects appointment and has involved more than 70 specialists, including artists, architects, theatre consultants and planners; lighting designers; acousticians; quantity and land surveyors; theatre, program, heritage, ethnographic, archaeological and consultants; and structural, mechanical, civil, electrical, façade, fire, environmental and traffic engineers.
The venue is expected to open in 2010 at a cost of $91 million.

ALBANY ENTERTAINMENT CENTRE

As the existing Albany Town Hall (with a maximum capacity of 310) cannot cater for larger touring acts or the conference market, the Albany Entertainment Centre is designed to attract a wide range of uses and will be part of the Albany Waterfront Precinct development, including a new hotel, cafes, shops and a marina.

Funding for the entire waterfront project has been sourced from the State Government ($46.3million), the City of Albany ($1.2 million – in addition to purchasing land from Landcorp for $1million). The City of Albany anticipates that the building and staffing of the Albany Entertainment Centre will create up to 300 new jobs for the region.

The venue itself incorporates a 620 seat auditorium, a multifunction space for community and conference uses and large glass foyers overlooking the harbour and is scheduled to be completed in mid-2010.

BROOME PERFORMING ARTS CENTRE

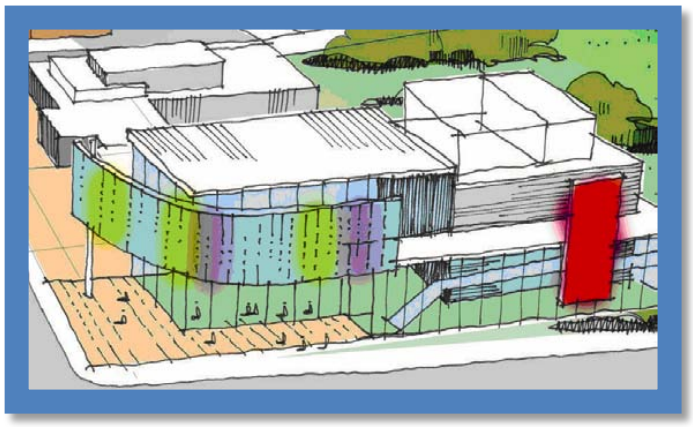
In November 2005, consultants Woodhead International submitted their feasibility study to the Shire of Broome. The project brief was to establish the feasibility of a Performing Arts Centre for the Shire and recommended that the current Civic Centre be redeveloped as an alternative to building a new facility. Built in 1973, the Civic Centre seats 450 people and has housed all types of functions from theatrical performances to banquets and award presentations.

The study estimated the proposed development would cost up to $8.2 million with an ongoing operational subsidy of between $135,000 to

$165,000 per annum. In early 2008, the Shire of Broome appointed a Project Officer to steer the development and the West Australian Government has committed $5million to the project.

The proposed redevelopment will serve the population of approximately 14,000 and provide for small to medium scale performing arts activity, with a 336 seat auditorium and two community rooms suitable for rehearsals, functions and meetings.

GERALDTON CONVENTION CENTRE



In July 2008, the City of Geraldton-Greenough (population approximately 55,000) released the convention centre design brief for public comment. The Convention Centre is proposed based on an identified need for a purpose designed space to support existing conference, convention and function opportunities and to stimulate new business in these areas and in performing arts activity in general. The consultants who developed the design brief recommended the space be co-located with the current Queens Park Theatre and suggested a capital cost of $16.5million based on a cost per square metre on other performing arts building projects in WA of $6250 (although this figure was provided as a guide only and is not a substitute for calculations made by a Quantity Surveyor from architects drawings).

As this project is still in the planning stages, capacities and building functions are still to be finalised.

ROCKINGHAM CONTEMPORARY AND PERFORMING ARTS COMLPEX

The City of Rockingham (approximately 45 minutes south of Perth) is currently investigating the feasibility of the establishment of a Rockingham Contemporary and Performing Arts Complex. The development of this venue was originally identified as a priority in the 1994 Regional Arts Strategy Implementation Study. The original sketch plans for a 250 seat theatre were prepared in the mind 1990's, based on a 1994 analysis of local needs and the extensive consultation with local theatre and other community groups. More recently, community groups have sought a larger venue than originally anticipated – up to 650 seats – to enable a much wider range of activities to be accommodated in the building.

The cost of the building was originally estimated at $5.2million with both the City and the State contributing $2.6million each. These building estimates will be reviewed as part of a new feasibility study.

Table: Summary of proposed and new venues across Australia

Venue/Precinct	Capacity (main space)	Alternative Spaces	Capital Cost	Opening
The Glasshouse, Port Macquarie	620	Rehearsal/performance studio, meeting and conference rooms, community workshop space, retail	$26.67million or $3,865/m2	Early 2009
Shoalhaven Cultural Centre	930	200 seat theatrette, conference rooms	$23 million or $4,643/m2	2008
Dubbo Regional Theatre & Convention Centre	500		$15 million (estimate)	2010
Perth – The Heath Ledger Theatre	575	200 seat flexible studio, two rehearsal studios, outdoor courtyard, two VIP meeting rooms	$91million	2010
Albany Entertainment & Convention Centre	620	Rehearsal space, cafe, convention/corporate function space and an observation platform taking in views of Albany harbour	$46million (part of Waterfront Development)	2010
Civic Place, Chatswood	1000 – concert hall 500 - theatre	Exhibition Space Library Rehearsal Studio Amphitheatre Commercial Uses	$162million	2011
Broome Performing Arts Centre	336	Function and Community rooms	$8.2million (estimate)	Unknown
Geraldton Convention Centre	TBC	Function, Rehearsal and Community Rooms	$16.5million (estimate)	Unknown
Rockingham Contemporary and Performing Arts Complex	650	Exhibition, rehearsal and community rooms	Unknown	Unknown
Proposed Busselton PACIC*	250 (Stage one)	Not including the Creative Industries Component	$8million (approx)	
Proposed Busselton PACIC*	250 & 400 (Stage Two)	Not including the Creative Industries Component	$20-23million (approx)	

* These are preliminary estimates only and will be largely affected by design options, building footprint, capacity and site restrictions/costs and should not be a substitute for calculations made by a quantity surveyor.

Potential Funding Sources

The PACIC clearly represents a high capital cost. The Shire may require funding partners to bring the project to fruition:

1) *Western Australia Government* - Department of Culture and the Arts. The Community Cultural and Arts Facilities Fund (CCAFF) exists to improve access to the arts through funding arts facilities. Local government is an eligible applicant and theatres and cultural centres are specified as eligible projects. Applicants can apply for up to one third of the total cost of the project subject to category limits and the total funding pool. The fund is highly competitive and has one application round per year.

2) *Lotterywest* - Service Accommodation and Community Facilities. Council officers have identified this fund as the means to support community facilities which are incorporated in the proposed Civic Precinct, so the likelihood of further support in the same town may be reduced. The Creative Industries Centre space would be more likely to attract support than the theatre. It should also be noted that funding is available for performing arts centre programming through Lotterywest's Gordon Reid Fund.

3) *Federal Government - Building Australia Fund*. Peak arts organisations and local government is currently lobbying the federal government through Infrastructure Australia to include cultural infrastructure applications in the new Building Australia Fund. Direct funding to local government for infrastructure has recently been announced and further funds may be available through federal initiatives directed at regional areas.

Social, Cultural & Economic Impact

As well as investigating the economic impact of the proposed PACIC as required in the study brief, the consultants also provide here supporting information on the potential social and cultural impact on the Busselton community.

The social, cultural and economic impact of a community's engagement in the arts has been highlighted recently through the Australian initiative "We All Play A Part" developed by AMPAG in association with Live Performance Australia, the Media Entertainment and Arts Alliance and its campaign partners (e.g. the Australian Performing Arts Centres Association, Australian Children's Music Foundation, Australian Network for Arts and Technology).

The campaign highlights "the importance of performing arts to Australia's future as a strong, vibrant nation that is a world leader and that we all play a part in realising these opportunities". Spokeswoman for "We All Play a Part", Louise Withers, says that the industry contributes $8billion a year to the Australian economy: "There are many, many benefits – from the economic impact of tourism, to every taxi that is taken to go to a performing arts venue.... it's about the benefits".

Lisa Scaffidi, Lord Mayor of the City of Perth & We all Play a Part Building Stronger Communities Ambassador:

> *"Can any city be a dynamic, inviting city without the arts... the answer is a resounding 'No'. As the Lord Mayor of the City of Perth I believe the arts are such an essential part of a lively city. Without the arts and all they bring to a city, we lack balance, substance, heart and soul.*
>
> *The arts contribute enormously to our Western Australian lifestyle. Our Council believes that by supporting and engaging in artistic and cultural activities, we as a community find a greater sense of connection and identity with each other.*
>
> *Not only does the pursuit of the creative arts stimulate economic growth, employ thousands of people and provide interest and entertainment to the people of Perth, it helps create a better understanding of global cultures, creates a more dynamic city and breaths life and spirit into our urban fabric."*

The performing arts and creative industries are a source of social, economic and cultural development and are an important contributor to the regions lifestyle, creating cultural and social capital. In a world where innovation is more and more highly regarded, there is an inextricable link between innovation and creativity. As the Prime Minister, Kevin Rudd told the 2020 Summit this year:

> *"Our ambition should be to create and to foster a creative imaginative Australia because so much of the economy of the twenty-first century is going to require that central (creative) faculty".*

Economic Impact

The proposed PACIC will have numerous economic impacts in the Shire of Busselton. The most obvious being the employment benefits directly related to the centre and the flow on spending from activities taking place at the centre. Other benefits include the future employment that will be generated by the proposed CIC incubator, which will be long term benefits that will result from both the training of cultural industries participants and the business start up support given to them in their formative business years when they leave their training institutions through the CIC incubator.

In 2006, the Vasse Region Creative Industries Study estimated employment at around 800 - 1000 people in the CI industries. The report also identified that by providing premises and clustering, strategy and marketing, business support, networking and access to skills development – all things that the CI centre would provide - this will assist employment growth in the region. Therefore, we can assume that growth in employment will occur with government intervention such as the development of a CI centre. Further, the ABS Cultural Statistics Working Group in 2004[49] found that between 2001 and 2004, there was a significant increase in people working in computer art[50] (+41.8%), and performing arts (+16.2%) Australia wide, demonstrating a trend in employment increases in these areas in Australia. The Vasse report also

[49] 'Survey of Work in Selected Culture and Leisure Activities', 2004
[50] Computer based graphics, design and multi media

identified an increase in growth in these industries, as does the Perth Creative Industries Report, 2006.

Direct expenditure

Employment

Based on the proposed financial models, over the first 5 years, the new PACIC would directly create the following new jobs for the region.

OPTION	Total estimated FTE employees	Employment in direct dollar terms over 5 year period
250 seat theatre only	8	$1.6m
250 and 400 seat theatres	10.5	$2.4m

Other Goods and Services

Other direct expenditure would include purchase and hire of goods and services (equipment, food and beverage stock, advertising, printing, postage, communications, cleaning, security and IT contractors, maintenance and building services, rents and taxes) totalling over the 5 year period:

OPTION	Total estimated 5 year expenditure other than wages
250 seat theatre only	$1.1m
250 and 400 seat theatres	$1.6m

Flow on effects (indirect expenditure)

Using the identified government cultural industries multipliers[51], the following table illustrates potential flow on effects to the economy, arising from direct expenditure from the proposed PACIC.

51 http://www.culturaldata.gov.au/publications/statistics_working_group/other/multipliers_for_culture-related_industries

OPTION	Total estimated 5 year expenditure	Gross value added multiplier	Gross valued added contribution	Total value added employment[52]
250 seat theatre only	$2.6m	1.79[53]	**$4.65m**	**272**[54]
250 and 400 seat theatres	3.9M	1.79	**$6.98m**	**357**

Notes:

- These levels are likely to increase beyond the first 5 years, as usage and demand increases
- These levels will also increase depending on when the PAC is actually built due to employment and goods and services escalation costs.

Visitor spending in the local economy

With the proposed PAC programming model, there will be an increase in direct spending in the local economy as a result of the activities of the centre. For example, tours of music and theatre productions from outside of the region will not only benefit local casual employees (technical, ushers and bar staff)[55], there will be direct expenditure in the region that cannot be spent elsewhere – e.g. accommodation, meals and local transport.

Based on the programming model of 6-14 programmed toured shows and 4-10 commercial hires per year – presumed from outside of the region, the following direct expenditure is projected to be spent in the local economy by visitors. These figures are not included in the flow on figures above as they relate to programming activities as opposed to PAC operational activities.

[52] FTE employment generated through other industries as a result of direct employment
[53] Using the agreed government multiplier for music and theatre productions
[54] Using the agreed government employment multiplier for music and theatre productions of 34
[55] Already factored into the projections above

Direct visitor expenditure

OPTION	Total accommodation spend over 5 years	Total meals spend over 5 years[56]	Total local transport spend over 5 years[57]	TOTAL SPEND IN LOCAL ECONOMY (not including gifts and personal)
250 seat theatre only	$81,000[58]	$29,700	$5400	**$116,100**
250 and 400 seat theatres	$207,000[59]	$75,900	$11,500	**$294,400**

Indirect visitor expenditure (flow on)

The flow on figures below will include optional touring visitor spending on gifts and personal goods. As the region has a vast array of beautiful art and craft and internationally renowned wines, it is anticipated that gift purchasing from the region will be highly desired by visiting acts.

OPTION	Total touring visitor spend in local economy over 5 year period	Gross value added multiplier	Gross valued added contribution
250 seat theatre only	**$116,100**	1.46[60]	**$169,506**
250 and 400 seat theatres	**$294,400**	1.46	**$429,824**

<u>Resident spending in the local economy</u>

In addition to the purchase of tickets for shows, part of the experiencing of attending a live theatre or music production is pre or post theatre dining or beverages. Every ticket purchased will produce additional spending in the local community on activities such as babysitting, taxis, fuel, parking, dining out, drinks before or after the show at cafes and bars (other than the theatre bar) and hotel accommodation for people that travel from out

[56] Based on average of $55 per day spend x 2 days on meals only – not including alcoholic beverages
[57] Based on $100 per tour for fuel / taxis
[58] Based on an average of 5 people per tour for 2 nights each @ $150 per night
[59] Based on an average of 6 people per tour for 2 nights each @ $150 per night
[60] Using the agreed government multiplier for retails spending in restaurants, cafes and accommodation

of town. This expenditure is factored into to flow on figures detailed above under 'Indirect expenditure'.

Further economic benefits

Australian Statistics

The Australian production of cultural goods and services in 2001–02 totaled $49 billion, with Advertising Services producing $11,512m (24%), Printing and Services to Printing producing $9,932m (20%), Radio and TV Station Services producing $6,236m (13%), and Pay TV services $2,187m (5%). Production of cultural goods and services in 2001–02 made up 3.4% of total Australian production of goods and services ($1,418 billion). This represents an increase from 2.9% of the total in 1998–99[61].

Economic value of Culture and Arts to Western Australia[62]

Recent statistics that project the economic value of the arts in WA are:

- In 2007/8, the performing arts in WA generated income of $44.8m (6.1% of GSP).
- Performing arts venues generated $30.7m or 6.2% GSP.
- At the end of June 2007, there were 16 employing and significant non-employing businesses in WA in the performing arts venues industry. These businesses operated 34 performing art spaces, generated $31 million of income and spent $11 million on wages and salaries in 2006–07
- Over 6,600 businesses in Western Australia were actively trading within the cultural sector at the start of the 2006–07 financial year.
- 2003 data showed that the arts and cultural industries contribute $2.3 billion (2.2 per cent) of Western Australia's total production which is double that provided by sport, gambling and recreational services (1.1 per cent). Based on the 2001 census results, 23,515 people in Western Australia (2.8% of the employed population) had their main job in a cultural industry and their total income was $732.2m.

[61] DCA Vital Statistics 2008
http://www.dca.wa.gov.au/__data/assets/pdf_file/0004/19444/Vital_Statistics_2008.pdf
[62] Source: *Vital Statistics*, DCA 2003 and 2008

- The percentage increase in the number of people employed in cultural industries in Western Australia (11.4%) since the 1996 Census was slightly greater than the increase nationwide (11.1%).
- In 1998–99 households in Western Australia spent an average of 3.8% of their total goods and services on cultural goods and services
- Western Australian households spent a combined total of $969.3m on cultural goods and services in 1998-99 – a 20.9% increase from 1993-94.
- In 2002, during the previous 12 months, 91.1% of the population aged 18 years and over in Western Australia attended one of the cultural venues/events surveyed by the ABS. This was slightly higher than the equivalent figure for the whole of Australia (88.2%).

The PACIC will no doubt assist in attracting tourists to the region, as it will add to the suite of destinational activities that the Vasse region already offers. A snapshot of relevant WA economic benefits is below.

Economic value of tourism in Western Australia[63]

- Direct tourism contribution to Western Australia's Gross Value Added (GVA) was $2.97 billion or 2.3% of total GVA generated by all industries in Western Australia.
- Direct tourism Gross State Product (GSP) was $3.66 billion or 2.6% of total GSP generated by all industries in Western Australia
- Tourism generated total direct employment of 45, 660 people in 06/07
- Accommodation, cafes and restaurants (49.9%), retail trade (7.8%) and transport and storage (7.4%) are the industries that have the highest reliance on tourism
- Between Sept 2001 and Sept 2004, total tourism in Western Australia increased by $800 million (over 70% attributable to international visitor expenditure) and total visitor nights spent in the State has increased by 13%.
- In 2004 for the first time, 1 million Eastern States visitors came to WA.

[63] Source: (Draft) Aboriginal Tourism Development Strategy For Western Australia, Tourism WA, 2005 and http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Tourism%20Satellite%20Accounts%202006-07%20-%20Western%20Australia%20Factsheet.pdf

- Global tourism is estimated to grow by an average of 4.1% per year to 2020.

Cultural Tourism

Tourism WA identifies cultural tourism as a growing area and the government has developed a joint strategy between the DCA and Tourism WA to further develop this industry sector. *Journey Further – An Arts and Cultural Tourism Strategy 2004 - 2008* identifies that "Tourists are interested in what is distinctly local and authentic". It goes on to say that "According to the World Tourism Organization, cultural tourism accounts for 37 per cent of world travel and this is growing at the rate of 15 per cent a year". It notes that global tourists are increasingly interested in a city's social, ecological and natural heritage features and that this interest is not passive, but interactive.

To this end, Tourism WA and the DCA are working towards building WA's arts and cultural sector profile and strengthening WA's image as a culturally rich state. The strategy also aims to work with and develop understanding between the cultural and tourism sectors and to develop new cultural products for visitors. The Busselton PACIC concept is ideally placed to work within this strategy and take advantage of the benefits that will result from it.

Statistics from 2002/3[64], show that of the total number of international tourists to WA:

- 28% visited History/Heritage buildings, sites or monuments
- 27% visited Museums or Art Galleries
- 13% attended Theatre, Concerts or other Performing Arts
- 9% attended Aboriginal art and craft and cultural displays
- 7% visited Art and craft workshops and studios
- 7% attended Festivals/Fairs or Cultural Events

[64] Source: *Journey Further, An Arts & Cultural Tourism Strategy For Western Australia 2004 - 2008*, DCA / Tourism WA

Australian cultural tourism statistics[65]

Over the years 1997/98 to 2000/01:

- Cultural visitors spent around $18.2 billion per annum on goods and services while travelling in Australia.
- Cultural visitors accounted for 2.1 million international visitors, 9.3 million domestic overnight trips and 10.6 million day trips annually and contributed approximately $7 billion to Australia's Gross Value Added (GVA) over the period 1997/98 – 2000/01. This was in effect 28.1 per cent of tourism's total contribution to GVA or 1.2 per cent of Australia's GVA.
- International cultural visitors contributed $8.7 billion to export earnings in 2000/01.
- Cultural visitors also supported the employment of 146 200 Australians and contributed $4.3 billion per annum to Australia's wages over the years 1997/98 to 2000/01.
- Compared to all visitors, on average, cultural visitors tended to consume goods and services in industries which generated higher levels of gross value added.

Business Tourism

An area of major growth for WA is business tourism (as explored in *Tourism & MICE Market)*. The opening of the Perth Convention and Exhibition Centre has spurred a leap in the number of large delegate (over 1,500) conventions and conferences held in the state. The sole driver of this has been the state's commitment to a new facility as previously, WA did not have appropriate facilities to host conventions over 1,500.

All of these will have direct economic impact to the region if the PACIC is able capitalise on these markets. Research in similar markets to Busselton[66] has estimated that using a multiplier effect of between 2.2 and 7, between $18.5 million to $24.3 million could be contributed to the local economy over a 10 year period from the convention market[67].

[65] Bureau of Tourism Research, Economic Impact of Cultural Tourists in Australia, 2004
[66] Specifically, Bunbury
[67] Note that this data relates to the provision of a fully fledged convention centre in Bunbury and should not be assumed that a PAC in any locality would produce this type of impact, as it would only be providing a small number of services to the convention market. However, the existence of a facility like a PACIC would make Busselton a more attractive destination for conventions and would assist in generating these additional economic benefits should a suitable sized convention centre be available in the region.

Social and Cultural Impact

Exposure to the arts and cultural activities can contribute to:

- cognitive skills and educational attainment
- self esteem
- community pride
- mood
- social cohesion
- crime prevention
- health
- social behaviour

The importance of developing creativity at an early age, continued throughout adulthood, is imperative to support creative innovation and thoughtful minds. Many theorists of child development view young children as highly creative with a natural tendency to fantasy, experimentation and exploration of their physical and conceptual environment. This development requires reinforcement through cultural activity and experience and the provision of supporting programs and infrastructure.

The provision of a space which offers outlets for creativity and exposure to arts and culture in Busselton will enhance all levels of cultural development existent in the Shire and expand the possibilities for development for all residents from a young age through to adulthood.

The cultural/creative industries do not have a monopoly on teaching creativity; however there are elements of the creative process contributing to innovation and the creative process which are more evident than in other disciplines.

The positive effects of exposure to the arts are also evident in the academic performance of students.

Table: Involvement in the Arts and Academic Performance[68]

Eighth Grade		**High Involvement in the Arts**	**Low Involvement in the Arts**
% in each group surveyed			
	Earning mostly A's and B's in English	82.6%	67.2%
	Leaving by Tenth Grade	1.4%	3.7%
	Bored in school half or most of the time	37.9%	45.9%
Tenth Grade			
% in each group surveyed			
	High Reading proficiency	61.0%	43.5%
	Top 2 quartiles in standard testing	64.7%	45.4%
	Top 2 quartiles History/Geography/Citizenship	62.9%	47.4%
Twelfth Grade			
% in each group surveyed			
	High Reading proficiency	58.8%	42.9%
	Top 2 quartiles in standard testing	57.4%	39.3%
	Top 2 quartiles History/Geography/Citizenship	54.6%	39.7%

Perhaps the clearest indication of the potential social and cultural impact of engagement with the performing arts and creative industries is provided in the report *Social Impacts of Participation in the Arts and Cultural Activity*[69]. The impacts cited in the following tables show the wide range of impacts "said to be associated with creative participation in the arts and cultural activities or with both creative and receptive participation in different types of programs"[70]. These tables summarise the findings of other studies completed which reported a social and cultural impact on individuals via direct exposure to the arts and cultural activities and the impact such exposure has on other well-being programs (such as health and education).

[68] Source: Champions of Change, The Impact of Arts on Learning – The Arts Education Partnership
[69] Cultural Ministries Council, Statistics Working Group (2004)
[70] Cultural Ministries Council, Statistics Working Group (2004)

Impacts of Arts Programs

Activity	Impact Claimed	Study
Participation in an arts program	• Increased employment rates • Reduced levels of crime • Better and more equal standards of health • Enhanced personal development • Social cohesion • Active citizenship • Public art and a sense of public ownership • Building cultural bridges • Better equipped cultural citizens • Better understanding of different cultures through diverse touring artists' performances • The development of cultural facilities as centres of civic pride • Improved education and life-long learning • Improved economic and employment opportunities • Improved social cohesion and community empowerment and community safety • Some environmental impacts • Development of self confidence and self-esteem • Increase in creativity and thinking skills • Improvement of skills in planning and organising activities • Improvement in the communication of ideas and information • Increased appreciation of arts • Creation of social capital • Strengthening of communities • Development of a community identity • Decrease in social isolation • Activation of social change • Raised public awareness of an issue • Enhanced mental and physical health and well-being • Contributions to urban regeneration • Reduction in offending behaviour • Alleviation of the impact of poverty • Personal growth • Injects creativity into organisational planning • Make a vital contribution to the educational attainment of children and young people • Can contribute to neighbourhood renewal • Emotional, spiritual and physical well-being	Long *et al*. 2002; California Arts Council 2003; Coalter 2001; Jermyn 2001; Matarosso 1997
Cultural & Sporting Activities		Department for Culture Media and Sport 2003
Cultural Participation		London Arts 2001

Impacts of community programs

Activity	Impact Claimed	Study
Participation in an arts program	• Positive role models for those living in deprived neighbourhoods • Economic benefits to communities and individuals • Help develop personal confidence, flexibility and self-reliance • Develop a sense of community • Help communities to express their identity and develop their own, self-reliant organisations • Restores individuals and community identity • Give individuals social, organisational and marketable skills • Bring out hidden talents • Give individuals greater self respect, self-confidence and a sense of achievement • Can contribute to greater self-esteem and improved mental well-being	Policy Action Team 10 1999
Participation in community based arts projects	• Change perceptions of an area • Help to build outside links for insular communities • Gaining skills • Increasing confidence • Divert youth from gangs, drugs and the juvenile system • Reduce truancy • Improve academic performance • Build self-discipline, communication and job skills • Crime prevention • College attendance	University of Glasgow Centre for Cultural Policy Research and Department of Urban Studies 2002; Americans for the Arts 1997a; Americans for the Arts 1997b
Being creative and becoming absorbed in the arts	• Increase ability to express anger appropriately • Increased ability communicate effectively with adults and their peers • Increased ability to work on tasks from start to finish • Improvements in attitude towards school, self-esteem and self-efficacy • Helps in acknowledging and revealing feelings	Everitt and Hamilton 2003

Impacts of health programs

Activity	Impact Claimed	Study
Participation in an arts program Development of arts programs Exposure to the arts	• Stress reduction • Therapeutic benefit • Improved sociability • Skills development • Maintenance of mental health • Sustains brain development • Promotes healing • Helps in treating Alzheimer's • Improved physical and mental health • Promotes recovery • Positive staff development and retention in the area of health • Lowered anxiety • Elevated mood	The Centre for Arts and Humanities in Health and Medicine 2003; California Arts Council 2003 The Centre for Arts and Humanities in Health and Medicine 2003

Impacts of arts education programs

Activity	Impact Claimed	Study
Participation in arts activities Instruction in music	• Perform better at school in a range of areas • Improving academic performance • Imparting skills for the 21st century workforce • Improving citizenship • Improving academic attendance • Fortifying cognitive skills • Supporting life-long learning • Reclaiming at-risk youth • Higher academic grades • Higher measured reading levels • Improved attitudes concerning commitment to the community • Enhances spatial-temporal performance for preschool children at least while instruction is occurring and at least up through two years of instruction • There is a "Mozart Effect". It is limited to a specific type of spatial task that requires mental rotation in the absence of a physical model.	The Arts Education Partnership and The President's Committee on the Arts and the Humanities 1999; California Arts Council 2003 Catterall 1997 Butzlaff 2000; Hetland 2000a; Hetland 2000b

A good case study on the social impacts of a Performing Arts Centre is the Musica Viva "Sweet Tonic" project established as a community and health pilot project in partnership with the Campbelltown Arts Centre in South-West Sydney. The project sought to demonstrate how participation in musical activities has health and wellbeing benefits that are real and quantifiable and that musical and creative activity can assist in building stronger communities.

The workshop program, delivered by Linda Marr, a vocalist in groups including Blindman's Holiday, Zingari Voci and Keklik Aile, encouraged creative expression. Participants with little to no musical background worked together as an ensemble to practice, compose and perform in their community.

One participant, Beth, said of the project: "I had no social contact before; basically I never got out of the house. Week to week the workshops were something to get up for, they really made a difference in my life. I live alone and I had no contact with anyone other than family. I'm a lot more motivated now to get out and do other things."

'Sweet Tonic' was successful in building a more inclusive community for senior Australians through creative expression, impacting positively on self-esteem, depression, loneliness and general health of its participants. Participants and their doctors saw older Australians transformed through the creative expression of music. The project enhanced the physical and mental health of the participants and built a greater connectedness between the community and older residents of the region.

Next Steps

Steps for progression are outlined in this section as:

1. The entire Performing Arts and Creative Industries Centre;
2. The Creative Industries component; and
3. The Performing Arts Centre component

Progressing the Performing Arts and Creative Industries Centre

1. **Develop a detailed Project Plan** which highlights the project milestones and funding requirements to outline a clear direction for the Shire to proceed.

2. **Confirm Signal Park as the preferred site option and commence geo-technical analysis**. The Shire should consider Signal Park as the preferred site and analysis should be conducted with regards to land levels and slippage, flooding and general land surveying. In the case that Signal Park becomes untenable for any reason, geo-technical investigations should also be conducted at the Jetty Foreshore and Stanley Street sites as alternative options/contingencies.

3. **Develop a Community Engagement Plan.** This study has engaged the community through significant consultation and it's important that the community continue to have a tangible contribution to further planning given that the proposed building will be purpose built *for the community*. A comparable project undertaken in Australia is the Glasshouse in Port Macquarie. Considerable community and industry consultation took place in the development stages of this project including with theatre, gallery and conference users at a local level and national industry consultation with other venues, touring companies, producers and managers. This will be a critical step in the process for the proposed facility in Busselton as the project moves into the next stages of concept designs and business planning. Community engagement could be in the form of:
    - Design workshops, based on the space models proposed in this report
    - Naming competition
    - Fundraising activities

Progressing the Creative Industries component

The next stage is to define the level to which the Shire wishes to engage with the creative industries and overlay that with the Shire's future town, cultural and economic planning strategies[71], and the overall long term viability of such a project. Other strategic decisions for the Shire include:

1. **The sources of funding for both the planning and building phases and the ongoing operations and programming need to be considered by the Shire.** The centre will not be self funding - some of the studio rental may fund services such as shared reception, however the intangibles (programming, strategic development, networking etc) will need to be managed by an appropriate body that is funded to do so. Failure to provide for this will result in the CIC not realising its full potential as it won't program or market itself and nor can artists or volunteers be expected to do this at no cost. Council therefore needs to identify where the recurrent operational funds can be sourced from as well as the capital for establishment of this component.

2. **Getting the mix right** – getting the mix of artists and industry sectors right is important. CI centres are traditionally multi-disciplinary and the decision as to what disciplines are included will determine the design and planning of the building and individual studios. At this stage (from anecdotal evidence provided by community members and from future predictions in the Vasse Creative Industries and Perth Creative Industries reports), the industry sectors that are most likely to benefit from this type of facility and therefore grow in the future are (not in priority order):

    1. Visual arts, craft & design
    2. Music
    3. Multimedia and software
    4. Film / TV

[71] It is understood that the Shire is about to undergo a Local Planning Strategy and Cultural Land Use Planning Strategy, which ideally should have taken place prior to any decisions being made about the site of the CI centre and PAC, as this will inform the siting options and the plans for the 'neighbourhood'.

Additionally, there has to be a strong policy as to who goes resides in the CIC and why, and acknowledge that this will ebb and flow over the years and therefore, people / businesses will need to move in and out. 'Cliques' should be avoided at all costs, therefore professionalism and independence in decision making is critical. Attraction of local artists is also critical to ensure that a sense of place and identity is fostered through the centre and the region must put its best foot forward so a high calibre of artists should be engaged for both studios and any classes and exhibitions.

For a CIC to be successful the stakeholder and funding partners must be diverse and so should the tenants. Thus a mixture of subsided / not for profit, commercial (retail and hospitality) and government (education or training) tenants would be ideal. Attracting some commercial retail and hospitality tenants with shop frontage will be important to ensure on-going activity and hubs. Related retail such as designer fashion, bookstores, music and IT suppliers will also contribute to the overall aims of the precinct in generating cross fertilisation of ideas and opportunities.

Progressing the Performing Arts Centre component

The next immediate steps to progress the performing arts centre component of the proposed facility include:

1. **The Shire should consider the availability of funding within the Shire budget and other potential external sources**. This should include capital funding sources and allowances for the ongoing operational costs. It should be noted here that all performing arts centres are not self-funding and all require some level of ongoing subsidy (refer the Financial Plan)

2. **Commence Business Planning** – the Shire should continue to define the vision and strategy for the venue by developing a business plan that includes (but is not limited to):

Business Planning	
Management	Confirm management model and operating structure, establish KPI's.
Staffing Levels	Roles and responsibilities.
IT requirements	General Administration, event management and box office systems.
Licensing Requirements	Liquor Licence, etc.
Marketing, business development & audience development Plans	Marketing of programs and venue to audiences and potential hirers respectively.
Financial Plan	Development of operational budgets including utilisation projections.
Repairs and maintenance	Allocation of funds and identification of future upgrades/improvements to be programmed.
Occupational Health and Safety	OHS programs and policy specific to venue operations and industry requirements.
Hiring and Programming Policy	Establishment of framework for applications of hiring fees and conditions.
Ticketing	Ticketing infrastructure including preferred ticketing system supplier, external ticketing opportunities, ticketing outlets (phone, counter, internet).

3. **Develop a design brief and detailed cost estimates.** The design brief will allow Council to proceed to concept designs. These concepts will comprise the Architect's vision for the project based on the information compiled to date. The Shire can then engage the services of a Quantity Surveyor to provide cost estimates.

   Should Council adopt the staged-approach to the development, the design brief should detail the requirements of Stage One (the black box theatre) only, whilst ensuring that it allows for the expansion of the centre to include Stage Two (the 400 seat proscenium arch theatre) at a later date. Detailed specifications have not been provided in this report as it is beyond the scope of this study, however the design brief should include (but is not limited to) the following (based on the space model proposed):

Site & Facility Planning / Design Brief Considerations	
Requirement	**Detail**
Vehicle Access & Car Parking	Entry / drop off area, short stay parking, accessible car parking.
Street Presence	High level of visibility, signage, theatrical and welcoming atmosphere.
Patron Facilities	Patron toilets - desirable to double code requirements for women, baby change facility in unisex toilet
	Foyer space – prominent and accessible box office, capacity for cross arts use e.g. gallery, exhibition, comfortable lounge seating, clear directional signage, cloakroom facilities, pram storage, wheelchairs.
	Refreshments / Bar / Kiosk or cafe. Cafe should be located so that it is accessible when the venue proper is not open.
	Merchandising – counter space (or space for tables), display and storage
Accessible Persons / Special Users Facilities	Access/egress, toilets, facilities to code requirements for patrons, performers and staff.
	Hearing Assistance Systems – audio frequency induction loop installed to Australian Standard, optional infrared / RF system
	Crying Room / Latecomers – applicable more to the 400 seat theatre, a sound insulated room, foyer access.
Box Office	Prominent and accessible, able to be open when the venue proper is not open. Secure cash handling space.
	Box Office – front counter requires minimum two workstations adjoining back office space (ideally linking with admin office) for ticketing administration and secure cash storage.
Office Accommodation	Management office – to house venue manager and other staff including part time/ ancillary services, print/copy services, meetings, desirable to link with box office
	Front of House – preferably also linked with box office and adjoining foyer space. Houses controls (paging, foyer lighting controls).
	Technical – may be housed close to administration office or backstage facilities.

	Production Office – for use by visiting productions, located backstage with easy stage access.
	Staff Room- to house lockers, uniforms, wash facilities etc.
Auditorium	Seating – (both black box and proscenium theatre) comfortable seats, upholstered to provide consistent room acoustics regardless of audience numbers.
	Sound and lighting locks or 'air locks'– to auditorium at all access points from foyers and back of house.
Auditorium Lighting	All light fitting dimmable and divisible into zones, controlled from back stage, lighting control room and front of house.
	House lighting – designed to contribute to achieving theatrical ambience.
	Safely accessible for maintenance and lamp changing.
	Cleaners lighting – low energy, high output luminaries should be discreetly installed in the auditorium ceiling.
	Aisle and Exit Lights – To regulation. Must not compromise a stage black out, controllable from FOH Managers control point. Aisles and seating row lights should downcast light distribution i.e. not facing stage. Adequate step lighting is particularly important in theatres with dark colour schemes.
Acoustics	Mechanical e.g. (air conditioning noise) and theatrical acoustics to be taken into account. Acoustic treatments to be applied in all areas of the venue, particularly the auditorium and backstage.
	Ensure both theatres are acoustically isolated.
Technical Positions	FOH Lighting, follow spot positions, lighting/sound control room, auditorium mix position, stage management position(s).
Stage	Stage One and Stage Two have differing configurations and therefore stage size and specifications will vary. Factors to be considered include: Acting area, stage floor, proscenium (stage two), wing space, stage cross over, rear stage area, fly tower grids and galleries (if applicable to stage two), loading gallery.
Backstage	Level access between back stage and FOH (foyers) essential.
	Co-located backstage facilities for both theatres including dressing rooms, stage door, loading facilities and production offices
	Dressing Rooms - number would increase when developing stage two but all should include individual mirrors, incandescent mirror lighting, hanging space, hand basins, toilets and showers. Given large numbers of community

	users such as schools will be utilising the space a minimum of two large dressings rooms and warm up spaces should be allocated (in addition to principal dressing rooms)
	Wardrobe / Laundry – facilities to include washing, drying machines, ironing, hanging space in a ventilated room.
	Green room – can double as a meeting or assembly room. Not imperative for Stage One but desirable for Stage Two.
Storage	Storage for black box theatre seating and rostra when the space is used for other purposes, storage of other loose chairs and tables, props store, technical equipment and front of house chattels
	Piano store – dust and climate controlled, secure.
Loading Dock	At stage level, semi-trailer access to well-lit, covered dock, set down for tray height. Separate pedestrian entry.
Essential Services	Air-conditioning, zoned and able to be isolated to allow for theatrical smoke and haze effects
	Fire Protection – to code requirements. Includes smoke and/or thermal detectors, emergency warning intercommunication system (EWIS), sprinkler systems, hydrants, hose reels, extinguishers and fire doors.
	Security – stage door security station, key systems, card access systems, alarms, CCTV monitoring, segregation of public spaces from back of house spaces.
Rigging	Scenery suspension, stage grid or structure carrying capacity, battens.
Stage Furnishings	Stage draperies, scrim, cyclorama, dance floor covering as applicable to each Stage.
Stage Lighting	Power supply, stage lighting dimmers, dimmer room, stage lighting outlets, control desk, lighting bars, lighting luminaries and accessories, data network, work lights, music presentation equipment.
Communications	Headset communication system, stage switch panel, stage managers desk, stage view camera, video distribution, MATV distribution, A/V presentation, radio communications equipment.
Audio Systems	Power supply, front of house mixing consoles, sound reinforcement systems, audio replay and recording facilities, audio processing, speaker systems, foldback loudspeakers, audio patch panels, multi-core infrastructure, audio cabling, performance relay.
Projection	Projection screen and hung equipment.

Research / Resources

Arts & Culture – Australia Bureau of Statistics (2007)
Arts and Culture in Australian Life – A Statistical Snapshot – Cultural Ministries Council
Bunbury Accommodation Study (prepared for Tourism Western Australia and the City of Bunbury) – Marke trade (2007)
Busselton Regional Profile – Australian Bureau of Statistics
Busselton Urban Growth Strategy (1999)
Championing Creativity – An arts development policy framework for Western Australia, Department of Culture and the Arts WA (2004-2007)
Champions of Change, The Impact of Arts on Learning – The Arts Education Partnership.
Civic Precinct Facility Project Feasibility for the Shire of Busselton – SFJ Down and AMD Chartered Accountants (2008)
Civic Precinct Facility, Stanley Place Busselton Business Plan (2008)
Civic Precinct Project Research Paper (2008)
Civic Precinct Risk Assessment
Community Cultural Development – Australia Council for the Arts

Community Facilities Implementation Policy (Shire of Busselton Town Planning Scheme)
Cultural Mapping Report – Shire of Busselton (2004)
Demography and Planning – Shire of Busselton (2007)
Determination of Future Location of the Shire Administration Building, Options Cost Report - James Christou + Partners (2007)
Economic Impact / Venue Charges Survey – Australian Performing Arts Centres Association (APACA) (2006)
Educating for the Creative Workforce: Rethinking Arts and Education – ARC Centre of Excellence for Creative Industries and Innovation in partnership with the Australia Council for the Arts (2007)
Heartwork – Great arts stories from regional Australia – Regional Arts Australia (2004)
Leisure Services Plan for the Shire of Busselton - CCS Strategic Management (April 2005)
Local Tourism Planning Strategy for the Shire of Busselton – Sustainable Development Facilitation
Oh! You Beautiful Stage! Benchmarks for Performing Arts Centres – Victorian Association of Performing Arts Centres (2006)
Performing Arts Centre at Vasse Newtown Project Proposal/Scope – Lorna Secrett for the Shire of Busselton (2005)
Perth Performing Arts Precinct Master Plan Report – Hassell for the City of Perth (2007)
Perth's Creative Industries – An Analysis. City of Perth, Department of Culture and the Arts, Department of Industry and Resources, Department of the Premier and Cabinet, prepared by Telesis Consultatin, SGS Economics and Planning Pty Ltd, ARC Centre of Excellence for Creative Industries and Innovation, Designer Futures (2007)

Proposed Busselton Dunsborough Community Resource Centre Feasibility Assessment and Business Case (2008)
Selected Cultural & Leisure Activities Survey – Australian Bureau of Statistics (2004)
Shire of Busselton Administration Design Brief – James Christou + Partners Architects (2008)
Shire of Busselton Cultural Plan
Social Impacts of Participation in the Arts and Cultural Activities – Cultural Ministries Council, Statistics Working Group (2004)
Ticket Attendance and Revenue Survey Live Entertainment Industry in Australia – Live Performance Australia (2006)
Tourism Western Australia – Local Government Area Fact Sheet Shire of Busselton (2007)
Various Council Memorandums pertaining to the Civic Precinct Project (as supplied on the Shire of Busselton's website as part of the Civic Precinct Consultation process)
Vasse Region Creative Industries Study – Designer Futures, SGS Economics & Planning, ARC Centre of Excellence for Creative Industries and Innovation, Queensland University of Technology, Jack in the Box

Consultations:

Circuit West
Australian Performing Arts Centres Association (APACA)
Community Arts Network
Department of Education and Training
ArtSource
FORM
Busselton Chamber of Commerce
Shire of Busselton – Councillors and Council Officers:
- Councillor Briefing held on Tuesday 6th May
- Lorna Secrett, Cultural Planning Officer
- Paul Martin, Manager Economic Development
- Deborah Summers, Manager Corporate Services

South West Development Association
Georgraphe Bay Tourism Association
WA Music Industry Association
Arts Margaret River
Augusta Margaret River Shire Council
Bunbury Regional Entertainment Centre
Department of Culture and the Arts WA
Department of Education and Training WA
South West Regional College of TAFE
Warren Blackwood District Education Office
Sunset Events (producers/promoters – *Southbound Festival*)
Busselton Arts Society
Busselton Woodturners
Busselton Beach Festival
Cornerstone Christian College
Mackillop Catholic College
Vasse Primary School
St Joseph's Primary School
West Busselton Primary School
Dunsborough Primary School
Busselton Rotary Club
Busselton School of Dance
Our Lady of the Cap Primary School
Cape to Cape Artisans
Geographe ESC
Busselton Senior High School
Busselton Primary School
Down South Writers Centre
Rotary Club of Busselton/Geographe Bay
Geographe Primary School
Busselton Shire Brass Band

RockWest
CineFest Oz
Jazz Attack
ArtGeo
SouthWest Opera
Southern Rip
Busselton Beach Festival
Geographe Arts Bureau
Bare Naked Theatre Company
Busselton Cultural Partners Reference Group
Dunsborough Yallingup Chamber of Commerce and Industry
Linx Events
Busselton/Dunsborough Volunteers

Appendices & Attachments

In this section:

Appendix One – Public Survey
Appendix Two – Public Survey Results
Appendix Three - Potential Hirer Survey
Appendix Four - Potential Hirer Survey Results
Appendix Five – Financial Plan – detailed constants

Appendix One – Public Survey

Busselton Performing Arts & Creative Industries Centre

The Shire of Busselton is investigating the feasibility of a Performing Arts and Creative Industries Centre. This is your opportunity to let us know your thoughts and ideas.

Please take five minutes to complete the survey. Your answers are completely anonymous – if you choose to enter your contact details at the end of the survey, these details will not be attributed to your answers.

You are also welcome to attend a public workshop/forum to discuss the proposed venue at St Mary's Hall on Saturday 23rd August at 2-3.30pm.

Thank you for your time in completing this survey.

1) What type of activities would you like to see at the proposed centre? Select all that apply.
   - □ Musical Theatre
   - □ Contemporary Music
   - □ Classical Music
   - □ Theatre
   - □ Dance (in any form)
   - □ Comedy
   - □ Opera
   - □ Cabaret
   - □ Children's shows
   - □ Rare or arthouse movies
   - □ Art Exhibitions
   - □ New media
   - □ Workshops – Art
   - □ Workshops – Craft
   - □ Workshops - Performance

2) Do you currently travel outside of Busselton to attend live performances or exhibitions?

- □ YES
- □ NO (please continue to question 5)

3) If yes, to where do you currently travel?

- □ Bunbury
- □ Margaret River
- □ Mandurah
- □ Perth
- □ Other, please specify.

4) How often do you travel outside of Busselton for this purpose?

- □ Once per year
- □ 2-3 times per year
- □ More than 4 times per year

5) Depending on the performance on offer, how much is the MAXIMUM you would be willing to pay per ticket to see a performance at the proposed centre?

- □ Under $15
- □ $15 - $20
- □ $21 - $30
- □ $31 - $40
- □ $41 - $50
- □ $50 or over

6) How would you prefer to purchase tickets to events?

- □ Internet (via a secure website)
- □ In person at the box office
- □ Over the phone

7) How many times per year would you envisage attending the centre for any of the activities listed above?

- □ Once per year
- □ 2-3 times per year
- □ 4-5 times per year
- □ 6+ per year

8) If there was a subscription season of up to nine theatrical performances offered at a discounted price at the beginning of each year would you be most likely to:

- □ subscribe to the entire season
- □ subscribe to some shows
- □ purchase tickets to shows individually closer to the date
- □ ignore it, I'm interested in other types of events

9) Would you be most likely to attend an event at the centre on a:

- □ Weekday
- □ Weekday night
- □ Saturday day time
- □ Friday or Saturday night
- □ Sunday day time

10) Please indicate whether you agree or disagree with the following:

	Agree	Disagree	Neither agree nor disagree
I think a performance space is important to community life in Busselton	□	□	□
I would attend more entertainment/cultural events if there was a dedicated venue in Busselton	□	□	□
I don't attend as many entertainment/cultural events as I would like due to the lack of a dedicated venue in Busselton	□	□	□
When I go to a performance, I would be likely to dine out as part of the evening/day out	□	□	□
I would be likely to see a performance out of town as part of a weekend away	□	□	□

11) Do you live in the Shire of Busselton?

- □ YES
- □ NO

12) What is your age group?

- □ Under 15
- □ 15-24
- □ 25-39
- □ 40-54
- □ 55-64
- □ 65 +

13) What is your employment status?

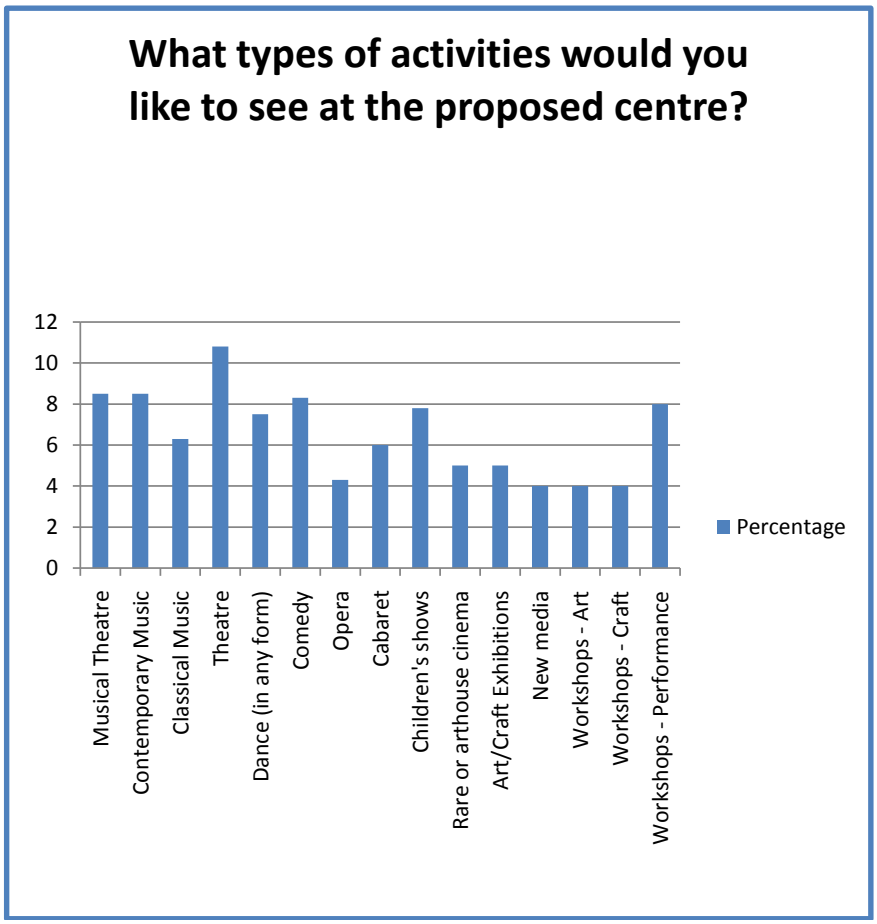
- □ Full Time
- □ Part Time
- □ Casual
- □ Self-employed
- □ Unemployed
- □ Student
- □ Retired
- □ Pensioner
- □ Other, please specify

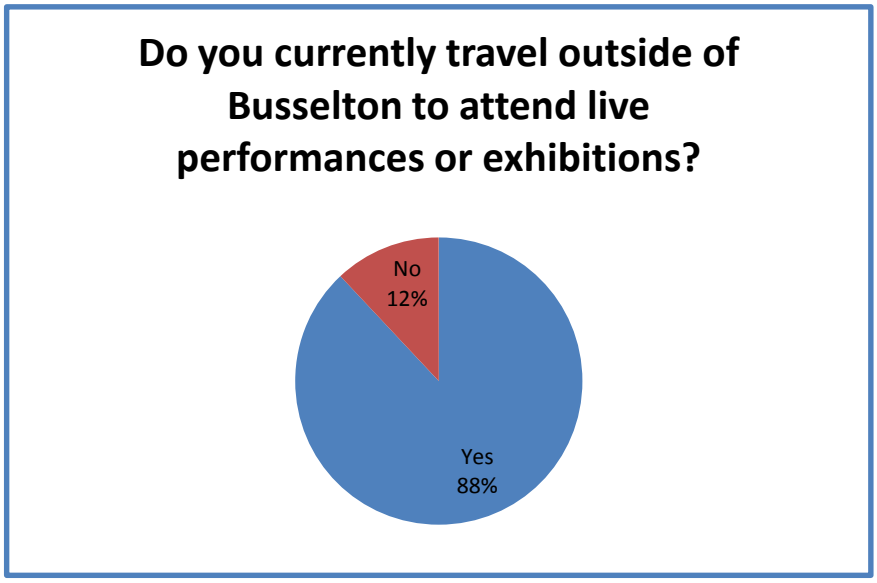
14) Please provide any other thoughts you may have on the Performing Arts & Creative Industries Centre. You can add as much information as you like.

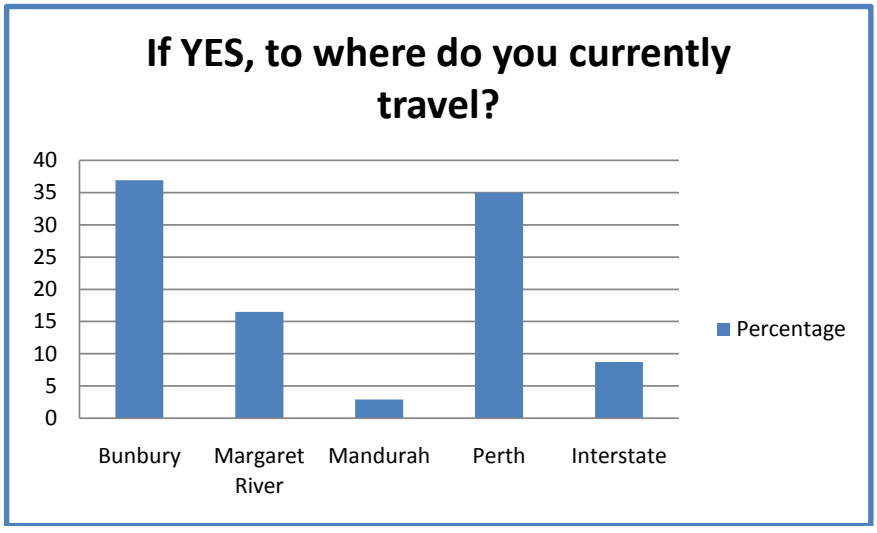
15) Optional: Please enter your name and email address if you would like to be added to a database for updates on the project. Your details will not be attributed to your survey answers.

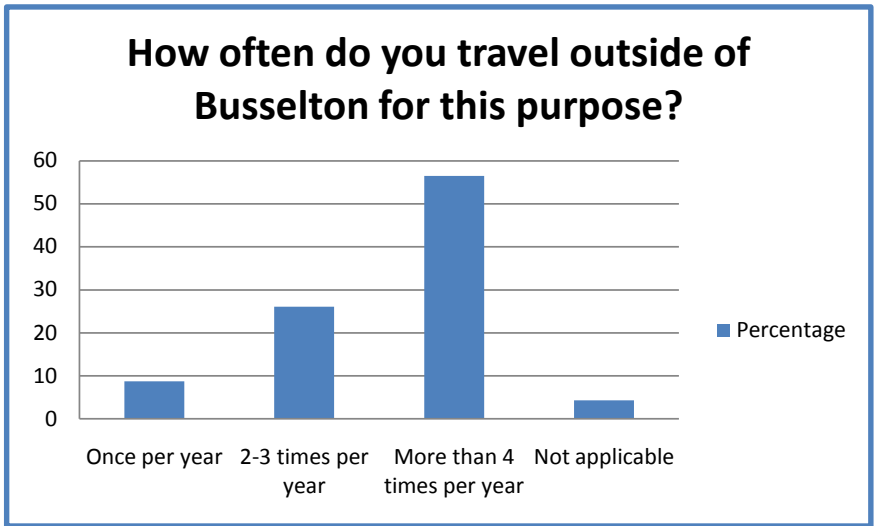
First Name:
Surname:
Email address:

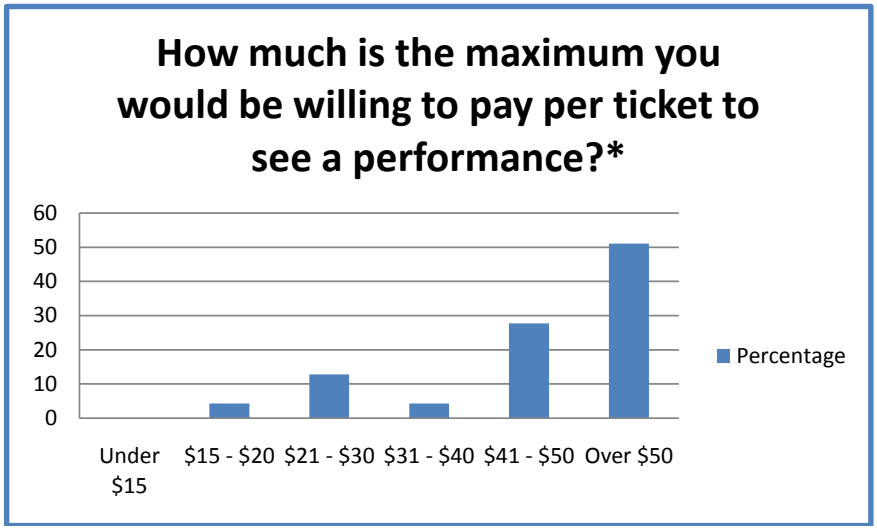
Appendix Two – Public Survey Results

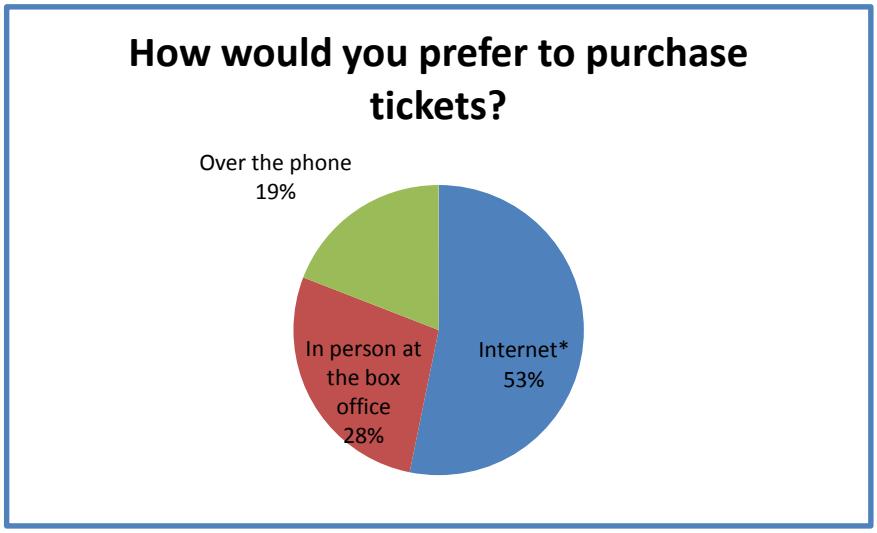


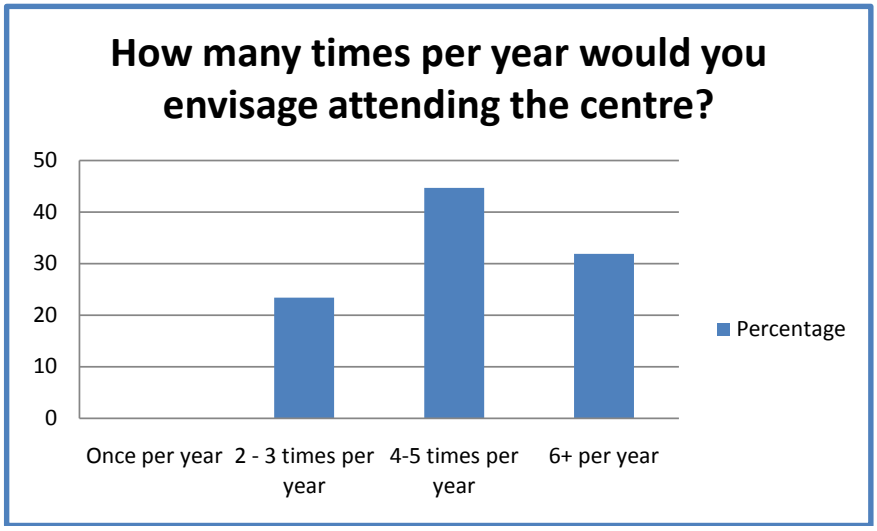

Do you currently travel outside of Busselton to attend live performances or exhibitions?
No 12%
Yes 88%

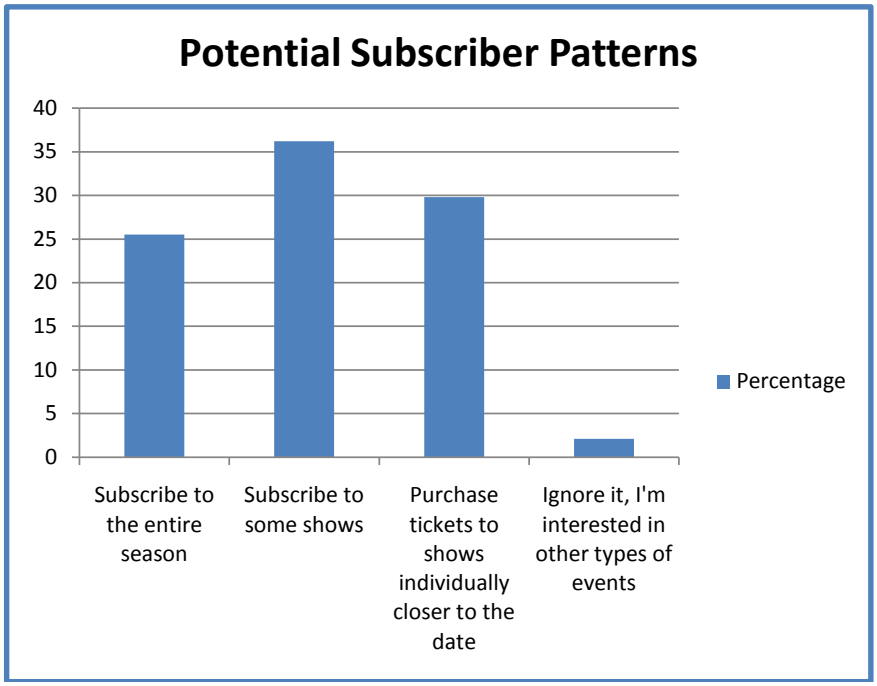

If YES, to where do you currently travel?
40
35
30
25
20
15
10
5
0
Bunbury
Margaret River
Mandurah
Perth
Interstate
Percentage

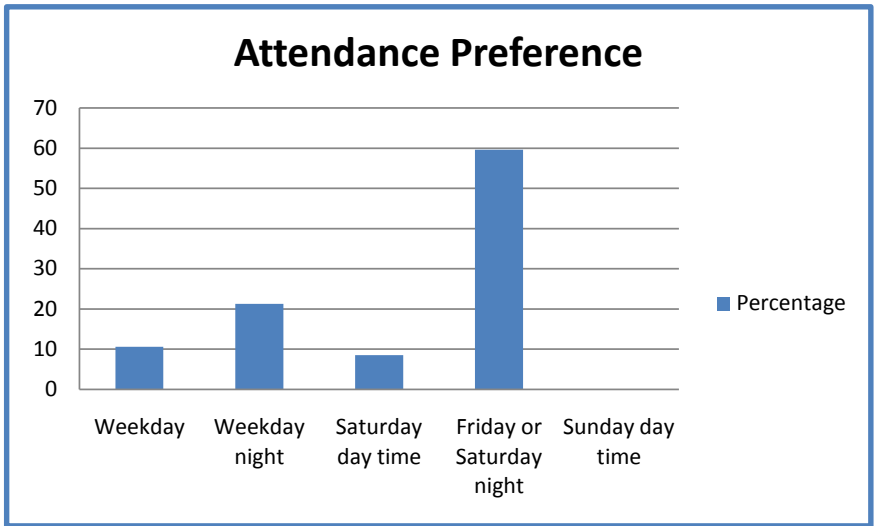

How often do you travel outside of Busselton for this purpose?
60
50
40
30
20
10
0
Once per year
2-3 times per year
More than 4 times per year
Not applicable
Percentage

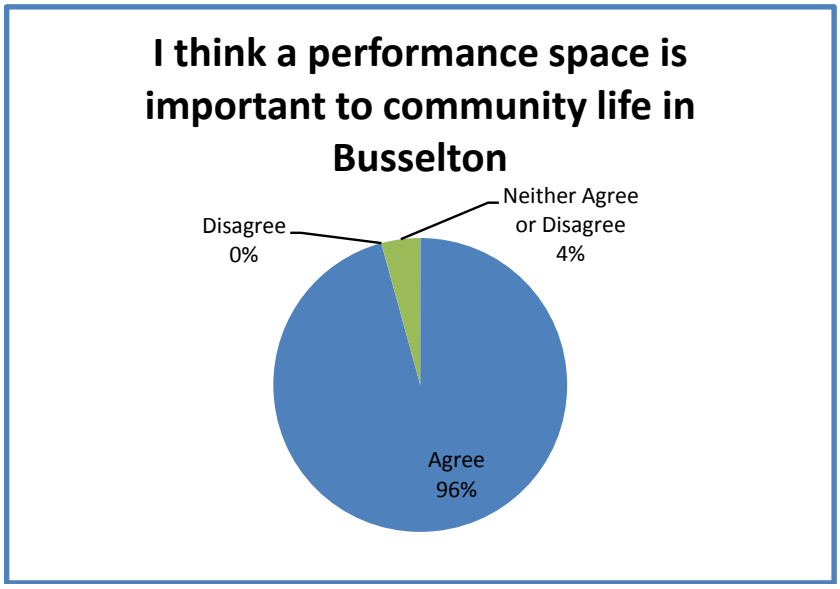

How much is the maximum you would be willing to pay per ticket to see a performance?*
60
50
40
30
20
10
0
Under $15
$15 - $20
$21 - $30
$31 - $40
$41 - $50
Over $50
Percentage

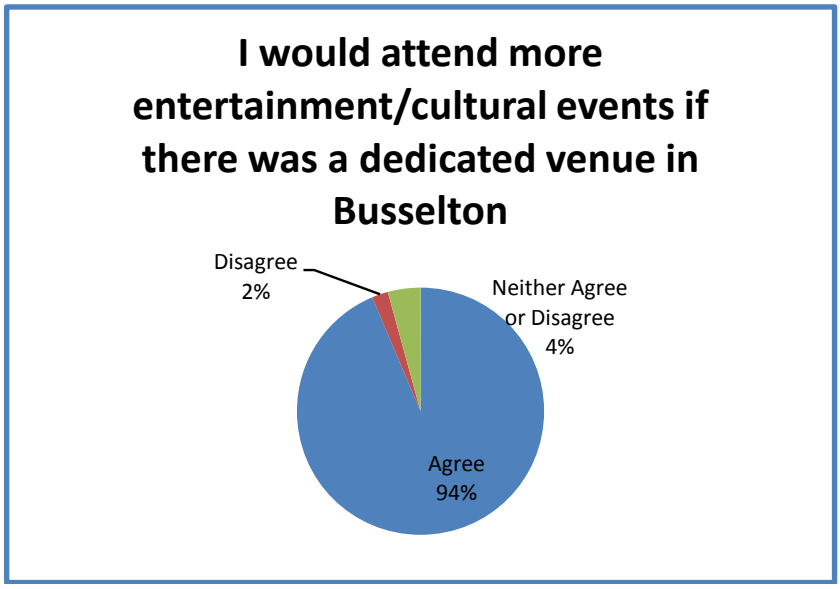

How would you prefer to purchase tickets?
Over the phone 19%
In person at the box office 28%
Internet* 53%

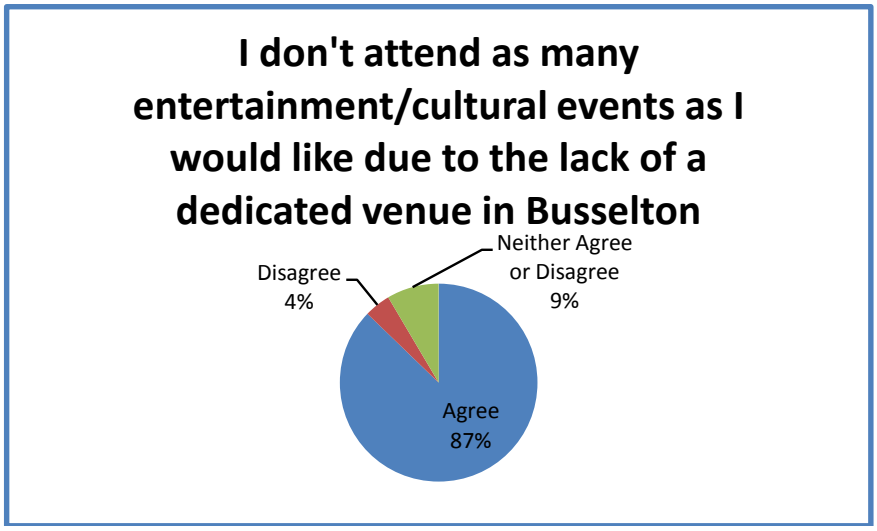

How many times per year would you envisage attending the centre?
50
40
30
20
10
0
Once per year
2 - 3 times per year
4-5 times per year
6+ per year
Percentage

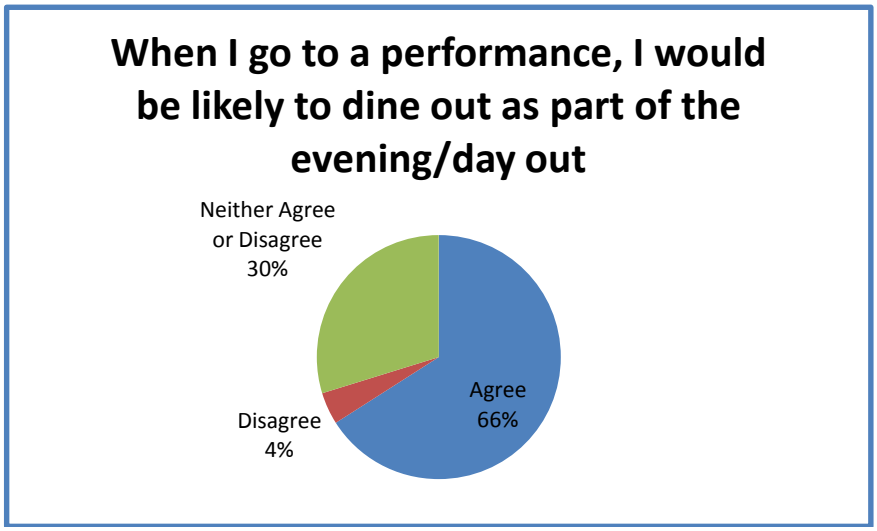

Potential Subscriber Patterns
40
35
30
25
20
15
10
5
0
Subscribe to the entire season
Subscribe to some shows
Purchase tickets to shows individually closer to the date
Ignore it, I'm interested in other types of events
Percentage

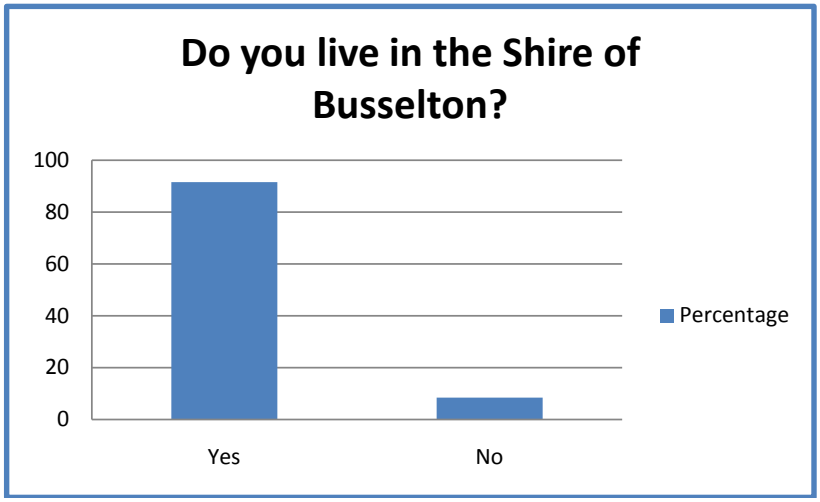

Attendance Preference
70
60
50
40
30
20
10
0
Weekday
Weekday night
Saturday day time
Friday or Saturday night
Sunday day time
Percentage

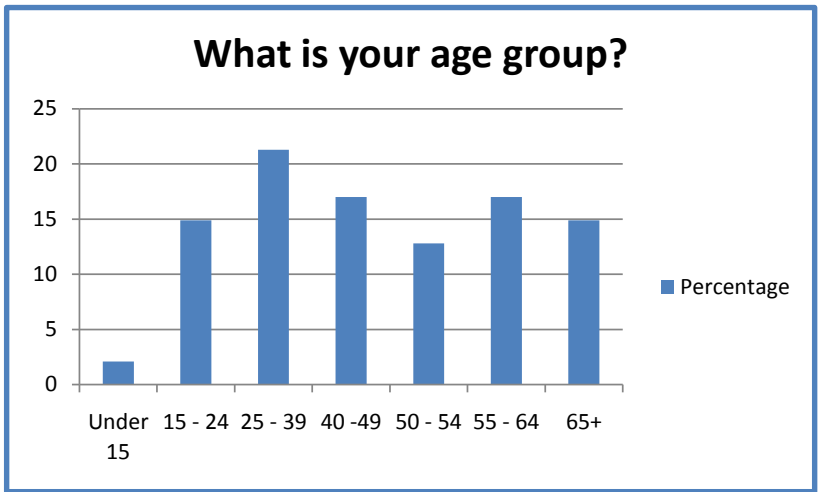

I think a performance space is important to community life in Busselton
Neither Agree or Disagree 4%
Disagree 0%
Agree 96%

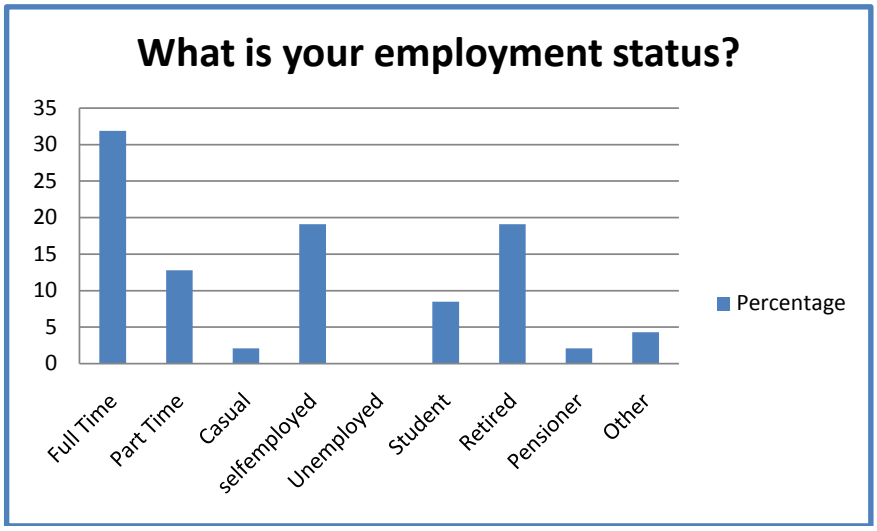

I would attend more entertainment/cultural events if there was a dedicated venue in Busselton
Disagree 2%
Neither Agree or Disagree 4%
Agree 94%


I don't attend as many entertainment/cultural events as I would like due to the lack of a dedicated venue in Busselton
Neither Agree or Disagree 9%
Disagree 4%
Agree 87%


When I go to a performance, I would be likely to dine out as part of the evening/day out
Neither Agree or Disagree 30%
Agree 66%
Disagree 4%


Do you live in the Shire of Busselton?
100
80
60
40
20
0
Yes
No
Percentage


What is your age group?
25
20
15
10
5
0
Under 15
15 - 24
25 - 39
40 -49
50 - 54
55 - 64
65+
Percentage



Please provide any other thoughts you may have on the Performing Arts & Creative Industries Centre. (*note – the consultants have taken the responses directly from the survey results and have not corrected spelling or grammatical errors)*

- As a practicing performing artist and teacher of theatre arts for adults with disabilities in the Busselton Shire, I would like to see an accessible venue made available with both workshop space and performance spaces in the shire of Busselton, particularly one that is not the domain of just one group but is inclusive and accessible, hirable at affordable rates to community performance groups, and able to attract quality varied touring performance shows for audiences from Busselton and surrounding shires. Although I live in Margaret River, I travel to Busselton at least once and often twice a week to teach and facilitate performing arts in the Busselton Shire. I was very impressed by the exhibition of architectural concepts and the community consultation process thus far. Go for it Busselton!

- needs to seat approx 250-300 pax. does not need to be larger

- The idea of having a proper Performing Arts centre in Busselton is great! I love performances of any kind. It would also be beneficial to the dance clubs that are based in Busselton - they can have their concerts here in Busselton instead of travelling to Bunbury.

- We need it very much. Is very much overdue. Please make it adequate to the needs of the community and not too small like Bunbury's has been.

- The people at my work would likely be interested in attending various workshops and joining in with other events.

- I think it's a wonderful theory but I am more interested in important matters such as the jetty and Busselton hospital situations. Fix what we've got first and then develop.

- Performing arts and the creative industries are essential to a town that depends so much on tourism. Without the cultural activities we will always play second fiddle to places like Margaret River when it comes to attracting the bigger spending market. The bonus for the people that live in the town need not be explained.

- I have been lobbying for an entertainment centre for some years. Glad to see something is happening at last.

- 1. Price range I quote is pensioner concession.
  2. Lots of research required into design. There are a lot of pretty, but pretty awful, performing arts venues around, focused more on style than practicality.
  3. I would rather see the range of activities narrowed, to achieve good design for them, than try to meet all desires and do poorly in most.
  4. If this progresses, ignore pretty pictures until a practical layout is achieved - the architectural style is the icing on the cake, and must be bent around the practical structure.
  5. Pick architects with a proven record of successful venues, rather than iconic piles.
  6. KEEP IT UP. I'M RIGHT BEHIND YOU.

- i have been hoping for such an initiative for years, working in a youth organisation in order to provide some entertainment for young people. This voluntary organisation could make great use of such a centre! Please do give it serious consideration, as the population of busselton is growing and seriously lacking a cultural aspect.

- every town or community needs a soul a performing arts centre in this community would give it a soul and an opportunity for all in the community to experience the arts. Its 2008 this town needs to get up to speed with the rest of the world. Communities elsewhere that are a thousand years old and more have venues that give its community the opportunity to express then selves and to absorb outside experiences. Busselton town with its growing population needs to get in step with the rest of the world..... this is really important or other wise our money making tourist trade will give us the reputation of being culturally ignorant.

- A performing arts centre is much needed in Busselton Shire and I would like to see one built in the centre where visitors and locals can make use of the other venues for food and drink before or after performances it will add a vibrant and much needed lift to the central city area.

- A desperately needed Shire facility

- make this centre usable by all groups because the dance clubs have to go to Bunbury and further to compete and display also its a chance for busso to showcase their talents

- A new concert hall would be fantastic. then we can start luring big bands from Perth and international as well to get people to go to concerts.

- I think this is a fantastic initiative and it essential in the development of the Busselton community. It would create entertainment for all age ranges & bring culture and diversity to the currently bland town. I would like to see a good amount of youth activities at the venue and can see great potential for this in the sight. I hope it comes together well and Well Done!

- Should be in Busselton CBD -like bunbury so meal can be had before and after performances

- It is essential a performing arts and creative industries centre be built incorporating other venues - 2hrs is quite ridiculous having to travel quite long distances such as Bunbury and Margaret River to attend various shows. It will become harder to drive as I get older -

the population growth demands such a venue as soon as possible - the hospital site if and when it goes to Vasse would be ideal

- A flexible, multi-purpose space would allow numerous/various visiting shows, artistic opportunities both local and visiting. As both director and audience member, flexibility is the key!

- Make sure that the budget is sufficient that it includes an ongoing staff of full-time professional practitioners who can both run the centre but can also contribute to the education of locals. Too much of modern art budgets is wasted on administration staff whose sole purpose is to pursue additional funds to maintain the administrative status quo, which has nothing to do with producing art. Please look to the examples in Canada where public investment in the arts industry continues to pay handsome dividends with the likes of Cirque de Soleil, Ex Machina, The Canadian Children's broadcast industry. These are major industries founded on public benevolence which saw the potential in making a significant structural investment in the cultural industries. Good luck in whatever you're planning.

Appendix Three – Potential Hirer Survey

Your feedback makes a difference!

As part of the cultural planning process for the Shire, Council is investigating the feasibility of a Performing Arts and Creative Industries Centre within Busselton. A key element of this process is to ensure the community has access to the venue and that the venue serves the community's needs. The information extracted from this survey will assist in understanding the requirements of the community and potential hirers and users.

We ask for your personal contact details so that we can clarify any issues arising from your responses and invite you to take part in further consultation. The Shire of Busselton does not pass on personal information to any third party without the prior permission of the person concerned. It is not compulsory for you to supply personal information, but if you do, you have a right to access it and correct it at any time.

Name of Group: _____

Type of Activity (e.g. drama, dance, craft etc): _____

Address: _____

Contact Name: _____

Telephone: _____

Email: _____

Number of Members / Students: _____

Q.1 What facilities would your group be likely to utilise? ***(Circle one or more numbers)***

Rehearsal room (mirrors and barre).....1
Functions room.....2
Theatre.....3
Office space for lease.....4
Meeting room.....5
Foyer.....6
Gallery/exhibition space.....7
Audio recording studio.....8
Editing suite.....9
Conference facilities.....10
Commercial kitchen.....11
Outdoor performance space.....12
Other *(please specify)*.....20
_____

Q.2 How often would you envisage you would use this facility? ***(Circle one number only)*** If you would use more than one of the facilities listed (e.g. rehearsal room and theatre), please provide details of how often you would use each under "other" below:

Daily.....1
Weekly.....2
Monthly.....3
Two times per year.....4
Annually.....5
Other *(please specify)* 20
_____

Q.3 What venues / facilities do you currently use and how often? **(*Please list)***

Venue **Frequency**
_____
_____
_____

Q.4 What are the hourly /daily / weekly charges of the venue you currently use? **(*Please list)***

_____

_____

Q.5 How much would you be prepared to pay to use the proposed new facility for your existing activities?

_____

_____

Q.6 If you were using the theatre, what is the average audience size you would expect? ***(Circle one number only)***

1 - 50.....1
51 - 150 2
151 - 250.....3
251 - 400.....4
401 - 600.....5
601 - 800.....6
801 - 1200.....7
1201 - 1500 8
Not Applicable 9

Q.7 How many seats do you think the theatre should hold for your specific purpose. ***(Circle one number only)***

150 - 250.....3
251 - 400.....4
401 - 600.....5
601 - 800.....6
801 - 1200.....7
1201 - 1500.....8
Not Applicable 9

Q8. What would you be using the theatre for? ***(Circle one or more numbers)***

Performances.....1
Rehearsals.....2
Corporate Events/Awards/Presentations.....3
School Speech Nights/Graduations.....4
Meetings.....5
Conferences/Seminars.....6
Other *(please specify)* 20
_____

Q9. What performance/stage size would you prefer?

Width _____
Depth _____
Height _____
Don't Know _____

Q10. How many people would the back stage area need to accommodate?

_____

Q11. What sound / lighting / multi-media facilities do you see as essential?
_____
_____
_____

Q12. If the theatre had the ability to fly sets in and out, would you use this facility? ***(Circle one number only)***

Yes	1
No	2
Don't know	4

Q13. Would having to pay for trained staff to use the facility preclude your use? ***(Circle one number only)***

Yes	1
No	2
Don't know	4

Q.14 If you were using another space in the venue, what is the average participant size you would expect? ***(Circle one number only)***

1 - 50 1
51 - 150 2
151 – 250 3
Over 250 4
Not Applicable 9

Q15. What would you be using this space for? ***(Circle one or more numbers)***

Rehearsals 1
Corporate Events 2
Exhibitions 3
Meetings 4
Conferences/Seminars 5
Master-classes/Workshops 6
Other *(please specify)* 20
_____

Q.16 Do you anticipate an increase in required capacity for your activities in the next three years? ***(Circle one number only)***

Yes	1
No	2
Don't know	4

Q.17 To what level do you anticipate this increase? ***(Circle one number only)***

1 - 50 1
51 - 150 2
151 – 250 3
Over 250 4
Not Applicable 9

Q.18 What other facilities/services are required to make your event or activity a success (box office, construction workshop, reception area, food and beverage, storage space, piano etc)? Please list.

_____
_____

If you have further details or comments, please feel free to add a page.

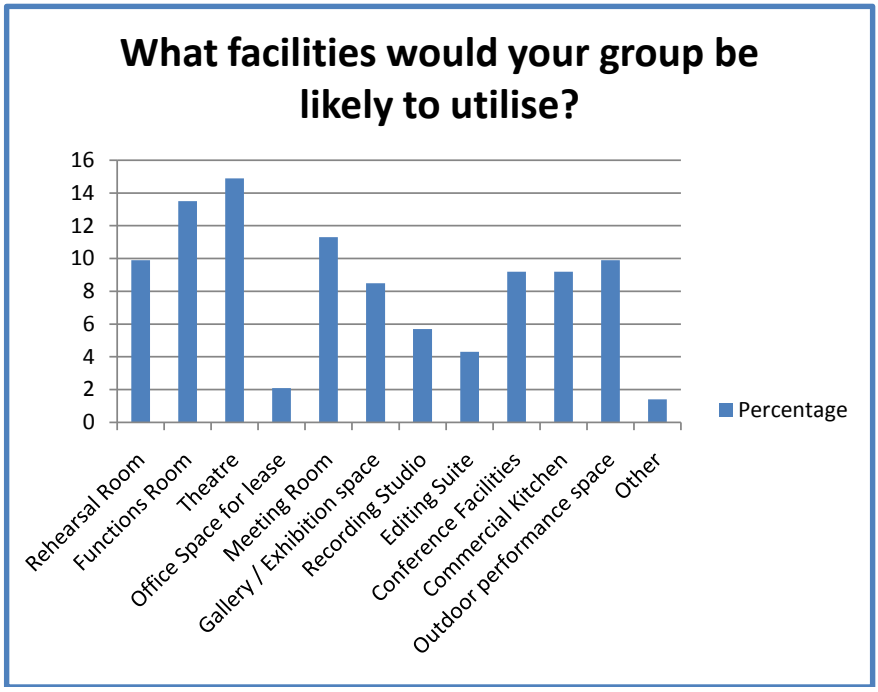
Please return completed questionnaire in the reply paid envelope to the Cultural Planning Officer.

Appendix Four – Potential Hirer Survey Results

Q.1 Respondents

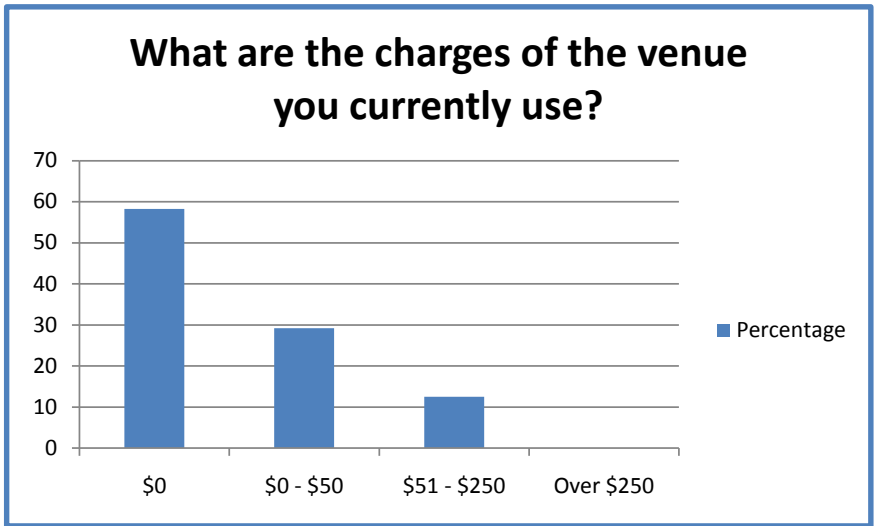
- Dunsborough Yallingup Chamber of Commerce and Industry
- Linx Events
- Busselton/Dunsborough Volunteers
- Bare Naked Theatre
- Mackillop Catholic College
- Busselton Dunsborough Volunteers
- Cinefest Oz
- RockWest
- Busselton Shire Brass Band
- Geographe Primary School
- Busselton Woodturners
- Geographe Arts Bureau Inc
- Rotary Club of Busselton Geographe Bay
- Down South Writers Centre
- Busselton Primary School
- Busselton Senior High School
- Busselton Senior High School
- Geographe ESC
- Cape to Cape Artisans
- Our Lady of the Cape Primary School
- Busselton School of Dance
- Busselton Rotary Club
- Dunsborough Primary School
- Busselton Senior High School - Music Department
- West Busselton Primary School
- St Joseph's Primary Scool
- Vasse Primary School
- Mackillop Catholic College
- Cornerstone Christian College
- Artsource
- Busselton Senior High School - Arts Department
- Jazz Attack

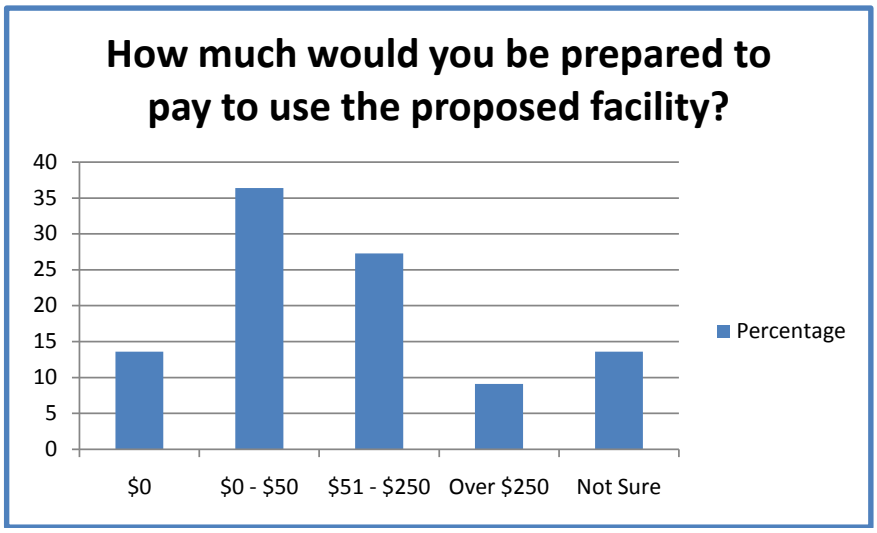
Q.2 What facilities would your group be likely to utilise?

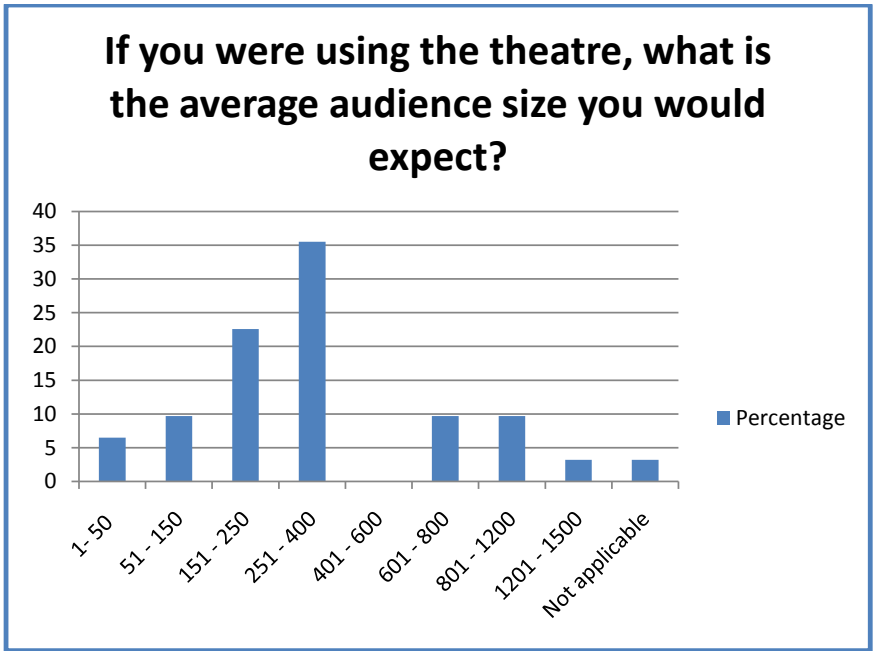


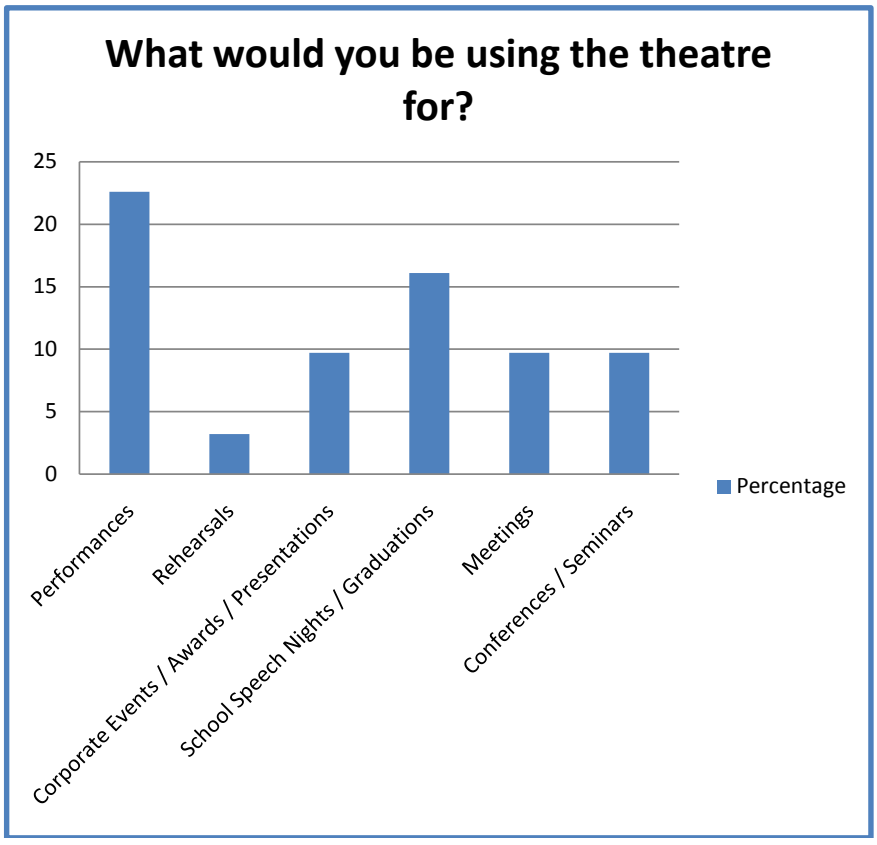
Q.3 What facilities do you currently use?

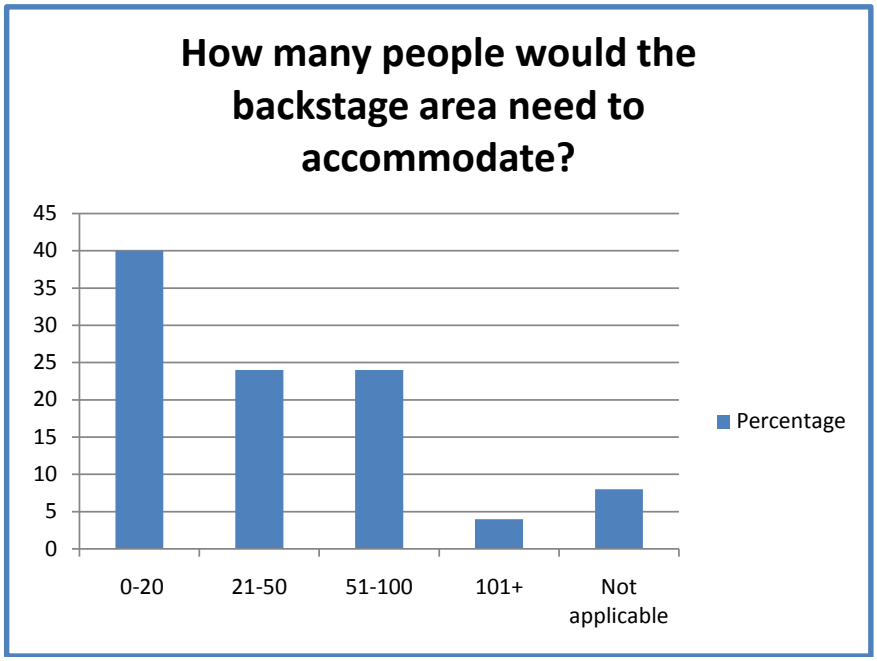
- meeting room duns lakes sales office and country club
- open public space
- Family Centre
- Senior Citz Centre
- Community Centre
- family centre
- Senior Citz Centre
- Ace Cinema
- Private business boardroom
- Old Courthouse Gallery
- Local bars and taverns
- High School gym
- Baptist Community Centre
- Rear of old AG building
- Courthouse, Weld Theatre
- Restaurant
- Kent St Family Centre
- Weld Theatre
- School facilities
- Abbey Beach Resort
- School facilities
- Baptist Church
- Dunsborough Recreation Centre
- Own studios
- Studio above environmental centre
- Bunbury Entertainment Centre
- St Mary's Family Centre
- Dunsborough Hall
- Dunsborough Community Centre
- School gym/PAC
- St Mary's, school facilities, hotels/resorts
- Community Hall in Church
- School facilities
- Bunbury Regional Entertainment Centre
- School Facilities
- school facilities
- Dance studio, arts studio/gallery
- Entertainment Centre

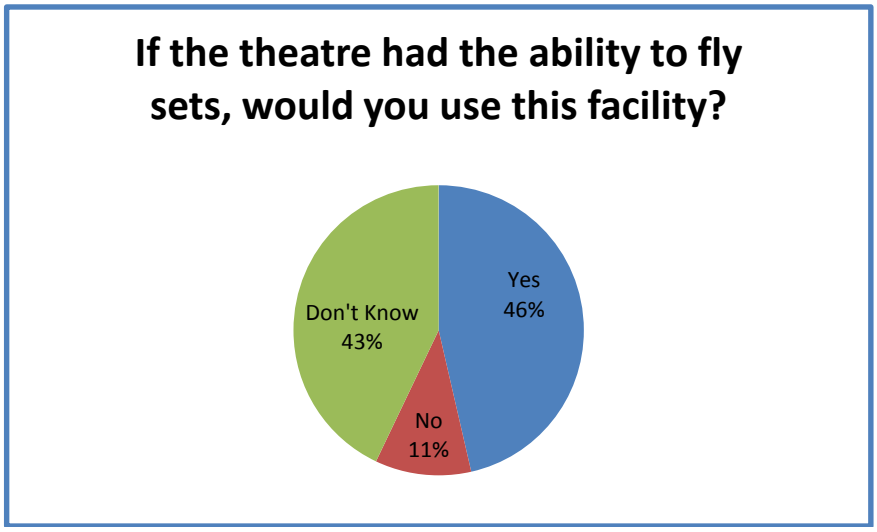

What are the charges of the venue you currently use?
70
60
50
40
30
20
10
0
$0
$0 - $50
$51 - $250
Over $250
Percentage

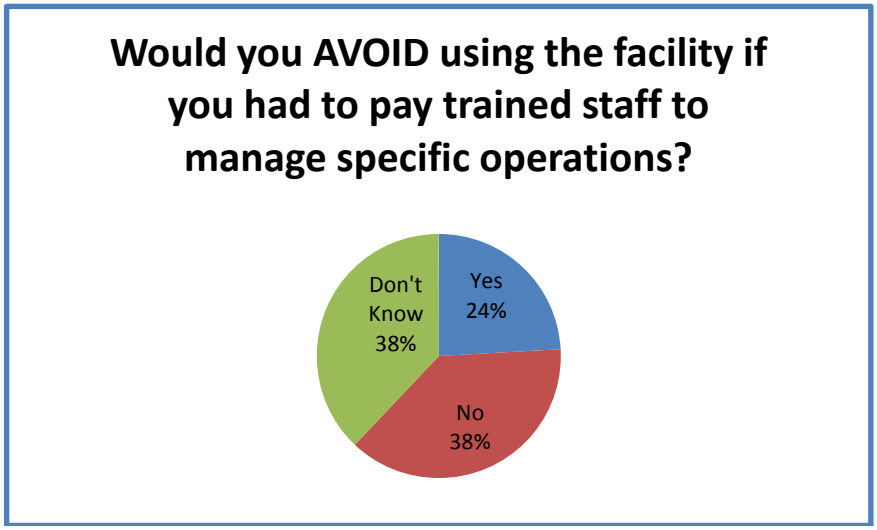

How much would you be prepared to pay to use the proposed facility?
40
35
30
25
20
15
10
5
0
$0
$0 - $50
$51 - $250
Over $250
Not Sure
Percentage

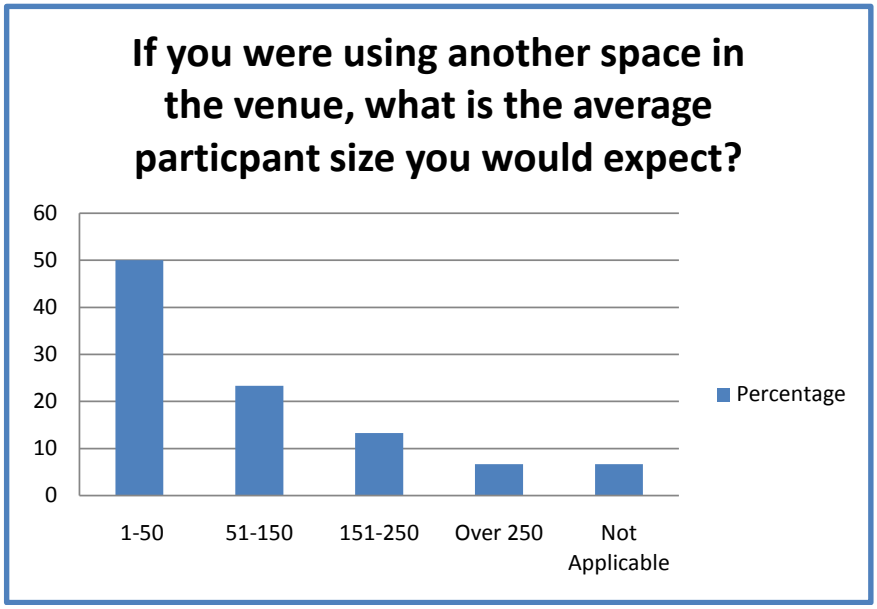

If you were using the theatre, what is the average audience size you would expect?
40
35
30
25
20
15
10
5
0
1- 50
51 - 150
151 - 250
251 - 400
401 - 600
601 - 800
801 - 1200
1201 - 1500
Not applicable
Percentage

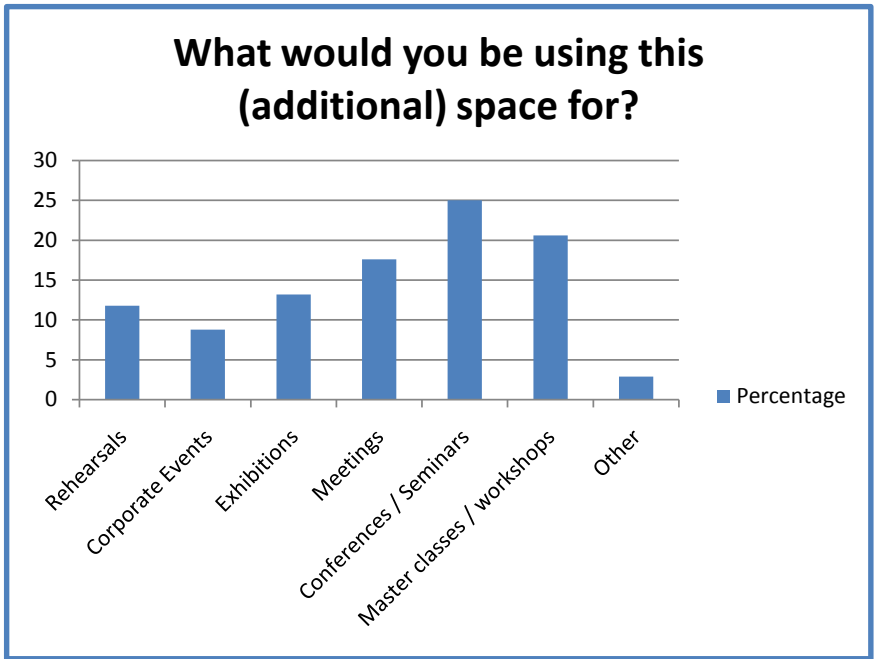

What would you be using the theatre for?
25
20
15
10
5
0
Performances
Rehearsals
Corporate Events / Awards / Presentations
School Speech Nights / Graduations
Meetings
Conferences / Seminars
Percentage

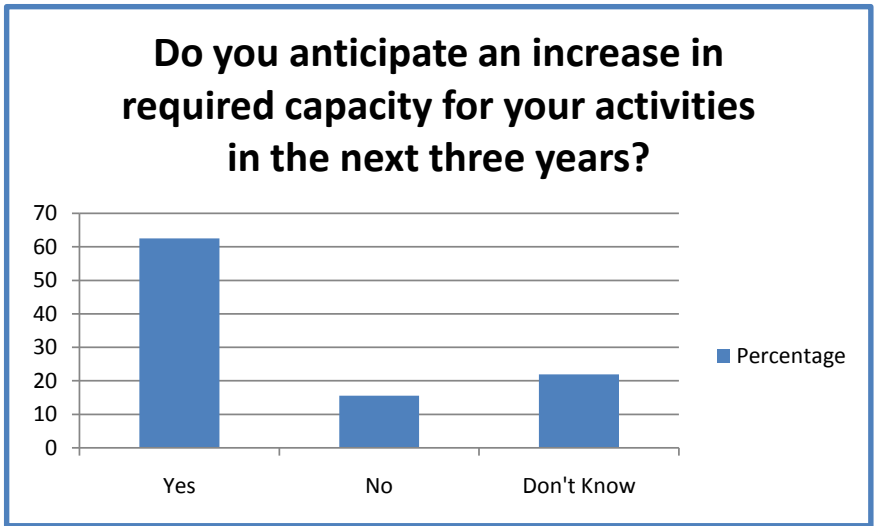

How many people would the backstage area need to accommodate?
45
40
35
30
25
20
15
10
5
0
0-20
21-50
51-100
101+
Not applicable
Percentage

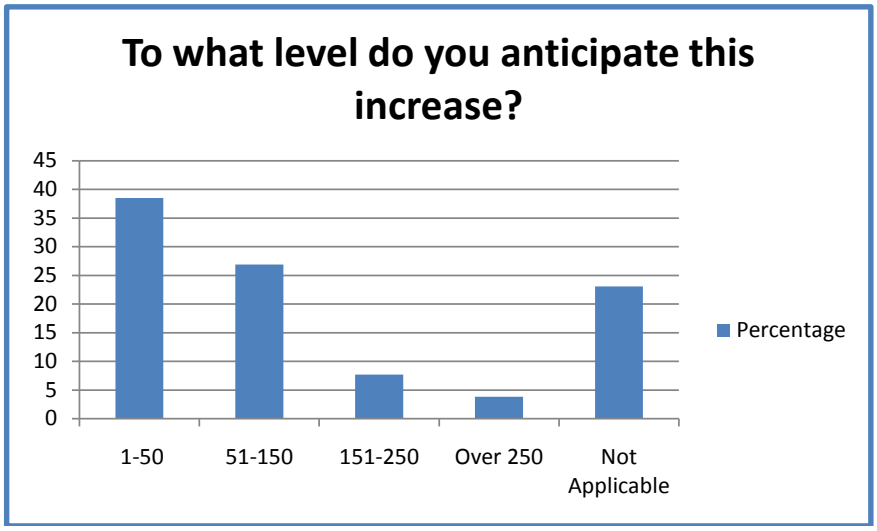

If the theatre had the ability to fly sets, would you use this facility?
Yes 46%
Don't Know 43%
No 11%


Would you AVOID using the facility if you had to pay trained staff to manage specific operations?
Don't Know 38%
Yes 24%
No 38%


If you were using another space in the venue, what is the average particpant size you would expect?
60
50
40
30
20
10
0
1-50
51-150
151-250
Over 250
Not Applicable
Percentage


What would you be using this (additional) space for?
30
25
20
15
10
5
0
Rehearsals
Corporate Events
Exhibitions
Meetings
Conferences / Seminars
Master classes / workshops
Other
Percentage


Do you anticipate an increase in required capacity for your activities in the next three years?
70
60
50
40
30
20
10
0
Yes
No
Don't Know
Percentage



Please list any facilities/services required to make your event or activity a success:

- Food & beverage
- Multi-purpose building, consentina doors to reduce entry space and stage
- Food/bar reception
- Reception, kitchen
- Food & beverage, reception
- Box office, reception, food & beverage, cinema screen, large functino room, stage, commercial kitchen
- Professional office space, loading dock, workshop
- Food & beverage, piano, box office
- Storage space, display boards for exhibitions
- Workshop facilities – powerpoint, whiteboard, TV/DVD
- Reception / green room
- Food & Beverage facilities for intermission
- Food & Beverage, storage space
- Box office, food & beverage, storage space, trained staff
- Piano
- Warm up room (sound proof), orchestra pit
- Dressing rooms, kitchen, reception area
- Piano, dressing rooms
- Dressing rooms, storage, box office, food & beverage, reception, piano
- Box office, construction workshop, reception area, food & beverage, storage space, piano
- Box office, reception, food & beverage, storage

Appendix Five – Financial Plan constants

Wages (Both 250 seat black box and 400 seat theatre)

Sell Rates	Weekly	Sunday	Mean
Technical	$ 37.50	$ 75.00	42.86
FOH - Ushers and others	$ 28.00	$ 56.00	32.00
FOH - Manager	$ 34.00	$ 68.00	38.86
Cloak Room / Merchandising / bar	$ 28.00	$ 56.00	32.00
Stage Door	$ 29.00	$ 75.00	35.57
Box Office	$ 30.50	$ 61.00	34.86
Buy Rates			
Technical	$ 27.72	$ 55.44	31.68
FOH - Ushers and others	$ 21.72	$ 43.44	24.82
FOH - Manager	$ 29.52	$ 59.04	33.74
Cloak Room/Merchandise	$ 21.72	$ 43.44	24.82
Stage Door	$ 22.56	$ 45.12	25.78
Bar	$ 21.72	$ 43.44	24.82
Box Office *(non-reimbursable)*			
Box Office	$ 24.24	$ 48.48	27.70
Box Office - Supervisor	$ 27.60	$ 55.20	31.54
1 Staff Casual (days per month)	11	days	3,656.78
1 staff casual (percent of performances) Other	see below		
1 staff casual (percent of performances) Community	see below		
Bar			
Bar Staff Casuals when bar open (No. / hrs)	2	4	198.58
Function Staff (see FOH Manager)			

BOX OFFICE WAGES	Year 1	Year 2	Year 3	Year 4	Year 5
1 staff casual (percent of performances) Other	20%	20%	20%	20%	20%
1 staff casual (percent of performances) Community	80%	80%	80%	80%	80%

MERCHANDISING

1 staff casual (percent of performances) Community	80%	80%	80%	80%	80%

SEAT CHANGEOVER

2 staff casual (percent of performances) Community	75%	75%	75%	75%	75%

Performance Constants

Estimated Occupancy per performance *(average pax per performance)*

	60%	60%	65%	70%	75%
	Year 1	Year 2	Year 3	Year 4	Year 5
250 Seat	150	150	163	175	188
400 Seat	240	240	260	280	300

Performance Statistics *Stage One - 250 Seat Black Box*

Average pax per performance	see above
Cost of production equipment per commercial hire	$350
Cost of production equipment per other hire	$250
Average production equipment hire - mark up	150%
Beverage	
Percentage of performances with bar	60%
Average Sales per event (of pax)	75%
Average $ value per sale	$3.00
Beverage Gross Profit - Selling Price	70.00%
Miscellaneous	
Workers Compensation	3.00%
Superannuation	9.00%
Performance Electricity Sale	$250
Performance Cleaning Cost	$150
Performance Cleaning Sale	$ 250

Performance Statistics *Stage Two - 400 Seat Theatre*

Average pax per performance	see above
Cost of production equipment per professional	$1,000
Cost of production equipment per community	$250
Average production equipment hire - mark up	150%
Beverage	
Percent of performances with bar	60%
Average Sales per event (of pax)	75%
Average $ value per sale	$3.75
Beverage Gross Profit - Selling Price	70.00%
Miscellaneous	
Workers Compensation	3.00%
Superannuation	9.00%
Performance Electricity Sale	$ 400
Performance Cleaning Cost	$ 300
Performance Cleaning Sale	$ 400

Estimated Hire Levels

Suggested Usage Levels for *Stage One – 250 Seat Black Box*

Black Box Theatre Space - Stage 1	**YEAR ONE**	**YEAR TWO**	**YEAR THREE**	**YEAR FOUR**	**YEAR FIVE**
Potential Hirer	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**
Various Educational	10	22	22	22	24
	$3,500	$7,700	$7,700	$7,700	$8,400
Various Commercial	16	26	34	41	47
	$9,600	$15,600	$20,400	$24,600	$28,200
Various Community	26	32	33	33	38
	$7,150	$8,800	$9,075	$9,075	$10,450
Semi-Total	52	80	89	96	109
Entrepreneurial Programming	6	7	7	7	7
Total	58	87	96	103	116
Meeting / Function Room					
Various	56	62	62	67	67
Total	56	62	62	67	67
	$10,080	$11,214	$11,214	$11,970	$11,970

Suggested Usage Levels for *Stage Two - 250 Seat Black Box (400 seat theatre usage levels outlined in separate table)*

Black Box Theatre Space - Stage 2	**YEAR ONE**	**YEAR TWO**	**YEAR THREE**	**YEAR FOUR**	**YEAR FIVE**
Potential Hirer	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**
Various Educational	7	7	7	7	9
	$2,450	$2,450	$2,450	$2,450	$3,150
Various Commercial	21	34	42	44	45
	$12,600	$20,400	$25,200	$26,400	$27,000
Various Community	21	27	27	27	32
	$5,775	$7,425	$7,425	$7,425	$8,800
Semi-Total	49	68	76	78	86
Entrepreneurial Programming Use	6	7	7	7	7
Total	55	75	83	85	93
Meeting / Function Room					
Various	56	62.3	62.3	66.5	66.5
Total	56	62.3	62.3	66.5	66.5
	$10,080	$11,214	$11,214	$11,970	$11,970

Suggested Usage Levels for *Stage Two – 400 Seat Theatre*

400 seat theatre space - Stage Two*	**YEAR ONE**	**YEAR TWO**	**YEAR THREE**	**YEAR FOUR**	**YEAR FIVE**
	DAYS/ year	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**	**DAYS/ year**
Educational	11	14	14	14	14
Commercial	13	17	20	22	24
Community	8	13	18	23	28
Total	32	44	52	59	66

Ticketing Income

Ticket Income Statistics *Stage One - 250 Seat Black Box Theatre*

Ticket details	Year 1	Year 2	Year 3	Year 4	Year 5
# Tickets -Commercial	1920	3120	4420	5740	7050
# Tickets - Comm/Edu.	1080	1620	1788	1925	2325
Total Occupancy/ perf	60%	60%	65%	70%	75%
% Comm/Edu ticketing	20%	20%	20%	20%	20%
% Commercial ticketing	80%	80%	80%	80%	80%
Booking Fees / Ticket	$2.50	$2.50	$2.50	$2.50	$2.50
Processing Fees	$2.00	$2.00	$2.00	$2.00	$2.00
Average Ticket Price	$30.00	$30.00	$30.00	$30.00	$30.00
Total Ticket Sales	90,000	142,200	186,225	229,950	281,250
% Tickets Sold by C/Cards	80%	80%	80%	80%	80%
Bank Credit Card Fees %	1.80%	1.80%	1.80%	1.80%	1.80%
Bank C/ Card Fees payable	1,296.00	2,047.68	2,681.64	3,311.28	4,050.00
Ext. Ticketing Net income	5%	5%	5%	5%	5%
% Phone Sales	70%	70%	70%	70%	70%
Bking Fee-(outside charge)	4,200	6,636	8,690.50	10,731	13,125
Cost of software / ticket	0.35	0.35	0.35	0.35	0.35
Ticket system cost	4,050.00	1,659.00	2,172.63	2,682.75	3,281.25
Postage Fee -$1.00 for 50% of sales	0.50	0.50	0.50	0.50	0.50

Ticket Income Statistics - *Stage Two – 250 Seat Black Box Theatre (400 seat theatre ticket income statistics outlined in separate table).*

Ticket details	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
# Tickets - Commercial	2520	3120	4420	5740	7050
# Tickets – Comm./Edu.	1350	1620	1788	1925	2325
Total Occupancy / Perf	60%	60%	65%	70%	75%
% Comm/Edu ticketing	20%	20%	20%	20%	20%
%Commercial ticketing	80%	80%	80%	80%	80%
Booking Fees/Ticket	$2.50	$2.50	$2.50	$2.50	$2.50
Processing Fees	$ 2.00	$ 2.00	$2.00	$2.00	$2.00
Average Ticket Price	$30.00	$30.00	$30.00	$30.00	$30.00
Total Ticket Sales	$116,100	$142,200	$186,225	$229,950	$281,250
% Tickets Sold by C/Cards	80%	80%	80%	80%	80%
Bank C/Card Fees %	1.80%	1.80%	1.80%	1.80%	1.80%
Bank C/Card Fees payable	1,671.84	2,047.68	2,681.64	3,311.28	4,050.00
Ext. Ticketing Net income	5%	5%	5%	5%	5%
% Phone Sales	70%	70%	70%	70%	70%
Bkng Fees (outside charge)	$5,418.	$6,636.	$ 8,690.50	$10,731.	$ 13,125.
Cost of software /ticket	0.35	0.35	0.35	0.35	0.35
Ticket system cost	$ 4,354.50	$1,659.00	$ 2,172.63	$2,682.75	$3,281.25
Postage Fee -$1.00 for 50% of sales	0.50	0.50	0.50	0.50	0.50

Ticket Income Statistics – *Stage Two - 400 Seat Theatre*

Ticket details	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
# Tickets - Commercial	2496	3264	4160	4928	5760
# Tickets – Comm./Edu.	912	1296	1664	2072	2520
Total Occupancy / Perf	60%	60%	65%	70%	75%
% Comm./Edu ticketing	20%	20%	20%	20%	20%
% Commercial ticketing	80%	80%	80%	80%	80%
Booking Fees/Ticket	$2.50	$2.50	$2.50	$2.50	$2.50
Processing Fees	$2.00	$2.00	$2.00	$2.00	$2.00
Average Ticket Price	$30.00	$30.00	$30.00	$30.00	$30.00
Total Ticket Sales	$102,240.	$136,800.	$174,720.	$210,000.	$248,400.
% Tickets Sold C/Cards	70%	70%	70%	70%	70%
Bank C/Card Fees %	1.80%	1.80%	1.80%	1.80%	1.80%
Bank C/Card Fees payable	1,288.22	1,723.68	2,201.47	2,646.00	3,129.84
Ext. Ticketing Net income	25%	25%	25%	25%	25%
% Phone Sales	70%	70%	70%	70%	70%
Bking Fees (outside charge)	$4,771.20	$6,384.00	$8,153.60	$9,800.00	$11,592
Cost of software / ticket	0.25	0.25	0.25	0.25	0.25
Ticket system cost	$852.00	$1,140.00	$1,456.00	$1,750.00	$2,070.00
Postage Fee -$1.00 for 50% of sales	0.50	0.50	0.50	0.50	0.50

Expense Listing

Stage One - 250 Seat Black Box

	Pre Open	Year 1	Year 2	Year 3	Year 4	Year 5
EXPENSES						
Card Charges		1,296	2,048	2,682	3,311	4,050
Bank Charges	100	500	513	525	538	552
Catering In-house		0	0	0	0	0
Cleaning		5,000	5,125	5,253	5,384	5,519
Computer Expenses	15,000	5,000	7,000	5,000	5,000	5,000
Council Rates		0	0	0	0	0
Couriers (and Freight)	200	1,000	1,025	1,051	1,077	1,104
Debt Collection		0	0	0	0	0
Domestic Travel/Conferences	1,500	1,500	1,538	1,576	1,615	1,656
Donations		0	0	0	0	0
Employees Amenities	200	1,000	1,025	1,051	1,077	1,104
Equipment Lease		6,000	6,150	6,304	6,461	6,623
Fees & Permits		0	0	0	0	0
Filing Fees		200	205	210	215	221
General & Other Insurance		30,000	30,750	31,519	32,307	33,114
General Expenses/Office	1,000	2,000	2,050	2,101	2,154	2,208
IT Consultants	3,000	1,000	1,025	1,051	1,077	1,104
Land Tax		0	0	0	0	0
Legal Expenses		0	0	0	0	0
Motor Vehicle Expenses	6,000	13,000	13,325	13,658	14,000	14,350
Office Expenses	200	200	205	210	215	221
Parking & Taxi		200	205	210	215	221
Payroll Tax		0	0	0	0	0
Petty Cash		200	205	210	215	221
Reference Material		200	205	210	215	221
Security Cost		675	692	709	727	745
Staff Training	1,000	2,000	2,050	2,101	2,154	2,208
Subscriptions / APACA		1,000	1,025	1,051	1,077	1,104
Telephone	5,000	5,000	5,125	5,253	5,384	5,519
Uniforms	1,000	1,000	1,025	1,051	1,077	1,104
Water Rates Main Building		5,000	5,125	5,253	5,384	5,519
LPA performance fees		0	0	0	0	0
Performance Cleaning		7,800	12,000	13,350	14,400	16,350
Electricity		25,000	25,625	26,266	26,922	27,595
Merchandising Costs - see wages		0	0	0	0	0
Piano Tuning		2,250	2,306	2,364	2,423	2,484
Ticket System Cost	2,000	4,050	1,659	2,173	2,683	3,281
Production Equipment Hire		14,600	22,600	25,650	28,100	31,950
Repairs & Maintenance	500	5,000	10,000	15,000	25,000	30,000
Advertising & Promotions[72]	15,000	8,000	10,250	10,506	10,769	11,038
Postage General		200	205	210	215	221
Postage Box Office		1,200	1,230	1,261	1,292	1,325
Printing & Stationery General	8,000	4,000	8,000	5,000	5,000	5,000
Wages	84,470	261,781	289,425	307,396	324,777	345,696
Total	**144,170**	**416,852**	**470,940**	**497,413**	**532,464**	**568,624**
Administration / Finance / Operational	34,200	82,971	87,639	88,238	90,882	93,685
Performance Production costs	2,500	58,700	74,190	84,802	99,528	111,660
Marketing Costs	23,000	13,400	19,685	16,977	17,277	17,583
Wages	84,470	261,781	289,425	307,396	324,777	345,696
	144,170	**416,852**	**470,940**	**497,413**	**532,464**	**568,624**

[72] Not including advertising and promotions for entrepreneurial programming

Stage Two - 250 Seat Black Box & 400 Seat Theatre

	Pre Open	Year 1	Year 2	Year 3	Year 4	Year 5
EXPENSES						
Card Charges		2,960	3,771	4,883	5,957	7,180
Bank Charges	500	1,500	1,538	1,576	1,615	1,656
Catering In-house		0	0	0	0	0
Cleaning	1,000	10,000	10,250	10,506	10,769	11,038
Computer Expenses	15,000	8,000	10,250	10,506	10,769	11,038
Council Rates		0	0	0	0	0
Couriers (and Freight)	200	600	615	630	646	662
Debt Collection		0	0	0	0	0
Domestic Travel/Conferences	1,500	1,500	1,538	1,576	1,615	1,656
Donations		0	0	0	0	0
Employees Amenities	200	1,500	1,538	1,576	1,615	1,656
Equipment Lease		13,000	13,325	13,658	14,000	14,350
Fees & Permits		0	0	0	0	0
Filing Fees		200	205	210	215	221
General & Other Insurance		50,000	51,250	52,531	53,845	55,191
General Expenses/Office	1,000	2,000	2,050	2,101	2,154	2,208
IT Consultants	5,000	3,000	3,075	5,125	5,253	5,384
Land Tax		0	0	0	0	0
Legal Expenses		0	0	0	0	0
Motor Vehicle Expenses	6,000	13,000	13,325	13,658	14,000	14,350
Office Expenses	200	1,000	1,025	1,051	1,077	1,104
Parking & Taxi	100	500	513	525	538	552
Payroll Tax		0	0	0	0	0
Petty Cash		200	205	210	215	221
Reference Material		400	410	420	431	442
Security Cost		1,600	1,640	1,681	1,723	1,766
Staff Training	2,000	4,000	4,100	4,203	4,308	4,415
Subscriptions / APACA		1,000	1,025	1,051	1,077	1,104
Telephone	4,000	10,000	10,250	10,506	10,769	11,038
Uniforms	3,000	3,000	2,050	2,101	2,154	2,208
Water Rates Main Building		5,000	5,125	5,253	5,384	5,519
LPA performance fees		0	0	0	0	0
Performance Cleaning		16,950	23,400	27,000	29,400	32,700
Electricity		35,000	35,875	36,772	37,691	38,633
Merchandising Costs - see wages		0	0	0	0	0
Piano Tuning		2,250	2,306	2,364	2,423	2,484
Ticket System Cost	4,000	5,207	2,799	3,629	4,433	5,351
Production Equipment Hire 400		17,750	23,750	28,000	31,250	34,500
Production Equipment Hire 250		14,350	20,400	23,200	23,900	26,000
Repairs & Maintenance	500	10,000	30,000	25,000	45,000	55,000
Advertising & Promotions[73]	10,000	5,000	5,125	5,253	5,384	5,519
Postage General		1,200	1,230	1,261	1,292	1,325
Postage Box Office		4,000	4,100	4,203	4,308	4,415
Printing & Stationery General	15,000	4,000	4,100	8,200	4,100	4,203
Wages	121,725	395,664	425,039	445,203	460,598	479,122
Total	**190,925**	**645,331**	**717,195**	**755,623**	**799,908**	**844,208**
Administration / Finance / Operational	39,700	133,960	139,071	145,539	150,129	154,956
Performance Production costs	4,500	101,507	138,530	145,964	174,097	194,668
Marketing Costs	25,000	14,200	14,555	18,916	15,084	15,461
Wages	121,725	395,664	425,039	445,203	460,598	479,122
	190,925	**645,331**	**717,195**	**755,623**	**799,908**	**844,208**

[73] Not including advertising and promotions for entrepreneurial programming

Beverage Details

Estimated Beverage Profit & Loss – *Stage One - 250 seat Black Box*

	Year 1 $	*Year 2* $	*Year 3* $	*Year 4* $	*Year 5* $
INCOME					
Sales	10,530	16,200	19,524	22,680	27,591
COST OF GOODS SOLD	3,159	4,860	5,857	6,804	8,277
GROSS PROFIT	7,371	11,340	13,667	15,876	19,313
LESS EXPENSES					
Equipment	500	513	525	538	552
Consumable Purchases	300	308	315	323	331
Repairs & Maintenance	500	513	525	538	552
Glasses and sundry purchase	250	256	263	269	276
Wages - Catering Manager	0	0	0	0	0
Wages - casual staff	6,196	9,532	10,604	11,438	12,987
TOTAL DIRECT EXPENSES	7,746	11,121	12,233	13,108	14,698
NET PROFIT	**-375**	**219**	**1,434**	**2,768**	**4,615**

Estimated Beverage Profit & Loss – *Stage Two - 250 and 400 seat Theatre*

	Year 1 $	*Year 2* $	*Year 3* $	*Year 4* $	*Year 5* $
INCOME					
Sales from 250 seat events	10,749	14,918	18,062	19,963	23,583
Sales from 400 seat events	12,960	17,820	22,815	27,878	33,413
COST OF GOODS SOLD	23,709	32,738	40,877	47,841	56,995
GROSS PROFIT	16,597	22,916	28,614	33,488	39,897
LESS EXPENSES					
Equipment	2,000	2,050	2,101	2,154	2,208
Consumable Purchases	1,200	1,230	1,261	1,292	1,325
Repairs & Maintenance	1,500	1,538	1,576	1,615	1,656
Glasses and sundry purchase	1,200	1,230	1,261	1,292	1,325
Wages - Supervisor	2,422	3,331	3,937	4,466	4,996
Wages - casual staff 400	3,813	5,243	6,196	7,030	7,864
Wages - casual staff 250	5,838	8,102	9,055	9,294	10,247
TOTAL DIRECT EXPENSES	17,974	22,723	25,386	27,144	29,620
NET PROFIT	-1,377	193	3,227	6,345	10,277

Entrepreneurial Programming

Stage One

Performance Statistics

Number of Shows

6			7			7			7			7		
Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix
10%	35%	84	10%	35%	84			-			-			-
30%	45%	324	40%	45%	432	50%	50%	600	50%	50%	600	50%	60%	720
30%	55%	396	40%	55%	528	40%	55%	528			-			-
30%	65%	468	10%	65%	156	10%	70%	168	50%	75%	900	50%	75%	900
		1,272			1,200			1,296			1,500			1,620
YEAR ONE			**YEAR TWO**			**YEAR THREE**			**YEAR FOUR**			**YEAR FIVE**		

Ticket Price	$ 40.00
100% occupancy	$16,000.00
Reimbursements	$200
Wages Reimbursements	0%

ENTRPRENURIAL LOSS	**PROFIT**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
		$	**$**	**$**	**$**	**$**
	Per Show					
Ticket Sales	16,000	50,880	48,000	51,840	60,000	64,800
Ticketing Fees	1,000	3,180	3,000	3,240	3,750	4,050
Reimbursement	200	200	200	200	200	200
Total	17,200	54,260	51,200	55,280	63,950	69,050
Less Expenses						
Electricity	500.00	3,000	3,500	3,500	3,500	3,500
Cleaning	350.00	2,100	2,450	2,450	2,450	2,450
Perf Fees	5,000.00	30,000	35,000	35,000	35,000	35,000
Ushers	512.00	3,072	3,584	3,584	3,584	3,584
Technicians	685.71	4,114	4,800	4,800	4,800	4,800
Marketing	8,000.00	48,000	56,000	56,000	56,000	56,000
Equipment	500.00	3,000	3,500	3,500	3,500	3,500
Consumables	200.00	1,200	1,400	1,400	1,400	1,400
Profit Share		-	-	-	-	-
Royalties	1,920.00	11,520	13,440	13,440	13,440	13,440
Contingency	2,000.00	12,000	14,000	14,000	14,000	14,000
LPA	200.00	1,200	1,400	1,400	1,400	1,400
Total Expenses	19,867.71	119,206	139,074	139,074	139,074	139,074
NET PROFIT ON EVENT	**- 2,667.71**	- 64,946	-87,874	- 83,794	- 75,124	- 70,024

Stage Two

Performance Statistics

Number of Shows

6			7			7			7			7		
Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix	Shows	Occ	Tix
10%	35%	53	10%	35%	53			-			-			-
30%	45%	203	20%	45%	135	50%	50%	375	50%	50%	375	50%	60%	450
30%	55%	248	40%	55%	330	40%	55%	330			-			-
30%	65%	293	30%	65%	293	10%	70%	105	50%	75%	563	50%	75%	563
		795			810			810			938			1,013
YEAR ONE			**YEAR TWO**			**YEAR THREE**			**YEAR FOUR**			**YEAR FIVE**		

Ticket Price	$ 45.00
100% occupancy	$ 11,250.00
Reimbursements	$0
Wages Reimbursements	0%

ENTRPRENURIAL PROFIT LOSS		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
		$	**$**	**$**	**$**	**$**
	Per Show					
Ticket Sales	11,250.00	35,775	36,450	36,450	42,188	45,563
Ticketing Fees	625.00	1,988	2,025	2,025	2,344	2,531
Reimbursement	-	-	-	-	-	-
Total	11,875.00	37,763	38,475	38,475	44,531	48,094
Less Expenses						
Electricity	250.00	1,500	1,750	1,750	1,750	1,750
Cleaning	150.00	900	1,050	1,050	1,050	1,050
Perf Fees	5,000.00	30,000	35,000	35,000	35,000	35,000
Ushers	256.00	1,536	1,792	1,792	1,792	1,792
Technicians	342.86	2,057	2,400	2,400	2,400	2,400
Marketing	5,000.00	30,000	35,000	35,000	35,000	35,000
Equipment	350.00	2,100	2,450	2,450	2,450	2,450
Consumables	200.00	1,200	1,400	1,400	1,400	1,400
Profit Share		-	-	-	-	-
Royalties	1,350.00	8,100	9,450	9,450	9,450	9,450
Contingency	500.00	3,000	3,500	3,500	3,500	3,500
LPA	100.00	600	700	700	700	700
Total Expenses	13,498.86	80,993	94,492	94,492	94,492	94,492
NET PROFIT ON EVENT	**-1,623.86**	- 43,231	- 56,017	-56,017	-49,961	-46,398

Income Items

Stage One - 250 Seat Black Box

	Year 1 $	*Year 2* $	*Year 3* $	*Year 4* $	*Year 5* $
INCOME (Hire)					
Educational	3,500	7,700	7,700	7,700	8,400
Commercial	9,600	15,600	20,400	24,600	28,200
Community	7,150	8,800	9,075	9,075	10,450
Functions	10,080	11,214	11,214	11,970	11,970
OTHER REIMBURSEMENT INCOME					
Cleaning	13,000	20,000	22,250	24,000	27,250
Electricity	13,000	20,000	22,250	24,000	27,250
Production Equipment	21,900	33,900	38,475	42,150	47,925
Marketing	-	-	-	-	-
Piano Tuning	2,250	2,306	2,364	2,423	2,484
Sundry	-	-	-	-	-
WAGES REIMBURSEMENTS See Over	58,391	86,283	95,478	103,371	116,021
Ticketing Income					
Inside Charges	7,500	11,850	15,519	19,163	23,438
Ticket Processing Fees	1,500	2,370	3,104	3,833	4,688
External Ticket Income	375	593	776	958	1,172
Phone Booking Fees	4,200	6,636	8,691	10,731	13,125
CAFE Income rental	14,000	14,000	14,000	14,000	14,000
MERCHANDISING					
Commission From Hirers Merchant Fee Reimbursement	1,152	1,872	2,448	2,952	3,384
SUNDRY INCOME					
LPA Fee (see expenses)	-	-	-	-	-
Interest Received	-	-	-	-	-
Beverage Profit Loss	-375	219	1,434	2,768	4,615
TOTAL INCOME	167,224	243,343	275,177	303,694	344,370

Stage Two - 250 seat Black Box and 400 Seat Theatre

	Year 1 *$*	*Year 2* *$*	*Year 3* *$*	*Year 4* *$*	*Year 5* *$*
INCOME (Rental & Hire)					
Educational 250	2,450	2,450	2,450	2,450	3,150
Commercial 250	12,600	20,400	25,200	26,400	27,000
Community 250	5,775	7,425	7,425	7,425	8,800
Educational 400	8,800	11,200	11,200	11,200	11,200
Commercial 400	15,600	20,400	24,000	26,400	28,800
Community 400	5,200	8,450	11,700	14,950	18,200
Functions	10,080	11,214	11,214	11,970	11,970
	60,505	81,539	93,189	100,795	109,120
OTHER REIMBURSEMENT INCOME					
Cleaning 250	12,250	17,000	19,000	19,500	21,500
Electricity 250	12,250	17,000	19,000	19,500	21,500
Production Equipment 250	21,525	30,600	34,800	35,850	39,000
Cleaning 400	12,800	17,600	20,800	23,600	26,400
Electricity 400	12,800	17,600	20,800	23,600	26,400
Production Equipment 400	26,625	35,625	42,000	46,875	51,750
Marketing	-	-	-	-	-
Piano Tuning	2,250	2,306	2,364	2,423	2,484
Sundry	-	-	-	-	-
	100,500	137,731	158,764	171,348	189,034
WAGES REIMBURSEMENTS See Over	96,242	131,057	149,300	160,636	176,729
Ticketing Income					
250 Seat					
Inside Charges	9,675	11,850	15,519	19,163	23,438
Ticket Processing Fees	1,935	2,370	3,104	3,833	4,688
External Ticket Income	484	593	776	958	1,172
Phone Booking Fees	5,418	6,636	8,691	10,731	13,125
400 Seat					
Inside Charges	8,520	11,400	14,560	17,500	20,700
Ticket Processing Fees	1,704	2,280	2,912	3,500	4,140
External Ticket Income	2,130	2,850	3,640	4,375	5,175
Phone Booking Fees	4,771	6,384	8,154	9,800	11,592
	34,637	44,363	57,355	69,859	84,029
CAFE Income rental	14,000	14,000	14,000	14,000	14,000
MERCHANDISING					
Commission From Hirers	1,872	2,448	2,880	3,168	3,456
Merchant Fee Reimbursement					
SUNDRY INCOME					
LPA Fee (see expenses)	-	-	-	-	-
Interest Received	-	-	-	-	-
Beverage Profit Loss	- 1,377	193	3,227	6,345	10,277
TOTAL INCOME	306,379	411,331	478,715	526,151	586,644

Wages Reimbursements

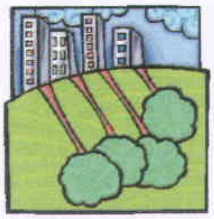
Stage One - 250 Seat Black Box

	Year 1	Year 2	Year 3	Year 4	Year 5
WAGES REIMBURSEMENTS					
Tech Casuals and Manager					
Educational	3,429	7,543	7,543	7,543	8,229
Commercial	5,486	8,914	11,657	14,057	16,114
Community	8,914	10,971	11,314	11,314	13,029
Front of House Manager	8,082	12,434	13,833	14,921	16,942
Ushers					
Educational	2,560	5,632	5,632	5,632	6,144
Commercial	4,096	6,656	8,704	10,496	12,032
Community	6,656	8,192	8,448	8,448	9,728
Bar Staff (see beverage)					
Functions	8,704	9,683	9,683	10,336	10,336
Box Office Manager	-	-	-	-	-
Box Office Casuals	-	-	-	-	-
Merchandising					
Merchandise Casuals	1,821	2,960	3,870	4,667	5,350
Seating Change Over					
Casuals	8,643	13,297	14,793	15,957	18,118
Total	58,391	86,283	95,478	103,371	116,021

Stage Two - 250 Seat Black Box and 400 Seat Theatre

		Year 1	Year 2	Year 3	Year 4	Year 5
WAGES REIMBURSEMENTS						
250	Tech Casuals and Manager					
	Educational	2,400	2,400	2,400	2,400	3,086
	Commercial	7,200	11,657	14,400	15,086	15,429
	Community	7,200	9,257	9,257	9,257	10,971
	Front of House Manager	7,616	10,569	11,813	12,123	13,367
	Ushers					
	Educational	1,792	1,792	1,792	1,792	2,304
	Commercial	5,376	8,704	10,752	11,264	11,520
	Community	5,376	6,912	6,912	6,912	8,192
	Bar Staff (see beverage)					
400	Tech Casuals and Manager					
	Educational	5,657	7,200	7,200	7,200	7,200
	Commercial	8,914	11,657	13,714	15,086	16,457
	Community	4,114	6,686	9,257	11,829	14,400
	Front of House Manager	4,974	6,839	8,082	9,170	10,258
	Ushers					
	Educational	5,632	7,168	7,168	7,168	7,168
	Commercial	6,656	8,704	10,240	11,264	12,288
	Community	4,096	6,656	9,216	11,776	14,336
	Bar Staff see beverage					
	Functions	8,704	9,683	9,683	10,336	10,336
	Box Office Manager	-	-	-	-	-
	Box Office Casuals	-	-	-	-	-
	Merchandising					
	Merchandise Casuals	2,390	3,870	4,781	5,008	5,122
	Seating Change Over					
	Casuals	8,145	11,303	12,633	12,965	14,295
	Total	96,242	131,057	149,300	160,636	176,729

City of Busselton
Application No | Receipt No
CIO ID
16 JUL 2012
Property ID | Doc ID
Retention
City of Busselton



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June 2012

CAPES REGIONAL ARTS AND CULTURAL FACILITIES NEEDS ASSESSMENT

Disclaimer:

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1. The Brief

To undertake a needs assessment of arts and cultural facilities in the Capes Region - to include a comprehensive assessment of arts and cultural facilities and services located within the City of Busselton, and the Augusta/Margaret River Shire.

Arts and cultural facilities for the purpose of the Study refer to publicly owned art galleries, studios and art centres for the production and display of visual arts and sculpture, venues for rehearsal and performance of drama, dance and music, public libraries and museums.

The objectives are defined as being to determine;-

- The location and needs of arts and cultural facilities for current and future requirements for the next twenty years;
- The location and upgrade requirements of existing facilities and services,
- The location and requirements for new facilities deemed necessary to cater for growth and capacity which cannot be catered for by existing facilities,
- Approximate costs for the associated upgrade of existing facilities,
- Approximate costs for the development of new facilities and services,
- Approximate maintenance, depreciation and indicative ongoing operational costs associated with the aforementioned items,
- Resources and structures required to manage, promote and hire out items above,
- Identify opportunities to use different delivery methods eg new technologies and how these could engage a broader demographic,
- Highlight potential points of conflict with the development of new and existing facilities such as land requirements, residential issues, facilities within neighbouring regions,

- Potential grant and/or developer contribution funding for new and existing facilities,
- Optimal design parameters for a Busselton Performing Arts Centre,
- Provide comment on the appointed architects concept planning for the refurbished and expanded Margaret River Cultural Centre, and
- A list of prioritized works based on current needs and growth requirements.

In undertaking this work the consultant is required to undertake a document review in preparation of the assessment including arts and cultural strategies and planning and feasibility documents, in addition to any other appropriate documents that may inform recommendations.

In particular, the consultant is required to review the Dunsborough Community Planning Day South West Development Commission 22 May 2005, the South West Action Statement, The Department of Culture and the Arts Strategic Plan 2010-2014, The Shire of Busselton's Strategic Plan 2010-2020, the Shire of Busselton document - Arts, Culture, Spirit, Sense of Place, Demography and Planning 2010, Local Cultural Planning Strategy August 2011, the Shire of Busselton Cultural Plan 2005, the Old Court House and Old Police Sergeants Cottages – Interpretation and Design Plan, the Old Court House and Old Police Sergeants Cottages Conservation Plan, the Weld Theatre Conservation Plan, Department of Agriculture (ArtGeo) Conservation Plan, A Performing Arts and Creative Industries Centre for the Shire of Busselton – Pegasus Venue Management 2008, and relevant Council decisions, the Busselton Performing Arts Centre Plans, the Busselton Community Resource Centre Plans, and the Foreshore Concept Plan.

In relation to the Shire of Augusta/Margaret River the requirement is for the consultant to review the Shire of Augusta/Margaret River Strategic Plan 2011-2022, Shire of Augusta/Margaret River Five Year Cultural Plan 2006, Cultural Centre Consultants Brief (SuperTown Consultancy), Margaret River Cultural Centre Concept Plan and Business Plan, Margaret River Main Street Study - Creating a World Class Tourist Precinct 2011, Arts Margaret River Annual Report 2010, any other previous relevant Arts Margaret River studies, AMRTA Planning for an Augusta Visitors Centre – Interpretive Centre/Museum, and the Augusta Museum Study.

In addition to the above the consultant is required to visit and assess current and future capacity;-

- In Busselton, the Old Court House Complex including Acting Up, ArtGeo Gallery, the Weld Theatre, the Old Butter Factory, the Busselton Library, Georgiana Molloy Anglican School Performing Arts Venue, Cape Naturaliste Community College Performing Arts Venue,

- In Dunsborough the Naturaliste Community Centre, the Old Dunsborough Hall, Our Lady of the Cape Performance Hall, and the Dunsborough Library.

- In Margaret River, the Cultural Centre, the Library, the Old Settlement, the Education Campus and the Community Centre.

- In Augusta, the Centennial Hall, the Augusta Historical Museum, the Augusta Library, and the Lesser Hall.

In addition the consultant is required to consider other regional facilities such as the Bunbury Entertainment Centre, the new Lyric Theatre and the Stirling St Arts Centre, and in Capel the Library and Community Centre.

In addition to the above, the consultant is required to assess the future requirements and optimal design parameters for the Busselton Performing Arts Centre and the Margaret River Cultural Centre.

2. Methodology

In undertaking the aforementioned work the consultant obtained required documentation, and through meetings with a wide range of stakeholders, also accessed relevant research documentation/reports which informed a range of issues relevant to this study - including demographics, demand, local priorities in relevant areas, and wider areas which informed the consideration of potential development opportunities - using statistical analytical methods to assess reports, and validate conclusions

The consultant also undertook wide ranging consultation and research in the Community across the Capes Region. There were two public meetings in Dunsborough, one in Busselton, one in Margaret River and one in Augusta. All were well attended and provided valuable input to the consultant in addressing the Terms of Reference and the Brief.

In addition the consultant prepared questionnaires which were distributed through the public meetings and also through other means across the relevant Communities. There were 236 written and oral responses to those questionnaires and these have been used by the consultant in identifying underlying community values, demand/needs for arts and cultural facilities, and priorities.

In addition there were 44 other direct meetings with key stakeholders, including with some individuals, who sought to pursue particular issues relevant to this Brief with the consultant. Again, this input has been used in terms of assessing underlying values, demand/needs and priorities for facilities relevant to this Brief.

Other Organisations Visited (some more than once)

- Capel Shire Hall
- CinefestOZ
- ArtGeo
- Artists at ArtGeo
- Acting Up
- South West Development Commission
- Old Dunsborough Hall
- Naturaliste Community Centre
- City of Busselton
- Department of Culture and the Arts
- Georgiana Molloy School
- Busselton Library
- Dunsborough Library
- Chamber of Commerce - Busselton

- Jack In The Box
- Our Lady of the Cape School
- The Old Butter Factory
- Community Centre at Margaret River
- Arts Margaret River
- The Old Settlement
- The Old Butter Factory – some staff
- JAMPACT
- Individual Artists (7)
- Busselton Repertory
- Margaret River Library
- Augusta/Margaret River Chamber of Commerce
- Lesser Hall Augusta
- Centennial Hall Augusta
- Indigenous Consultation Group
- Augusta Historical Museum

3. Summary Recommendations

The following are assessed as arts and cultural facilities that are needed in the Capes Region – based on comprehensive community/organisational consultations and on documentary research.

The cross – referencing is to Sections/Conclusions [and relevant pages] in this report that relate either to the Primary Needs Assessment Conclusions - or to supporting relevant Qualitative Conclusions.

1. **The Cultural Centre and Event Centre refurbishment/development in Margaret River – refer Sections 7-31 [page 62], noting and agreeing with the estimated costs and operational deficits as already forecast. This includes all associated business conference facilities.**
2. **The Old Settlement at Margaret River – refer Section 7-25[page 52], noting its suitability as a site for a museum and arts studios for practicing artists.**
3. **The Margaret River Community Resource Centre to the extent that it has gallery spaces and spaces suitable for artists to work, including in "wet" areas – refer Sections 7-33[page 65], and 6-4[page 30].**
4. **Public art as a matter of policy – refer Sections 7-1[page 34], 6-4[page 30], and 7-18[page 47] - particularly in Main Streets and in the Prevelly surf-side areas.**
5. **The Centennial Hall in Augusta to be promoted as a venue – refer Section 6-4[page 30].**
6. **The Augusta Historical Museum – refer Sections 7-32[page 64], and 6-4[page 30] – noting the potential for expansion based on earlier studies, including in conjunction with the AMRTA.**
7. **A Performing Arts Centre in Busselton – refer Sections 7-29[page 58], 7-37[page 67], 7-14[page 44], 7-19[page 48], 7-20[page 49], and 7-16[page 45] - noting in particular design and functional proposals – the preferred management model and an estimated cost of $20-22 million for capital, and a potential re-current operating deficit of approximately $300,000. Also, noting the need for a further succinct study to outline and define precisely the functional and spatial aspects and their relationships and also the technical capacities of the building – as a basis for further architectural drawings.**

8. The Old Butter Factory Museum – noting the current building report and the need to resource costs associated with that, which are yet to be determined. Also noting the need for revisions to the management/curatorial structure – refer Section 7-27[page 56].

9. The Libraries in Busselton and in Dunsborough are important cultural facilities – refer Section 7-29[page 58] - and noting the potential suitability for displaying the City's Art Collection on a rotational basis.

10. The Naturaliste Community Centre utilizing existing unused timeframes in the multi-purpose rooms – refer Section 6-1[page 28] – and noting the need for a new collapsible stage, acoustic curtains and some lighting and communications improvements at a cost of some $50,000.

11. The Old Dunsborough Hall to be retained in its present size and configuration – refer Sections 7-11[page 41] and 7-15[page 45] - and noting the need for building enhancements and improvements as per Cotan Building Report.

12. The Cultural Precinct in Busselton – refer Sections 5[page 21], 6-3[page 29], 6-5[page 31], 7-7[page 38], 7-6[page 38], 7-13[page 43], 7-9[page 40], 7-30[page 58], and 7-20[page 49] – noting potential management models for a diverse facility such as this - recognizing its development potential particularly in its associations with the proposed Performing Arts Centre in Busselton - and also ensuring that Aboriginal Culture/Sacred Sites are an integral part of development policies.

13. A potential Cultural Precinct in Dunsborough – refer Sections 6-2[page 29] and 7-15[page 45] - noting the need for a detailed study and community assessment in relation to such a facility.

14. The Yallingup Hall – refer Section 6-5[page 31] – noting the current upgrading/improvement proposals.

15. The Cape Naturaliste College at Vasse – refer Section 7-34[page 65] - noting its suitability, when available, for rehearsal space and for community based drama/performance interests.

16. Our Lady of the Cape School Hall facility – refer Sections 7-28[page 57] – noting concerns about costs for rehearsal, particularly for

community groups, but recognizing its potential as a facility to be promoted for smaller performing arts touring activities.

17. **The Yallingup Art Trail concept to be the subject of further consultation, planning, and development – refer Section 7-38[page 67], and 7-18[page 47].**

18. **The Sound Shell at Pioneer Park Cowaramup to be enhanced with appropriate acoustic treatment – refer Section 7-39[page 68].**

4. The Social and Economic Benefits of Arts and Cultural Facilities

Research needs to take into account the likelihood that sufficient people will want to attend a venue/arts facility. This relates to factors such as community cultural awareness through education, and disposable income. These factors have been measured by the ABS and defined as Social and Economic Indicators For Areas (SEIFA).

A definition of the main elements is below, taken from the ABS, with indicators for the Capes Region.

Description of the SEIFA 2001 Indexes (last published 2006)

There are four indexes included in the ABS SEIFA product in 2001. They relate to socio-economic aspects of geographic areas. Each index summarises a different aspect of the socio-economic conditions in an area. The indexes have been obtained by a technique called principal components analysis. This technique summarises the information from a variety of social and economic variables, calculating weights that will give the best summary for the underlying variables. For the SEIFA indexes, each index uses a different set of underlying variables.

The four indexes are;-

- Index of Disadvantage – focuses on low-income earners, relatively lower educational attainment, high unemployment and variables reflecting disadvantage.

- Index of Advantage/Disadvantage – a continuum of advantage to disadvantage. Low values indicate areas of disadvantage; and high values indicate areas of advantage.

- Index of Economic Resources – includes variables that are associated with economic resources. Variables include rent paid, income by family type, mortgage payments and rental properties.

- Index of Education and Occupation – this index includes education and occupation variables only.

All the indexes (including the Index of Relative Socio-Economic Disadvantage) have been constructed so that relatively disadvantaged areas (eg areas with many low income earners) have low index values.

The following material is extracted as summaries from the considerable detail provided by the ABS for the Local Government Areas below, noting the data was last made available by the ABS in 2006

	Column 1	Column 2	Column 3	Column 4
SEIFA Classification	**Adv/Disad**	**Disadvantaged**	**Economic Resources**	**Educational Occupation**
Albany	958	984	988	960
Augusta Margaret River	1001	1028	1022	1006
Bunbury LGA	938	966	982	992
Busselton	968	990	1017	1028
Capel	995	1042	1063	1093

Column 1 The Capes Regional population has few families of low income and few people with little training and in unskilled occupations.

Column 2 The Capes Regional population has a relatively high proportion of people with high incomes or a skilled workforce. This also means an area has a low proportion of people with low incomes and relatively few unskilled people in the workforce.

Column 3 The Capes Regional population has a high proportion of families on high income, a lower proportion of low income families, and more households living in large houses.

Column 4 The Capes Regional population has a high concentration of people with higher education qualifications or undergoing further education, with a high percentage of people employed in more skilled occupations.

It should be noted that the data gathered by the ABS for the above is now in need of refreshing and there are indications that demographics have been changing since the 2006 Census. Nevertheless the SEIFA extracts above indicate a population with a degree of education and disposable income suitable to "support" arts and cultural activities.

In October 2006 The Australian Cultural Minister's Council published a major report on "The Social and Demographic Characteristics of Cultural Attendees". The data was related to the work of the ABS on the categories above and each arts category was examined in detail. Patterns were established and summarized. Two are reproduced here;-

Attendance at Performing Arts;

Other than age-sex, factors related to attendance at other performing arts were;

- People in the two most advantaged SEIFA quintiles were more likely to go than others, and the people in the most disadvantaged areas (those in the lowest SEIFA quintile) were least likely to attend.

- People not in the labour force were less likely to attend than both employed and unemployed people.

Attendance at Galleries;

Other than age-sex, factors related to attendance at art galleries were;

- People in the most disadvantaged areas (according to SEIFA) were less likely to attend than people in the 'average' areas (or middle SEIFA quintile), who were in turn less likely to attend than people in the least disadvantaged areas.

Other than age-sex, factors positively related to frequent attendance at art galleries (at least 6 times in the last 12 months) were;

- People with a degree or diploma were the most likely to have frequently attended art galleries.

- People living in inner regional areas were more likely to have frequently attended art galleries than those living in major cities.

- People in both the least disadvantaged areas according to SEIFA were more likely to be frequent attendees at art galleries than others.

When considering the above in the context of the earlier SEIFA classifications and findings, it can be reasonably assumed that The City of Busselton and the Augusta Margaret River Shire populations are well placed to support and utilize arts and cultural facilities.

Overall Social and Economic Benefits

There are clear social and economic impacts of arts and cultural infrastructure in the community which is relevant in terms of the community development policies of Local, State, and Federal Governments.

Several statistical studies, including with the Australia Council and the Australian Bureau of Statistics, highlight the social and economic benefits of arts and cultural activities to communities in terms of community development.

Further evidence can be obtained from a valuable work "Social Impacts of Participation in the Arts and Cultural Activities", University of Western Sydney 2004.

The National and State contribution of the arts is well illustrated through figures that show that employment rates, levels and attendance, and sense of identity for the community come from involvement in the arts and related activities. In particular research indicates;-

- That there are a range of economic and social benefits that can flow from involvement in arts/cultural activity. These include civic pride and the image of the community, the communities way of life, creativity and engagement within the community, building social capital and providing entertainment and recreation, complementing principal educational institutions and being meeting places within the community.

- Nationally, almost 2.2 million people, or 15% of the Australian population aged 15 years and over have been involved in some form of paid or unpaid work relating to culture/arts and leisure activities and across Australia about 180,000 people earned income from teaching arts or cultural activity, with more than 75,000 earning some income from music and 50,000 earning some income from the visual arts,

- There are some 45 tertiary institutions operating in Australia and of these more than 40 have courses in either the visual and performing arts, conservation of art and cultural materials, crafts, dance, dramatic arts, film and photographic art, fine art, graphic arts and design and music and other visual and performing arts.

- Enrolment in all arts related courses measured in equivalent full time student units are increasing substantially and these indicate an increased level of interest and activity by students in arts education.

- There are high levels of attendance by Australians generally at various arts and cultural activities. Research indicates that the value of arts activity in communities is highly recognized by Governments, including Local Government, and is reflected in the financial support offered. Financial support for example, from Government sources in Australia amounted to nearly $5 billion in 2005, and of this amount, 21% was provided by Local Governments, emphasizing the wide acceptance of Local Government support for arts and cultural activities in the context of community development and engagement policies and programs.

Australia Council and ABS data also indicates that;-

- There is National and International evidence that strongly suggests that art and cultural opportunities, including through the performing arts, make a significant contribution to social and cognitive development, and this is so particularly in relation to linguistic relationships and self management,

- Arts and cultural activities also provide opportunities for participation and involvement and contribute positively to the social environment in the community,

- The existence of arts and cultural organisations in communities promotes the development of other social and community organisations and this results in wider and stronger supports for the community generally and further promotes the outcomes sought by Local Governments in particular, in their community services development and engagement policies and programs,

- In addition to social impacts, arts and cultural activities can be a strong stimulus for consumption investment and this is largely because they provide the local community and the region with a competitive advantage by defining images of creativity and the quality of life within the community,

- Images of creativity and quality of life contribute to community well-being and encourage people to live and work in an environment in which employers can recruit and keep employees and one in which cultural tourism can expand,

- Economic benefits from arts activity can be significant as they provide a range of employment and other opportunities for engagement with the community,

- The economic multiplier effects in a community is estimated by the Australian Bureau of Statistics are an average of 2.79 for creative industries.

Arts and cultural facilities are therefore a key strategic asset for the Capes Region in relation to community service, development and engagement policies/programs and objectives, and support and promote the on-going changes and growth in the demographics in the Region, including the attraction and retention of viable and sustainable tertiary, commercial and industrial enterprises.

Conclusions

Against this background, Arts and Cultural/Community organisations warrant considerable support from Governments, corporations and the community at all levels – because they enhance the lives of local and regional residents, including those who have never engaged with such organisations before and with the aforementioned consequential improvements in the social and economic circumstances in the community.

Without this support at adequate levels, communities throughout the Region lack a key ingredient necessary to achieve productive, vital and supportive communities – all objectives important to and supported by all levels of Government, and in commerce, and industries.

Notwithstanding this, the provision of facilities not only increases the number and diversity of arts and cultural events (including touring and local), but also offers venue space and opportunities to the local arts and non-arts communities by, accommodating new forms of practice, including multimedia and digital forms, alongside traditional forms and craft.

There is a sense of immediacy in "grabbing new practice now", in engaging with young people, invigorating existing practice, and in challenging and inspiring audiences.

In relation to facilities generally, it is also imperative to enable delivery of on-going and regular programs of professional and community arts practice and creative as well as management development, building the creative and management capacity of the arts sector, learning from established professionals and from each other.

There are opportunities for;-

- **Developing existing relationships with and referrals to peak service bodies such as ArtSource, the National Association of Visual Artists, Australia**

Business Arts Foundation, Community Arts Network, the State Writers Centre, Volunteering WA, etc

- Enabling cross-practice/cross organisation meetings to identify development priorities and options,
- Development that invites artists to move from their comfort zones and do things in new ways, including the way groups organise and management themselves as well as arts practice,
- Supporting the capacity and skills of young people, enabling young people to do with, for and by themselves,

Supporting actions specifically for arts and creative development include;

- Curatorial skills development, increasing the capacity of local artists to best present and find new ways to present their work,
- Artist exchanges and residencies.

Supporting actions specifically for arts management development include;

- Volunteer development,
- Opportunities for organisations and groups to share knowledge and experiences,
- Business mentorships of arts groups,
- Promotions and communications development, including online and digital skills,
- Widening the professional networks of organisations and groups.

5. Arts and Cultural Facilities – Resourcing, Management, and Operational Issues

As a general management issue, and given the importance of complementary and relevant development and management across the Capes Region, there is a need for the Shire of Augusta Margaret River and the City of Busselton to continue appropriate liaison on these issues.

The Shire and the City could consult on a regular basis on arts and cultural facilities to ensure complementarity and integrity in terms of responding to community needs. They could also act as an advocacy body with key State, Federal and Regional authorities concerned with policy, programming and capital and operational funding programs, including the Department for Culture and the Arts, Lotterywest, Healthways, and Development Commissions.

Against the foregoing, there are **three primary options** for governance and management of facilities to operate and manage, in particular a Performance Centre. These may in appropriate circumstances be considered for other complex arts/cultural organisations.

The **first and preferred option** for managing a Performing Arts Centre is to establish a separate legal entity with Memorandum and Articles which would require operation in accordance with the roles and responsibilities envisaged by the Shire/City and more particularly by the strategic directions set for the Centre – refer Attachment "B" – Sample Service Level Agreement.

In considering how this option would operate in terms of governance and management it is necessary to recognize the correct and legal roles of governance and managing bodies. They need to;-

- Establish and communicate long term visions within the framework of the requirements of the Shire/City and other major stakeholders.
- Within this framework there is a need to set clear objectives and priorities.
- Obtain and manage product for exhibitions/activities through the spaces and also the operation of associated educational and arts practice facilities and general community spaces.

- Obtain and manage financial services.
- Have clearly defined role statements for governance and management and to delegate appropriate governance tasks to any staff/volunteers as appropriate.
- Have a clearly defined organisational charter accompanied by key task statements.
- Recruit staff/volunteers to ensure the effective operation of the infra-structure.
- Review and approve on-going plans and budgets.
- Evaluate performance of the functions and the staff, and respond accordingly.

Essentially these governance and management functions would need to include organisational planning and policy development, operational and fiduciary matters, and staff/volunteer oversight.

In addition, there would need to be capacity to act commercially and in strong and practical relationships with other key operatives in implementing policies and programs. Importantly there would also need to be capacity to respond in a decisive and timely way to opportunities that arise in relation to activities touring through the Region.

Further, it is essential that the organisation have specific responsibilities to develop and maintain close working relationships with key stakeholders, including relevant networks and with State Government and other authorities concerned particularly with facility business objectives.

Whereas the governing body might have representation from say, Local Government in governance, it is important to realize the roles and responsibilities for other members in fulfilling a governance role.

One of the most important tasks for those other members would be to bring ideas and enthusiasm to the organisation, and it is essential to have a capacity to provide inspiration and offer encouragement to technocrats and staff.

- Obtain and manage financial resources,

- Be clear about the need for strong advisory and governance capacity,
- As a matter of course, maintain clear organisational arrangements in terms of employment, working relationships and a clear mandate to be entrepreneurial in a commercial environment,
- Have capacity to review and revise on-going plans and budgets and be in a position to evaluate operational performance and staff and to respond accordingly under the guidance and direction of appropriate governance.

In summary, there is a need for commercial skills and abilities and the need for capacity to respond in a commercial environment with a range of management, promotion, business development and technical and operational supports.

Particular technical and operational support needs that must be maintained and developed are;-

- Technical skills and capacity,
- A maintenance program so that all equipment is available all of the time,
- Systems support to inform a marketing program for the organisation, and a merchandising program,
- Research into audience and diverse product development,
- Re-current funding to support the ability to buy product,
- Audience development, function enhancement and conference/convention traffic,

Overall in assessing the role of governance, the following are key objectives/issues to be pursued;-

- Excellence is achieved in services and financially,
- Decisions are translated into actions,
- There are harmonious relations with staff,
- New challenges are addressed with vigour and enthusiasm

- Opportunities are recognized and exploited,
- Actual performances are evaluated annually against day to day objectives,
- The organisation is kept under constant review,

If these are not pursued, then it would be difficult for the organisation to operate dynamically where it should be commercial and responsive as well as informed on the range of product and activity that is relevant to the Capes Region.

In addition, it must have the flexibility to think laterally about how to deliver activities. One of the primary tasks for the organisation's governing body would be to initiate a very clear Strategic Planning process.

A **second option** for governance and management of such an organisation would be pursuant to Local Government legislation and it would be possible to create an Advisory Committee under Part 5 of the Local Government Act 1995.

The legislation provides that Local Government may establish committees of three or more persons to assist the Local Government body and to exercise powers, and to discharge the duties of Local Government that can be delegated to such committees.

The Advisory Committee could, in a limited sense, undertake a governance role in relation to activities, and importantly provide an opportunity for wider community input into the policy and program development activities and accountability aspects of an organisation.

The Committee could be made up of a member of the Local Government body and employees and other persons, and could be delegated powers and duties.

In particular, it could be delegated the powers necessary or convenient for the proper management of property and events, and these powers alone would be significant in terms of the operations of an organisation. The ability to exercise powers in relation to events is also relevant – given the exhibition, performance, and other activities and touring events of such organisations.

As a general philosophy, there is a need for the governance and management structure and the operational framework to be efficient, effective and inclusive of community input in terms of performance, responsive to community needs and requirements and relevant to the changing needs and priorities of communities.

A **third option** is a line-management arrangement with organisational staff reporting to the appropriate senior manager [and effectively governance] in the Local

Government body on a day to day basis, and possibly supported by a Community based advisory group.

As a matter of principle, it is important for any management structure and operational model to maintain and enhance its capacity to;-

- Be entrepreneurial and establish and communicate a long term Vision within the frameworks of the major stakeholders, and to set objectives and priorities for obtaining and managing diverse product, recognizing the desirability of some commercial capacity,
- To appoint staff,
- To monitor activities throughout the year,
- To ensure objects are achieved,
- To make sure financial difficulties do not arise,

An important additional responsibility is to guide the organisation to be commercially responsive to arts product and other business and event opportunities, and to participate in setting policy on product acquisition, including operational and financial effectiveness.

The duties and responsibility imposed by legislation on Board/Committee members in particular are many and senior staff also have particular responsibilities. Anyone participating in management may share the same responsibilities as Board members, and there are specific duties including honesty, reasonable care, and reasonable diligence. Clearly these principles are important.

Other important duties are to exercise reasonable care in relation to;-

- Regular meetings,
- Proper notice to all members well in advance of meetings,
- Meetings properly conducted,
- Accurate minutes are kept of all decisions, and
- Decisions are acted upon,

- Appropriate action is always taken to resolve financial and managerial problems

As a general observation, most organisations fail in governance and management because of poor technical standards and because of unsatisfactory working relationships. Members must have a clear understanding of their duties and responsibilities and must act honestly and with due care and diligence. It is always useful to have an Accountant/financial expertise as a member, with a duty to advise other members and senior staff on financial matters, particularly those concerned with interpretation of financial matters and performance.

In terms of additional issues on which a Board/Committee could focus on a regular basis, it is suggested that as a routine matter, it should receive regular reports on risk management strategies and their implementation, and on Marketing Strategies and their implementation.

Again, both of these are seen as critical for the governance of large facilities such as major arts, performance, convention/conference, and entertainment facilities.

Governance of large facilities must focus on risk management as a part of their responsibilities. In this regard, it is suggested that a Business Plan recognize the concept of risk management in the organisation.

It needs to recognize there are risks to be managed, that everyone is responsible and accountable for managing the risks in their work and that people should be encouraged and supported by management to manage risks. Further, risk management planning will provide a framework of systematic approaches for making decisions about how best to manage risks. There will be constitutional and policy requirements which operate within political, social and economic environments, and these need to be taken into account when managing risks.

Actions taken to manage risks should be integrated with planning and operational processes – including the Strategic/Business Planning processes.

Effective risk management depends on good quality information.

To achieve risk awareness and a management philosophy, it is suggested that specific policy be developed and endorsed by a Governing body which includes information such as;-

- The objectives of the policy and rationale for managing risk,
- How the policy is linked to the Strategic and Business Plans,

- The extent or range of issues to which the policy applies,
- Guidance on what may be regarded as acceptable risks,
- Relevant ethics and values,
- Responsible persons for managing risks,
- The support and expertise available to assist those responsible for managing risks,
- The level of documentation required and,
- Plans for review of the organisation's performance in regard to risk management policy.

The concept of risk has two elements, the first being the likelihood of something happening and the second being the consequences if it does.

Risks might include failure to reach objectives, clients dissatisfaction and poor publicity, a threat to physical safety or breach of security, mis-management, problems with organisational culture, failure of equipment or computer systems, breaches of legal or contractual responsibilities (including by users), and deficiencies in financial controls and reporting.

Conclusions

Whereas the aforementioned is particularly relevant to Performance Centres – there are other City/Shire line management arrangements in place for the arts and cultural and other facilities. These are generally satisfactory, but must operate in ways which reflect the general principles of management outlined above.

In arts and cultural organisations, community based advisory groups are a valuable organisational extension to management staff in understanding community needs and requirements – on an on-going basis.

6. Community/Meetings/Questionnaire Responses - Conclusions

Community Consultation Meetings

At the Community Meetings the Terms of Reference for this Project were clear. It was re-stated that the concerns for the consultant in relation to the Naturaliste Community Centre, for example, was understanding the capacities, the strengths, the weaknesses, other uses etc of this Centre and to make assessments as to whether there is capacity in its current or a developed model to support arts and cultural activities in the Capes Region.

6-1 Community Meeting – Naturaliste Community Centre

Refer Attachment "A" for detailed issues arising

Conclusions

There are clearly a range of concerns from current and potential users of the NCC that its availability and regularity of access and usage are under consideration, and some may be excluded because of charging and the non-availability of spaces. There is on-going review/consultation with the community and the City of Busselton on these issues.

In terms of arts and cultural facilities, the multi-purpose rooms are vacant generally during "out of hours" time and several days each week. These could be available for arts and cultural activities – as desired by many in the community, including existing users such as the Community Church, for smaller community based drama and dance, rehearsal and performances, with seating spaces for up to 200 people. Some minor modifications would be required such as a portable stage (to be stored in the green room) and some appropriate stage lighting, acoustic back-drop curtains, communication/sound equipment. It is estimated that this would require development expenditure of approximately $50,000.00 – and not require further capital expenditure on building construction expenses as suggested by some.

The establishment of a community advisory group to support City management would ensure clarity in policy and operational planning for the NCC.

6-2 Community Meeting – Old Dunsborough Hall

Refer to Attachment "A" for detailed issues arising

Conclusions

Whereas there is seen by some to be a need for expansion of the Old Dunsborough Hall, (as has been considered before in terms of raising the roof, and improving the general facility of the Hall), the clear preference is for the Hall in its entirety to be preserved as it is – there is a strong affection for it in its current form and usage – noting the recent building report that indicates a need for essential service upgrading – and ensuring the structural integrity of the overall building. It is already heavily booked, in its present form by a range of community groups, including for arts and cultural related pursuits.

There is strong local support for the establishment of a Cultural Precinct in Dunsborough in a central location, possibly in the Foreshore development/Sculpture Park area.

This matter should be the subject of further review and enquiry in terms of location, infra-structure, user potential, and management.

6-3 Community Meeting – Busselton City Offices – 13 March 2012

Refer to Attachment "A" for detailed issues arising

Conclusions

There is seen to be a high priority need for a Cultural Centre/Performing Arts Centre in Busselton to facilitate local performances, touring performances, and to enable use for conference/convention traffic, and occasional use by educational authorities when a large lecture space is needed.

In addition the facility could in particular support local dance and music organisations.

The preferred location is near the Cultural Precinct, in a colourful and active environment.

In operating such a facility, attention should be paid to management practices and processes that maximise income potential and lessen inevitable operating subsidy requirements.

There was support for the retention and maintenance of the Old Dunsborough Hall, and for arts and cultural activities to be undertaken at the Naturaliste Community Centre where possible in terms of space and suitability.

Aboriginal culture needs to be visible and accessible, with concerns also raised about a current register and management of sacred sites.

The Old Butter Factory is regarded as an important cultural facility, with a strong need for the site/buildings to be properly maintained structurally and functionally. In addition, there is a need for professional curatorial support in the management organisations – along with some salaried staff in the management team.

6.4 Community Meetings Augusta and Margaret River – 21 March 2012

Refer to Attachment "A" for detailed issues arising

Conclusions

Existing facilities such as the Centennial Hall and Museum in Augusta are key arts/cultural facilities, and maintenance and appropriate development are supported.

The development of the Cultural Centre and adjacent external spaces for arts/cultural activities are supported – as envisaged in SuperTown documentation – including "A" Class Gallery spaces.

The Old Settlement development and management arrangements are well supported in the community, and should accommodate a small relevant Museum, and work spaces for artists.

The Margaret River Community Resource Centre has existing limited gallery spaces and artist in residence facilities. It also has the capacity to accommodate spaces for artists in the "Wash" areas of the former Hospital – ideal for pottery and other "wet" arts/craft activities.

The Sound Shell in Cowaramup needs acoustic enhancements.

6-5 Responses to Questionnaires

There were 236 responses, the majority of which were written but a substantial number were verbal/direct to the consultant, as that opportunity was provided.

Conclusions

There is a need for a performing arts centre within the City of Busselton Local Government area – and that Centre should be probably of the order of 300 seats. It should provide for youth theatre. It should be located in Busselton.

Any such centre should be built on the basis of 20 year predictions because of the substantial capital and on-going operational costs associated with this. It is a major issue in terms of community facility, but also in terms of on-going costs to the community. On balance, the majority saw Busselton as being the likely place, principally because it is the population centre and is a major location for tourism. It has facilities such as the Cultural Precinct which could be an ideal location for the location of a performing arts centre. It is important that any facility has the capacity to provide reasonable cost access to a wide range of community groups from across the local Government area, including rehearsal spaces etc. In addition, it was seen as fundamentally important that a performing arts centre be a multi-purpose centre which could be used for a wide range of community activities including local performances, business conferences, conventions, educational, touring performing arts, and film and potentially incorporating a gallery or facility which would complement the gallery facilities already available in the Cultural Precinct in Busselton – particularly if ArtGeo was an "A" class style facility. In addition, there was wide comment about the Weld Theatre, and its value to the community and the fact that it is in the process of enhancement which should fit it well as a complementary facility to any performing arts centre located within its vicinity.

There was concern about the public art collection – the City of Busselton Collection – and the need for better display and utilization policies and activities. The Collection is the responsibility of ArtGeo – but this is not a suitable facility in terms of security/ storage. It is kept in a variety of places. Venues could accommodate and display the City collection e.g. in the new Public Library facilities, any new Performing Arts Centre, and other locations which could be selected through an agreed and managed policy.

There is clear evidence of population growth in Dunsborough. This is evidenced elsewhere in this Report and people are very conscious of this, and the fact that it

suggests a need for a Cultural Precinct, along with complementary museum facilities to those existing already in other parts of the Capes Region.

Spaces for artists generally were seen as vitally important with a need for a detailed review of available facilities, their adequacy and for growth. These included Pottery venues, Woodturning venues, and other community arts and cultural activities.

In relation to the Naturaliste Community Centre in particular, this is primarily an important facility for local sports, exercise and community well-being generally. This includes some opportunities for Community Church involvement and it has included in the past some opportunities for arts and cultural activities on an ad-hoc basis. There are however major concerns expressed by many people about the on-going purpose, functions, space allocations, permanence and related issues in relation to the Naturaliste Community Centre.

The Library at the NCC is seen as a fundamentally important facility, as is the Child Care facility.

There is a need for community spaces at the NCC to be preserved. There are concerns that current planning for the NCC could have the potential to remove groups such as the Little Creatures Playgroup from their current daytime availability, to cater for a privately run Crèche. These are concerns that need to be considered and addressed in terms of how the NCC will be managed and operated in the future – noting that current usage statistics – in terms of days and times on current demand/usage indicate that the multi-purpose rooms are not used on several days each week, often in later hours.

There are many groups including fitness classes, choral groups, childrens' dance and fitness groups as well as a range of indoor sports undertaken at the NCC that encourage people to utilize the Centre.

It was reported that the NCC needs to offer a variety of programs including the City of Busselton subsidized cost effective fitness classes. Over the last twelve months the quality of the fitness equipment at the NCC has not been maintained and there are budgetary issues here clearly. Often there is not enough equipment for some classes to run, against the background that demand is increasing.

The Old Dunsborough Hall is favoured by many as it is, but some upgrade/repairs are needed to facilitate its continued use as a valued community asset.

The issue of asbestos in the building in something which requires attention and the City has a report which discusses these issues and cost implications. The

current size of the Hall, as distinct from the Art Society rooms, is seen by most as being adequate, and in terms of cost, particularly appropriate for community based groups including as a rehearsal space for groups such as JAMPACT, and for dance and for other activities by young people. It is generally fully booked and is economic.

The Yallingup Hall has significant arts and cultural uses and has its own theatre company associated with it. This is important to both the Yallingup and Dunsborough communities. Its activities include as a Surf Film Festival venue for film screenings, meetings and workshops, community markets, art exhibitions, yoga and exercise classes, meditation, cooking and the Yallingup Stage Door Theatre Company activities. It is a valuable community asset and there are plans to maintain and modestly develop it. It is however important that it be seen as an important part of the arts and cultural facilities in the Capes Region.

In Augusta the Lesser Hall is not a significant arts and cultural facility, but the Centennial Hall clearly has substantial potential, in its current format, for touring performances and local performances and related activities, including gallery activities. It is a well utilized building and is flexible in terms of its use. The Centennial Hall in Augusta has ample parking, disabled access and has seating for approximately 250 people, it has a box office, it has an auditorium which measures 12 metres by 18.5 metres with a proscenium arch opening. The stage measures 9 metres by 6 metres, dressing rooms are equipped with benches, mirrors and bathrooms and the kitchen is well appointed. The facilities available include 300 chairs, comprehensive sound and lighting systems, gas fired heating, stage curtains, sound and lighting control equipment, acoustic sound panels, an upright piano, and stage curtains. It is a well equipped and diverse facility. It is managed under an arrangement with the Augusta Margaret River Shire and the Augusta Centennial Hall Management Committee.

It was noted in May 2011 that the Hall is in fair condition for a venue. Technical upgrades were made in April 2011 that would assist the hirers. However, the venue needs all equipment tested and tagged immediately and is in need of annual maintenance to keep it in good condition. Any complementary equipment required could be provided through the Margaret River Cultural Centre. The audio desk and amplifiers are rack mounted in addition to improvements to installing equipment to improve the quality of sound in the venue.

7. Documentary/Policy Reviews, Facility Reviews, and Organisational Consultations – Conclusions .

DOCUMENTARY/POLICY REVIEWS

7-1 Percent for Art Policy – City of Busselton

Guidelines were created in 2007 to help incorporate art works into developments as part of the City's Percent for Arts Policy. Art work associated with the development was to be approved by the then Shire before the issue of the building licence. Designs for art works with drawings, location, materials, names and resumes of artists were to be submitted on the forms attached to the guidelines, with the application for a building licence. The Percent for Art Policy was based on the Western Australian Government policy in the universal model Percent for Art Policy developed by ArtsSource. The aim of that policy is to protect and enhance community and cultural identity through the contribution of 1% of eligible development proposals and Shire capital works towards the inclusion of art works in built form and public spaces.

At the time of the development of this Policy in 2007 the then Shire considered there was a need to protect and enhance utility, amenity, and identity of the public domain of places such as town village centres, squares, foreshores, and parks within the municipality.

Conclusions

These views are seen to be as relevant today as they were in 2007 in that they will assist in achieving the following objectives;-

a) **Promotion of civic, community and cultural identity by introducing public art which makes streets, open spaces, and building more locally distinctive,**
b) **Enhancing a sense of place by encouraging public art forms which reinforce and highlight European and Aboriginal history, cultural heritage and contemporary traditions,**
c) **Promotion of community reflection, inspiration, celebration and wellbeing,**
d) **Improving visual amenity by use of public art to screen and improve the appearance of places and,**
e) **Improving the functionality of the public domain through the use of public art to provide an appropriate street furniture function.**

7-2 The Old Court House – Busselton

Several studies have been undertaken in relation to this area of the Precinct. They include a Community Workshop in August 2006, Strategic Plan developed by Jack In The Box and released in 2006, a Marketing Plan developed and released in 2006 and the Court House Arts Complex Management Plan in 2007. They are not concerned with the interpretation of the heritage of the complex, but on the basis of this research, that interpretation should include attention to conditions in the early years of European settlement – that an Aboriginal Reference Group should be established with strong local representation – and that interpretation acknowledges the system of law and social organisation that existed in local Aboriginal society. Interpretation could include the establishment of a Bush Garden on the site and to a simple outline of the early years of Busselton's history as a context for understanding the significance of the Complex.

The Complex's role as an art centre should be recognised as a significant aspect of its heritage and interpretation could include a cameo presentation of the first resident Magistrate Captain Molloy, as a means of highlighting the challenges facing the administration of justice in the early years.

In addition, the effects of 1905 Legislation which established the Stolen Generation should be illustrated through the inclusion of testimony of Rose Pell's childhood separation from her Busselton family.

In addition there are several other recommendations including that in interpreting its roles as an arts centre, prominent stakeholders from bodies such as the then Busselton Arts Council, Busselton Art Society, and the Cultural Partners Group, and the City and ArtGeo staff should be encouraged to have input into the material used, and that prominence should be given to interpreting the Complex's role as an arts centre, particularly the roles of the Busselton Arts Council and the then Busselton Art Society, and the City and Management.

Interpretation of the role of the Complex as an arts centre should mostly be in those spaces that are used as arts spaces and an audio tour could be developed as a major tool for interpretation of the history and heritage of the Centre. Existing metal plaques outline building details and the former use of spaces in the Court House should be retained. An interpretive implementation should be consistent with overall strategic planning for the Centres' future as a part of a Cultural Precinct for Busselton.

There are further recommendations regarding themes to interpret the significance of the Court House Complex buildings and site, and suggested general principles as a basis for interpretation of the buildings and spaces - all of which have been readily accepted -

including restoration with authentic fittings and finishes to be retained, modern materials to be used for new work, and there should be respect for the past and retaining the patina or age and noting that the spaces around and between the buildings are as important as the buildings themselves.

Conclusions

The buildings should be considered as a major component of interpretation, and this comment is relevant in terms of earlier comments about the Weld Theatre. There are several other recommendations and these include that the exercise yard be left as an open space for group work, with modest interpretation to explain its use.

7-3 Arts, Culture, Spirit, Sense of Place – The Shire of Busselton October 2004

This Report was developed by persons from Cultural Planning and Development, with the community and the City of Busselton (then Shire) in October 2004.

It included comprehensive consultations with relevant individuals and organisations including 36 community based arts and cultural organisations, 62 commercial arts organisations, 26 individual artists, 16 schools, 3 environmental organisations, and 7 (then Shire) managed arts and cultural places and activities.

In terms of arts and cultural infrastructure the Report recommends that as part of networking strategy, a plan should be developed to invite different organisations to meet with local groups on a regular basis. Also in developing the Cultural Precinct, its links with other precincts and sectors is as important as the Precinct itself. The Report suggested that the then Shire should adopt an eight stage Cultural Planning Process which would provide the framework for continuous cultural planning and development, increased collective information and the analysis of situations to inform further planning.

In terms of the Library, all organisations should be encouraged to deposit a copy of their posters, information documents, annual reports, and photo albums to the Library. Some organisations were already doing this but it was suggested that the Library could have an exhibition of local arts and cultural history to encourage organisations to make deposits. It was also seen as important that the then Shire maintain a data base of arts and cultural organisations and venues.

Conclusions

In terms of findings and recommendations, and these are supported, there was seen to be a need for buildings for the arts in the high arts, community arts, established and contemporary genres, visual arts and craft, music, dance, theatre, literature, new and multi-media, mixed commercial and community

opportunities for economic sustainability and the Cultural Precinct. In terms of arts and cultural infrastructure networking, planning and performance, the management of assets and information were seen as critical issues for community involvement.

7-4 Leisure Services Plan for the Shire of Busselton – April 2005

In 2005, CCS Strategic Management Community Development and Leisure consultants undertook this study for the then Shire of Busselton. In particular, it identified a Leisure Services Plan for the community with a focus on the period from 2005 – 2015 as a basis for the Shire to have a sound basis on which it could plan, co-ordinate and make future decisions on the development of recreation services and the provision of facilities in accordance with the desires of the community.

Up to that time the Shire had experienced considerable population growth and ongoing growth was forecast for the next two decades with the current population around 27,000, that is in 2005. It was predicted to reach 40,000 by 2015 and 60,000 by 2030. These figures are still relevant. At the time this report was prepared in 2005 the Shire was experiencing a tripling of the resident population during holiday periods and this is continuing, which requires the population to be serviced through leisure facilities etc of around 100,000 people at peak times.

In a comprehensive survey in this 2005 Study, when asked what facilities they believed were most required, the top five responses in priority order were;-

1. Walking, cycling trails and paths,
2. Swimming pools
3. Ovals and parks,
4. Live entertainment – theatre – performing arts centre – arts centres,
5. Beach front facilities and amenities.

Conclusions

Clearly population growth projections are valid, and the recreation priorities are high but there is a strong voice evident advocating for performing arts and arts and entertainment venues.

7-5 Shire of Augusta and Margaret River – Strategic Community Plan 2011/12 – 2021/2022

This Plan identifies key result areas as being for sustainable development, environmental protection, strong community, vibrant economies and business excellence. Significantly these key result areas include sustainable community infrastructure.

Conclusions

Some immediate plans include extensions to the Margaret River Library, upgrading the Margaret River Cultural Centre, developing the Concept Plan for the Old Settlement site, and a ten year program to remediate facilities which do not meet universal access standards.

7-6 Shire of Busselton Cultural Plan – 2004

This plan undertook an assessment and analysis of arts and culture in the Shire, and a two part cultural planning process was used.

Of particular relevance to this study was that the reference to the planning of cultural amenities and town planning were seen as an involved issue, but regardless of their size they desired to have at least one of each of the following - a Cultural Centre, a Performing Arts Centre, a Community Centre, a Youth Centre, an Amphitheatre, a Cinema, and an Indigenous Cultural Centre and Art Gallery, Community Gallery, a Museum, a Community Museum, a Library, and public art and recording studios.

Conclusions

Arts and Cultural amenities were seen to represent a symbol of maturity of the place and its people. Investment in such assets would be considerable and the amenities themselves are not usually economically viable if considered as stand alone assets. However, the multiplier effects on business, employment and community capacity building cannot be under estimated and this is dealt with elsewhere in this Report in section 3.

7-7 Weld Hall Conservation Plan

In October 2009 Heritage and Conservation Professionals in Perth undertook the development of a Conservation Plan for the Weld Hall at the corner of Queen and Adelaide Streets in Busselton.

The Conservation Policy framework covered issues relating to conservation of assessed significance, statutory requirements, assessing future use and development and implementation against the fundamental principles that all work undertaken to conserve or adapt the Weld Hall Buildings and gardens should be appropriate to the assessed significance of the place - with conservation work to be guided by experienced conservation practitioners, noting that Weld Hall is included on HCWA Register of Heritage Places.

Overall, in terms of physical conservation works, the report identified urgent works in a one to two year timeframe, which included regular maintenance, drainage, repair and restoration of parts of the building and installing mechanical ventilation and air conditioning to the Auditorium. Less urgent works were seen to be in the two to five year time frame, ensuring that the building fabric was checked for possible asbestos content fibrous cement sheets, and to replace these only where they were recommended because of damage or with a program of works to upgrade the building.

In addition, there was seen to be a need to restore the pressed metal ceiling and to restore the architraves to the arched window in the south wing. Longer term conservation strategies over a five to ten year time frame were to ensure on-going programs of maintenance and care of the building, checking and treating for deterioration on an annual basis, and carrying a process of upgrading facilities as recommended.

Subsequently, an overall Weld Theatre upgrade plan was developed to meet community standards, recognising the heritage nature of the facilities provided by this asset. In 2011 advice was provided by a construction cost consultant that indicative cost estimates for this work would be $740,000, excluding GST. This estimate was based on architectural drawings.

Ultimately the cost of the works required was estimated at $810,000 on 11 August 2011, and there were commitments for the provision of funds from the Shire of Busselton, the South West Development Commission, and Lotterywest.

Funds have been committed sufficient to undertake substantial improvements to the building but excluding the assessed storage and stage support requirements, including provisions for the movement of substantial items into the building as a part of sets and mounting on the stage and removing from the stage - which results ultimately from the project being some $120,000 short of what is needed to complete the overall development.

Conclusions

During the course of research and analysis in this project it was clear that the Weld Theatre facility is strongly supported by the community as a fundamental part of the "theatre infrastructure" in the City of Busselton area, and in the wider community. There are clear needs, and these are recognised by most, for this facility to be maintained, restored, and upgraded to a standard which enables it to become a key part of complementary theatre facilities that may be built within the Cultural Precinct or elsewhere in Busselton.

7-8 The New Community Resource Centre and Library Extension – Harris Road Busselton

Substantial works are underway in relation to this Centre and will enhance the existing Library facilities, adding a significant Community Resource Facility adjacent to that.

Conclusions

The co-location of these areas is seen as highly relevant, including in terms of the provision of essential information services to those who will occupy, utilize and visit the Resource Centre.

This new facility overall could provide substantial opportunities for displaying at least part of the overall City's Art Collection.

7-9 Conservation Plan for the Office of the Department of Agriculture – Busselton currently ArtGeo

A Conservation Study was undertaken in December 2000 and the purpose of the resulting Conservation Policy was to state how the conservation of the place may best be achieved in the long and short terms, and how to retain or reveal significance, identify feasible and compatible uses, meet statutory requirements and work within procurable resources - stressing that any future conservation works, alterations, or maintenance should be carried out in accordance with the principles listed in the Australian ICOMOS Charter for the Conservation of Places of Cultural Significance. The policies and options discussed in any plan should be adopted as a guide to future planning and works. It was stressed that future conservation must retain the cultural significance of the place and must include provision for its security, its maintenance and its future.

Conclusions

The building was constructed in 1930 and its original use was as a Bank. Other uses have been as Government Offices. It is now an Art Gallery. Its construction is brick, stucco and tile. It has had few modifications, and is mostly still of its original fabric. These are significant findings, and discussions about principles

and standards to be followed in relation to the development of the Cultural Precinct and the key facilities within it, including the ArtGeo Gallery.

7-10 The Strategic Plan 2010 – 2020 – Shire of Busselton

Key result areas include community and social well-being, business and economic well-being, natural and built environment well-being, and organisational well-being.

Conclusions

In relation to community and social well-being, strategic priorities were seen to be a range of quality leisure, cultural, recreational and sporting facilities and services, providing for the youth, the aged and the disadvantaged, and providing for a healthy community.

7-11 Building Report – Dunsborough Community Hall

Cotan Consultants undertook research and prepared a building report in relation to the Dunsborough Community Hall on 20 March 2012.

The building was described as a number of attached structures which had been combined to form one single storey building complex, with the original hall being built in 1958. Total building area in the single storey complex is 489 square metres.

The site was described as natural ground, with slight slopes from the North Eastern corner on Gifford Road down to the South Western corner on Gibney Street. There is a bitumen sealed carpark and driveway located on the Northern side of the Hall and a hotmix sealed carpark for eight bays on the Southern side of the Arts Society Section. The landscaping beds have been installed along the Eastern and Southern sides of the building and there is storm water drainage.

The site was assessed as well drained. There is no indication of any problems from rising ground water, with surface water run-off from the driveway and car-parks being directed to flow clear of the building.

Conclusions

In terms of the main hall, the timber floor structure was constructed from Jarrah which has been dried and is in good condition. The timber flooring stumps appear to be in good condition with replacement of timber stumps not required at this stage. The Building requires on-going inspections and rectification. Over

time some or all of the timber stumps may subside due to deterioration at the base of the stumps. Stage floor structure is a demountable form of construction which will support light loads only.

In terms of foyer, kitchen and bar, there were no significant problems, although the standard of the kitchen and bar has received adverse comment. Again, toilets were not a problem but do require attention.

The Arts Society space in the building similarly doesn't require replacement of timber stumps for flooring, providing complete and regular maintenance inspections are undertaken.

7-12 Margaret River Cultural and Event Centre.

In the context of the SuperTown Funding Applications submitted in relation to the Shire of Augusta/Margaret River in February 2012 it was mentioned that the Margaret River Cultural and Event Centre upgrade is significant in that it will meet the cultural facility needs for a growing community for performing arts and visual arts for the next 20-30 years. It will provide strategically located state of the art facilities to attract major national and international events such as wine and food exhibitions and business conferences - expanding the economic base of the region, generating tourist dollars and local employment. It also represents good value for money at approximately $17 million dollars by incorporating an existing 300 seat theatre and complementing the new $13.2 million dollar Civic Centre and landscape gardens, all within walking distance of 1,500 accommodation beds.

It will provide an attractive multi-functional hub for community activity and events ranging from the annual agricultural show, Circuit West productions, travelling art exhibitions, cinema and musical concerts.

It is noted that, during the course of consultations for this Project, it was mentioned that the external areas between the Civic Centre and the Cultural facility could well be developed appropriately, perhaps as an external performance space.

There are several identified deficiencies in the current Cultural facility in that the auditorium needs to be softened to make it more welcoming, inviting and comfortable. In addition, it requires acoustic treatment, efficient heating and cooling, and the current retractable seating requires manual handling. The lack of hanging space and the temporary nature of foyer conversion to a gallery is sub-optimal in presenting art works. This again was referred to consistently throughout this Project, with the need for separate and improved gallery facilities for presenting art works and for hosting larger exhibitions and permanent displays. In addition, disability access arrangements are currently inadequate and there are no disabled toileting facilities.

The administration ticketing office is cramped and inefficient, and kitchen and catering facilities are outdated and require replacement. Bar facilities are similarly sub-optimal and the foyer area is cramped and lacks natural lighting. The roof of the Cultural Centre in the adjacent squash court section of the Recreational Centre contain asbestos and the Shire is keen to remove these. In addition, the Shire and the Local Chamber of Commerce has identified a potential demand for increased convention and function facilities due to the regional attraction of Margaret River and surrounding areas. The integration of existing community facilities and new conference facilities is desirable to minimize the running costs and maximize flexible multi-user capacity.

Conclusions

In summary the planned $17 million upgrade is reported to include;-

- **Refurbished 300 seat theatre featuring best available technology,**
- **New 460 square metre divisible event/conferencing space,**
- **New commercial kitchen and bar servery areas,**
- **150 square metre gallery exhibition space,**
- **New foyers and separate pre-functions areas for two simultaneous functions,**
- **Two new offices and rehearsals spaces,**
- **Full disability access toilet facilities,**
- **A new attractive aspect from Wallcliffe Rd, complementing the Civic Building,**

7-13 Undalup Festival Association – Consumer/Tourism Survey

The Undalup Association is connected with evaluations of consumer interests in engaging with Aboriginal tourism experiences. During the course of an event in Perth, a consumer questionnaire was developed. Questions to answer included engagement with Aboriginal tourism. This data was collected in March 2012.

The respondent consumers were 92% Australian, 43% were 55 years and older, with 41% being between the ages of 35 and 54, 70% were female, and 84% were from Western Australia.

Most planned to spend their next holidays in Australia's North West and Australia's South West (40%).

Their main purpose of holidaying in Western Australia was to explore and to learn, with 67% indicating that this was their highest priority, 65% were likely to go on holiday with a partner, and 64% would get information to plan their holiday from the internet.

In terms of interest in engaging in Aboriginal tourism experiences, 64% had already experienced traditional Aboriginal culture, but 36% had never experienced Aboriginal culture. A very significant majority 91% would like to experience Aboriginal culture during their next Western Australian holidays which means that of the 40% who said they would come to the South West, 90% of those were likely to experience Aboriginal culture or seek to do so during that holiday event.

Conclusions

In summary a very significant majority of visitors would like to experience the South West and Aboriginal Culture during their next WA holidays and most are interested in getting more information about Aboriginal tours and related businesses.

7-14 Foreshore Development Concepts – Busselton

One of the most important Community and cultural assets to the Busselton Community is the foreshore. The foreshore has been a critical element in Busselton's development since European settlement, being the location of the iconic jetty, and a link between Geographe Bay and the Town Centre. The Busselton Community is therefore closely connected to the development of the foreshore and the role it plays in the daily life of the residents.

The foreshore also forms an important but unrealised destination for visitors. It embodies the relaxed coastal lifestyle that is highly sought after as a tourist experience.

In June 2011 the Council adopted the following statement of intent for the Busselton foreshore – " A Balanced Approach – the foreshore will be developed in a manner that respects Busselton's identity and heritage, whilst providing economic, social and environmental benefits to the City and South West Region."

Conclusions

Review of the Foreshore Development concepts indicates that developments such as the Performing Arts Centre and Cultural Precinct issues are relevant

to the overall facility and community development aims inherent in the concepts.

7-15 Dunsborough Community Planning Day Report – 22 May 2005

This was an initiative undertaken by the Dunsborough and Districts Progress Association, the South West Health and Communities Project and the South West Development Commission. Its purpose was to promote involvement of the community and celebrating and reflecting on community achievements, identifying economic, environmental, and social assets of Dunsborough and imagining Dunsborough as a vibrant, productive and healthy community. It used shared knowledge as a basis of planning to progress actions together and identified community priority areas.

In terms of cultural facilities, particular emphasis was placed on an outdoor concert venue, along with a variety of cultural and sporting facilities.

There were strong feelings about a co-ordinating group to bring all groups together to promote actions for community self-autonomy and autonomy of facilities and control and the need for a strong community group to represent Dunsborough within the then Shire.

Particular requirements that were seen in relation to arts and culture were an amphitheatre, entertainment venues generally, creative supportive structure for isolated families and a gymnasium on NCC land for the health of all people including the elderly.

In some of the large group exercises there was strong emphasis on focusing on environmental issues in policy, in community development and recreational projects supported by a local liaison group, and the options for joining up various groups for community connectiveness and to develop local festivals for locals.

Cultural and sporting facilities were a high priority and they included a world class surf club, yacht clubs, outdoor entertainment venues for cultural and sporting events, liaison with Aboriginal groups and clubs, and the renovation of the Dunsborough Hall.

Conclusions

Priorities were seen to be improving the ascetics of the Town Centre and visual pollution, and this was consistent with suggestions elsewhere for Cultural Precinct facilities.

7-16 Action Agenda for Regional Developments – Regional Development Council

This is a substantial policy document which prioritizes investment decisions to achieve more effective regional development outcomes. It sets out the Regional Development Council's priorities and outcomes for regional development in Western

Australia and directs Council's policy development focus. It concentrates on outcomes that improve the provision of quality, affordable and accessible services in regional areas including improving the social, cultural, and environment amenity for regional residents.

There are a range of priorities in housing and services, in employment infrastructure and skills, in health, and in education. In social and environmental amenity, there are indications that an outcome sought relates to cultural events that attract visitors and visitors to the Region and enhances the quality of life for all residents. Under leadership and decision making, the Action Agenda seeks a particular outcome such that Aboriginal Leaders are encouraged to develop local solutions to regional and Aboriginal challenges, and to enhance Aboriginal representation at all levels of Government policy.

Conclusions

Through the Regional Development Council there is a Regional Development Council Action Agenda Funding Scheme under which funding is available to assist the development of infrastructure or service projects that have a strategic impact such as arts and cultural facilities - against the Action Agenda outcomes, particularly in social and environment amenity.

Importantly the Action Agenda items that may be supported must be worth over $500,000 and applications can be submitted by any organisation or individual business including all States Agencies and community organisations. Eligible applicants may include Local Government, voluntary organisations, business groups, educational institutions, and philanthropic foundations and community organisations.

7-17 Five Year Cultural Plan – Shire of Augusta-Margaret River – March 2006

This Study was commissioned in 2005 to introduce an implementation plan for earlier work that had been undertaken through the Community Arts Network in Western Australia in 2003-2004.

The Report found that the implementation of a Cultural Plan depended on the then Council's ability to provide both recurrent and capital funding, and harnessing support from within the community. It also identified that there is considerable potential for growth in arts and cultural activity within the Shire to serve the local community and to harness some of the potential arising from visitors. It was said that only a patient, realistic, and strategic approach could bring the social and economic benefits to the Shire which the Cultural Plan clearly intends.

Included in the recommendations of this Plan were a commitment to funding for five years, a commitment by Council to funding for five years, appointment of a Technical Manager for Council facilities, increased maintenance of the Cultural Centre and new facilities and possible support for a proposed professional performing arts company. In addition, the establishment of and support for Arts

Grants Program for local master classes was supported, along with the development of a Strategic Events Calendar Program.

In a strategic sense, it was seen important to have a Cultural Communications Strategy and the overall development of a Cultural Capital Strategy. In terms of capital matters the refurbishment and upgrade of the Cultural Centre were of high priority with a provision of rehearsal workshop and community spaces and provisions of an intimate performance space. In addition, capital was recommended for the facilitation of the development of Artists in Villages and arts workers spaces.

Conclusions

This Report confirms findings arising from this Project in terms of priorities and the needs for arts and cultural facilities.

7-18 Local Cultural Planning Strategy – City of Busselton August 2011

This a comprehensive document which it is said builds on relevant recommendations of the Shire's Cultural Plan which was developed in 2005. It describes how the then Shire had sought to extend the influence and scope of the existing Cultural Plan by integrating cultural planning into both the local planning scheme and in operational practice.

It recognised that there is an imperative to protect and nurture community and cultural identity, while rapid population growth (as is the case now) is occurring, and also recognizes an inherent desire to manage and protect the quality of life, while welcoming visitors including new residents.

The Report includes maps on cultural precincts and significant cultural sites, group settlement plaques and maps.

There is considerable statistical data in terms of demographics for periods to 2006 and substantial discussion about cultural precincts seeking to embrace existing neighbourhoods, and to celebrate local character by creating "zones of experience".

Interestingly, particular precinct concepts were seen as relevant in the Naturaliste Ridge, Geographe Bay, the Wetlands and a Rural Precinct.

The Naturaliste Ridge Precinct comprises the northern part of the Leeuwin Naturaliste Ridge West of Dunsborough from Cape Naturaliste to the Southern boundary of the City. It would include the Leeuwin Naturaliste National Park, Meelup Regional Park, Bunker Bay, Dunsborough, Old Dunsborough, Yallingup, Eagle Bay and Smith's Beach, Canal Rocks, and Injidup, and adjacent foreshores including the proposed Ngari Capes Marine Park. It recognised a strong connection between the Wardandi People and their connection to the sea and that they are the custodians of the Caves in this precinct.

Conclusions

The Report provides valuable insight into significant cultural sites within the City of Busselton jurisdiction, and is an important reference document in terms of the identification of registration and management of those key significant cultural sites. It complements the current inventory of heritage places.

The importance of public art in place making is described as an important part of cultural land use planning strategies but providing public spaces for expression of culture and identity. This is clearly facilitated by the Percent for Art policies of the City as described in Section 7-1.

7-19 Demography and Planning – City of Busselton

This is an information paper which was published by the Shire of Busselton on a periodic basis to provide statistical data for rate payers, residents, business proprietors, tourist operators, consultants, statutory authorities and others regarding demographic change, projected population planning and development in the then Shire.

Importantly for the purposes of this Project the statistics included indicate that estimated permanent resident population growth 2001-2010 would be from 23,099 to 31,767 which represents an annual increase of 1,262 and annual growth rate of 4.1%. These are based on ABS data. In the then Shire, the average household size was 2.79 people (that was in 2006) and there were a total of 12,863 private dwellings, with the Busselton housing numbers being 7,826. It is noteworthy that within the then Shire 74.2% of houses were occupied. In the Busselton urban area the percentage was 83.2% and in the Dunsborough urban area the percentage occupied was 53.7%.

The population projections stated in this Report indicated that by 2011 Busselton would have 20,200 people based on an average annual growth rate of 2.5%, Dunsborough would have 4,450 people based on an average annual growth rate of 3.8%, Yallingup would have 170 people, Eagle Bay would have 80, the Vasse Village would have 1,000 and Carbanup River would have 50, meaning there would be an urban total of 25,950, a rural total of 5,100 and a Shire total of 31,200.

Conclusions

It is noteworthy that these predictions are substantiated by current data.

The Report indicated that the growth of the then Shire created many planning issues that required investigation/resolution. These included the formulation of local tourism, commercial, cultural, environment and settlement planning strategies to assist in sustainable management and planning. Clearly this is consistent with the nature of this Project.

7-20 Cultural Ministers' Council – Creative Innovation Economy Round Table – February 2008

This Report was intended to provide high level discussion of issues, opportunities, potential future directions and key shared priorities for the Australian and New Zealand creative sectors in the online, mobile, and broadcast digital environment. The Report documents achievements and is intended to raise awareness of potential future directions for the creative sector in the digital environment.

Conclusions

The Report identified a range of priorities for enabling the creative sectors to take full advantage of opportunities in the digital environment. These included increased access to digital infrastructures, especially broadband for producers and users of creative and cultural digital content and services, simpler copyright provisions, and more holistic approaches to intellectual property management through the sector. This would maximize the sectors' ability to exploit digital content across a range of existing emerging digital platforms, business skills training [particularly for small creative enterprises where the creative talent of the enterprise is also likely to be the business manager], and a strategic approach to brokering partnerships between the creative sectors' and the education sector to facilitate greater collaboration across sectors. Also, it would improve market research and consultation, and programs and funding models that increase the commercial potential of creative enterprises and organisations according to geography, demography and characteristics of the local creative sector. The intention of the Report was to heighten Cultural Minister's to pursue a range of practical measures in their jurisdictions.

7-21 Department of Culture and the Arts Strategic Plan 2010-2014

The introductory remarks to this document indicate that the Department is sensitive to the effects of the global economy, evolving technologies and changes in Community needs and that the ways citizens engage with arts and culture is changing. These are seen as opportunities and challenges for the arts and cultural sector.

It is reported that the outcomes sought by the Department are;-

- A creative, sustainable and accessible culture and arts sector,
- WA's natural cultural and documentary collections are managed, preserved and accessible.

The Report states that infrastructure and technology are seen as essential components to the effective delivery of culture and the arts experiences to the community - and

through its policy development role the Department aims to make cultural infrastructure a key component in culture and arts planning throughout the community, including utilizing new technology which is seen as vital to achieving the desired reach of services to the WA Community.

A key strategic objective is the development of a culture and arts infrastructure policy and it is understood that this is advancing at this time through increasing consultation in the context of a communications framework.

There is clearly a strong emphasis on infrastructure in a policy context and the need to promote regional and other infrastructure, and utilizing current and emerging technologies.

In addition, there is devolved funding from DCA through the Catalyst Community Arts Fund which is managed by the Community Arts Network Western Australia, through the Creative Networks Regional Local Government Fund (which is also managed by the Community Arts Network Western Australia), through the Contemporary Music Touring Program, through Shows on the Go, and through Country Arts WA Annual Funding Programs. All of these are also managed through Country Arts WA.

Further potential sources of funding are through the WA Premier's Arts Partnership Fund which is managed by the Australian Business Arts Foundation - the intention being to make it easier for small to medium businesses to partner with the arts by matching their financial commitment. **There could be opportunities for local businesses within the Capes Region to participate in this activity.**

In relation to Country Arts WA overall, there are opportunities through Shows on the Go program tours for professional performing arts productions to tour into regional Western Australian communities. Country Arts WA gathers responses from regional communities in order to select which productions tour, giving the Communities themselves a say in the selection. It is important that there be local participation in these opportunities.

Productions selected for touring to tour country areas in WA are coordinated in many respects by Country Arts WA, which includes itinerary development, contacting presenters, promotional campaigns, payment of touring cost and provision of on-road to the Managers. **It is noteworthy that Shows on the Go tours into some of the smallest and the most remote community's in the State which means that the City of Busselton and the Augusta/Margaret River Shire (given existing and emerging facilities) should have excellent opportunities to participate - even now prior to improvements/development of performing arts centre capacities in the Capes Region.**

7-22 Shire of Augusta/Margaret River Annual Report 2010-2011

This Report discusses and outlines activities and achievements in terms of several targets, including sustainable development, environmental protection, stronger communities, including culturally active Communities, vibrant economies and business excellence.

Strategic key result areas include emphasis on culturally active communities.

In terms of stronger Communities in arts and culture in particular, in the period of reporting, there was an increased contribution provided directly to Arts Margaret River to support group operations and arts and cultural endeavours in the Shire, linked to a Memorandum of Understanding and the administration of the Margaret River Cultural Centre. In addition, financial support was made available for theatrical technical services through performing arts productions occurring in the Margaret River Cultural Centre and in the Augusta Centennial Hall. This was administered by Arts Margaret River.

Raked seating was installed within the Cultural Centre which significantly enhanced its capacity.

Consultations with Arts Margaret River and others have resulted in plans for upgrading the Margaret River Cultural Centre and this has been included in SuperTown concept proposals, refer Section 7-12.

The Annual Report also refers to high priority development projects across the Shire including the Augusta Visitor and Interpretive Centre, along with other initiatives to attract tourism and support the local community and economy. The Augusta Boat Harbour development is also another significant item referred to.

Conclusions

This Report is an important document in terms of understanding the context of specific proposals which have been mentioned in and hopefully will be advanced through this Project.

7-23 South West Active Ageing Research Project – the South West Development Commission

This Project was undertaken in 2010. It noted that population ageing is one of the most significant challenges facing Western Australia and the Nation. It is estimated that almost one person in four will be a senior in the population and the population over 60 years will outnumber young people aged less than 19 years. Population ageing

requires long term constructive planning by all levels of the Government to improve outcomes for people of all ages.

The aim of the Report is to provide a number of outputs to assist in future planning for regional responses to the ageing population, which includes identifying the main social infrastructure and human service requirements for an ageing population on a sub-regional basis. A planning framework to guide the planning and design of age friendly communities in the South West is seen as an important response to population ageing with the aim being to assist regional authorities, State Government agencies and others in Local Government and the private sector and not for profit sectors - to consider the issues of an ageing population when developing policy, plans, strategies and service delivery.

Conclusions

This is an important issue in terms of arts and cultural facilities and this is an important reference document for those planning or continuing to plan the development and operation of arts and cultural facilities across the Capes Region.

FACILITY REVIEWS

7-24 Weld Hall

Refer 7-7 above.

Conclusions

During the course of research and analysis in this project it was clear that the Weld Theatre facility is strongly supported by the community as a fundamental part of the "theatre infrastructure" in the City of Busselton area, and in the wider community. There are clear needs, and these are recognised by most, for this facility to be maintained, restored, and upgraded to a standard which enables it to become a key part of complementary theatre facilities that may be built within the Cultural Precinct or elsewhere in Busselton.

7-25 The Old Settlement – Margaret River

The Old Settlement located on Bussell Highway at Margaret River has been, over many years, an important historical/cultural location for the area generally.

There is wide community support for it to be restored as such, and for some of the buildings in it to be used for related arts/cultural activities.

By way of background the site has been unused for some time due to management issues, but the Augusta/Margaret River Shire has now prepared and is implementing a concept plan for the Old Settlement Reserve (Reserve 39081).

This draft plan includes a proposed cafe, a heritage/historical precinct, a bed and breakfast, and parking and pathways allowing access and connection to the foreshore and to the Reserve.

The draft concept plan was advertised for public comment, and some 20 submissions were received supporting the concept plan but also recommending changes.

It is noteworthy that during consultations on this Project there was wide held support for the types of proposals envisaged in the concept plan.

During the course of consultations by the Shire, a workshop was conducted and key outcomes included;-

- Public access should be provided to the site and the river,
- The links across the river should be open to activate access to and from the Park,
- The heritage and history of buildings should be depicted potentially in static display and in a museum in the School building,
- Tea rooms and a cafe should be considered,
- Connectivity to other trails and reserves should be improved,
- Other commercial uses could be considered such as artisans spaces, potential markets, and open air displays or performances,
- There should be no single lease for the whole site,
- Management of the buildings should be part of a lease agreement, and the landscaping management should be done by the Shire. Volunteer groups could be considered in management,
- Funding options might include a range of leases, grants, or potential sponsorships,
- Aboriginal and environment significance needs to be considered in any final management plan,
- During the course of the preparation of the plan the financial implications were assessed by the Augusta/Margaret River Shire and a preliminary costing for the

relocation of the School House was estimated to be $26,000, costing for pathways and fences need to be constructed if the concept plan is adopted, and a budget allocation in 2010/11 for an amount of $150,000 from the Royalties for Regions Community Fund had been allocated,

- It was considered to be a sustainable development but development would have some environmental implications with a need to undertake some clearing for fire safety requirements, as well improvements to the natural landscape.

In terms of social development, the Reserve was seen as having significant social benefits in opening the area to public access and improving the entrance to the Margaret River Town Site. The re-opening of the historical precinct would also be a benefit to tourism and local schools as an educational facility and to showcase the area's history, both Indigenous and white settlement.

The Shire of Augusta/Margaret River adopted the recommendations put forward in the Concept Plan

- noting that it was important that there be the inclusion of a notation for the provision of uniform fencing to properties abutting the Reserve,
- that there be an inclusion of a notation for the Parkland clearing of the Town View Terrace Road Reserve, the river edge, and acceptability for light tanker vehicles,
- that there be an inclusion of a notation for a detailed landscape plan to be prepared to identify required clearing and re-vegetation work,
- that there be an inclusion of a notation stating that Indigenous heritage information boards are to be included,
- inclusion of a notation stating that all pathways and building access is to be compliant to disability access and in Inclusion Plan 2011/2013 and,
- that there be an inclusion of a notation that the Reserve will be subject to a management plan to identify responsibilities for the management of the Reserve and facilities.

It was agreed that registrations of interest would be called for the lease of various components of the Concept Plan and that all the necessary approvals would be sought. Registrations of Interest were called in April.

Conclusions

During the course of consultations for this Project, by far the majority of comments in relation to this Site were similar to those described above and were supportive.

In particular, there was seen to be an opportunity in the Old School for the establishment of a small but local museum facility which could reflect the educational interests of the Bramley School but also broader aspects of the area's history and heritage. In addition, there was support for the recognition and description of Aboriginal cultural issues through the landscaping, and through the information boards available for access by visitors.

Additional comment was also made during consultations by practicing artists that a part of the facility (the former Caretaker's House) could be utilized as studio spaces for practicing artists.

7-26 Georgiana Molloy – Anglican School Hall and Sporting Facility

This facility is built principally as two basket ball courts with associated infrastructure which turns it into a form of performance centre - in that it has a large but generally unsupported, un-serviced stage in terms of dressing rooms etc. It is nevertheless a large stage presence. The Venue could seat up to 1,000 people, but the preferred seating in a facility such as this was said to be about 300-400 people.

Technically the building has winches on the stage and some sound and light facilities. However, there is not an operating technical centre within the building which ensures that it meets the requirements of most professional performing arts centres.

Its present uses are generally by organisations such as schools, colleges, sporting clubs, and community not for profit, and commercial and business interests. Facilities utilized include outdoor courts, indoor courts, meeting rooms with a kitchen, stage and hall area, and the outdoor fields which may be used for sports. There have been some community opera performances.

There are a range of hire fees. For indoor court hire fees for a school or college the rate is $45.00 per hour, community not for profit is $45.00 per hour, and there are also bond arrangements.

In terms of performing arts facilities (that is the stage and limited green room and audience area) the cost for the stage area only is $25.00 per hour. For an audience size of 0-100 there is a fixed charge of $200 from 4pm to midnight for community not for profit - and $400.00 for commercial interests - and $600.00 for professional performance with a $300.00 bond.

For 100-150 people the fee is $400.00 for community not for profit, and $600.00 for commercial interests including dance schools, and $800.00 for a professional performance with a $400.00 bond.

For audiences of 150-300 the charge is $600.00 from 4pm to midnight for community, not for profit, $800.00 for commercial (including dance schools), and $1,000 for professional performances. There is also a $500.00 bond.

In addition there are charges for any additional cleaning or rubbish removal required and security callouts are charged for as well.

Conclusions

The Anglican School Hall should be promoted as a space suitable for limited performing arts related events – noting there are some technical/spatial limitations, and the charging/availability policies.

7-27 The Old Butter Factory – Busselton Museum

The vision for the Butter Factory is to preserve the history of the Busselton district and to provide interesting and entertaining experiences for current and future generations of all ages. Throughout consultations on this Project the existence of this facility as a key cultural institution and infrastructure within the City of Busselton jurisdiction was widely supported, with some comment that its reach could be expanded through complementary facilities located in other areas of the City jurisdiction including Dunsborough and Vasse.

The current Business Plan for the Old Butter Factory identifies several strengths including support from the City, growing popularity with the Schools, increasing visitor numbers, a unique heritage building and location and the strong commitment of volunteers – with opportunities arising for better use of the space, perhaps more grant funding and accessing the Shire's Building Program Maintenance Fund. In addition, there was seen to be opportunities for refining the Collection, and reviewing the Collection's policy with increased popular interactive displays and elements and seeking support through Museum WA for curatorial resources.

These opportunities were seen to be issues which should be undertaken in a five to ten year plan.

In terms of weaknesses the current Collection's policy requires review. Space and storage is limited and signage internally and externally should be improved. There is a strong need for a curatorial resource and there have been changes in management and staff in the City.

There is a need for improved facilities for parking for buses and coaches and the need for people to attend training in the key operational activities of the Museum.

There was seen to be several threats to the future of the organisation including space limitations in the building and ageing volunteers. It has been suggested that the development of the opposite block will reduce parking even further and impinge on the capacity for people to visit the Museum.

Conclusions

The key strategies for the Old Butter Factory are seen to be building the capacity of the Society, growing visitor numbers, improving/enhancing and maintaining a unique building and location – along with improvements to collection management through the appointment of a Manager/Curator at an approximate cost per annum of $45-50,000.

7-28 Our Lady of the Cape Primary School – Multipurpose Hall

The multipurpose hall at the school is a good standard performance facility designed primarily as a multi-purpose space for school use, including some limited sports.

It is well located and it will seat about 300 on flat floor. It has a stage with a plywood floor. It also has associated meeting rooms and other backstage facilities including an office, storeroom and change and bathroom type facilities. It is also adjacent to a canteen and is equipped with verandas on both sides with doors which can be raised to enable air to flow through.

The facility has been used successfully for local young performers, for example in the performance of Grease by a group called JAMPACT, and clearly demonstrated its capacity and potential for being a valuable community facility for smaller production activity in the Dunsborough area.

It has a sound system, audio visual and lighting systems to complement its general facility.

During the course of consultations for this Project there were concerns expressed about the cost of hiring this facility by community and not for profit groups. The current hourly rates for community groups for the Hall multipurpose area are $50.00 with the kitchen/servery being an additional $10.00. For commercial use, the rates are $60.00 per hour for the Hall multipurpose area and $15.00 for the kitchen.

Particular concerns that were expressed were that if this facility is needed in terms of extended rehearsal times then these hourly rates become prohibitive for community and not for profit groups.

They could even be prohibitive for smaller professional touring groups.

In addition to the hourly fees for venue hire, there are daily equipment fees which include $70.00 per day for the sound system - that is for community groups and $80.00 for commercial groups. The spot light lighting system is $70.00 per day for community groups and $80.00 for commercial. The data projector is $25.00 per day for community groups and $30.00 for commercial. Whiteboards are provided free.

Conclusions

At weekends the school is not operational and special arrangements need to be made for people to access Hall hire volunteers, in relation to keys and other vital entry arrangements.

There are also requirements that noise is limited - with music ceasing at midnight on Fridays and Saturdays, at 10pm on Sundays and at 11pm on all other days. This is because of the surrounding residential housing.

The facility is well located and assessed as an appropriate venue for local community presentations, and smaller performing arts touring events

7-29 Libraries – Busselton and Dunsborough

Separate comment has been made about the developments of the Busselton Library and how these will significantly enhance this as an important cultural facility for the community. It clearly will have much improved operational areas, external spaces, and associations with important community facilities such as in the new Resource Centre.

It also represents an important facility through which the Art Collection of the City of Busselton might well be displayed from time to time, perhaps on a rotational basis.

Conclusions

The Library in Dunsborough is based in the Naturaliste Community Centre, is professionally operated and run, and is an important part of community infrastructure located where it is. Again, it presents an opportunity for the City of Busselton Art Collection to be displayed here from time to time on a rotational basis, and it might well be displayed elsewhere within the Naturaliste Community Centre.

7-30 City of Busselton – Performing Arts Centre

There have been several studies and associated research undertaken in relation to the creation of a performing arts and creative industries centre for the City of Busselton.

In 2008 Pegasus Venues Management Pty Ltd prepared a study which proposed a 5 year plan which included recommendations that they proceed with a performing arts venue in a staged development approach.

The first stage would be a 250 seat black box theatre with the potential for further expansion of this infrastructure for a Creative Industries Centre.

The Report of Pegasus recommended that a preferred option for a performing arts and cultural industries centre would be Signal Park, due mainly to high visibility, connectiveness to both Busselton CBD and the foreshore, development, and co-location with other cultural facilities in the Cultural Precinct.

The Report said that there was a significant opportunity to solidify the foreshore end of Queens Street as the Busselton Cultural Precinct as recommended in the earlier referred to Cultural Plan in 2005, with the inclusion of a performing arts and creative industries centre in the vicinity.

The location would provide a link between the Busselton CBD and the foreshore, and location near the Busselton Jetty and popular restaurants and cafes would merge cultural and tourism outlets. **This is consistent with the planning for the foreshore development.**

The Report also said that importantly the size of the site would provide for a greater level of flexibility in design options at Signal Park. It provides pedestrian and traffic access, with ample parking already available in the site surrounds. These of course apply to other locations around the Cultural Precinct.

Council accepted recommendations that at that time, Signal Park should be endorsed as a preferred site for a proposed performing and creative industries centre, and that it would endorse the Feasibility Study for the performing arts and creative industries centre report as the guiding document for progression of the Project. It also agreed to include the performing arts and creative industries centre as a corporate plan action item for 2010/11.

Council was concerned that there are some other alternative sites to be looked at, and also be submitted to the Busselton Foreshore Development Group as possible sites for a performing arts and creative industries centre.

The Report of Pegasus also considered financial models for a 5 year plan. For stage one, a 250 seat black box theatre, envisaged an operating deficit of $249,628 in year one, $227,597 in year two, $222,236 in year three, $228,770 in year four, and $224,254 in year five. In considering management models the Report suggested the possibility of a management model which contracted out the operations of the Centre to a group such as Ogdens who operate for the Perth Theatre Trust on the basis that the risks and financial risks are absorbed by such a body.

This is not the case, and in fact it is a matter of historical record that on an on-going basis Local Government bodies and in some cases other Government bodies have absorbed the operating deficits for performing arts centres and related facilities as an ongoing obligation. There is no record to indicate that such a centre would be profitable, and that some form of subsidy would not be required from whatever source.

In terms of social, cultural, and economic impact the Centre was seen to contribute to community pride, self-esteem, social cohesion, social behaviour, individuals mood and health, crime prevention and cognitive skills and educational attainment. These are all referred to elsewhere in this Report in Section 4 and are endorsed as positive outcomes from a performing arts centre. They are also consistent with the views of the Community in terms of what a performing arts centre could do for the Community, as articulated during the course of this Project.

In terms of economic impact, it was estimated that a 250 seat theatre only would result in employment in direct dollar terms over a 5 year period of $1.6 million dollars, other expenditure in the community of $1.1 million dollars, and gross value added contribution to the community of $4.65 million dollars, using a gross value added multiplier.

The capital cost for a 250 seat black box only model was estimated at $8 million dollars approximately in 2008. It is estimated that this amount now for a say a 300 seat capacity "black box" theatre and other proposed facilities would be of the order of $20-22 million.

The Needs Analysis undertaken during the course of this Project indicated that the likely demand is more for a performing arts centre of the order of 300 seats, preferably in black box style with associated gallery, small function and other function spaces including kitchen facilities, and some office spaces. This would enable the Centre to be used also as envisaged by Pegasus in 2008, at least part time, as a conference, business meeting centre, and support small community performances and events, and this would contribute substantially to the operating deficit which would occur in relation to a performing arts centre located in the City of Busselton.

In recommending this sort of facility, it is important to take account of the findings and community response that came out of this Project as mentioned elsewhere - but also the work undertaken by Pegasus which was also a comprehensive survey workshop forum.

Indications were that the main activities sought by most respondents were theatre, contemporary music, musical theatre, comedy, children shows and workshop performances. There was lesser demand for opera, cabaret, and rare or arthouse cinema, although in this case given the interest of CinefestOZ in the area, clearly cinema facilities/office could be an integral part of this facility - along with facilities such as simulcast which would enable for example the transmission of opera, and large orchestral performances from the Perth Concert Hall or other venues in Perth to local audiences.

In 2008, survey respondents indicated that 88% of them travelled outside of Busselton to attend live performances or exhibitions. There is clearly a substantial potential audience for a local facility. The majority of those people travelled to Bunbury and to Perth with some 16% travelling to Margaret River. Importantly those who responded, indicated they travelled more than 4 times a year for that sort of purpose. Importantly also some 50% indicated that they were prepared to pay over $50.00 per ticket to see a performance.

These findings are consistent with more recent research including that undertaken during the course of this Project.

Importantly, respondents to the Pegasus survey indicated they would want to attend some 4 to 5 times per year, generally on a Friday or Saturday night.

Further, in 2008 97% of respondents agreed that a performance space is important to community life in the City of Busselton and 94% said they would attend more entertainment and cultural events if there was a dedicated venue in the City of Busselton.

During the course of consultations for this Project it was stressed that a flexible multi-purpose space would allow for numerous and various visiting shows, artistic opportunities, both local and visiting as well as other business opportunities which would complement and supplement the income for a centre.

Conclusions

On the basis of this research and on the findings and benchmarking in relation to facilities design, capacity, utilization, subsidies, and associated research undertaken across a wide cross section of the community and other documentation/research the concept of a performing arts centre located in Busselton is supported and recommended.

It is believed that the preferred model for this is a "black box" configuration with retractable seating, flexible stage design, occasional education/lectures, cinema capacity, kitchen catering, and additional break out/small performance, and room capacity, and simulcast capacity.

There is a need for office spaces and gallery space in the foyer area in terms of management structures, it is preferable for such a performing arts centre/community centre to be able to operate fully commercially and reference is made elsewhere in Section 5 to management models that may be preferable in this case ie the creation of a separate Legal Entity operating under a Service Level Agreement to the owners of the Centre, being the City of Busselton.

This will maximize the commercial flexibility and responsiveness of a Centre to take advantage of all of the opportunities that are or may arise in the Community, and as a part of a network of performing arts centres in terms of touring opportunities that will arise throughout the South West.

In terms of location, there have been recent efforts on the part of the City to acquire access to a site on the corner of Queens Street and Adelaide Terrace which is currently the site of DEC. This site, as does Signal Park, has access to ample parking and is judged as being sufficient space to fully accommodate a 300 seat black box performing arts centre as envisaged.

It is important that a further brief detailed functional/technical concept study be undertaken in relation to the final estimated capital and operational framework, including costs, taking account of its location, role and functionality as an integral part of the Cultural Precinct, including its proximity to the Weld Theatre in an enhanced format.

In summary, it is seen that this facility would be welcomed in the local community as a long overdue. The need is becoming more critical as the City develops further. It would be a valuable focal point for all parts of the community and the development of the potential of that community, as evidenced in the research for this Project, and others referred to elsewhere.

This facility in its proposed location would encompass both performing and some visual arts capacity in terms of gallery space. It would also be in proximity to cross art form work through other cultural facilities and arts organisations located in the Cultural Precinct, involving both professional and non professional artists who are resident in and touring the region.

It is also important to note the capacity for conferences and trade shows and the importance this raises for the operational and budgetary framework for this centre.

7-31 Augusta Margaret River Cultural Centre and Events Centre

Studies undertaken within the Shire of Augusta/Margaret River area have required an assessment and pre-feasibility study of construction of a major refurbishment and expansion of the Margaret River Cultural Centre, which could include spaces and facilities for 300-400 delegates incorporating a business events centre, referred to as Options 1 and 3.

Option 3 would involve refurbishment and re-roofing of the existing Cultural Centre at a cost of $10,410,000 which includes 20% for exclusions and GST. Option 1 includes the refurbishment and re-roofing in Option 3, but also includes construction of a new 400 delegate Business Events Centre and has an estimated total funding requirement of $16,950,000.

The feasibility study undertaken indicates that Option 1, which includes a Business Events Centre would be best value for money - functionally and given the market and economic and financial pre-feasibility of the assessed market and economic and financial pre-feasibility of the Centre.

There are a number of trends in business events, incentives, and the trade show exhibition market. At the national, state and regional level these have a bearing on the performance of such a Centre over a 30 year life, and it is regarded as important to look at it in a 30 year framework.

This was seen as being the advantageous option in providing opportunities for the inclusion of any facility which would promote the involvement of these sorts of activities in a new Business Events Centre associated with or adjacent to a refurbished Cultural Centre

The papers suggest that direct delegate expenditure on business activity (Option 1) under high utilization of over 30 business events per year would be some $22 million dollars, with output direct and indirect being $60 million dollars. Employment direct and indirect would be 300 full-time equivalents and gross value added due to production and household income approximately $29 million dollars.

Even under low utilization of 10 business events per year, it is estimated that delegates direct expenditure would be some $7 million dollars, with direct employment benefits of 100 full time equivalents.

In this regard it is noted that if the Cultural Centre is enhanced and developed, it could be done in such a way that it has the capacity to host some business events, regardless

of the planned adjacent business centre. Even at the low utilization rate of 10 business events per year, this would make a significant contribution to the operating costs of any refurbished Cultural Centre.

During the course of this Project it became apparent that the refurbishment of the Cultural Centre into a more professional, flexible, and functional facility was a very high priority. This includes the upgrading and capacity of the Centre in terms of its public facilities, in terms of its associated office facilities, in terms of its catering and accommodation capacity for other events and also in terms of its capacity to play a role in accommodating an improved "A" class art gallery.

Any operating losses could be best managed and minimized through the contracting out of management rights to a special business events/cultural centre management company.

It has been suggested that under a low utilization model, that is 10 business events per year, both Centres, including a Business Event Centre, would result in an operating loss of up to $230,000 in years 26 – 30 of operation. They would be higher in the earlier years.

It is important to realise that in the event that the City of Busselton were to construct a new Performing Arts Centre, then this would be a complementary facility which could encourage the touring of further performing and visual arts product and other activity through the South West.

Clearly, the management model is fundamentally important, and any Centre that is advanced, if it does incorporate a Business Event Centre, would require commercially competitive positions to be taken in relation to arts product and in relation to competing for international and local conference/trade show and other business traffic. The responsiveness of a commercial organisation is fundamentally important. This could be managed through the Shire creating an independent Legal Entity which could operate under a Service Level Agreement with the Shire, in terms of the Shire's objectives for and performance expectations of a Centre – refer Section 5 and the Attachment "B" to this Report.

A further study undertaken by BDG in January 2012 consulted widely with stakeholders including the Shire of Augusta/Margaret River, the Margaret River Chamber of Commerce and Industry, the Super Town Community Reference Group, Arts Margaret River and the Margaret River Theatre Group – and received wide and strong support in the general community and the business/industry sectors.

Some critical assumptions in that study were that the existing Cultural Centre is an established and community accepted cultural and arts reference point within Margaret River. The existing facilities are aged and require substantial upgrading and expansion and it must cater for flexible multi-use community and private sector use. It also emphasized that re-use of the existing building form and adaption should be maximized, depending upon cost and suitability for use.

This was the document which was the basis for the earlier referred to Options 1 and 3. It was suggested that there should be a new 460 square metre conference function centre space developed on Walcliffe Road. There should be distinctive entrance and focus for the whole Cultural/ Convention centre from Walcliffe Road. There would be a new lobby and new meetings rooms to support a combination of uses. There should be re-development and refurbishment of the existing auditorium to improve the acoustics, lighting, audio visual, and general finishes.

New pre-function areas should be developed, with a new centralized bar and kitchen servery. There should be a new secondary high profile entrance for community users from a landscaped plaza. This could also develop a new outdoor stage area within the landscape space.

In addition, there was need for a series of flexible rooms (perhaps in the old squash court area) that can cater for art exhibits, meeting rooms, and audio visual presentations, including an art house cinema.

There was also a need for new ablutions, new offices or other entities and new community flexible user spaces for the Margaret River Theatre Company and for other groups to use for rehearsals, and separate external entrances.

Conclusions

This needs analysis – based on wide community and other research, consultation, and analysis strongly supports the need primarily for a Cultural Centre and Business Events Centre as envisaged – with potential capital funding support advice sought through the South West Development Commission, the Department for Culture and the Arts, Lotterywest, and potentially Healthways. The option for establishing arrangements [a Foundation or other] to achieve Private Sector/Industry contributions should also be explored.

7-32 Augusta Historical Museum

This is an incorporated association and was visited on two occasions during the course of this Project.

It is affiliated with the Western Australian Museum and is a municipal museum under the Augusta Margaret River Shire.

Community responses to this Museum are very positive, reflecting the early settlement of the area, the families and key personalities, many stories about local industries initiation and development, about ship wrecks, fires, and rescues, and the means through which people came to the area, stayed and survived.

The Museum is rich in displays and stories about the area generally and about how people lived, survived and worked in the area and their families grew.

It is also rich in the history of early settlers and matters such as Matthew Flinders sailing his ship from Cape Leeuwin in 1801 to circumnavigate Terra Australis.

Currently the Shire provides a subsidy to the Augusta Museum which is the nett difference between income (entry, donations and sales), and expenditure.

In 2007 Goode Consulting assessed the Museum, including the current site and alternatives, and the potential for co-location with AMRTA. The co-location issue was widely considered, but agreement on the concept of co-location was not reached. There were also zoning issues at the time. In September 2008, the Council decided not to proceed with the concept of co-location for a number of reasons, including the financial implications for the Shire.

Notwithstanding this, the Goode Report highlighted the social value of the Augusta Museum, its role in developing a sense of community, and connecting the community with its past. In addition, some concerns were expressed about the "volunteer" based operation of the Museum and the need for the facility to be maintained in appropriate way.

Conclusions

The aforementioned community values, and need to ensure on-going resourcing were noted during the course of this Project, and are supported. In terms of resourcing, salaried, management/curatorial resources should be considered.

7-33 Margaret River Community Resource Centre

The Centre is a large collection of buildings/structures that were the Margaret River Hospital site. They are in use now for a variety of community support uses, including counselling, financial relief programs, and the like. There are several office spaces and meeting facilities. There are also some gallery spaces, and an artist in residence/space. The site is adjacent to the newly extended Margaret River Library.

There are "vacant" spaces that could be utilized to respond to arts and cultural facilities needs.

Conclusions

The existing art gallery spaces and artist in residence facility should be promoted in the Capes Region, and managed at appropriate "community" hire rates by the Centre.

The existing work areas (of the former Hospital) are suitable for and should be made available as local/community artists work spaces – noting the apparent need for "wet" area facilities for some art forms.

7-34 Cape Naturaliste Community College

The College has a Performing Arts Centre and it is seen as an important part of the facility in terms of curriculum for the College. It is located adjacent to the Media Room and in close proximity to the Library.

It is a one level space with a seating capacity of 75-100 people on a flat floor. It has a small stage with some stage lighting and with appropriate technical support.

Conclusions

It is used from time to time for community organisations under agreements which are constituted as a licence for the use of property which is vested in the Minister for Education. This is pursuant to the School Education Act 1999. The agreement is the granting of a licence for a specific period of time, at an agreed fee level, indemnities are required, as are public liability insurances. The conditions of use are clearly spelt out in the agreement in terms of time, date of use, protection of school property, and non- removal of equipment etc.

The Performing Arts Centre at the College should be considered as an excellent facility for smaller community based productions – and as a valuable rehearsal space at affordable rates.

OTHER REVIEWS/ANALYSIS

7-35 Augusta Margaret River Tourism Association (AMRTA)

This is described as an award winning and leading organisation in visitor information services, it is a non-profit organisation with a wide range of members offering a variety of product to enhance and enrich visitor experiences to the Augusta-Margaret River area. It operates Caves, the Cape Leeuwin Light House, and the Associations brand is seen as significant and important in promoting the area and tourism in particular.

Conclusions

AMRTA promotes a range of cultural and arts facilities including the Margaret River Theatre Group, the Wardan Aboriginal Cultural Centre, the Yallingup Shearing Shed, the Augusta Historical Museum and Artisans and Galleries across the Region. These include photo galleryies, fine furniture, photography, general decorations, ornamental issues, pottery, art and design generally, furniture, jewellery and many more arts and cultural products. AMRTA is a key agency in promoting arts and cultural activities and facilities.

7-36 Bunbury Regional Entertainment Centre, Lyric Theatre, Stirling Street Arts Centre

Conclusions

These are seen as complementary facilities in the Capes Region – with opportunities for arts development exchanges/training for individuals and organisations, and improving the emphasis on arts and cultural facilities in the South West, and enhancing performance and visual arts touring opportunities

7-37 CinefestOZ

CinefestOZ is described as a "world class film festival of great renown". It features the best in Australian/International co-production and French film that impacts locally, nationally and internationally.

It draws industry, audience, and films to present, interact, learn and celebrate "like no other Australian Film Festival". It is a highly regarded festival and is putting considerable effort into building its position in the South West and expanding its aims so that it can be much more broadly represented in the South West, be the premier film festival in Australia, and provide a powerful driver in the South West for the local and regional economy, and reach wide audiences through digital media, simulcasts and physically connections with wider audiences via touring programs.

CinefestOZ currently utilizes the Orana Cinemas in Busselton and has explored utilization of other facilities such as art galleries for collocating across art forms activities including film exhibitions during the Festival.

Conclusions

A key facility for CinefestOZ within the City of Busselton area and indeed within Margaret River (and there have been discussions with the Cultural Centre in Margaret River) is the capacity to exhibit film in any major performing arts centres, including simulcast facilities if possible.

This could represent an opportunity for the City of Busselton to achieve its recent decisions concerning the staging of International events in Busselton.

7-38 Yallingup Art Trail

Through consultations it is clear that local Artisans see a high need for an Art Trail – or Yallingup Artisans drive – that might be in various forms but could be expanded to link in to Margaret River – promoting arts and culture in the area.

In particular, there are seen to be significant arts attractions and facilities in the Busselton area to respond to tourism industry demands which are steadily increasing. The creation of a Yallingup Art Trail would facilitate meeting that tourism demand – noting that the arts sector is an important employer in the area, and is already a significant part of the tourism industry.

There are also seen to be Community benefits through developing the creative economy, growth in tourism accommodation demand, and the promotion of Busselton as an attractive location for regional, national, and international visitors.

Conclusions

This is a valuable initiative, with potential substantial social and economic benefits for the City of Busselton – and should be subject of further consultation and development with the proposers.

7-39 Cowaramup Sound Shell

This facility is a well used and popular site for music/concert activity. It is well located in Pioneer Park in Cowaramup and provides seating in an adjacent park setting.

It was originally a large outdoor stage – which through design and decoration, illustrates often local community social values and practices.

The Sound Shell is described as a "four posted tin roof". There are clearly acoustic problems in the current arrangement which warrant rectification if the usability and flexibility of the Sound Shell is to be maintained and developed to accommodate a wider range of events/performances.

Conclusions

It is estimated that a relatively straight forward solution could be through coating acoustic material to the existing roof – at a possible cost of $3-4000. This should however be the subject of consultation with appropriate acoustic professionals.

8. Recommendations and Related Issues

The following are assessed as arts and cultural facilities that are needed in the Capes Region – based on comprehensive community/organisational consultations and on documentary research.

The cross – referencing is to Sections/Conclusions [and relevant pages] in this report that relate either to the Primary Needs Assessment Conclusions - or to supporting relevant Qualitative Conclusions.

1. **The Cultural Centre and Event Centre refurbishment/development in Margaret River – refer Sections 7-31 [page 62], noting and agreeing with the estimated costs and operational deficits as already forecast. This includes all associated business conference facilities. Noting,**
   - **that this initiative is seen as a high priority, and has received wide and strong support in the Community and in the Business/Industry Sectors.**
   - **the potential funding sources – including means of achieving Private Sector contributions.**
2. **The Old Settlement at Margaret River – refer Section 7-25[page 52], noting its suitability as a site for a museum and arts studios for practicing artists. Noting,**
   - **This Project is already well advanced and widely supported, and issues of artists studios and museum capacity are under active consideration.**
3. **The Margaret River Community Resource Centre to the extent that it has gallery spaces and spaces suitable for artists to work, including in "wet" areas – refer Sections6-4[page 30] and 7-33[page 65], Noting,**
   - **the potential to expand existing artist/arts capacity, including pottery and craft activities.**
   - **the need to establish suitable "community" hire rates for spaces.**
4. **Public art as a matter of policy – refer Sections 7-1[page 34], 6-4[page 30], and 7-18[page 47] - particularly in Main Streets and in the Prevelly surf-side areas. Noting,**
   - **the City of Busselton Percent for Art policy, and objectives that can be established, agreed , and promoted.**

- **the relevance of cultural planning to local planning schemes and operational practice.**

5. **The Centennial Hall in Augusta to be promoted as a venue – refer Section 6-4[page 30].**
6. **The Augusta Historical Museum – refer Sections 7-32[page 64], and 6-4[page 30] – noting the potential for expansion based on earlier studies, including in conjunction with the AMRTA. Noting,**
   - **The assessed need for salaried management/curatorial resources.**
7. **A Performing Arts Centre in Busselton – refer Sections 7-29[page 58], 7-37[page 67], 7-14[page 44], 7-19[page 48], 7-20[page 49], and 7-16[page 45] - noting in particular design and functional proposals – the preferred management model and an estimated cost of $20-22 million for capital, and a potential re-current operating deficit of approximately $300,000. Also, noting the need for a further succinct study to outline and define precisely the functional and spatial aspects and their relationships and also the technical capacities of the building – as a basis for further architectural drawings. Noting,**
   - **CinefestOZ is a potential user of such a facility in Busselton, and this is a significant International event held in Busselton.**
   - **a Centre located near the foreshore in Busselton will provide economic, social and environmental benefits to the City and the South West Region.**
   - **the City of Busselton population growth/projections are consistent with the need for sustainable management of cultural and other community facilities in Busselton.**
   - **there is a need for such a Centre to provide for the inclusion of high/emerging technology, including digital infrastructure to ensure full advantage is taken in cultural/arts practice of the emerging digital environment.**
   - **opportunities for accessing the Regional Development Council Action Agenda Funding Scheme to support infrastructure and related service costs.**

8. **The Old Butter Factory Museum – noting the current building report and the need to resource costs associated with that, which are yet to be determined. – refer Section 7-27[page 56]. Noting,**

   - **the need for revisions to the management/curatorial structure and associated cost estimates.**

9. **The Libraries in Busselton and in Dunsborough are important cultural facilities – refer Section 7-29[page 58] - and noting the potential suitability for displaying the City's Art Collection on a rotational basis. Noting,**

   - **The overall need for improved "A" class style gallery storage, security and environmental factors for the Collection – at for example the ArtGeo facility site in the Cultural Precinct.**

10. **The Naturaliste Community Centre utilizing existing unused timeframes in the multi-purpose rooms – refer Section 6-1[page 28] – and noting the need for a new collapsible stage, acoustic curtains and some lighting and communications improvements at a cost of some $50,000.**

11. **The Old Dunsborough Hall to be retained in its present size and configuration – refer Sections 7-11[page 41] and 7-15[page 45] - and noting the need for building enhancements and improvements as per Cotan Building Report.Noting,**

    - **The on-going need for inspections and rectification for the entire site.**

12. **The Cultural Precinct in Busselton – refer Sections 5[page 21], 6-3[page 29], 6-5[page 31], 7-7[page 38], 7-6[page 38], 7-13[page 43], 7-9[page 40], 7-30[page 58], and 7-20[page 49] – noting potential management models for a diverse facility such as this - recognizing its development potential particularly in its associations with the proposed Performing Arts Centre in Busselton - and also ensuring that Aboriginal Culture/Sacred Sites are an integral part of development policies. Noting,**

    - **The requirement for additional funding of $120,000 to complete the overall development of the Weld Hall**

    - **the management options for such a cultural asset, and the need for adherence to stated basic management principles, and adequate [including full-time capacity]professional management staffing to fully achieve the objectives of the Precinct.**

- the dominant influence that a Performing Arts Centre will have on the Precinct generally, including visitor numbers, demands on facilities and resources, and in the management of those facilities and resources.
- the desirability of an "A" Class style gallery space in the Precinct at ArtGeo to facilitate quality exhibition capacity and to ensure adequate management of the City Collection, particularly in terms of storage and security. Advice on the functional requirements of such a facility and associated requirements is available from Art On The Move in Perth.
- the heritage aspects of most of the facilities in the Precinct, and the need for any development/enhancement in the Precinct [including technological developments] to take account of the need for appropriate conservation practices and principles – as per. the Conservation Plans developed through the then Shire of Busselton in 2000, and since.
- The requirement for visitors and the Community to experience South West and Aboriginal Culture in and through the Precinct environment.

13. A potential Cultural Precinct in Dunsborough – refer Sections 6-2[page 29] and 7-15[page 45], Noting,
    - the need for a detailed study and community assessment in relation to such a facility.
14. The Yallingup Hall – refer Section 6-5[page 31] – noting the current upgrading/improvement proposals.
15. The Cape Naturaliste College at Vasse – refer Section 7-34[page 65] - noting its suitability, when available, for rehearsal space and for community based drama/performance interests.
16. Our Lady of the Cape School Hall facility – refer Section 7-28[page 57] – noting concerns about costs for rehearsal, particularly for community groups, but recognizing its potential as a facility to be promoted for smaller performing arts touring activities.
17. The Yallingup Art Trail concept to be the subject of further consultation, planning, and development – refer Sections 7-38[page 67], and 7-18[page 47].
18. The Sound Shell at Pioneer Park Cowaramup to be enhanced with appropriate acoustic treatment – refer Section 7-39[page 68].

ATTACHMENT "A"

SUMMARY ISSUES ARISING AT PUBLIC MEETING

Community Meeting – Naturaliste Community Centre

This meeting was held on 9 March 2012 and 114 people attended.

- There were major concerns in the community that the City needs to advise people of costs in relation to the NCC and give detailed background about the Centre.

- A spokesperson for independent users of the NCC said that changes seem to be proposed by the City. There is concern for example that if the gym is permanent it would be unable to be used for other purposes.

- Following the explanation of the Terms of Reference for this Project by the consultant, a spokesperson for the group said the group would like solutions which are not extremely expensive and suggested several ideas about the Naturaliste Community Centre and indeed the old Dunsborough Hall in terms of extending storage areas and other refurbishment and upgrading options,

- There are concerns for example that some 300 people came to hear performances of the Choir last year but these people may not be able to be accommodated if changes are made to the Centre,

- Concerns were expressed that any money allocated in the past in relation to the Old Dunsborough Hall or other Dunsborough facilities may well be re-directed to other facilities such as the Old Butter Factory,

- It was suggested that if facilities such as the gym at the NCC is unable to be used by other groups then alternatives would need to be suggested for other groups such as the Choir, but Our Lady of the Cape is expensive and the City should in these circumstances reimburse such groups for the extra costs they incur,

- In relation to the need for arts and cultural facilities there was seen to be a need for performance areas which have a stage area, and there should be consideration of existing facilities such as the Naturaliste Community Centre in terms of performance capacity,

- Questions were raised about the possibilities of funding from regional funding, and how this might be achieved to improve arts and cultural facilities,

- It was said that any performing arts centre would have to be shared by Busselton and Dunsborough and it may be too expensive for local groups to hire. This was an issue that clearly has to be considered. An extravagant facility such as Mandurah and Bunbury would " lose" Dunsborough,

- Little Creatures Playgroup value the NCC because the site is visible, it is purpose built, and very appropriate for groups such as this. This facility must be retained,

- $2.4 million dollars was spent on this facility with $150,000 from local people. The Lotteries Commission supported it. There is a need for a swimming pool in terms of the NCC current role and functions,

- In raising money for any facilities it is important to understand that there is potential for communities and for community groups to raise money for community facilities,

- In relation to the NCC, there is a need for a stage that could accommodate for example Choirs, where many attend Christmas performances and where Church interests also could undertake arts type activities in relation to dance and drama,

- In addition, ballet classes are held at NCC and at the end of the year there are concerts. Again a stage would be important in any extended facility,

Community Meeting – Old Dunsborough Hall

94 people attending this meeting which was held on 12 March 2012.

The issues that were raised during this meeting in the context of the Brief for this Project were;-

- What is going to be spent in the Dunsborough area?,

- Where would facilities be put? Concern that any performing arts centre for example may not be in the Dunsborough area,

- It is important that grass roots initiatives be identified and it was explained that this was a part of the reason for this meeting,

- There was concern that the meeting wasn't advertised. It was,
- In terms of the current users of facilities in the Dunsborough area, it is important that they are covered in this Project, particularly in relation to issues such as fitness and health groups who are substantial users and committed to utilization of the NCC.
- There was concern about the old Dunsborough Hall in terms of what it is meant to be. Whereas it is seen as a valuable and historic building, it is important that it is recognized that it really belongs to the Art Society where it is standing.
- It was pointed out that the then Shire of Busselton considered the Hall at a meeting in 2011, and there was community concern expressed that the cost of refurbishing the facility might see it closed. They earmarked some $500,000 for refurbishment but now it seems to be limited to $150,000. It is important that the Shire/City discloses fully its plans, intentions and potential costs for refurbishment or maintenance of the old Dunsborough Hall,
- Importantly in the Dunsborough area, there needs to be full public discussion and disclosure by the City about the Naturaliste Community Centre.
- There is some confusion between this Brief and the issues at the Community Centre. This was acknowledged. There has been some confusion that the consultant's Brief for this Project is to fully address the Community Centre issues.
- It was pointed out by the City that information that has been gathered through this process will help to define usages at present, and in the future, in relevant areas,
- In terms of needs, it was said that the community is privileged to have the Old Dunsborough Hall which is being used more than any other place. There was a plea for renovation of the Hall which is important because it provides areas for amateur performances. This was received with acclamation,
- In addition the Hall is close to primary schools. It is affordable and suitable for young people,

- Our Lady of the Cape School facilities for performing arts and other public uses is an important part of the infrastructure/network of facilities in the Dunsborough area,

- The Old Dunsborough Hall is excellent for amateur productions. It has a stage, covers wide groups in the community, it can be intimate and is a very cherished facility,

- Importantly in the Old Dunsborough Hall, children do ballet and other arts activities, and this is a very valuable asset to the community. Everyone loves the Dunsborough Hall - pilates, yoga, young people, music etc. The Hall is always fully booked up,

- There is a need for a proper performing arts area in Vasse or Busselton - which has a flat area, retractable seating and can be used as a multi-purpose building including for professional theatre and other community and business uses,

- The Old Dunsborough Hall helps to develop community spirit and it has heart which reverberates throughout the generations. The community doesn't want to lose this facility,

- In relation to financial aspects the costs per hour for Our Lady of the Cape are expensive for rehearsals etc. The Old Dunsborough Hall is only about $15 per hour which is much more accessible to wide cross-sections of the community. It is also notable that if you are using Our Lady of the Cape, then all ancillary services are extra,

- In relation to the visual arts there are a number of galleries in the Dunsborough area but there needs to be a suitable venue for touring visual arts available at a standard which will accommodate high standard exhibitions,

- There is a need for exhibition places, and there is demand for this sort of space,

- Concerns were expressed that ArtGeo in Busselton may not be accessible for local artists and touring exhibitions. It has limited capacities at the moment, and in addition it has limited opportunities for music. There are many talented musicians but they a need a performance area for musical recitals. Notably, in Dunsborough, a piano is available at the NCC,

- Any facilities enhancement or development will of course be at some cost to rate-payers and this needs to be recognized. It was pointed out that a lot of money has been spent on tourism, but now is the time to consider the grass-root needs of the community in relation to arts and culture,

- Concerns were expressed about the location of any new performing arts facility and it was noted that it would probably be in Busselton. Noting this, then there is a need to speak up so that appropriate monies were set aside and earmarked for the Dunsborough Community Hall, otherwise they may be absorbed for a project with much higher capital costs,

- In relation to organisations such as JAMPACT, finance is an issue. They are happy to use the Old Dunsborough Hall at the moment because it is suitable for their performances. They would be wary of using an up-market facility,

- There is a need for funds to be raised for equipment in the Old Dunsborough Hall with new lighting and keyboards etc. These are priorities particularly for groups like JAMPACT,

- Support is needed in the Dunsborough area generally, to provide some sort of acoustic sound shell e.g. Clancy's Fish Bar perhaps. Perhaps outsourcing such a facility would help with hiring such a venue,

- In Cowaramup there is a Sound Shell which can be used for musical nights,

- There are questions about whether facilities are in fact being used to their capacity. Should money be put into helping cultural groups in terms of creating works and opportunities for the general public ? Genuine efforts need to be supported in a program way,

- Jazz and Tap have been taught in Dunsborough for 25 years and are pleased with the Hall as it is at the moment, but it needs to be well looked after and maintained by the City,

- It was said that there is embarrassment that Busselton doesn't have a suitable performing arts centre and this is a critically important issue,

- In relation to the Old Dunsborough Hall there are Occupational, Health and Safety issues and Local Governments will have to have Asbestos Registers. In

this regard, this Hall needs to be refurbished, noting that the toilets, kitchens and asbestos have been there for some 40 years,

- There was general support again in relation to pilates and other groups who use the place from time to time,
- Support was expressed for the development and maintenance of a museum but this was said not to be at the expense of existing buildings. There was favourable comment about the facility offered through the Old Butter Factory in Busselton,
- Considerable discussion about the management of arts and cultural facilities with the general support for community based structures,
- There is a Cultural Precinct now in Busselton but there needs to be one in Dunsborough as well, with a museum etc being generally within the area of the Old Dunsborough Hall and other historic facilities, churches, and the like. This Cultural Precinct could also be a place where arts practice could occur including pottery etc. It might perhaps be near the foreshore development/sculpture park development
- The Dunsborough community generally is very good at working with the City, but they need the City to explain clearly what is happening - then they can make it happen.
- It was pointed out there is a strong history in Dunsborough of local builders and others donating their time and efforts to get things done. This should be looked at as a means of enhancing community facilities,
- There are also ballet classes at the Dunsborough Hall which have had huge success with students. Ballet is very important for young people, and the numbers have grown from 20 to the range of 60 – 70 in recent times,
- There also needs to be an understanding of who are the "occasional" outside users, in terms of professional, amateur, touring companies etc, or occasional community groups,
- The Dunsborough Community Church has a record number of people attending and they have been provided with access to these facilities for a variety of uses.

There is room to be collaborative and the Community Church is appreciative of being able to use these facilities,

- There is a need for improved facilities for musical performances to be accommodated in a facility that will last – need a vision for the future,
- Importantly any new facility or facilities at NCC, if provided, need to accommodate the current interests such as yoga, pilates, etc,
- The Busselton Senior High School has a gymnasium but this is not acoustically viable,
- Georgiana Molloy has a large area which has a stage, but again it is not acoustically viable. There is a distinct lack of parking and the backstage area is inadequate for large professional performances. There is no sound board available,
- If money is to be spent, it needs to be spent wisely,
- People were encouraged to fill in the questionnaire which was distributed by the consultant, with the emphasis that meetings such as this are good opportunities to hear from people. The consultant confirmed this, saying it was important that this Project be informed by the visions and priorities of the people,
- There was discussion about the management models and substantial comment about the need for more involvement of community in management, even if buildings are owned and operated by the City/Shire or other interests.

Community Meeting - Busselton City Offices 13 March 2012, 34 attended.

- There is a broad understanding in the community that all areas cannot have the same facilities and they will meet different needs. It is important to ensure that we avoid duplication and promote complementary facilities,
- Concern was expressed about target audiences. There is clearly a mature group of residents who need to be catered for but there are also increasing numbers of younger people and tourists within the Capes Region. Organisations such as the Weld Theatre for example conduct a range of performances which cater for all ages,

- There was seen to be a dire need for a Cultural Centre for the performing arts here in Busselton. It was said people can travel to Bunbury for this sort of thing and records show that many do. There are also a lot of festival events that go to Albany. It would be good to have these groups here if we had the right sort of facilities to attract them in touring circuits,

- It is important that we need to be careful to not "re-invent the wheel". The City needs to act in accordance with needs assessment results. Importantly we need to ascertain exactly what we want and then activate the City and assist in the management,

- Importantly, in terms of any performing arts venue, it is important that deep consideration is given to design parameters for such a venue and it needs to be multi-purpose,

- There has been discussion in the City about a Hotel built on parklands which could double as a conference centre. It is important that we have a performing arts centre which could have also the role of a convention centre, which could then earn money to offset the operating costs of an overall performing arts facility,

- Dance groups from here often have to go to Bunbury. They need somewhere to perform locally and such a facility would be valuable. It could incorporate band recording studios.

- The Don Russell Performing Arts Centre in Thornlie is perhaps a model for a dance venue. It has a dance studio and capacity for smaller dance performances,

- It was said that the Cultural Precinct area at the end of Queen Street clearly has the potential to be the location for such a Centre. Importantly, the Centre needs to have a multi-purpose role such as that in Albany which is used extensively for touring groups.

- An important consideration in any such facility could be a gallery space of "A" class standard suitable for high level travelling exhibitions,

- In relation to potential performance centres, the Weld Theatre is small but will be refurbished and could and should be a critical part of any network of performance spaces within the Region. Georgiana Molloy has difficulties

because of its large size. It is essentially two basketball courts. Acoustical and technical facilities need improvement. It is nevertheless potentially a large performance space which could seat up to 400-500 people on a large stage, albeit with low level back-stage facilities,

- Importantly any performance venue should have spaces that can be used for communities, including putting on shows for children. It also needs spaces where children can rehearse. It has to be affordable for the community,

- The Old Dunsborough Hall makes a small profit on individual performances but any general performing arts centre would not be profit making. There is clear evidence of this in others,

- A Sculpture Park, such as at Northcliffe, would be important. They had a hall and all of that was organised by an Arts Coordinator who was community based,

- The Cultural Precinct, including ArtGeo, Acting Up, the Gallery etc works quite well on the idea that you can move from one thing to another, and have a wide range of cultural "experiences". This could be enhanced through other facilities such as use for Aboriginal Cultural Festivals, and other Festivals being held within this Precinct,

- Overall the Cultural Precinct has the potential to be a very significant part of arts and cultural facilities, noting that for example in the Art Gallery area in Perth many people are attracted because of the other developments there,

- The Woodturning Group is also a part of the Cultural Precinct and provides a basic facility, but needs to be enhanced. It was suggested that one issue would be to have a Timber Museum. This was not acted on. Importantly, timber is a strong feature of the history of the Region and this is reflected in the Augusta Museum facility,

- There were concerns that if we are not careful, the Cultural Precinct could become a "Grey Canyon". It needs bright colour, but it is noted that it is a work in progress and that trees have been planted. In terms of the potential commercial use of the area, it is seen as important that any commercial uses should be consistent with the ethos of the area such as entertainment, arts, cultural eg coffee shops, restaurants, etc,

- Importantly any planning for a performing arts centre needs to have considerable attention given to the likely costs of operating, and likely income. The hiring rates need to be realistic rates, which would be different for commercial and community users,

- Parking in the Cultural Precinct area needs to be adequate for a performing arts centre – probably with a capacity of 300-400 vehicles. Parking needs to be considered very carefully,

- It was reported that parking and lighting and safety generally will be major considerations for the City. Also, population and diversification in potential audiences would be concerns. Business interests could have conferences and the like and such a facility could be a valuable extension to facilities for Festivals,

- Questions were raised about how facilities are best managed,

- In the Cultural Precinct, colour needs to be introduced but people have been discouraged. Their ideas haven't been put into place - things such as pots of flowers, and signage to show where people are. The question was asked where is the signage, where are the colours? It was noted that the City is working on these issues,

- The question was raised whether Sport and Recreation facilities are included in this exercise - but it was noted that this Project is focusing on arts and cultural facilities. Having said that, it needs to understand where sports and other activities might conflict with arts and cultural facilities. The City is keen, for example in the Naturaliste Community Centre, to find out where all the needs and priorities are,

- Concerns were expressed that yoga and ballet (for example) may lose their use of the Naturaliste Community Centre, and it was noted that a review is underway. There is considerable confusion, and it was said that there had been some mis-communication with the community,

- Little Creatures Playgroup were one group that was greatly concerned about this mis-communication because of their prominent and important on-going role at the Naturaliste Community Centre,

- The issue of the Naturaliste Community Centre being used for arts and cultural facilities was raised generally, and there was discussion that the potential for this

- Key issues in any facilities are lighting, acoustics, and accessibility for local people,

- An examples of good community initiatives is the Sculpture Walk in Northcliffe,

- There seems to be a need to enhance the main street concept in Augusta to more truly reflect the true culture and history of the area,

- Plans for the boat harbour development were strongly supported, as was the establishment of a craft co-operative and perhaps an arts/craft centre where artists could work together in creating and displaying their work.

In Margaret River;-

- It is important that any discussion about arts and cultural facilities doesn't just cater for the elite. It is important that it takes account of the interests of other groups such as quilting and individual group creative processes including music, the visual arts, dance and drama.

- It is important that there are places where people can meet, do things and display things. Most of these groups are small, therefore the demand for rooms is not for large rooms but adequate spaces that are secure and not "lost" when a body such as Silver Chain is sold or bought out. An additional requirement in facilities is for adequate storage spaces,

- The Arts Council concept is good, and should be supported,

- It is important that there be attention to the development of a public gallery for the visual arts in addition to the inadequate facilities that exist at the moment in the Cultural Centre. The gallery needs to be purpose built. Ideally it could have a bi-annual art prize. All this needs to be done, noting that art often is not commercially viable and requires some backing and security from Governments and others,

- Importantly any "A" class gallery needs to provide adequate security and environmental conditions for the works to be displayed,

- Busselton can be seen as a place for artists to go to broaden their experience in a variety of professional arts spaces,

- There is seen to be a need for "artists in residence" capacity, and for the Cultural Centre to include a Vision of Technology Centre,

- There are a diversity of artists including contemporary visual artists, glass artists, theatre artists and many others who would utilize facilities,

- There is support for the development of the Community ZONE which is being developed adjacent to the Shire offices. It provides important youth space and has the capacity to develop more in terms of recreation and involvement in arts and cultural activities - particularly for younger people.

- Locations such as Prevelly are also important locations for cultural expression and arts activity, particularly because of their significance in relation to surf and the cultural history of these areas. There should be encouragement to create facilities that promote public art etc in these areas and opportunities for artists to work and to create public sculpture,

- The Old Settlement is an important facility within the Margaret River Precinct and requires support. Work is being done through the Shire, and money has been committed to doing this. It could be an extremely important location for an appropriate museum facility and possibly for artists work spaces. It will be a very public facility in terms of visitor and local community visits,

- The Cultural Centre generally is a valuable asset to the community. It does however require extensive work and this is under consideration by the Shire, including in the Super Towns concept. Clearly these spaces need to be enhanced with improved public facilities, and improved user facilities for a range of arts business to undertake activities in appropriate spaces. Adjacent to the Cultural Centre facility is an external park between the Cultural Centre and the Shire Offices. This has the potential to be developed as an external performance space, perhaps with a sound shell to deal with acoustics etc,

- Overall there is a need for co-ordinated and structured management, with community input to the development of arts and cultural facilities, and the maintenance and operation of them,

- As a general matter, there is seen to be substantial opportunities for public art, particularly in Main Streets, and around and close to the Cultural Centre. The Old Settlement is significant in terms of tourism activities and there is a need for

gallery spaces and other working spaces for artists, including in the Community Centre facilities,

- Again, the Old Settlement and the Cultural Centre were stressed as significant locations and venues with potential for Museum/Gallery facilities being built in them. In addition, artists work spaces were needed. There should be some capacity for a more structured and focussed Museum, including reference to Aboriginal Culture,

- Importantly, emphasis was placed on community involvement in management of facilities, including facilities such as the Old Settlement, the Cultural Centre, and other related spaces.

ATTACHMENT "B"

SAMPLE SERVICE LEVEL AGREEMENT

This is a Service Level Agreement between .....and

.....

Clause 1 – Parties to this Service Level Agreement

This Agreement is made on the .....day of .....between the

.....and.....

..... agrees to assist and support the .....through facilitating and providing financial support for the .....and through the land and buildings on.....

The.....agrees to occupy the land and buildings on ..... to provide services which are consistent with achieving the objectives of .....described in Schedule A to this Agreement, subject to terms and conditions of this Agreement.

The.....performance in achieving the objectives of.....as described in Schedule A will be measured as required in the Agreement, by reporting annually to.....against the performance indicators describe in Schedule B to this Agreement.

Clause 2

This Service Level Agreement will operate for a period of ....years from its date of execution by the.....and by..... It will be subject to both parties agreeing extended by periods of a further ..... years.

Clause 3 – Principles of Service

The .....and .....will reasonably seek to ensure that the activities of the .....are achieved in a manner which;-

- Seeks to encourage excellence, access, diversity and participation.
- Provides a safe working environment and takes account of equal opportunity principles.
- Provides information about the operations of the.....
- Encourages the role of the .....as a key contributor and promoter of arts and cultural activities in the .....community.
- Enables and supports the.....in entering into and undertaking suitable commercial arrangements which promote the achievement of its vision for an artistically aware community and its mission to craft activities and programs that maximize opportunities for the community to enjoy the arts in accordance with its shared values and aspirations.
- Complies with all relevant aspects of all Western Australian and Federal Law in relation to operations and activities of the .....as constituted
- Ensures compliance with all aspects of the lease referred to above relating to.....

- Consistent with the requirements of this Agreement the.....will comply with all requirements in relation to rent, outgoings, charges, electricity, gas, telephone, and water and in relation to assignment subletting and parting with possession. The.....will provide services and utilize the facilities of..... in such a way that ensures that it complies with and obeys the provisions of all lawful and valid regulations, notices, orders, and by-laws as described in.....

Clause 4 – Funding

.....will provide an annual funding grant to.....of $..... to assist in the operational activities of.....

In addition.....may provide self supporting loans to the..... from time to time. Subject to..... acceptance of the purpose of the borrowing's and their application, the amount of the loan and the period over which it is to be repaid.

In considering the annual funding grant, the ..... will include funds adequate to meet the estimated costs to..... if it operates the Centre to achieve its objectives. These would include costs of public liability insurance, water rates (including annual service charges), and verge irrigation where applicable.

Commercial Operations

Commercial arrangements will be the subject of legally binding documentation which clearly describes the purpose of the arrangement, the legal obligations of the two parties, fair and adequate remuneration and/or income streams to ..... reimbursement for any costs incurred by the ..... in maintaining premises in a suitable condition for the operations to proceed and be achieved, and for compensation for any costs of staff of the ..... involved in facilitating the achievement of the objectives of the commercial arrangement. All such commercial arrangements will fully indemnify the ..... and ..... Against all actions, claims, demands, notices, losses, damages, costs and expenses to which the commercial operator becomes liable in respect of .....

In addition, the ..... and ..... will be indemnified against all actions, claims, demands, notices, losses, damages, costs and expense for which the commercial operator becomes liable in respect of any loss or damage to property, or death or injury of whatever nature or kind and however and wherever sustained, any claim, action, demand, fine, damage, costs or expenses arising out of any breach by the operator or its servants, agents, contractors, customers, invitees of any provision of relevant legislation.

Clause 5 – Reporting on Financial and Management Performance and on the achievement of.....Objectives

The..... will at the end of each year covered by this Agreement supply ..... with a comprehensive report which includes annual audited financial statements in relation to the ..... certified by a licensed company auditor or a qualified accountant who is not a member or employee of the .....

The ..... may require the ..... to submit additional financial statements in accordance with a format and time frame to be agreed.

The ..... will identify within its annual audited statement all funds provided by ....., be they operational grants, self supporting loans or the application of funds provided by ..... to fund essential capital works or to meet maintenance costs. The purposes for which any of these funds are expected will be fully detailed by the .....

The report of the ..... will include a comprehensive management report referring to the activities of the past year.

Busselton Performing Arts and Convention Centre

Community Engagement Report

Report prepared for:

City of Busselton
Geographe Bay

Report prepared by:

CATALYSE

Date:

26 August 2021

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Executive Summary

2,352 community members expressed their views about a proposed Busselton Performing Arts and Convention Centre (BPACC) and the level of investment Council should commit towards its construction.

Overall, **the community is divided** about whether to proceed or not.

53% of residents would not like the BPACC to proceed at this stage (option C), with secured grant funds of $10.35 million to be returned to the Federal Government. They are mainly concerned with high construction costs, rate rises, that the centre is not needed, and money would be better spent in other areas. Preference for option C was highest among adults aged 55 years or older (62%), males (61%), residents in rural and rural residential areas (61%) and owner-occupiers (57%).

45% of residents would like the BPACC to be constructed, with a preference to proceed with the full design (34%) over the modified design (11%). Supporters believe it would be an investment for the future for a growing region, delivering social and economic benefits. It will showcase local students and artists, attract more touring artists, tourists and visitors, and help to create a stronger sense of community in the region.

Support for option A is higher among visitors (73%) and out of area ratepayers (50%). Support is also higher among younger residents. 68% of youth (14-17 years) and 47% of young adults (18-34 years) would like the City to proceed with the full design.

Community members would be most likely to use the proposed BPACC to attend music concerts, theatre performances, festivals (such as CinefestOZ), comedy and cabaret shows.

It is clear that opinions differ across the community. Council must now consider community sentiment in context with other influencing factors, including projected population and visitor growth, international and domestic visitor needs and expectations, economic modelling, social benefits and competitive analysis.

Introduction

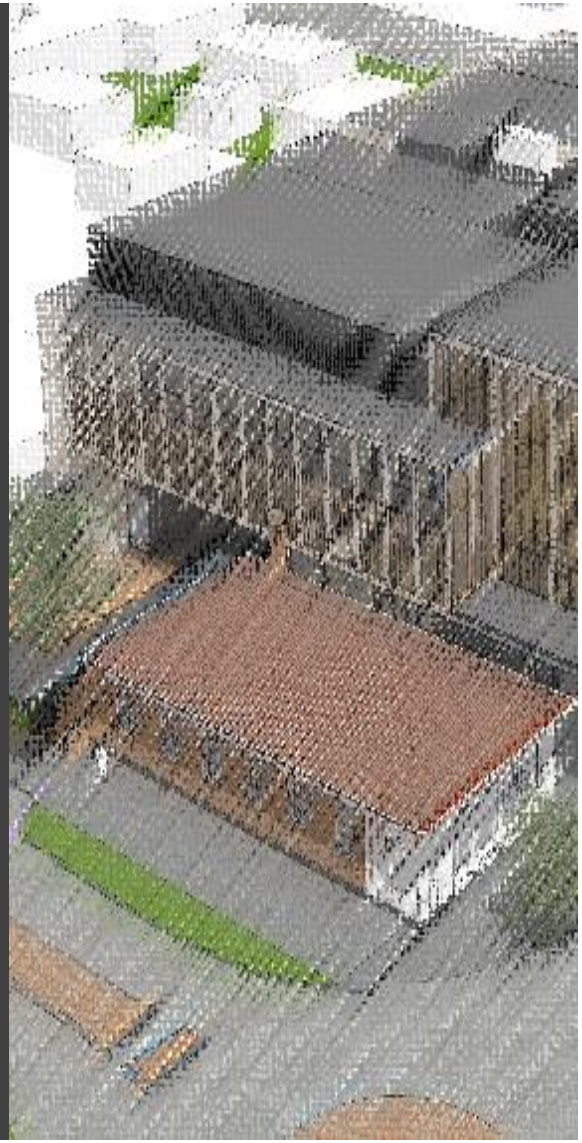
The provision of a performing arts and convention centre was identified as a community need in the City of Busselton over 10 years ago when the original Civic Centre located on the City Administration Building site was closed.

In 2019, the City received a $10.35m grant from the Federal Government towards a new performing arts and convention centre.

Council is evaluating whether to proceed with construction of the Busselton Performing Arts and Convention Centre (BPACC) and the level of investment it should commit towards its construction. Three options are being considered.

To assist Council with decision making, the community was provided with background information on the options and invited to provide feedback between 23 July and 9 August 2021. The City promoted the survey through its communication channels, held six information sessions, mailed direct invitations to 1,000 randomly selected ratepayers, and emailed invitations to 3,000 randomly selected residents and customers. All community members were invited to have their say.

Overall, 2,352 community members expressed their views, providing a robust, representative and reliable indication about community sentiment.



Who participated in the survey?

% of respondents (column %)	Randomly selected sample	Self-selecting sample	All respondents		All resident respondents *Weighted*
Residents	N = 471	N = 1,637	N = 2,108		N = 2,108
Tenure					
Owner-occupier	94%	85%	**1833**	**87%**	
Renting / other	6%	15%	**271**	**13%**	
Location					
Busselton	46%	56%	**1129**	**54%**	
Busselton urban rural	18%	21%	**427**	**20%**	
Dunsborough	21%	12%	**292**	**14%**	
Yallingup	4%	2%	**54**	**3%**	
Rural and rural residential	8%	9%	**187**	**9%**	
No response	1%	1%	**20**	**1%**	
Gender					
Male	42%	38%	**816**	**39%**	48%
Female	58%	61%	**1273**	**60%**	51%
Gender diverse	<1%	1%	**19**	**1%**	1%
Age					
Youth: 14-17 years	-	5%	**75**	**4%**	7%
Younger adult: 18-34 years	4%	13%	**231**	**11%**	20%
Middle adult: 35-54 years	32%	35%	**725**	**34%**	33%
Older adult: 55+ years	64%	47%	**1077**	**51%**	40%
Lifestage					
Have children	34%	41%	**828**	**39%**	
Do not have children	64%	57%	**1237**	**59%**	
No response	3%	2%	**50**	**2%**	
Out of area ratepayers			N = 48		
Visitors			N = 93		
Businesses			N = 562		
Council affiliated			N = 108		
Total respondents			N = 2,352		

Which option is preferred?

Option A

Construction of a performing arts and convention centre as per the <u>full design</u> that the City recently sought tenders for.
Estimated cost: $38m

Option B

Construction of a performing arts and convention centre based on a <u>modified design</u>. Estimated cost: $33m

X

Option C

<u>Do not proceed</u> with construction of a performing arts and convention centre at this time. Forgo $10.35M federal funding.

Unsure or did not provide a response

Residents, weighted

Option A	Option B	Option C	Unsure or did not provide a response
34%	11%	53%	2%
Random 31%	Random 13%	Random 52%	
Opt in 35%	Opt in 10%	Opt in 53%	

Out of area ratepayers, visitors and businesses

Option A			Option B			Option C			Unsure or did not provide a response
Out of area ratepayers	Visitors	Businesses	Out of area ratepayers	Visitors	Businesses	Out of area ratepayers	Visitors	Businesses	
50%	73%	36%	23%	17%	10%	27%	9%	52%	1%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Please select one option.
Base: Local residents (n = 2108). Random residents (n = 420), opt in residents (n = 1688), out of area ratepayers (n = 48), visitors (n = 93), and businesses (n = 562).

Community variances

Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre?

Base: Residents (n = 2,108), Out of area ratepayers (n = 48), Visitors (n = 93), Businesses (n = 562), Council affiliated (n = 108).

% of respondents (row %)	Option A	Option B	Option C	Unsure / NR
All residents	34%	11%	53%	2%
Tenure				
Owner-occupier	30%	11%	57%	2%
Renting / other	55%	10%	34%	1%
Location				
Busselton	36%	9%	53%	2%
Busselton urban rural	31%	12%	56%	2%
Dunsborough	39%	13%	48%	1%
Yallingup	40%	11%	47%	2%
Rural and rural residential	26%	13%	61%	0%
Gender				
Male	31%	7%	61%	1%
Female	38%	14%	45%	3%
Gender diverse	25%	0%	75%	0%
Age				
Youth: 14-17 years	68%	8%	20%	3%
Younger adult: 18-34 years	47%	9%	43%	1%
Middle adult: 35-54 years	34%	10%	55%	1%
Older adult: 55+ years	23%	13%	62%	3%
Lifestage				
Have children	40%	10%	48%	2%
Do not have children	30%	11%	57%	2%
Other groups				
Out of area ratepayers	50%	23%	27%	0%
Visitors	73%	17%	9%	1%
Businesses	36%	10%	52%	2%
Council affiliated	52%	19%	29%	0%

Main reasons for preferring Option A

- Arts and culture need support- for a sense of community, to support and showcase local talent and to attract a variety of performers and events to Busselton and the South West region.
- It is an investment in the future of a growing region.
- The original design (A) is the best – spend the money now to make it the best it can be and avoid having to improve or expand in the future.
- Busselton needs a facility like this – it will be well used by the community.

Q. Please explain reasons for your preferred option.
Base: Respondents who prefer Option A

Arts and culture need support - for a sense of community, to support and showcase local talent and to attract a variety of performers and events to Busselton and the South West region

Sample of community comments

"What an opportunity to grow for the City of Busselton and community! It's an opportunity to showcase and present our amazing artistic and creative community of the South West. How amazing will this be for our kids! And wouldn't it be amazing for tourism? Why not build it?"

"How much more will our current generation of children and young adults benefit from the opportunities provided by a first class Performing Arts space? The whole community will be enriched by the variety of performances and events made possible with a modern, large and comfortable venue we can all be proud of."

"I believe that building a state of the art multifunctional space for entertainment and other cultural events should be a priority. It will breathe new life into the heart of Busselton and it will become an integral part of the fabric of our community."

"Not only will the convention centre provide opportunities for aspiring performers, interested audiences and choreographers from both local and, in the future, international areas, it will also spread awareness of the arts industry Down South as there is so much incredible talent from young students, independent artists, dance companies, acting schools etc that has yet to be given the opportunity to perform for bigger audiences."

"The City is in desperate need of a performing arts space on the area that shows its commitment not only to the arts, but also the development and nurturing of the younger population of the town. There is a very large contingent of creative youth and others in the City that do not get opportunities for arts and event traineeships, and performance spaces. Busselton at the moment has an embarrassing live music scene, with only a handful of venues playing and supporting local music."

"We have to look to the future and Busselton is growing as a popular holiday town. It would be wonderful to attract major international tours and shows as well as promote home grown talent."

It is an investment in the future of a growing region

Sample of community comments

"Busselton desperately needs a multi purpose performing arts building. A building that looks to the future of a growing community with intelligence and vision. A building that will not date, makes the most of the beautiful location and takes into consideration the up and coming new generation of young people. "

"You need to look at the bigger picture for this area. With moving times and more people joining the southwest in the long run build bigger to cater for the growing population. The Option A would bring so many more events to the region and give the next generation many opportunities."

"I would prefer the City invest in providing a facility that accommodates long term opportunities rather than compromise with a facility that in years to come, as population grows, is found to be inadequate."

"I believe it's critical to plan for infrastructure for the future and not to be shortsighted about this. Now is the time to build/prepare for growth and its needs, not to bonsai growth with facilities that will be too small in a decade and which to expand later will then be difficult or terribly expensive."

"We need this to future proof and make sure we have something for future generations."

"If you're going to make a significant investment in a new venue such as this, then why not build for the future and do the full plan. The region is only growing in population and we need to consider how this venue will be a major community meeting place for many years to come. There has been so much investment in tourism in this town, so let's put a major investment into our community for our children's future."

The original design (A) is the best – spend the money now to make it the best it can be and avoid having to improve or expand in the future

Sample of community comments

"A wonderful opportunity to have the very best world class performing arts centre. If it's going to be built let it be the best as this will be outstanding."

"There is nothing worse than going with the lower costed one to only go five years down the track - why didn't we build the bigger one?"

"Why build it and then save only a small amount by hugely downsizing it? It is an important project and should be undertaken properly so that we have a venue that can be used in years to come, not having to build something else when the downsized version is too small for the city."

"If you are going to build this performing arts centre, make it big enough and impressive. Don't waste the amazing location with a substandard building."

"The present design (option A) has been carefully researched, taking the best ideas from other centres and improving on areas where they fell down. To re-design it for a lesser budget would see so many of those fantastic properties compromised. Let's do it well. If we 'delay' and 'change', it will require a whole new set of parameters to be dealt with which is very expensive."

"Why not go for the best you can afford at present time? Costs for construction will continue to increase over the next decades so there is value now in getting it right."

Busselton needs a facility like this – it will be well used by the community

Sample of community comments

"This is what the people of the Busselton Shire have been waiting for as long as I can remember. This is what is required to help the town to thrive - there is nothing at all in the town to support any large functions that support the most of the city."

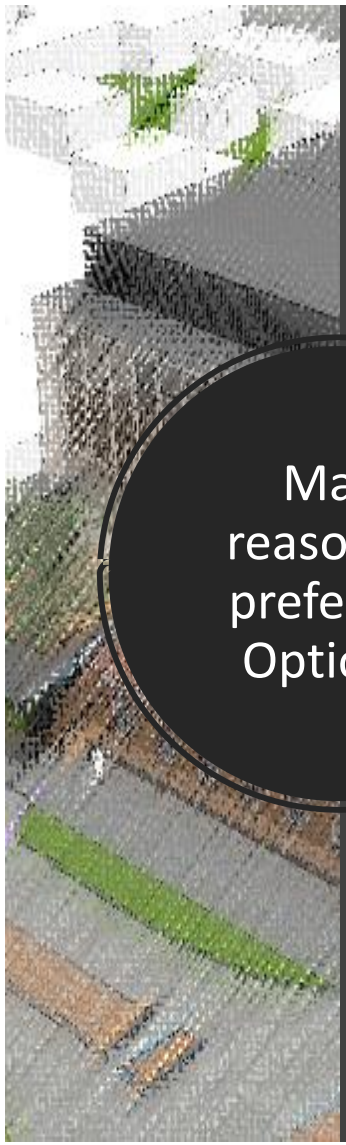
"The City needs a dedicated large-capacity space to hold performances, celebrations, conferences, etc. It will be a year-round gathering place for locals and a strong attraction for visitors around the region, state, country, and world."

"Busselton needs to have a PAC. Busselton needs a space for children to perform their music and dance performances. We are missing out on travelling shows like music and comedy because we don't have a space for them to go to. Therefore we need to build something."

"As outlined, there has been no suitable sized performance venue since the closure of the Civic Centre. Local dance and performance groups have been holding their concerts in Bunbury for more than 20 years, while schools and colleges hold their performances and graduation ceremonies in gymnasiums, as they have no other option.

"We lack weatherproof, acoustically-meritorious venues that could spread major events over the year. There are not enough weekends in the year if event organizers are forced to discount winter months. The economic consequence is that businesses have to survive and staff up for lopsided demand biased towards the summer months."

"We miss out on so many concerts and events that all perform in towns around us but not Busselton. Our local clubs, schools and other organisations have larger numbers now Busselton has expanded and have to travel to Bunbury to hold events. Busselton is ready to take the next step....."



Main reason for preferring Option B

- Option B will cost less and is adequate for our needs

Q. Please explain reasons for your preferred option.
Base: Respondents who prefer Option B

B will cost less and is adequate for our needs

Sample of community comments

"The costs of Option A over B do not warrant the extra cost. Option A does not offer a lot more than Option B."

"For me the most important element of the facility is the 600 odd seating capacity theatre and Option B satisfies this most important criteria. Uninterrupted views to Geographe Bay will not be from the theatre so this is not important. Option B saves about $5m over Option A and as I am somewhat like warm on the whole project at this time saving $5m is very important."

"Option B is still accommodating the basic needs in the facility that the users can adapt to. Reducing the cost by $5m is a significant amount as far as I'm concerned. Hopefully the flow on effect would be lessening the rate increase for homeowners and savings on forecasted interest rates. I feel the modest future interest rates increase you have forecast could be blown out and catch everyone by surprise. The city council needs to take into consideration the detrimental effects on its constituents if they keep looking on rate increases as the way to pay down extra debt especially on those in the community who can least afford it and affected the most."

"I don't think we need a two-story building with a few extra seats - I think the smaller design is more than sufficient."

"I feel 'Option B' is the 'middle ground' option - modified to be of a more reasonable expense, but still providing a dedicated theatre and arts space in the City of Busselton."

Main reasons for preferring Option C

- Concern about rates increases.
- It is not needed – existing facilities are adequate and it will be underutilised.
- The cost is too high, especially in these economic times.
- The money would be better spent in other areas.

Q. Please explain reasons for your preferred option.
Base: Respondents who prefer Option C

Concern about rates increases

Sample of community comments

"The costs to live are already too high, please do not add on to my rates."

"As a homeowner of 2 homes in Busselton I'm tired of our rates increasing so much every year, without this very expensive, ongoing extra burden. "

"People are struggling to survive and the options provided will only lead to an increase in rates!!! It's an unnecessary indulgence."

"The ratepayers are already burdened beyond belief, you are crippling all the original residents for the sake of an elite few's vision. It's time to start taking care of the ratepayers wellbeing instead of rushing to create a grand image. Soon no one will be able to afford to live here at all. The plans are beautiful and one day will have their time and place, just give the poor ratepayers a break!"

"I believe that the scale of the project is too large and expensive for the rate payers. Every other centre in the Southwest loses money and the ratepayers have to subsidise the losses. A much smaller and suitable centre in keeping with the town and its population and that is affordable and profitable would win my support. Putting the local population into high debt for this non-essential project is unacceptable."

"In these uncertain times when many people are suffering much financial and mental stress I feel embarking on such a project burdening ratepayers with more debt for the benefit of a minority is failing to appreciate more pressing priorities in the community."

It is not needed – existing facilities are adequate and it will be underutilised

Sample of community comments

"Not necessary and will end up being massively under utilised I would think. Ongoing costs outweigh the need for such a venue in Busselton"

"We have facilities in our shire that do not get to their full potential, why would we spend anymore money on vacant rooms? Support our community by utilising our existing infrastructure."

"We can easily travel to Bunbury or Margaret River for these types of events. Both of these venues seem to have plenty of capacity and don't seem to sell out fast. Why take business away from these 2 venues that are hardly thriving as it is."

"At present there is no majority community need for such a facility and certainly not at that cost. The COB has built numerous white elephants over the past few years and this does not need to be another one."

"I'm all for a performing arts centre but see no reason for a convention centre. There are plenty of spaces in Busselton for convention type activities and I don't think the City should be competing with private enterprise on this score."

"We have places in Town already we can utilise. Council could always improve these venues."

"There is a similar facility available in Bunbury not far away and there will be conference rooms available in the new hotel on the foreshore soon."

The cost is too high, especially in these economic times

Sample of community comments

"Too extravagant for the current times"

"I believe even 33 million dollars is too much money to spend on a centre that will probably be under utilised and a large drain on ratepayers. Ridiculously large running and construction costs."

"This is not an economical time to be constructing a project of this size. The inflated cost of labour and materials will make the already over priced proposal even more unaffordable for ratepayers."

"Current economic climate and building material and trade shortages could see potential time and cost blowouts and this project is not a priority to me. Numerous other current facilities in the local area are not utilised to capacity."

"I do not consider that a facility of this cost is warranted in Busselton in the current economic climate. There are far more important infrastructure requirements needed in Busselton which will add greater amenity to our area. This is an unnecessary cost burden on the whole City being pushed by a minority of ratepayers."

"Inflation is on the rise, construction costs are escalating and skilled labour is in short supply. I do not believe that a purpose built facility as envisaged is an essential ratepayer sponsored infrastructure package demanded by the majority of residents at this time. The facility should remain an aspirational package for the future."

"The cost to build this facility outweighs the benefits and places the city under an extreme financial burden which must translate to higher costs to the residents of Busselton. I do not believe we have the necessary population or proposed growth to support this ambitious project at this stage."

The money would be better spent in other areas

Sample of community comments

"This city desperately needs other facilities before the need for a new performing arts centre. I consider this proposal a gross misuse of funds and an insult to the good people of Busselton and its surrounds."

"This art centre will not benefit the City of Busselton! I would love money spent for age care, drug rehabilitation, and rentals for low income families. Come spend a couple of weeks at the hospital then you would really understand what the community needs!!!!"

"I feel with the uncertainty of the past 18 months, it might be wise to forgo this project and perhaps invest in community housing for disadvantaged people. I simply think there may be some more important things we need to address. Arts is always nice, but it seems an excessive amount of money, particularly when the amount borrowed would be substantial."

"Because so many other areas need financial support. So many towns and places other than Busselton within the shire of Busselton that seem to get forgotten."

"Many other items have a higher priority and need attention now....The Vasse River needs urgent attention...our wildlife needs habitat...our country roads need attention..now."

" Wrong use of scarce funds which should be used on higher priority infrastructure and social amenity."

How do reasons vary across the community?

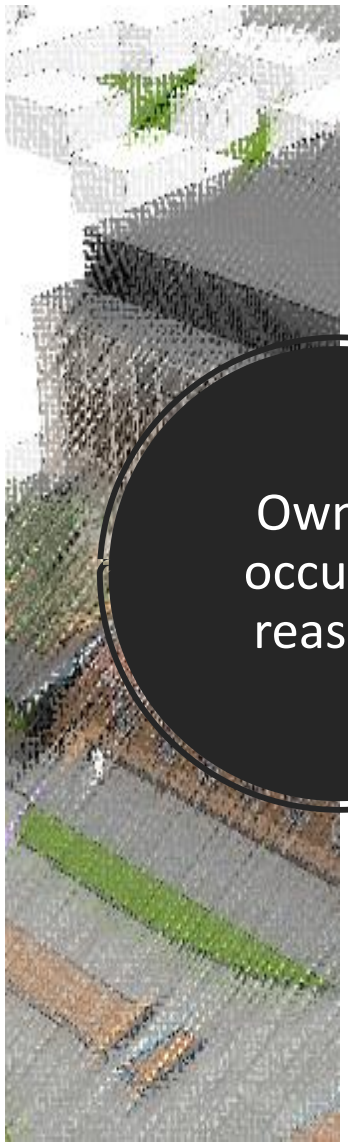
Resident reasons

Reasons for preferring option A, B or C among residents

Base: Residents (n = 2108). Table shows reasons when mentioned by 5% or more respondents in total.

% of respondents (table %)	Option A	Option B	Option C	Unsure	Total
Concerned about additional pressure on ratepayers, rates increases	0%	1%	22%	0%	23%
No need, other facilities available, will be underutilised,"white elephant"	0%	0%	20%	0%	21%
Cost is too high, the City can't afford it	0%	0%	18%	0%	18%
Money would be better spent on other services and facilities	0%	0%	16%	0%	16%
Support arts and culture	12%	1%	0%	0%	13%
Accommodating future growth and investing in the future of the region	12%	0%	0%	0%	12%
Similar venues are running at a loss, operating costs will be too high	0%	0%	11%	0%	11%
The community needs a facility like this, it will be fit for purpose	7%	1%	0%	0%	8%
Do it properly the first time - the original design is the best option	8%	0%	0%	0%	8%
Inappropriate location, site is too small, doesn't fit with heritage buildings	0%	0%	6%	0%	6%
Cheaper than option A, good compromise for lower cost	0%	6%	0%	0%	6%
Only benefits a small group of local residents	0%	0%	6%	0%	6%
City is in too much debt already, don't want to take on more	0%	0%	5%	0%	5%
Reduce need to travel far to other art and cultural venues	4%	1%	0%	0%	5%
Insufficient parking onsite, parking in town is too far away	0%	0%	4%	0%	5%
No response / prefer not to say	5%	2%	4%	0%	11%
Total	34%	11%	53%	2%	100%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Q. Please explain reasons for your preferred option.



Owner-occupier reasons

Reasons for preferring option A, B or C among owner-occupiers

Base: Owner-occupiers (n = 1746). Table shows reasons when mentioned by 5% or more respondents in total.

% of respondents (table %)	Option A	Option B	Option C	Unsure	Total
Concerned about additional pressure on ratepayers, rates increases	0%	1%	25%	0%	26%
No need, other facilities available, will be underutilised,"white elephant"	0%	0%	22%	1%	23%
Cost is too high, the City can't afford it	0%	0%	19%	1%	20%
Money would be better spent on other services and facilities	0%	0%	17%	0%	17%
Accommodating future growth and investing in the future of the region	11%	0%	0%	0%	12%
Similar venues are running at a loss, operating costs will be too high	0%	0%	12%	0%	12%
Support arts and culture	9%	0%	0%	0%	10%
The community needs a facility like this, it will be fit for purpose	6%	1%	0%	0%	7%
Do it properly the first time - the original design is the best option	7%	0%	0%	0%	7%
Inappropriate location, site is too small, doesn't fit with the heritage area	0%	0%	6%	0%	7%
Only benefits a small group of local residents	0%	0%	6%	0%	6%
Cheaper than option A, good compromise for lower cost	0%	6%	0%	0%	6%
City is in too much debt already, don't want to take on more	0%	0%	6%	0%	6%
Insufficient parking onsite, parking in town is too far away	0%	0%	5%	0%	5%
Worth the extra investment, provides value for money	5%	0%	0%	0%	5%
No response / prefer not to say	4%	2%	4%	0%	11%
Total	30%	11%	57%	2%	100%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Q. Please explain reasons for your preferred option.

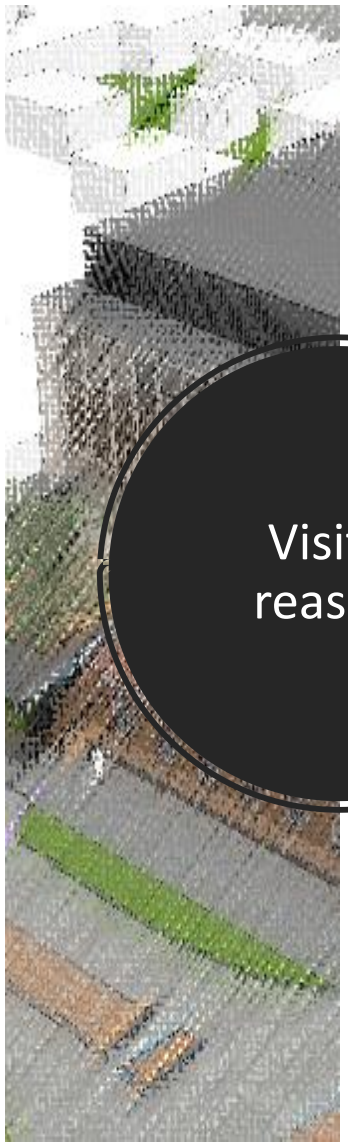
Out of area ratepayer reasons

Reasons for preferring option A, B or C among out of area ratepayers

Base: Out of area ratepayers (n = 48). Table shows reasons when mentioned by 5% or more respondents in total.

% of respondents (table %)	Option A	Option B	Option C	Unsure	Total
Accommodating future growth and investing in the future of the region	17%	2%	0%	0%	19%
Concerned about additional pressure on ratepayers, rates inreases	0%	0%	17%	0%	17%
Support arts and culture	13%	2%	0%	0%	15%
Do it properly the first time - the original design is the best option	15%	0%	0%	0%	15%
Providing entertainment for tourists and growing tourism	13%	0%	0%	0%	13%
Cost is too high, the City can't afford it	0%	2%	10%	0%	13%
No need, other facilities available, will be underutilised,"white elephant"	0%	0%	13%	0%	13%
Cheaper than option A, good compromise for lower cost	0%	10%	0%	0%	10%
The community needs a facility like this, it will be fit for purpose	8%	0%	0%	0%	8%
Economic growth, business and employment opportunities	6%	0%	0%	0%	6%
Option B is adequate, won't use all features that option A offers	0%	6%	0%	0%	6%
Similar venues are running at a loss, operating costs will be too high	0%	0%	6%	0%	6%
Money would be better spent on other services and facilities	0%	0%	6%	0%	6%
No response / prefer not to say	2%	2%	4%	0%	8%
Total	50%	23%	27%	0%	100%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Q. Please explain reasons for your preferred option.



Visitor reasons

Reasons for preferring option A, B or C among visitors

Base: Visitors (n = 93). Table shows reasons when mentioned by 5% or more respondents in total.

% of respondents (table %)	Option A	Option B	Option C	Unsure	Total
Support arts and culture	30%	2%	0%	0%	32%
The community needs a facility like this, it will be fit for purpose	13%	1%	0%	0%	14%
Accommodating future growth and investing in the future of the region	13%	1%	0%	0%	14%
Do it properly the first time - the original design is the best option	13%	0%	0%	0%	13%
Cheaper than option A, good compromise for lower cost	0%	12%	0%	0%	12%
Providing entertainment for tourists and growing tourism	9%	2%	0%	0%	11%
Impressive looking, state of the art / world class facility	9%	0%	0%	0%	9%
Economic growth, business and employment opportunities	8%	1%	0%	0%	9%
Increased seating capacity and able to accommodate larger performances	8%	0%	0%	0%	8%
Worth the extra investment, provides value for money	6%	0%	0%	0%	6%
Helps position Busselton as the "events capital of WA"	5%	0%	0%	0%	5%
Reduce need to travel far to other art and cultural venues	5%	0%	0%	0%	5%
No response	16%	3%	1%	1%	22%
Total	73%	17%	9%*	1%	100%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Q. Please explain reasons for your preferred option.

* The most frequently mentioned reasons for Option C were costs too high (2%), will be underutilized (2%) and similar venues running at a loss (2%).

Business reasons

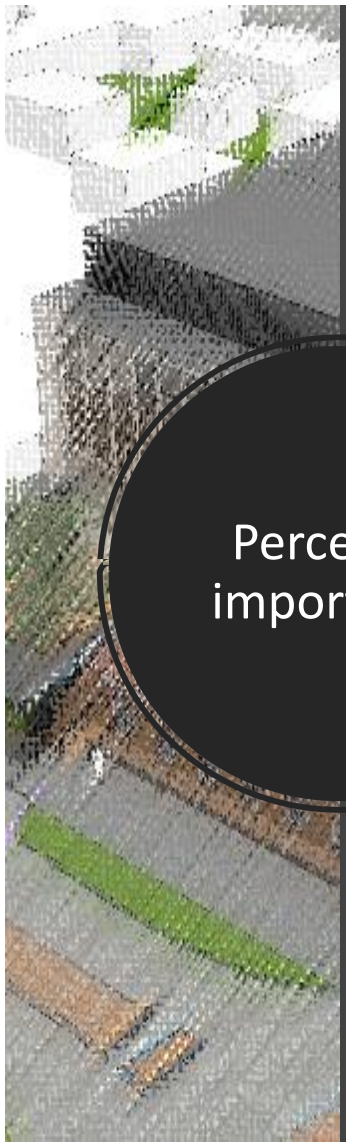
Reasons for preferring option A, B or C among businesses

Base: Businesses (n = 562). Table shows reasons when mentioned by 5% or more respondents in total.

% of respondents (table %)	Option A	Option B	Option C	Unsure	Total
Concerned about additional pressure on ratepayers, rates increases	0%	0%	23%	0%	23%
No need, other facilities available, will be underutilised,"white elephant"	0%	0%	22%	1%	22%
Cost is too high, the City can't afford it	0%	0%	17%	1%	18%
Money would be better spent on other services and facilities	0%	0%	17%	0%	17%
Support arts and culture	14%	0%	0%	0%	14%
Accommodating future growth / investing in the future of the region	13%	0%	0%	0%	13%
Similar venues are running at a loss, operating costs will be too high	0%	0%	11%	0%	11%
Do it properly the first time - the original design is the best option	10%	0%	0%	0%	10%
The community needs a facility like this, it will be fit for purpose	7%	0%	0%	0%	7%
Economic growth, business and employment opportunities	6%	0%	0%	0%	6%
Inappropriate location, site is too small, doesn't fit with the heritage area	0%	0%	5%	1%	6%
Cheaper than option A, good compromise for lower cost	0%	5%	0%	0%	5%
Reduce need to travel far to other art and cultural venues	4%	1%	0%	0%	5%
Insufficient parking onsite, parking in town is too far away	0%	0%	5%	0%	5%
No response	4%	2%	3%	0%	10%
Total	36%	10%	52%	2%	100%

Q. Which of the following options do you prefer for the Busselton Performing Arts and Convention Centre? Q. Please explain reasons for your preferred option.

Perceived importance of a performing arts and convention centre.



Perceived importance

Community opinion is polarised on the importance of having a purpose-built performing arts and convention centre.

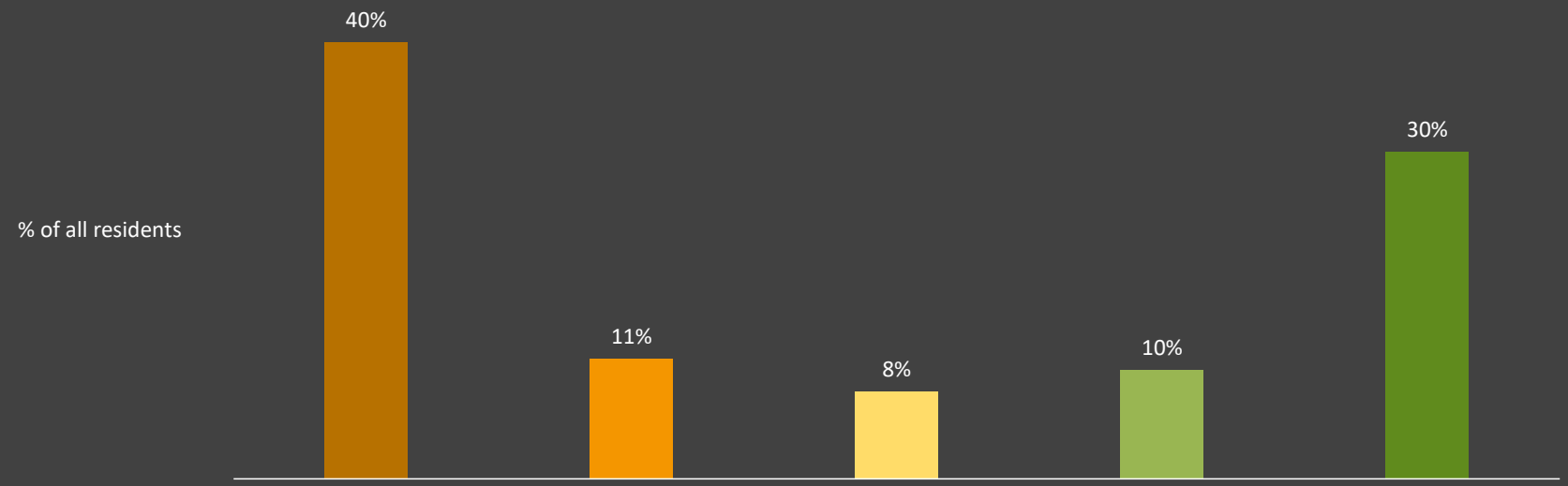
- **40% express very low importance.**

  Importance ratings are lower among owner-occupiers, males, older adults, and in rural and rural residential areas.

- **30% express very high importance.**

  Importance ratings are higher among visitors, renters, youth and younger adults, females and residents in Yallingup.

Perceived importance of having a dedicated purpose-built performing arts and convention centre among local residents



	Very low	Low	Medium	High	Very high
Random sample	40%	13%	12%	13%	23%
Opt-in sample	41%	10%	8%	10%	32%

Q. How important is it to you to have a dedicated purpose-built performing arts and convention centre within the City of Busselton district?
Base: Local residents (n = 2,099), random (n = 418), opt in (n = 1,681). Excludes unsure and no response.

Community variances

How important is it to you to have a dedicated purpose-built performing arts and convention centre within the City of Busselton district?

Base: Residents (n = 2,099), Out of area ratepayers (n = 48), Visitors (n = 90), Businesses (n = 560), Council affiliated (n = 108). Excludes unsure and no response.

% of respondents (row %)	Very low	Low	Medium	High	Very High	Mean rating
All residents	40%	11%	8%	10%	30%	2.8
Tenure						
Owner-occupier	44%	11%	8%	9%	27%	2.6
Renting / other	23%	8%	9%	16%	44%	3.5
Location						
Busselton	38%	12%	8%	10%	31%	2.9
Busselton urban rural	44%	11%	6%	10%	29%	2.7
Dunsborough	41%	8%	10%	10%	31%	2.8
Yallingup	36%	11%	5%	12%	37%	3.0
Rural and rural residential	46%	12%	11%	10%	21%	2.5
Gender						
Male	48%	11%	8%	9%	24%	2.5
Female	33%	11%	9%	12%	35%	3.0
Gender diverse	67%	8%	0%	0%	25%	2.1
Age						
Youth: 14-17 years	17%	4%	11%	33%	35%	3.7
Younger adult: 18-34 years	32%	10%	7%	10%	42%	3.2
Middle adult: 35-54 years	45%	8%	8%	9%	30%	2.7
Older adult: 55+ years	45%	15%	10%	8%	23%	2.5
Lifestage						
Have children	39%	8%	8%	12%	34%	2.9
Do not have children	42%	13%	9%	10%	27%	2.7
Non-resident groups						
Out of area ratepayers	25%	4%	10%	21%	40%	3.5
Visitors	4%	2%	9%	20%	64%	4.4
Businesses	42%	9%	8%	9%	33%	2.8
Council affiliated	17%	9%	12%	15%	47%	3.7

What will the community use this centre for?

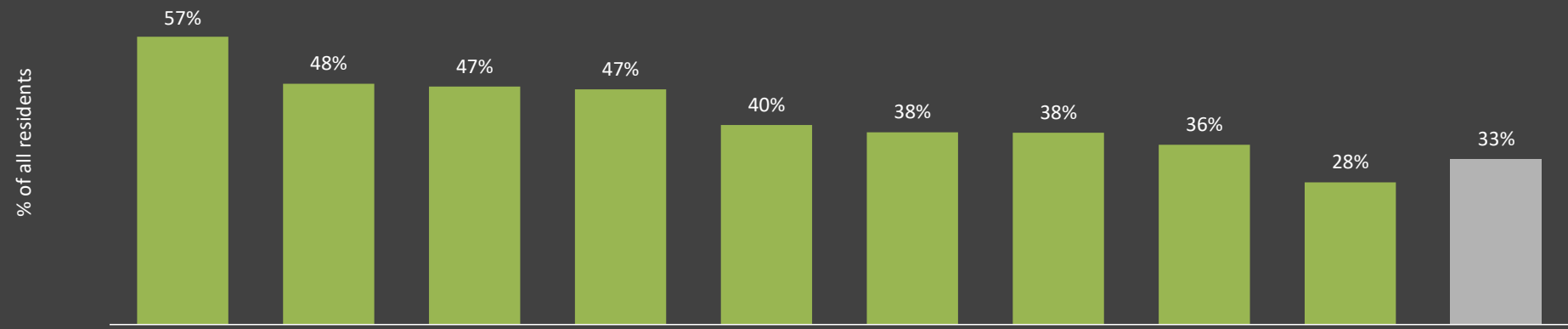
Interest in activities and events

There is greatest interest in attending music concerts, followed by theatre performances, festivals (such as CinefestOZ films) and comedy or cabaret shows at a proposed performing arts and convention centre.

Interest in attending activities and events at the proposed centre tends to be higher among females, parents with children, youth, people who are renting and visitors.

There is least interest among older residents and businesses.

Activities and events of interest among local residents



	Music concerts	Theatre performances and rehearsals	Festivals (such as CinefestOz films)	Comedy or cabaret shows	Art Gallery exhibitions (hosting state and national touring exhibitions)	Conventions, expos or trade shows	Gala dinners, graduations, awards nights, celebrations or fundraising events	Student performances (Christmas concerts, dance, music, choir, etc)	Children or adult classes (dance, music, theatre, choir, etc)	None of these
Random	57%	48%	48%	49%	45%	39%	34%	33%	22%	30%
Opt-in	57%	48%	47%	46%	38%	38%	39%	36%	30%	33%

Q. If a performing arts and convention centre was built in the City of Busselton district, which of the following activities or events would you be interested in attending or taking part in?
Base: Local residents (n = 1,923). Excludes unsure and no response.

Community variances

If a performing arts and convention centre was built in the City of Busselton district, which of the following activities or events would you be interested in attending or taking part in?

Base: Residents (n = 1,923), Out of area ratepayers (n = 45), Visitors (n = 92), Businesses (n = 523), Council affiliated (n = 105). Excludes unsure and no response.

% of respondents (row %)	Music	Theatre	Festivals (CinefestOZ)	Comedy or cabaret	Art exhibitions	Conventions, expos or trade shows	Gala dinners	Student performances	Children or adult classes	None of these
All residents	57%	48%	47%	47%	40%	38%	38%	36%	28%	33%
Tenure										
Owner-occupier	54%	45%	44%	44%	39%	36%	34%	32%	24%	36%
Renting / other	73%	61%	60%	57%	44%	48%	55%	52%	45%	17%
Location										
Busselton	58%	49%	48%	47%	40%	38%	39%	35%	26%	32%
Busselton urban rural	57%	47%	43%	43%	32%	38%	37%	41%	32%	34%
Dunsborough	54%	49%	55%	50%	49%	40%	38%	36%	31%	34%
Yallingup	60%	54%	53%	46%	52%	35%	35%	29%	26%	28%
Rural and rural residential	53%	41%	41%	45%	38%	40%	37%	28%	27%	35%
Gender										
Male	49%	37%	39%	40%	30%	35%	29%	27%	18%	41%
Female	65%	58%	56%	52%	48%	41%	47%	44%	38%	24%
Gender diverse	26%	26%	19%	34%	26%	26%	7%	11%	19%	66%
Age										
Youth: 14-17 years	73%	60%	67%	58%	30%	34%	53%	66%	45%	13%
Younger adult: 18-34 years	67%	53%	55%	57%	41%	51%	52%	46%	43%	25%
Middle adult: 35-54 years	55%	46%	47%	47%	39%	41%	42%	38%	30%	35%
Older adult: 55+ years	51%	44%	40%	39%	41%	30%	25%	23%	15%	38%
Lifestage										
Have children	59%	51%	51%	50%	39%	43%	47%	48%	38%	30%
Do not have children	56%	46%	44%	44%	41%	35%	32%	26%	21%	33%
Non-residents										
Out of area ratepayers	73%	62%	62%	47%	67%	47%	38%	31%	40%	13%
Visitors	78%	86%	75%	52%	61%	51%	47%	58%	55%	4%
Businesses	55%	49%	50%	49%	44%	43%	45%	38%	31%	34%
Council affiliated	74%	73%	73%	65%	62%	61%	53%	47%	36%	15%

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Saltwater Project Review

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City of Busselton

9 September 2024

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Inherent Limitations

This report has been prepared as outlined with the City of Busselton in the Scope Section of the engagement contract dated 8 March 2024 (and signed 20 March 2024). The responsibility for determining the adequacy or otherwise of our terms of reference is that of the City of Busselton. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed, including any reference to 'audit' and 'review'. Further our work will not necessarily disclose all matters that may be of interest to City of Busselton or reveal errors and irregularities, if any, in the underlying information.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Busselton's management and personnel / stakeholders consulted as part of the process.

KPMG has indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

Any findings or recommendations contained within this report are based upon our reasonable professional judgement based on the information that is available from the sources indicated. Should the project elements, external factors and assumptions change then the findings and recommendations contained in this report may no longer be appropriate. Accordingly, we do not confirm, underwrite or guarantee that the outcomes referred to in this report will be achieved.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

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This report is solely for the purpose set out in the Scope Section and for the City of Busselton's information, and is not to be used for any purpose not contemplated in the engagement letter/contract or to be distributed to any third party without KPMG's prior written consent.

This report has been prepared at the request of the City of Busselton in accordance with the terms of KPMG's engagement contract dated 8 March 2024 (and signed 20 March 2024). Other than our responsibility to the City of Busselton, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report.

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Forecasts

We do not make any statement as to whether any forecasts or projections will be achieved, or whether the assumptions and data underlying any such prospective information are accurate, complete or reasonable. We will not warrant or guarantee the achievement of any such forecasts or projections. There will usually be differences between forecast or projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material.

Our reporting date corresponds with a period of significant volatility in global financial markets and widespread macro-economic uncertainty. This volatility and uncertainty could persist for some time. As a result of the continued uncertainty in relation to the impact of global market volatitiliy, our work may not have identified, or reliably quantified the impact of, all such uncertainties and implications. If the assumptions provided by the City of Busselton on which this report is based are subsequently shown to be incorrect or incomplete, this could have the effect of changing the findings set out in this report and these changes could be material. We are under no obligation to amend our report for any subsequent event or new information.

Executive summary

KPMG has been engaged by the City of Busselton to provide advice on a range of factors related to the construction and operation of Saltwater – a new performing arts and convention centre in the centre of Busselton – to inform future financial planning. This report summarises the outcomes of this analysis.

Introduction and approach

Saltwater is a new performing arts and convention centre currently under construction in the centre of Busselton in South-West Western Australia. The City of Busselton (the City) has engaged KPMG to undertake analysis to support future planning with respect to the Saltwater project across two task packages (**Task 1** and **Task 2**).

The scope of **Task 1** includes:

- A review of market demand assumptions developed by the City and outlined in the Saltwater Business Operations Plan (the Plan), including:
  - The proposed events calendar, including Saltwater programming and anticipated commercial and community hire of the venue;
  - Audience demand and related ticket, food and beverage and merchandise sales for venue events; and
  - Venue hire rates and packages.
- Analysis of impacts of the review findings on the revenue assumptions developed by the City in ongoing financial forecasting, as well as any expenditure items that are informed by market demand factors.
- Providing advice on the potential impacts of the review on financial forecasts and long-term financial planning.
- Providing advice on the potential impacts of the review to the cost-benefit analysis (CBA) because of the above factors.

KPMG has taken a 'top down' approach to the Task 1 analysis, working closely with the City to understand the information that has been relied on to inform the existing assumptions and then testing and validating this information where possible.

KPMG's scope for supplementary economic analysis was limited to identifying potential impacts to the previous CBA, including considering the impact of updated cost forecasts on the CBA and undertaking select sensitivity analysis.

The review/verification of the underlying CBA approach and the benefit streams were outside of KPMG's scope. As such the approach adopted assumes that the underlying methodology applied by RPS Group for the CBA is appropriate.

The scope of **Task 2** includes:

- Forecasting costs for completion of the construction of the new venue, anticipated program to complete, different options for project delivery (including cessation of the project and/or mothballing options), and potential associated financial, operational, reputational, and socio-economic risks.
- Forecasting lifecycle maintenance costs informed by overall project costs and a revised construction program.

The forecast costs developed as part of Task 2 have informed the supplementary economic analysis undertaken as part of Task 1.

The outcomes of the analysis to deliver on the scope of these tasks has been divided into four sections for the purposes of this report:

- Section 1: Construction cost and program review
- Section 2: Demand assessment review
- Section 3: Economic analysis review
- Section 4: Conclusions

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Construction cost and program review findings

Indicative cost options were developed for several scenarios. Previous and current cost reports, progress reports, site progress photographs and status programs were requested and provided for review and to assist in the development of the following options:

- Option 1 – Best Case Scenario (Current Broad Construction Contract);
- Option 2 – Worst Case Scenario (Current Broad Construction Contract);
- Option 3 – Mothball Construction for 5 Years (Terminate Broad Construction Contract + New Completion/Fitout Contract to commence in 2029);
- Option 4 – Mothball Construction for 10 Years (Terminate Broad Construction Contract + New Completion/Fitout Contract to commence in 2034); and
- Option 5 – Mothball Demolition Option

An Option to mothball for 1 year was not considered given the close timing of completion from the achievement of a watertight building, which was the basis of the date for termination and mothballing.

The table below shows the indicative forecast final costs and the funding shortfall for each project option.

Summary of all options[1]

	As Progress Report Mar 24	Forecast Cost Best Case	Forecast Cost Worst Case	Forecast Cost Mothball 5 Years	Forecast Cost Mothball 10 Years	Forecast Cost Mothball Demolition
Total Forecast Cost	$49.3m	$49.9m	$54.5m	$67.3m	$71.1m	$52.1m
Approved Project Funding	$44.6m	$44.6m	$44.6m	$44.6m	$44.6m	$44.6m
Indicative Funding Shortfall	**$4.7m**	**$5.4m**	**$10.0m**	**$22.8m**	**$26.5m**	**$7.5m**

In addition to the project options outlined in the table above which relate to either project completion or demolition and retention of the land, there are additional options to divest the land and building that have been considered.

A potential range of divestment pathways are summarised below:

- *Complete construction and divest*: Completion of construction and divestment of land and performing arts and convention centre for its intended purpose (likely requiring a subsidy payment to the incoming buyer to offset its operating deficits).
- *Terminate construction and divest*: Cease construction in October 2024 and divestment of land and building shell in its present state, for some form of adaptive re-use.
- *Terminate construction, demolish and divest*: Cease construction in October 2024, demolish the works completed to date and divest the land.

These potential divestment pathways have been considered as part of the review, with key considerations set out below:

- There is a significant risk of limited commercial interest from potential buyers, supported by the previous expression of interest for the site, following which the City received no submissions from the market;
- The forecast negative cash flow associated with operating the facility as a performing arts and convention centre provides a strong indication that there is limited or no commercial value of the building if it were to be completed as planned;
- Based on recent valuations for other owned sites within Busselton on a ground lease basis, ground rental value for the site would likely be in the order of ~$82,500 to ~$110,000 per annum. Adopting a notional ground rent capitalisation rate of between 4% and 6%, the indicative value of the land would likely be in the order of $1.4m to $2.8m.

[1] Total forecast cost for the 'Mothball' and 'Demolition' options includes $11,007,310 which represents the grants paid to the City to date that would be required to be repaid under options that defer completion or demolish the asset.

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- If the asset and site were to be divested, the grants paid to the City to date ($11,007,310) would most likely be required to be repaid unless the facility was operated as intended by the incoming purchaser; and
- Additional separate design, engineering and valuation advice would be required to identify potential alternate uses for the building that are both technicaly feasible and commercially viable.

Discounted cashflow analysis of the options demonstrates that they generate Net Present Costs in the range of approximately $23.8m to $31.2m, in addition to sunk costs of circa $21.8m.[2]

Discounted cashflow analysis outputs

Divestment option**	Complete construction, divest and subsidise intended operations for 10 years	Terminate construction and divest for adaptive re-use	Terminate construction, demolish and divest
Net present value ($) at 6.5% discount rate	-$31.2 million	-$25.2 million to -$23.8 million plus any value that may be attributed to the partially completed building*	-$28.8 million to -$27.4 million

** Additional separate design and technical advise would be required to quantify the potential value of the existing building shell under the 'Terminate construction and divest' pathway.*

*** Dollar vaues in the table above do not include existing sunk costs.*

On the above basis, there is a strong likelihood that none of the divestment pathways outlined above will yield a cashflow that is greater than the existing funding shortfall.

Demand assessment review findings

- Despite the impacts of the COVID-19 pandemic, industry data and market feedback show a recovery in key target markets for the Saltwater facility. The performing arts industry has largely rebuilt to pre-COVID levels,[3] with Live Performance Australia data indicating that the Western Australia market lagged behind other states between 2021 and 2022 (2023 is not yet available[4]). However, the overall trend shows year-on-year growth with last year's data expected to show a full rebound, a fact that would be supported by results being reported by local venues.
- Additionally, the business events market has shown a strong recovery, with major convention centres across the country recording near record levels of business post COVID-19. Further, market feedback from professional conference organisers from various KPMG engagements has suggested increases in delegate numbers in the order of 20-25%. There is also an opportunity to capitalise on the large number of potentially displaced State conventions and other business events, should the Perth Convention and Exhibition Centre be redeveloped in the next decade.[5]
- The City has developed demand assumptions for the new facility based on a range of different data points which are grounded in benchmarks of comparator facilities (i.e. regional venues with similar sized venues and similar service offerings), both across the South-West region as well as more broadly, actual booking information and the recent experience of key staff members working at a similar venue.
- The City's demand assumptions and corresponding financial assumptions appear reasonable but with some minor areas for improvement identified. The City has adopted conservative approaches to estimating revenue have been adopted in most cases and there is potential for expansion of existing revenue streams, as well as additional revenue streams. For example:
  - Saltwater's current program – developed based on actual bookings and enquiries – has room for additional growth, with only 89 event days in total booked in Saltwater's main auditorium. Allowing for bump in and bump out times, rehearsals, public holidays and maintenance requirements, performing arts venues are typically open for bookings approximately 80% (~290 days) of the year.
  - There are revenue streams such as memberships which have not been included in current forecasts but which have been successfully adopted by similar venues. There are also other services like marketing which could be charged on to hirers at a profit.

[2] Sunks costs are $21.8 million as per Progress Report in March 2024.
[3] IBISWorld Performing Arts Venues in Australia report.
[4] Live Performance Australia Ticket and Attendance Report 2022.
[5] WA Government Media Statement: Bold vision unveiled for iconic Perth waterfront redevelopment (Jan 2024)

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- The City has been actively building positive relationships with key 'enablers' of facility demand for the facility's target markets, including event / content owners and other local venues (e.g. the new Hilton Garden Inn).
- The City's revenue estimates would benefit from increased standardisation of underpinning assumptions (e.g. ensuring that all revenue lines that are related to venue hire demand are linked to same venue hire demand assumptions). This ensures that any changes in these underlying assumptions will be reflected in revenue forecasts.

To support the City's Long Term Financial Planning, KPMG prepared an indicative 10-year financial forecast based on the City's updated revenue assumptions outlined above (and detailed in Appendix B) and expenditure assumptions. These forecasts are provided in Appendix C.

Based on these assumptions, the indicative forecast net operating position of the venue is a loss of $931,891 in Year 1 of operations (FY2026), improving to a loss of $688,033 in Year 10 taking into account forecast CPI increases.[6]

While the asset is not anticipated to reach a breakeven point over the ten year forecast period, this is typical of social assets of this nature which are not expected to be profitable and are often subsidised through government funding.

The following were identified as key risks to future demand at Saltwater:

- A key risk to demand for Saltwater venues is the current uncertainty surrounding the completion of construction and the opening date as not only does it put existing enquiries and bookings at risk, but it also may undermine market confidence in the venue's operation.
- Predicting growth in demand over time is challenging based on historic outcomes, particularly live performances and events that have been impacted heavily in recent years by the COVID-19 pandemic and a range of factors that can impact demand at a particular venue. However, KPMG analysis suggests that the City's forecast growth in demand for venue hire may be achievable based on current assumptions. Sensitivity analysis on demand projections has been undertaken and is outlined in **Appendix C**.

Supplementary economic analysis

- The Cost-Benefit Analysis (CBA) (RPS Group, 2020) adopted for the Business Case presented total benefits for the Project of $52.5 million (2020 $-values), at a 7 per cent discount rate, with a Net Present Value (NPV) of $24.6 million (2020 $-values) at a Benefit Cost Ratio (BCR) of 1.88.
- When considering the change in total forecast cost for the 'Worst Case' cost option ($54.52m) and the original project budget ($44.45m), the scale of cost increase is forecast to be around 22 per cent.
- This scale of cost increase presented in the 'Worst Case' scenario is less than the ABS Producer Price Index for building construction in WA over the period between September 2021 (tender accepted) to March 2024 (latest data).
- The 'Best Case' cost option with a total indicative forecast cost of $49.92m represents a cost increase of 12 per cent compared to the approved project funding, nearly half that of the Producer Price Index increase for the WA

[6] *Note that the net operating position does not include ongoing lifecycle maintenance and capital renewal spending. For an estimate of this spending over the lifecycle of the asset, refer to p. 23.*

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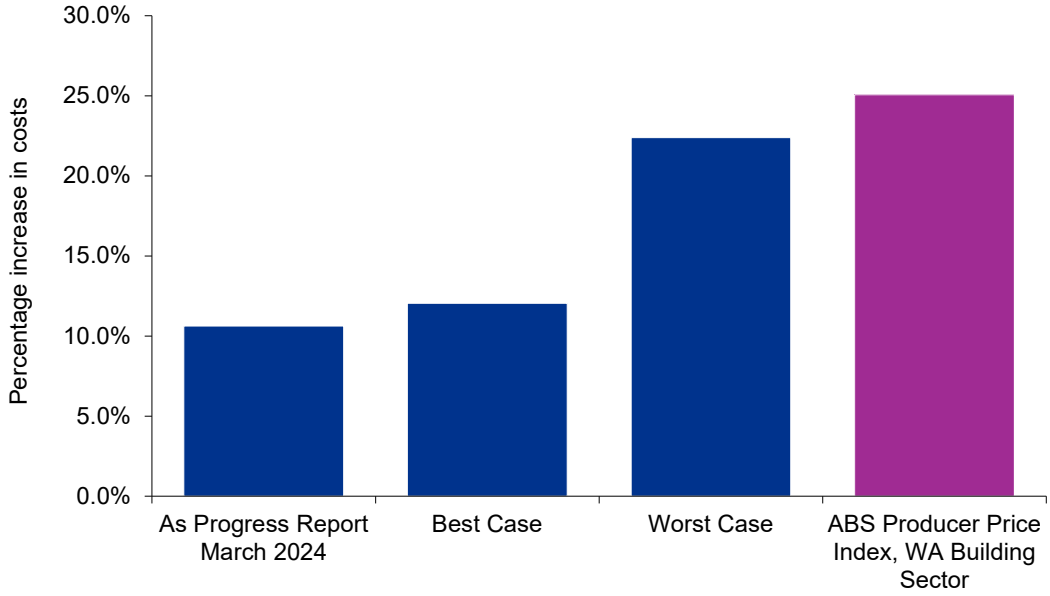
building construction sector over the same period.

Cost increase from September 2021 to March 2024



- KPMG developed a high-level CBA model to enable sensitivity testing of cost and demand assumptions, aligning with the summary results presented by RPS Group as part of the original CBA report.
- The impact of the cost options on the CBA results for the Project are summarised for a 7 per cent discount rate, excluding sunk costs in the table below.

Summary of impact of cost options on CBA (7 per cent discount rate, excluding sunk costs, discount year of 2024)

Category	CBA Report	As Progress Report, Mar 24	Best Case	Worst Case	Mothball 5 Years	Mothball 10 Years	Mothball Demolition
Price Year	**2020**	**2024**	**2024**	**2024**	**2024**	**2024**	**2024**
Benefits ($M)							
Financial	*3.9*	*7.4*	*7.4*	*7.4*	*6.0*	*4.6*	*0.0*
Economic	*43.7*	*56.2*	*56.2*	*56.2*	*38.5*	*26.5*	*0.0*
Social	*4.9*	*6.3*	*6.3*	*6.3*	*6.3*	*5.7*	*0.0*
Total Benefits ($M)	**52.5**	**69.9**	**69.9**	**69.9**	**50.8**	**36.8**	**0.0**
Net Present Costs ($M)	**27.8**	**37.6**	**38.4**	**44.8**	**42.5**	**36.2**	**28.4**
BCR	**1.88**	**1.86**	**1.82**	**1.56**	**1.19**	**1.01**	**0.00**
NPV ($M)	**24.6**	**32.2**	**31.4**	**25.0**	**8.2**	**0.5**	**-28.4**

- The economic analysis shows that when considering the 'worst case' total forecast costs for the Project, the Project is forecast to deliver a net economic gain based on the assumptions and benefits set out in the Business Case.
- Deferring the Project completion for either five years or ten years is forecast to present a diminished, but still positive economic gain over the full appraisal period out to 2049, while demolition is forecast to result in a net economic loss.
- To test the impact of changes to demand assumptions on the CBA, a demand sensitivity analysis has been undertaken that tests the impact that a 20 per cent decline in demand would have on the economic analysis.
- When testing the impact of a 20 per cent decline in demand on the CBA, the 'Worst Case' cost option presents a BCR above one (1.28), with a forecast NPV of $12.5 million representing a positive economic return on investment.

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- For the sensitivity test of a 20 per cent decline in demand, all cost options to either demolish or defer the completion of the Project present a BCR of less than one, and a negative NPV representing a net economic loss to the region.
- To enable a comparison to the CBA adopted as part of the Business Case, an impact of the cost options including sunk costs (capital expenditure incurred to date) on the CBA has also been undertaken. The results in the table below assume a discount year of 2022 as the first year of construction, and include sunk costs.

Summary of impact of cost options on CBA (7 per cent discount rate, including sunk costs, discount year of 2022)

Category	CBA Report	As Progress Report, Mar 24	Best Case	Worst Case	Mothball 5 Years	Mothball 10 Years	Mothball Demolition
Price Year	**2020**	**2024**	**2024**	**2024**	**2024**	**2024**	**2024**
Benefits ($M)							
Financial	*3.9*	*6.4*	*6.4*	*6.4*	*5.3*	*4.0*	*0.0*
Economic	*43.7*	*49.1*	*49.1*	*49.1*	*33.6*	*23.1*	*0.0*
Social	*4.9*	*5.5*	*5.5*	*5.5*	*5.6*	*5.0*	*0.0*
Total Benefits ($M)	**52.5**	**61.0**	**61.0**	**61.0**	**44.5**	**32.1**	**0.0**
Net Present Costs ($M)	**27.8**	**51.5**	**52.2**	**56.8**	**56.8**	**51.3**	**44.4**
BCR	**1.88**	**1.18**	**1.17**	**1.07**	**0.78**	**0.62**	**0.00**
NPV ($M)	**24.6**	**9.4**	**8.7**	**4.1**	**-12.4**	**-19.3**	**-44.4**

Conclusions

The Project's indicative capital cost forecasts for the best and worst cases are within the range expected from the WA Building Price Index, reflecting the nature of the fixed price contract entered into by the City with the contractor, and the commercial management of the contract by the City's project team and executive management. Based on our experience, the forecast performance of this Project is comparable with some of the better performing venues in Australia.

Based on the high-level cost and program reasonabless review, **completing construction of the venue, without delay or mothballing, is forecast to have the highest benefit to cost ratio of all of the options in which the build is completed**, even under the worst-case scenario.

Excluding sunk costs, the **benefit-cost ratio associated with this option is 1.82 under the best case, and 1.56 under the worst case** – the best economic outcome of any of the options considered.

Should construction continue and Saltwater be opened, based on the City's demand assumptions across key markets, including local audiences, commercial entertainment hirers, community hirers and the business events market, the City's demand forecasts are considered to be supported by the available evidence.

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Introduction and approach

Introduction and approach

Review purpose and objectives

Saltwater is a new performing arts and convention centre currently under construction in Busselton in South-Western Australia. The centre is being built adjacent to the existing Weld Theatre and ArtGeo Gallery, with the latter to be converted into a venue for commercial lease and will form part of a Busselton Cultural Precinct located near several of the City's key cultural venues, including the homes of Acting Up Youth Theatre and the Busselton Art Society, the Stables Art Studios and the Old Courthouse Complex.

The centre will include a main performance space, bar and a new gallery on the lower level, and a rehearsal space and a variety of function and meeting spaces to host conferences, conventions, and other business events on the upper level.

The City of Busselton (the City) has engaged KPMG to undertake analysis to support ongoing decision making with respect to the Saltwater project across two task packages (Task 1 and Task 2). This includes a review of:

- **Forecast costs for completion of the construction** of the new venue, anticipated program to complete, different options for project delivery (including cessation of the project and/or mothballing options), and associated financial, operational, reputational, and socio-economic risks (Task 2).
- **Forecast lifecycle maintenance costs** informed by overall project costs and revised construction program (Task 2).
- **Market demand analysis** that has been undertaken to inform financial modelling and planning for the new venue when operational, and any flow on impacts to revenue assumptions adopted (Task 1).
- Impacts of the market demand analysis, as well as Task 2 outputs on the **cost-benefit analysis** already undertaken for the venue (Task 1).
- **Providing forecasts that will inform long-term financial planning** for the project based on the analysis outlined above (Task 1 and Task 2).

This report outlines the outcomes of this analysis.

Task 1 review scope and approach

The scope of Task 1 includes:

- A review of market demand assumptions developed by the City and outlined in the Saltwater Business Operations Plan (the Plan), including:
  - The proposed events calendar, including Saltwater programming and anticipated commercial and community hire of the venue;
  - Audience demand and related ticket, food and beverage and merchandise sales for venue events; and
  - Venue hire rates and packages.
- Analysis of impacts of the review findings on the revenue assumptions developed by the City in ongoing financial forecasting, as well as any expenditure items that are informed by market demand factors.
- Providing advice on the impacts of the review on financial forecasts and long-term financial planning.
- Providing advice on the impacts of the review to the cost-benefit analysis because of the above factors.

Task 1 approach

KPMG has taken a 'top down' approach to the review, working closely with the City to understand in detail the information that has been relied on to inform the existing assumptions and then testing and validating this information where possible.

KPMG's scope for supplementary economic analysis was limited to identifying impacts to the previous CBA, including considering the impact of updated cost forecasts on the CBA and undertaking select sensitivity analysis.

The review/verification of the underlying CBA approach and the benefit streams were outside of KPMG's scope. As such the approach adopted assumes that the underlying methodology applied by RPS Group for the CBA is appropriate.

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Task 2 review scope and approach

The scope of Task 2 includes:

- Undertaking analysis to develop forecast costs for completion of the construction of the new venue, anticipated program to complete, different options for project delivery (including cessation of the project and/or mothballing options), and associated financial, operational, reputational, and socio-economic risks.

On the basis of this analysis, developing forecast lifecycle maintenance costs informed by overall project costs and revised construction program.

The approach taken to undertake the scope for Task 2 is described in Section 1 of this report.

Structure of this report

This review report is structured as follows:

- Section 1: Construction cost and program review
- Section 2: Market demand analysis review
- Section 3: Supplementary economic analysis
- Section 4: Implications on the City's long-term financial planning

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Section 1

Construction cost and program review

Review approach

Introduction and aims of review

Indicative cost options were developed for several scenarios.Previous and current cost reports, progress reports, site progress photographs and status programs were requested and provided for review and to assist in the development of the following options:

- Option 1 – Best Case Scenario (Current Broad Construction Contract);
- Option 2 – Worst Case Scenario (Current Broad Construction Contract);
- Option 3 – Mothball Construction for 5 Years (Terminate Broad Construction Contract + New Completion/Fitout Contract to commence in 2029); and
- Option 4 – Mothball Construction for 10 Years (Terminate Broad Construction Contract + New Completion/Fitout Contract to commence in 2034).
- Option 5 – Mothball Demolition Option

An Option to mothball for 1 year was not considered given the close timing of completion from the achievement of a watertight building, which was the basis of the date for termination and mothballing.

Review process and key assumptions

Cost options were prepared utilising the following approach:

- Existing contract documents were sourced, and the contract sum scheduled to ascertain the current Broad Construction Base Contract Value for all options (Circa $38m).
- Current cost reports and progress claims were sourced and schedules for variations, extensions of time, COVID claims, and provisional sums were prepared.
- Variations were reviewed in line with Principal's comments, adjudicators' decisions, Altus forecasts and certifications to date.
- Separate variation schedules were produced for best and worst-case scenarios. Variations were approved, forecast variations contained in the reports were analysed and forecasted on a trade-by-trade basis with varying levels of probability and risk was applied to disputed variations for a forecast best and worst outcome.
- Unsubmitted variations were not forecast in the cost reports, so KPMG scheduled out the cost to complete for each trade and aligned the submitted variations to date with each trade. Benchmark forecasts for each trade to completion were then formulated to provide a complete forecast variation outlook.
- Variation forecasts for the two mothball options are based on the best-case scenario.
- Provisional sums were scheduled and included in the final forecast cost for all options.
- Extension of time forecasts were prepared for the best and worst case. The best case allows a maximum of 90 days @ $6,000 per day. Worst case allows 260 days @ $6,000 per day.
- Liquidated damages were prepared for the best and worst case based on the corresponding best and worst-case extension of time forecasts. The best case allows 380 calendar days @ $3,820 per day. Worst case allows 260 days @ $3,820 per day.
- KPMG were advised that existing COVID-19 claims had been reviewed independently by several external sources. Consequently, no allowance has been made for existing COVID-19 claims.
- Loose furniture budgets included under separate contracts have been included and forecast at a not to exceed budget approach.
- Landscaping budgets included under separate contracts have been included and forecasted at a not to exceed budget approach.
- Professional fees have been included at the original sum and a forecast amount of 14 months @ $25k per month included for extension of time claims in the best case and 14 months @ $45k per month included as a worst case.

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- Additional professional fees have been applied to the mothballed options for new consultants over a 9-month period.
- The construction program was analysed and compared to the work completed on site. The completion date appeared optimistic, and KPMG have forecasted completion of the current contract at the end of April 2025 for best and worst case, and watertight by end of October 2024 for the mothball options.
- Costs to complete were cash flowed on a trade-by-trade basis to ascertain a cost to complete for a new contract, should the project be mothballed.
- New preliminaries were calculated based on a forecast completion for the mothball options and applied to a new final cost to complete.
- Escalation was calculated using industry indices and applied to the cost to complete for the mothball 5 and 10-year options.
- Contingencies have been reduced to nil and an approved project funding amount of $44,500,000 was adopted as per the report to ascertain a budget shortfall for all options.
- A 5% contingency has been applied to the mothballed works under a new contract.
- A summary of the findings has been prepared as part of this, and an appendix of detailed schedules included.
- Lifecycle related assumptions are contained in the Review Findings.

Key exclusions

Whilst KPMG have attempted to capture all costs to complete, in a worst-case scenario, the following items have not been considered:

- Risk events - weather, flooding, storms, fire, strikes, Occupational Health and Safety issues, COVID claims;
- Principal's internal and finance costs;
- The forecasts have been prepared for variations based on experience. A probabilistic or monte carlo approach has not been undertaken but can be prepared upon request under a separate engagement;
- No further value management opportunities have been identified; and
- Goods and Services Tax.

Documentation relied upon

- Project Monthly Progress Reports – Donald Cant Watts Corke – January to March 2024
- BPACC Site Attendance Report 35 – 26th April 2024
- Contract Program - Progress to 30 April 2024 - Broad Construction – 6th May 2024
- Altus Group Monthly Financial Report for Month Ending March 2024
- Broad Construction Contractors Report 27 – March 2024
- BPACC Summary of Variations – 24th May 2024
- Drawings A_109 to A_203

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Review findings

All options summary

Table 1 below shows indicative forecast final cost and the funding shortfall for each option.

Table 1: Summary of all options[7]

	As Progress Report Mar 24	Forecast Cost Best Case	Forecast Cost Worst Case	Forecast Cost Mothball 5 Years	Forecast Cost Mothball 10 Years	Forecast Cost Mothball Demolition
Total Indicative Forecast Cost	$49.3m	$49.9m	$54.5m	$67.3m	$71.1m	$52.1m
Approved Project Funding	$44.6m	$44.6m	$44.6m	$44.6m	$44.6m	$44.6m
Indicative Funding Shortfall	**$4.7m**	**$5.4m**	**$10.0m**	**$22.8m**	**$26.5m**	**$7.5m**

Divestment pathways

In addition to the project options outlined in Table 1 above which relate to either project completion or demolition and retention of the land, there are additional options to divest the land and building that have been considered.

A potential range of divestment pathways are summarised below:

- **Complete construction and divest:** Completion of construction and divestment of land and performing arts and convention centre.
- **Terminate construction and divest:** Cease construction and divestment of land and building shell in its present state.
- **Terminate construction, demolish and divest:** Cease construction, demolish the works completed to date and divest the land.

For each of the alternative divestment pathways it would most likely be necessary to repay the grants that have been received for the construction of the project, including from the Commonwealth Government, Lotterywest and Rio Tinto, totalling $11,007,310 to date[8].

Option specific considerations are discussed in this section.

Complete construction and divest

This divestment pathway would involve the completion of the construction under the existing contract, including fit-out as a performing arts and convention centre.

Due to the nature of the facility, and the forecast negative cash flow associated with operating the facility as a performing arts and convention centre, it is unlikely that the asset would have commercial value in its currently planned fit-out. Additionally, as it will be a new facility without an established revenue position, the project will likely carry a number of additional commercial risks, further suppressing potential commercial interest in the facility.

The discounted cashflow analysis below indicates that this approach would result in a Net Present Cost in the order of $31.2m, in addition to sunk costs of circa $21.8m.

[7] Total forecast cost for the 'Mothball' and 'Demolition' options includes $11,007,310 which represents the grants paid to the City to date (June 2024) that would be required to be repaid under options that defer completion, divest or demolish the asset.

[8] Source: City of Busselton

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Terminate construction and divest

This divestment pathway would involve the termination of construction of the current facility in October 2024, with divestment of the land and building shell in its current state. This pathway would in effect be aimed at providing the greatest flexibility for potential commercial buyers to repurpose the existing building for an alternative use.

The considerations associated with this divestment pathway include:

- *Repurposing by buyer:* If the site and asset were to be divested, the end user would need to either demolish the asset or complete construction of the the building. Detailed separate analysis would be required to determine the value that would be attributed to the existing improvements relative to the costs of adapting those improvements for alternative use, in order to assess potential divestment value. This would include:
    - Design advice to determine suitable adaptive re-use of the existing improvements.
    - Technical / engineering advice to determine the feasibility / buildability of any proposed adaptive re-use of the existing improvements.
    - Quantity surveying advice to determine the cost of any proposed adaptive re-use of the existing improvements.
    - Market research and valuation advice to determine the demand for any proposed altenrative use, the end value of that use and the feasibility of that use relative to the costs of adaptation.
- *Commercial considerations:* It could be anticipated that the presence of a building shell on the site would add additional cost, risk and complexity for potential commercial uses, which could further supress market interest when compared to the City's previous Expression of Interest (EOI) process, for which no submissions were received.

The discounted cashflow analysis below indicates that this approach would result in a Net Present Cost in the order of $23.8m to $25.2m, in addition to sunk costs of circa $21.8m. This cost may be offset by any value that the market places on the existing, incomplete building improvements, subject to any potential adaptive re-use.

Terminate construction, demolish and divest

This divestment pathway would involve the termination of construction and the demolition of the current building by the City in October 2024, followed by divestment of the land. This divestment option is equivalent to the 'Mothball Demolition' option followed by divestment of the land.

The considerations associated with this divestment pathway include:

- *Land value:* The City has secured recent valuations for other owned sites within Busselton on a ground lease basis, indicating ground rents in the order of $45 to $60 per square metre per annum. If applied to the subject site (at 1,834 square metres) this would equate to a ground rental value of ~$82,500 to ~$110,000. Adopting a notional ground rent capitalisation rate of between 4% and 6%, the indicative value of the land would likely be in the order of $1.4m to $2.8m.
- *Funding shortfall:* If the above land value were to be realised through a single lump sum transaction, it would reduce the funding shortfall of the 'Mothball Demolition' to between $4.7 million to $6.1 million.
- *Potential limited commercial interest:* The current site for Saltwater was previously put to market as an EOI for a development opportunity (e.g. restaurant, micro brewery, residential apartments or hotel), under a 'ground lease'. No submissions were made to the City for the site during the previous EOI.

The discounted cashflow analysis below indicates that this approach would result in a Net Present Cost in the order of $27.4m to $28.8m, in addition to sunk costs of circa $21.8m.

Discounted Cashflow Analysis

A discounted cashflow analysis has been undertaken on the three divestment pathways outlined above, and is presented in Table 2 below.

The analysis has been undertaken over a 10-year appraisal period, at a discount rate equivalent to a weighted average cost of capital of 6.5 per cent. Sunk costs incurred through construction to date ($21.8 million as of Progress Report March 2024) have not been included in the analysis.

The following assumptions have been applied to each option respectively:

- **Complete construction, divest and subsidise intended operations for 10 years**
    - Assumed for the purposes of analysis that grant money acquitted to date does not need to be repaid under this option and all remaining grant funding is fully acquitted, as the purpose of the asset is maintained as a performing arts and convention centre. This assumption has not been

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validated against the funding agreements, and has been adopted to represent the best case outcome for this divestment pathway;

- Additional capital costs to complete as per the 'Best Case' cost scenario;
- Sale price of zero assumed as the facility is projected to operate at a net loss, and as such is not anticipated to hold commercial value; and
- The net operating loss forecast for the first ten years has been assumed as a subsidy by the City to enable a break even outcome for the incoming buyer/operator, regarded as the minimum acceptable outcome / best case outcome. It is noted that the ongoing liability of continued operation of the facility beyond year 10 vs the inherent underlying value in the land and buildings has not been factored in and would be subject to the terms on which the asset was divested (i.e. the term over which the buyer was obligated to continue to operate for this purpose)

- **Terminate construction and divest**
  - Assumes that grant repayments of $11,007,310 would be incurred[9];
  - Assumes no further grant funding is received;
  - Assumes no subsidy by City is required to enable a transaction to be commercially viable;
  - Assumes range of underlying land value of $1.4 million to $2.8 million;
  - No value has been placed on the building shell for the purposes of this strategic financial analysis. Additional design advice would be required to determine suitable adaptive re-use of the existing improvements, and quantity surveying advice to determine the cost of any proposed adaptive re-use of the existing improvements.
- **Terminate construction, demolish and divest**
  - Assumes that grant repayments of $11,007,310 would be incurred;
  - Assumes range of land value of $1.4 million to $2.8 million;
  - Assumes an additional capital cost is required for demolition in line with the 'Mothball Demolition' cost option;
  - Assumes no subsidy by City is required to enable a transaction to be commercially viable.

Table 2: Discounted cashflow analysis outputs

Divestment option**	Complete construction, divest and subsidise intended operations for 10 years	Terminate construction as of October 2024 and divest	Terminate construction, demolish as of October 2024 and divest
Net present value ($) at 6.5% discount rate	-$31.2 million	-$25.2 million to -$23.8 million plus any value that may be attributed to the partially completed building*	-$28.8 million to -$27.4 million

** As per discussion above, additional design and technical advise would be required to quantify the potential value of the existing building shell under the 'Terminate construction and divest' pathway.*

*** Dollar vaues in the table above do not include existing sunk costs.*[10]

Based on the above analysis, we are unable to confirm that any of the divestment pathways is likely to yield a positive cashflow. It has not been possible to quantify this without further separate investigations into potential adaptive re-use opportunities. The costs projected for each divestment pathway in the analysis above are in addition to sunk costs already incurred during the construction phase.

Risk Considerations

[9] $11,007,310 represents the grants paid to the City to date (June 2024) that would be required to be repaid under options that defer completion, divest or demolish the asset. As of August 2024, this value has increased to $12,260,356.

[10] Sunks costs are $21.8 million as per Progress Report in March 2024.

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In addition to the above considerations, any divestment of the asset would introduce project risks that are additional to those already identified by the City in the project Risk Register (**Appendix D**). The risks associated with the divestment pathways are reputational in nature, and set out in Table 3.

Table 3: Additional project risks associated with divestment pathways

Risk event	Initial risk assessment				Mitigation strategy	Residual risk			
	Consequence (1-5)	Likelihood (1-5)	Assessment	Risk rating		Consequence (1-5)	Likelihood (1-5)	Assessment	Risk rating
Reputational risk Stakeholder and reputational risks related to poor communication, with a reversal of initial investment decision (through a long-term delay, divestment or demolition of the project) putting community trust in Council's decision making processes at risk.	4	4	16	E	Development of a communications strategy to support the City in engaging and communicating with the community.	4	3	12	H
Reputational risk Stakeholder and reputational risks related to the City not fulfilling their grant obligations with key grant providers would likely damage their reputation for future grant prospects.	4	4	16	E	Development of a communications strategy to support the City in engaging and communicating with stakeholders.	4	4	16	E

Conclusion on Divestment Pathways

Potential divestment pathways have been considered as part of the review, with key considerations set out below:

- There is a significant risk of limited commercial interest from potential buyers, supported by the previous EOI for the site, following which the City received no submissions from the market;
- The forecast negative cash flow associated with operating the facility as a performing arts and convention centre provide a strong indication that there is limited or no commercial value of the building if it were to be completed as planned;
- Based on recent valuations for other owned sites within Busselton on a ground lease basis, ground rental value for the site would likely be in the order of ~$82,500 to ~$110,000 per annum. Adopting a notional ground rent capitalisation rate of between 4% and 6%, the indicative value of the land would likely be in the order of $1.4m to $2.8m.
- If the asset and site were to be divested, the grants paid to the City to date ($11,007,310) would most likely be required to be repaid; and

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- Additional separate design, engineering and valuation advice would be required to identify potential alternate uses for the building that are both technicaly feasible and commercially viable.

On the above basis, there is a strong likelihood that none of the divestment pathways will yield a cashflow that is greater than the existing funding shortfall.

Best and worst-case summary

Table 4 outlines a high-level summary of the best and worst case. A more detailed trade summary and commentary is contained further in this report, and a full workbook of detailed calculations is included in **Appendix A**.

Table 4: Summary of best and worst case current contract

		As Progress Report Mar 24 (1)	Forecast Cost Best Case	Best Case Delta to (1)	Forecast Cost Worst Case	Worst Case Delta to (1)
A	Preliminaries	$5,210,000	$5,210,000	$0	$5,210,000	$0
B	Trade Costs	$32,790,000	$32,790,000	$0	$32,790,000	$0
C	Total Contract Sum (A+B)	$38,000,000	$38,000,000	$0	$38,000,000	$0
D	Variations, Provisional Sums & Claims	$7,560,000	$9,300,000	$1,740,000	$12,710,000	$5,150,000
E	Other Costs	$3,720,000	$2,620,000	-$1,100,000	$3,810,000	$90,000
E1	Loose Furniture & Landscaping	$650,000	$650,000	$0	$650,000	$0
E2	Professional Fees	$2,870,000	$3,220,000	$350,000	$3,500,000	$630,000
E3	Utilities, IT Hardware & Other	$200,000	$200,000	$0	$200,000	$0
E4	Contingencies	$0	$0	$0	$0	$0
E5	Escalation	$0	$0	$0	$0	$0
E6	Liquidated Damages	$0	-$1,450,000	-$1,450,000	-$540,000	-$540,000
F	Total Indicative Forecast Cost (C+D+E)	$49,280,000	$49,920,000	$640,000	$54,520,000	$5,240,000
G	Approved Project Funding	$44,550,000	$44,550,000	$0	$44,550,000	$0
H	Indicative Funding Shortfall (F-G)	$4,730,000	$5,370,000	$640,000	$9,970,000	$5,240,000

Mothball 5-year option summary

Table 5 outlines a high-level summary of the mothballing for the 5-year option. The forecast terminated amount is included alongside a forecast new contract, combined to represent an over project cost.

A more detailed trade summary and commentary is contained further in this report, and a full set of detailed calculations is included in **Appendix A**.

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Table 5: Summary of mothball 5-year option

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Table 2 Progress Report	Delta to Table 2 Best Case
A	Preliminaries	$5,210,000	$1,700,000	$6,910,000	$1,700,000	$1,700,000
B	Trade Costs	$28,660,000	$12,780,000	$41,440,000	$8,650,000	$8,650,000
C	Total Contract Sum (A+B)	$33,870,000	$14,480,000	$48,350,000	$10,350,000	$10,350,000
D	Variations, Provisional Sums & Claims	$780,000	$0	$780,000	-$6,780,000	-$ 8,520,000
E	Other Costs	$2,105,000	$5,070,000	$7,175,000	$3,455,000	$4,555,000
F	Total Indicative Forecast Cost (C+D+E)	$36,755,000	$19,550,000	$56,305,000	$7,025,000	$6,385,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$67,312,310	$18,032,310	$17,392,310
I	Approved Project Funding			$44,550,000		
J	Indicative Funding Shortfall (H-I)			$22,762,310		

Mothball 10-year option summary

Table 6 outlines a high-level summary of the mothballing for 10-year option. The forecast terminated amount is included alongside a forecast new contract, combined to represent an over project cost.

A more detailed trade summary and commentary is contained further in this report, and a full set of detailed calculations included in **Appendix A**.

Table 6: Summary of mothball 10-year option

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case
A	Preliminaries	$5,210,000	$1,700,000	$6,910,000	$1,700,000	$1,700,000
B	Trade Costs	$28,660,000	$12,780,000	$41,440,000	$8,650,000	$8,650,000
C	Total Contract Sum (A+B)	$33,870,000	$14,480,000	$48,350,000	$10,350,000	$10,350,000
D	Variations, Provisional Sums & Claims	$780,000	$0	$780,000	-$6,780,000	-$8,520,000
E	Other Costs	$2,105,000	$8,810,000	$10,915,000	$7,195,000	$8,295,000

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F	Total Indicative Forecast Cost (C+D+E)	$36,755,000	$23,290,000	$60,045,000	$10,765,000	$10,125,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$71,052,310	$21,772,310	$21,132,310
I	Approved Project Funding			$44,550,000		
J	Indicative Funding Shortfall (H-I)			$26,502,310		

Mothball Demolition summary

Table 5 outlines a high-level summary of the mothballing for the demolition option. The forecast terminated amount is included alongside a forecast new contract, combined to represent an over project cost.

A more detailed trade summary and commentary is contained further in this report, and a full set of detailed calculations included in **Appendix A**.

Table 7: Summary of mothball demolition option

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case
A	Preliminaries	$5,210,000	$1,220,000	$6,430,000	$1,220,000	$1,220,000
B	Trade Costs	$28,660,000	$2,420,000	$31,080,000	-$1,710,000	-$1,710,000
C	Total Contract Sum (A+B)	$33,870,000	$3,640,000	$37,510,000	-$490,000	-$490,000
D	Variations, Provisional Sums & Claims	$780,000	$0	$780,000	-$6,780,000	-$8,520,000
E	Other Costs	$2,105,000	$650,000	$2,755,000	-$965,000	$135,000
F	Total Indicative Forecast Cost (C+D+E)	$36,755,000	$4,290,000	$41,045,000	-$8,235,000	-$8,875,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$52,052,310	$2,772,310	$2,132,310
G	Approved Project Funding			$44,550,000		
H	Indicative Funding Shortfall (F-G)			$7,502,310		

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Best and worst-case detailed summary

Table 8: Summary of best and worst-case including trade breakdowns

		As Progress Report Mar 24	Forecast Cost Best Case	Best Case Delta to Reported	Forecast Cost Worst Case	Worst Case Delta to Reported
A	Preliminaries	$5,210,000	$5,210,000	$0	$5,210,000	$0
B	Trade Costs	$32,790,000	$32,790,000	$0	$32,790,000	$0
B1	Substructure	$830,000	$830,000	$0	$830,000	$0
B2	Superstructure	$18,520,000	$18,520,000	$0	$18,520,000	$0
B3	Roof Cladding	880,000	880,000	$0	880,000	$0
B4	Fitout & Fittings	$4,740,000	$4,740,000	$0	$4,740,000	$0
B5	Building Services	$7,380,000	$7,380,000	$0	$7,380,000	$0
B6	Other	$440,000	$440,000	$0	$440,000	$0
C	Total Contract Sum (A+B)	$38,000,000	$38,000,000	$0	$38,000,000	$0
D	Variations, Provisional Sums & Claims	$7,560,000	$9,300,000	$1,740,000	$12,710,000	$5,150,000
D1	Approved – Submitted	$1,960,000	$1,960,000	$0	$1,960,000	$ 0
D2	Forecast – Submitted	$5,550,000	$4,820,000	-$730,000	$6,460,000	$910,000
D3	Forecast – Unsubmitted	$0	$1,870,000	$1,870,000	$2,620,000	$2,620,000
D4	Under Provisional Sum	$50,000	$110,000	$60,000	$110,000	$60,000
D5	Extension of Time (EOT's)	$0	$540,000	$540,000	$1,560,000	$1,560,000
D6	COVID Claims	$0	$0	$0	$0	$0
E	Other Costs	$3,720,000	$2,620,000	-$1,100,000	$3,810,000	$90,000
E1	Loose Furniture & Landscaping	$650,000	$650,000	$0	$650,000	$0
E2	Professional Fees	$2,870,000	$3,220,000	$350,000	$3,500,000	$630,000
E3	Utilities, IT Hardware & Other	$200,000	$200,000	$0	$200,000	$0
E4	Contingencies	$0	$0	$0	$0	$0
E5	Escalation	$0	$0	$0	$0	$0
E6	Liquidated Damages	$0	-$1,450,000	-$1,450,000	-$540,000	-$540,000
F	Total Indicative Forecast Cost (C+D+E)	$49,280,000	$49,920,000	$640,000	$54,520,000	$5,240,000
G	Approved Project Funding	$44,550,000	$44,550,000	$0	$44,550,000	$0

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H	Indicative Funding Shortfall (F-G)	$4,730,000	$5,370,000	$640,000	$9,970,000	$5,240,000

Best and worst-case commentary

The current cost report notes a forecast final cost of $49.28m which results in a budget shortfall of $4.73m.

KPMG have undertaken a review of the forecast final cost as outlined in the review process and assumptions above and note the following:

- The best case forecast cost to complete is forecast at $49.92m which is $640k higher than the reported costs and results in a budget shortfall of $5.37m
- The worst case forecast cost to complete is forecast at $54.52m which is $5.24m higher than the reported costs and results in a budget shortfall of $9.97m
- The contract sum is included at $38m in the cost report, best case, and worst case.
- Variations submitted and approved total $1.96m in the reported costs, best case, and worst case.
- The reported costs forecast $5.55m in submitted and pending variations.
- KPMG have reviewed the variation schedule and notes provided by the principal and the adjudicators where relevant and forecast $4.82m best case and $6.64m worst case.
- Forecast submitted best case includes a 50% allowance for recently submitted and unassessed variations and the worst case allows for 100% of unassessed variations plus an allowance of 25% in the contractors favour for currently disputed amounts.
- KPMG have coded and allocated all variations submitted to date to the relevant trades to ascertain an overall forecast contract sum and to analyse contract percentages claimed against each trade.
- A forecast has then been undertaken from experience against each trade based on cost completed to date, claims to date and potential future claims as the work progresses through the later stages, in particular fit out and services fit out.
- The result is a forecast unsubmitted variation amount of $1.87m best case and $2.62m worst case.
- The percentages of variaitons have been calculated by dividing the approved, forecast and unsubmitted estimated variaitons total by the original contract sum for benchmark comparison purposes.The outcome of the forecast is total variations best case equating to 23% of the contract sum ($8.76m variaitons / $38m original contract sum) and worst case equating to 29% of the contract sum ($11.15m variaitons / $38m original contract sum).
- A full analysis of the contract variations and forecast unsubmitted is included in **Appendix A** of this report.
- A slight delta is present for provisional sums of $60k compared to the reported amount. This is due to the provisional sums not being reported in the total forecast in the cost report.
- No allowance for extensions of time have been allowed in the cost report forecast. A claim of $756k has been claimed and rejected. KPMG have allowed 90 days at $6k per day as per the contract maximum for best case totalling $540k and 260 days @ $6k per day for worst case totalling $1.56m, should this be disputed.
- Note there is no allowance for a dispute to the $6k per day cost to the contractor only to days.
- KPMG were advised that existing COVID-19 claims had been reviewed independently by several external sources. Consequently, no allowance has been made for existing COVID-19 claims.
- Loose furniture, Landscaping, Utility Costs, IT Hardware and Other included in the budget at $850k combined has been adopted across all options as a budget not to be exceeded.
- Professional fees have been forecast at a 14-month delay at $25k per month best case totalling $350k and 14 months at $45k per month worst case totalling $630k. No allowance has been made in the cost report forecast for professional fee claims. Fees have been calculated based on benchmarks for post contract consultant services.
- Liquidated damages have been formulated at the contract rate of $3,820 per calendar day. The amount of damages days applicable is based on a program review by KPMG, the outcome of which is a practical completion date of 30 April 2025 in lieu of the cost report and builder forecast of February 2025.

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- The liquidated damages days for best case with an end of April completion and 90 days approved EOT's equates to 380 calendar days totalling $1.45m.
- The liquidated damages days for best case with an end of April completion and 260 days approved EOT's equates to 141 calendar days totalling $540k.
- A full analysis of the data which formulates this review is included in **Appendix A** of this report.

The Project's indicative capital cost forecasts for the best and worst cases are within the range expected from the WA Building Price Index, reflectiving the nature of the fixed price contract entered into by the City with the contractor, and the commercial management of the contract by the City's project team and executive management. Based on our experience, the forecast performance of this Project is comparable with some of the better performing venues in Australia.

Mothball 5-year detailed summary

Table 9: Summary of mothball 5-year option including trade breakdown

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case
A	Preliminaries	$5,210,000	$1,700,000	$6,910,000	$1,700,000	$1,700,000
B	Trade Costs	$28,660,000	$12,780,000	$41,440,000	$8,650,000	$8,650,000
B1	Substructure	$960,000	$0	$960,000	$130,000	$130,000
B2	Superstructure	$17,390,000	$7,010,000	$24,400,000	$5,880,000	$5,880,000
B3	Roof Cladding	$930,000	$0	$930,000	$50,000	$50,000
B4	Fitout & Fittings	$1,200,000	$4,030,000	$5,230,000	$490,000	$490,000
B5	Building Services	$7,640,000	$1,740,000	$9,380,000	$2,000,000	$2,000,000
B6	Other	$540,000	$0	$540,000	$100,000	$100,000
C	Total Contract Sum (A+B)	$33,870,000	$14,480,000	$48,350,000	$10,350,000	$10,350,000
D	Variations, Provisional Sums & Claims	$650,000	$0	$650,000	-$6,910,000	-$ 8,650,000
D1	Approved - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D2	Forecast - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D3	Forecast - Unsubmitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D4	Under Provisional Sum	$110,000	$0	$110,000	$60,000	$0
D5	EOT's	$670,000	$0	$670,000	$670,000	$130,000
D6	COVID Claims	$0	$0	$0	$0	$0
E	Other Costs	$2,105,000	$5,070,000	$7,175,000	$3,455,000	$4,555,000
E1	Loose Furniture & Landscaping	$0	$650,000	$650,000	$0	$0
E2	Professional Fees	$3,095,000	$320,000	$3,415,000	$545,000	$195,000

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E3	Utilities, IT Hardware & Other	$0	$200,000	$200,000	$ 0	$0
E4	Contingencies	$0	$780,000	$780,000	$780,000	$780,000
E5	Escalation	$0	$3,120,000	$3,120,000	$3,120,000	$3,120,000
E6	Liquidated Damages	-$990,000	$0	-$990,000	-$990,000	$460,000
F	Total Indicative Forecast Cost (C+D+E)	$36,755,000	$19,550,000	$56,305,000	$7,025,000	$6,385,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$67,312,310	$18,032,310	$17,392,310
I	Approved Project Funding			$44,550,000		
J	Indicative Funding Shortfall (H-I)			$22,762,310		

Mothball 10-year detailed summary

Table 10: Summary of mothball 10-year option including trade breakdown

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case
A	Preliminaries	$5,210,000	$1,700,000	$6,910,000	$1,700,000	$1,700,000
B	Trade Costs	$28,660,000	$12,780,000	$41,440,000	$8,650,000	$8,650,000
B1	Substructure	$960,000	$0	$960,000	$130,000	$130,000
B2	Superstructure	$17,390,000	$7,010,000	$24,400,000	$5,880,000	$5,880,000
B3	Roof Cladding	$930,000	$0	$930,000	$50,000	$50,000
B4	Fitout & Fittings	$1,200,000	$4,030,000	$5,230,000	$490,000	$490,000
B5	Building Services	$7,640,000	$1,740,000	$9,380,000	$2,000,000	$2,000,000
B6	Other	$540,000	$0	$540,000	$100,000	$100,000
C	Total Contract Sum (A+B)	$33,870,000	$14,480,000	$48,350,000	$10,350,000	$10,350,000
D	Variations, Provisional Sums & Claims	$650,000	$0	$650,000	-$6,910,000	-$ 8,650,000

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D1	Approved - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D2	Forecast - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D3	Forecast - Unsubmitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D4	Under Provisional Sum	$110,000	$0	$110,000	$60,000	$0
D5	EOT's	$540,000	$0	$540,000	$540,000	$0
D6	COVID Claims	$0	$0	$0	$0	$0
E	Other Costs	$2,105,000	$19,817,310	$21,922,310	$7,195,000	$8,295,000
E1	Loose Furniture & Landscaping	$0	$650,000	$650,000	$0	$0
E2	Professional Fees	$3,095,000	$320,000	$3,415,000	$545,000	$195,000
E3	Utilities, IT Hardware & Other	$0	$200,000	$200,000	$ 0	$0
E4	Contingencies	$0	$780,000	$780,000	$780,000	$780,000
E5	Escalation	$0	$6,860,000	$6,860,000	$6,860,000	$6,860,000
E6	Liquidated Damages	-$990,000	$0	-$990,000	-$990,000	$460,000
F	Total Indicative Forecast Cost (C+D+E)	$36,625,000	$34,297,310	$70,922,310	$10,765,000	$10,125,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$71,052,310	$21,772,310	$21,132,310
I	Approved Project Funding			$44,550,000		
J	Indicative Funding Shortfall (H-I)			$26,502,310		

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Mothball demolition detailed summary

Table 11: Summary of mothball demolition option including trade breakdown

		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case
A	Preliminaries	$5,210,000	$1,220,000	$6,430,000	$1,220,000	$1,220,000
B	Trade Costs	$28,660,000	$2,420,000	$31,080,000	-$1,710,000	-$1,710,000
B1	Substructure	$960,000	$0	$960,000	$130,000	$130,000
B2	Superstructure	$17,390,000	$0	$17,390,000	-$1,130,000	-$1,130,000
B3	Roof Cladding	$930,000	$0	$930,000	$50,000	$50,000
B4	Fitout & Fittings	$1,200,000	$0	$1,200,000	-$3,540,000	-$3,540,000
B5	Building Services	$7,640,000	$0	$7,640,000	$260,000	$260,000
B6	Other	$540,000	$0	$540,000	$100,000	$100,000
B7	Demolition & Make Good Site	$0	$2,420,000	$2,420,000	$2,420,000	$2,420,000
C	Total Contract Sum (A+B)	$33,870,000	$3,640,000	$37,510,000	-$490,000	-$490,000
D	Variations, Provisional Sums & Claims	$770,000	$0	$770,000	$730,000	$130,000
D1	Approved - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D2	Forecast - Submitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D3	Forecast - Unsubmitted	Incl in B	Incl in B	Incl in B	Incl in B	Incl in B
D4	Under Provisional Sum	$110,000	$0	$110,000	$60,000	$0
D5	EOT's	$670,000	$0	$670,000	$670,000	$130,000
D6	COVID Claims	$0	$0	$0	$0	$0
E	Other Costs	$2,105,000	$650,000	$2,755,000	$965,000	$135,000
E1	Loose Furniture & Landscaping	$0	$450,000	$450,000	-$200,000	-$200,000
E2	Professional Fees	$3,095,000	$0	$3,095,000	$225,000	-$125,000
E3	Utilities, IT Hardware & Other	$0	$0	$0	-$200,000	-$200,000
E4	Contingencies	$0	$200,000	$200,000	$200,000	$200,000
E5	Escalation	$0	$0	$0	$0	$0
E6	Liquidated Damages	-$990,000	$0	-$990,000	-$990,000	$460,000

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F	Total Indicative Forecast Cost (C+D+E)	$ 36,755,000	$ 4,290,000	$ 41,045,000	-$8,235,000	-$8,875,000
G	Existing Grant Fund repaid by City to the Commonwealth			$11,007,310	$11,007,310	$11,007,310
H	Total Indicative Forecast Cost (including Grant Fund) (F+G)			$52,052,310	$2,772,310	$2,132,310
G	Approved Project Funding			$44,550,000		
H	Indicative Funding Shortfall (F-G)			-$7,502,000		

Mothball commentary

Two mothball options have been prepared for a 5-year period and 10-year period. KPMG comments are as follows:

- The 5 years mothball final forecast cost to complete is forecast at $56.18m and results in a budget shortfall of $11.63m
- The 10 years mothball final forecast cost to complete is forecast at $59.92m and results in a budget shortfall of $15.37m
- Costs have been cash flowed based on historic progress and the date anticipated for a watertight building which will enable a safe mothballing and termination is October 2024.
- The forecasts for mothballing have been based on a best case forecast total cost of $49.92m.
- A cash flow based on an anticipated completion date has been prepared and included as an appendix to this report.
- The anticipated cost to complete and trade amount to be mothballed is $14.48m; it is anticipated this will be let as a new contract in either 5 years or 10 years.
- New preliminaries have been applied for 8 months anticipated new contract period @ $200k per month plus $100k remobilisation totalling $1.7m.
- EOT's forming part of the old contract have been forecast as being paid at 90 days @ $6k per day totalling $540k.
- Liquidated damages have been calculated to the end of October and the start of mothballing at 260 days based on 90 days approved EOT's totalling $990k.
- New professional fees have been estimated at a 9-month claim at @25k per month for the existing contract and for an 8-month period @ $40k per month for the new contract totalling $540k.
- A new contingency amount of 5% has been applied under a new contract totalling $780k.
- Escalation has been calculated on all costs to complete at industry forecasts and 19% or $3.21m has been applied to the 5-year option and 42% or $6.68m applied to the 10-year option.
- Both mothball options exceed the worst-case scenario of completing the current contract.

Lifecycle costing analysis and impacts

A lifecycle costing analysis has been undertaken on the following options:

a. Base case option (assuming the construction will complete to the revised schedule)
b. Mothball for 5 years
c. Mothball for 10 years

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The costing analysis assumes the best and worse case scenarios are equivalent to the base scheme, and the mothball demolition has nil costs. The costs below are in 2024 dollars.

Annualised Maintenance Costs	Yr 1-5		Yr 6-10		Yr 10+
Base	$1,190,762		$1,190,762		$1,190,762
Mothball - 5 years	$343,867	*	$1,190,762		$1,190,762
Mothball - 10 years	$343,867		$343,867	*	$1,190,762

* After Completion of Construction and Commissioning for the Mothball options

Total Asset Renewal upon operation	Every 10 Yrs
For all options upon completion of construction	$3,424,875

The lifecycle costing are categorised into the following allowances using unit rates over the GFA (m2):

- Site Management
- Asset Renewal
- Building Maintenance
- Reactive Maintenance
- Cleaning
- Security
- Vertical Transport
- Service Connections
- Miscellaneous (such as upkeep of signage etc.)
- Insurance
- Contingency (7.5%)

Furthermore, the lifecycle costing is undertaken for Operation and Maintenance (O&M) costs for the building only and excludes operational costs related to theatre activities, and excludes O&M on carparking.

KPMG have reviewed the Lifecycle Management Plan “220104 Lifecycle Management Plan BPACC $38M” regarding maintenance and asset renewal and comment as follows:

- The basis for the original calculations are $38m compared to a forecast best case scenario of $49.92m.
- The preventative maintenance for the years 2021 to 2043 in the original report notes a total of $5.29m compared to updated KPMG escalated calculations of $5.90m, which indicates a conservative approach in the original costs based on a lower construction value, but adequate compared to the new forecast based on the bottom line dollars.
- The original plan forecast asset replacement value at 20 years is $13.67m. KPMG’s escalated equivalent is $12.31m which indicates a conservative approach in the original costings.
- KPMG’s escalated combined total for the 20-year period is $18.2m compared to $19.8m in the original plan.
- KPMG note that only $424k has been allocated to the component renewal period at 10 years in the previous report, compared to KPMG’s $3.4m unescalated forecast ($5.4m escalated) at Year 10. This may impact the reserve balance in Year 10, but there would be sufficient reserves in place should the full replacement requirement be required based on the current reserve allocations.
- The current lifecyle plan schedules the majority of the replacement value in Year 20. Reserves will be in place should any of this funding be required sooner based on the current forecast reserves.

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Section 2

Demand assessment review

Background and context

Project vision and programming strategy

The City has articulated the following vision for the Saltwater project (here referred to as the Busselton Performing Arts and Convention Centre and Cultural Precinct, or BPACC):

"The BPACC and Cultural Precinct is a place where creativity lives. It reflects the rich heritage of our jetty, timber industry and picturesque region, energising Busselton as a vibrant creative town, connecting the bustling foreshore with a thriving CBD. Loved for the extraordinary range of experiences and diversity of high quality events.

There is always something happening in the Cultural Precinct."

In alignment with this vision, the City has developed a programming strategy which is built around the following programming pillars:

- **Captivating:** Events that challenge, excite, and engage the senses, with the key goal to attract new audiences to the precinct.
- **Relevant:** A wide variety of genres that engage and connect with patrons of all backgrounds, tastes, and income levels to provide exceptional experiences for everyone.
- **Diverse:** An inviting and accessible venue that offers something engaging for everyone in a diverse community.
- **Collaborative:** Shining a light on local talent and creativity, heritage, culture, and community.

Saltwater service offering

Available venues

The new facility will have the following venues available for use and hire:

- A **main theatre/auditorium** with retractable seating, with a capacity of 640 people seated and 1,000 people standing. This auditorium is supported by a loading dock and back of house facilities (i.e. dressing rooms, green room, prop store).
- A **studio/rehearsal room** that can be used for rehearsals, classes, and workshops.
- Two **function rooms and several smaller meeting rooms** that can be used as break-out rooms for business events, to host smaller events, or in combination to provide capacity for a 400-person banquet function.
- An **updated gallery space** that can be used for City-produced exhibitions as well as a venue-for-hire for local, established artists. This gallery space has been constructed so that it meets the requirements for national and international touring exhibitions.

Supporting services

The City will offer a range of services and supporting facilities for venue hirers, including:

- Ticketing services, with the City to charge a commission on sales.
- Marketing services with costs to be recovered from the hirer.
- Access to preferred suppliers, with the option to purchase a package which includes venue hire, catering, and other services on a per head basis.
- Cleaning, security, and front-of-house staffing with costs to be recovered from the hirer.

These venues will be supported by a bar that will be operated by the City as well as flexible spaces (e.g. a large foyer space, an external courtyard) that can used under a whole-of-venue hire arrangement. The City will also offer catering packages to those seeking to hire the venue for conferences and similar events through an external preferred catering partner.

Key user groups and content types

In alignment with the City's programming strategy for Saltwater, the following key user groups are anticipated to use the facility's various venues:

- **Commercial hirers**, seeking to use Saltwater's venues to stage music, dance, comedy, and theatre productions, to run business events (e.g. conferences and conventions), for education and professional development and for general hire for meetings and other smaller events.

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- **Community hirers**, including local arts groups, high schools and other community groups who will be able to use the venues at a discounted rate.
- The City will also stage its own programming for the venue (titled the **Saltwater Presents** series). This content is a combination of purchased and self-produced content and will focus on programming that has intergenerational appeal, will grow new audiences, create social impact, and actively engage the community. This content will span performing arts and gallery programming.
- **Artists** who wish to hire the new gallery space to display and sell their artworks. Given the significant upgrade in the quality of the gallery environment on offer (when compared to the existing ArtGeo Gallery), it is anticipated that these artists will be well-established with in-built audiences.

Demand assumptions

The following provides a high-level summary of the City's demand assumptions, with a more detailed view of individual assumptions outlined in Key Findings.

Audience for Saltwater content

The City commissioned analysis on local community demand for different types of arts and cultural content, and conducted community consultation to inform the City's 2019 Events Strategy. This analysis formed the starting point to understand the potential audience for the proposed content, with a Programming Strategy developed to inform the selection of all content types.

The City is home to more than 40,000 residents, and based on WA Tomorrow population forecasts, is projected to grow to more than 60,000 by 2031 at an annual growth rate of 4.2 per cent per annum, a growth rate more than twice the rate projected for the broader South-West region and Western Australia. Moreover, the City is an established tourism destination, attracting visitors from across the state and nationally, with the Busselton Margaret River Airport already servicing direct flights to Sydney and Melbourne.

The City's ticket sales assumptions for performing arts content have been informed by an assumed proportion of available tickets sold, based on benchmark information from similar venues.

It has been assumed that there will be some growth in demand for this programming over time because of marketing spend, venue reputational build and audience development.

Performing arts hirers

The City has developed assumptions on external performing arts venue hire (both commercial and community content) based on the factors below:

- Direct enquiries made by potential hirers because of proactive industry engagement.
- The transfer of existing content from other venues across Busselton and surrounds. It is anticipated this content will transfer to Saltwater as Busselton is seen as having stronger audience and marketing opportunities and the venue will have state-of-the art facilities.
- Benchmark demand and financial information collected for similar sized regional venues in Western Australia and across the country. In total, benchmark data was collected for 20 venues either through direct information supplied by the venue operator, through publicly available information or through an industry benchmark report.[11]
- The industry experience of City staff members who have worked in similar venues.

This is viewed as an established market, with several producers already staging content in the South-West through other venues. There are other performing arts venues located within the region, with the closest venue of a comparable size being the Bunbury Regional Entertainment Centre (approximately 45 mins driving distance away). However, the City's engagement with industry suggests that Saltwater is an attractive venue to hirers due to location and audience reach potential. This is reflected in a strong portfolio of bookings and enquiries pre-opening. Moreover, the City has undertaken regular consultation to work with nearby venues to take a regional approach to event attraction to ensure they are working collaboratively to 'grow the pie' rather than act in competition.

Through Saltwater Presents, the City has the opportunity to further develop the local audience for this content. The City also intends to selectively fund or support commercial and community events that align with the programming strategy through the City's Marketing, Events Reference Group funding or fee waivers.

It has been assumed that there will be some growth in demand for this programming over time because of marketing spend and audience development.

[11] The Australia Venue Charges and Salaries Report published in 2019 by PAC Australia, the national performing arts peak body. PAC Australia has not published an update of this report in subsequent years.

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Business and events hirers

The City views the business events market in Busselton as an emerging market that will require proactive marketing and incentive structures to develop, building on the following value proposition:

- Offering venue capacity that is currently not available in the region.
- Leveraging Busselton's status as a tourist destination and a gateway to the Margaret River region.
- Direct flights from Busselton Margaret River Airport to and from Sydney and Melbourne.

The City has developed assumptions on business and events venue hire based on the factors below:

- A scan of existing venues which indicated little existing capacity for medium to large scale business events (more than 250 attendees).
- Direct enquiries made by potential hirers because of proactive industry engagement.
- Benchmark information where available.
- The industry experience of City staff members who have worked in similar venues.

It has been assumed that there will be moderate growth in demand for this venue hire for this content type over time because of proactive marketing and partnership development.

Art gallery hire

It has been assumed that with the upgrade and expansion of the gallery, there will be an increase in demand for exhibition hire from the existing revenue generated by the ArtGeo Gallery. Art gallery hire is not anticipated to be a key source of revenue for Saltwater.

It has been assumed that there will be some growth in demand for hire of the gallery space because of marketing and audience development.

Revenue assumptions

The potential impacts of the demand assumptions outlined above on future revenue streams has also been considered. Table 12 below outlines the revenue streams the City has identified for the venue.

Table 12: Saltwater revenue assumptions

Revenue stream	Description
Hire fees	Fees charged to commercial and community venue hirers.
Business Events Packages	An alternative arrangement available to business events hirers who can purchase a per head package which includes venue hire, catering and other associated costs.
Ticket sales	Revenue generated through ticket sales for Saltwater presents content.
Ticket commission fees	Ticketing for venue events will be sold through the City's ticketing system with 5% commission charged on ticket sales for external content.
Ticket booking fees	Fees charged to ticket buyers to cover the cost of sale. This is $1.60 per ticket.
Merchandise sales commission	A 10% commission charged on all merchandise related to events held within the venue.
Exhibition fees	Income generated by gallery hire for commercial exhibitions.
Commission on art sales	A 34% commission charged on any art sold through the gallery.
Expenses recouped	Expenses recouped from venue hirers for supporting services related to venue hire, including staffing costs, marketing costs, cleaning, and security costs.
Membership program	Revenue generated through selling memberships which give patrons access to benefits like discounted tickets and pre-sales. Note that this is a

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Revenue stream	Description
	potential future revenue stream, but the City is not proposing the sell memberships in the initial years of the venue operations.
Commercial rent for ArtGeo Bar	Revenue generated through the hire of the former ArtGeo gallery space for use as a food and beverage offering by a third party.
Sponsorship and donations	Revenue generated through private party donations as well as sponsorship of Saltwater Presents content.
Operating grants and subsidies	Grant funding secured from state and federal grant programming to support Saltwater Presents programming.
Beverage sales	Revenue generated through the sale of beverages through the Saltwater bar on theatre program nights as well as through private functions (as the Saltwater bar will service any drinks functions associated with business and other events).
Food sales	Revenue generated through the sale of bar snacks during events.

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Review approach

KPMG's review of the City's market demand assumptions has been informed by the following approach:

01 Confirm assumptions	02 Test and validate	03 Update modelling and outputs	04 Update Business Operations Plan
• Review of Business Operations Plan and supporting modelling and documentation • Consultation with City staff to understand inputs into modelling and any changes to assumptions outlined in the Plan • Documentation of updated City assumptions and approach	• Testing and validating these assumptions based on: – Updated benchmarking* – Prior industry knowledge and industry publications (e.g. IBISWorld reports, Live Performance Australia data) – Actual booking and enquiry information received for Saltwater venues • A review of the financial model and key calculations • Consideration of any updates and modifications required for updated financial forecasts	• Map revised assumptions and modelling methodology • Update financial assumptions where relevant	• Update relevant sections of the Business Operations Plan • Support updates to long-term financial planning

* Updated benchmark information was sourced for the following organisations to inform the review, where available:

- Bunbury Regional Entertainment Centre
- Glasshouse Port Macquarie
- Mandurah Performing Arts and Entertainment Centre

KPMG has also used broader industry benchmarks where available and relevant.

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Key findings

The following summarises the key findings of the review, with detailed findings presented in Table 13 below.

- Despite the impacts of the COVID-19 pandemic, industry data and market feedback show a recovery in key target markets for the Saltwater facility. The performing arts industry has largely rebuilt to pre-COVID levels.[12] Live Performance Australia data shows that the Western Australia market lagged behind other states between 2021 and 2022 (2023 is not yet available).[13] However, the overall trend shows year-on-year growth with last year's data expected to show a full rebound, a fact that would be supported by results being reported by local venues.
- The total attendance drawn by theatre productions (both commercial and Saltwater Presents) is estimated to be approximately 28,840 in Year 1 based on existing bookings and enquiries. This is comparable to attendances seen at venues in similar sized markets (for example, the new performing arts centre opened in Gippsland Victoria in 2022 saw attendance of nearly 54,000 from an events program of 106 events[14]) and would likely be drawn from residents as well as those living in the surrounds.
- Similarly to performing arts, the business events and conference market has seen significant growth since pandemic-related restrictions were eased, with major convention centres across the country recording near record levels of business post COVID-19. Further, market feedback from professional conference organisers (PCOs) from various KPMG engagements has suggested increases in delegate numbers in the order of 20-25%.[15]
- Busselton is a well-established tourist destination due to its beachfront setting and its location on key travel routes between Perth and the Margaret River region. The City hosts nearly 900,000 overnight visitors each year and a visitor spend of $561 million in 2019.[16] The Busselton Margaret River Airport, an eight minute drive from the City, is a major gateway for the broader South-West region with direct routes to Melbourne and Sydney opening in the past two years. These factors make the City well-placed as a business events destination and poised to capitalise on the large number of potentially displaced events should the Perth Convention and Exhibition Centre be redeveloped in the next decade.
- The City has developed demand assumptions for the new facility based on a range of different data points which are grounded in benchmarks of comparator facilities (i.e. regional venues with similar sized venues and similar service offerings) both across the South-West region as well as more broadly, actual booking information and the recent experience of key staff members working at a similar venue.
- The City's demand assumptions and corresponding financial assumptions appear reasonable but with some minor areas for improvement identified. The City has adopted conservative approaches to estimating revenue have been adopted in most cases and there is potential for expansion of existing revenue streams, as well as additional revenue streams. For example:
  - Saltwater's current program – developed based on actual bookings and enquiries – has room for additional growth, with only 89 event days in total booked in Saltwater's main auditorium and 36 event days in the convention centre. Allowing for bump in and bump out times, rehearsals, public holidays, and maintenance requirements, performing arts venues are typically open for bookings approximately 80% of the year. Similarly, convention centres are typically considered fully utilised when booked 70% of the year.
  - There are revenue streams such as memberships which have not been included in current forecasts, but which have been successfully adopted by similar venues (for example, benchmark venues the Glasshouse, Mandurah Performing Arts Centre and Mackay Entertainment and Convention Centre all have membership programs). There are also other services like marketing which could be expanded on a fee for service arrangement. For example, the Glasshouse in Port Macquarie has basic marketing services included as part of its hire package, with additional marketing services such as the use of Council billboards and other Council distribution channels.
- The City has been actively building positive relationships with key 'enablers' of facility demand for the facility's target markets, including event / content owners and other local venues (e.g. the new Hilton Garden Inn).
- The City's revenue estimates would benefit from increased standardisation of underpinning assumptions to ensure that any changes in assumptions are reflected in relevant revenue streams.

[12] IBISWorld Performing Arts Venues in Australia report.
[13] Live Performance Australia Ticket and Attendance Report 2022.
[14] LaTrobe City Council Annual Report 2022-23.
[15] WA Government Media Statement: Bold vision unveiled for iconic Perth waterfront redevelopment (Jan 2024)
[16] Source: Local Government Area profiles | Tourism Research Australia

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The following were identified as key risks to future demand at Saltwater:

- The current uncertainty surrounding the completion of construction and the opening date at Saltwater is a key risk to future bookings. Not only does it put existing enquiries and bookings at risk, but it also may undermine market confidence in the venue's operation.
- Predicting growth in demand over time is challenging based on historic outcomes, particularly live performances and events that have been impacted heavily in recent years by the COVID-19 pandemic and a range of factors that can impact demand at a particular venue. However, KPMG analysis suggests that the City's forecast growth in demand for venue hire may be achievable based on current assumptions. Sensitivity analysis on demand projections has been undertaken and is outlined in **Appendix C**.

The impacts of these findings on the City's revenue forecasts have been considered at a high level in this section with detailed demand and revenue assumptions provided in **Appendix B**.

Operating expenditures

To support the development of revised 10-year financial forecast for Saltwater, KPMG has undertaken a high level review of the City's forecast operating expenditure, in addition to the Lifecycle Cost forecasts that were outlined in Section 1 of this report. This review involved:

- Updating escalation in expenditures driven by venue utilisation to reflect corresponding demand growth assumptions (e.g. bar operating costs, event purchases, venue hire expenditure, casual staffing costs).
- Comparing Saltwater projections to overall operating expenditures and net operating position for similar venues and undertaking benchmarking on key expenditure items, including:
  - **Overall staffing costs:** KPMG has compared City staff forecasts to key benchmark metrics, including proportion of overall expenditure (benchmark is between 50% and 60% for similar venues) and proportion of self-generated revenue (benchmark is between 60% and 140%). This benchmarking indicates that the City's staffing cost estimates are in line with benchmarks and improve over the 10-year forecasts, reflecting revenue growth and improved cost recovery.
  - **Building maintenance costs:** KPMG has compared City forecasts to benchmark planned and reactive building maintenance costs on a per square metre basis. On the basis of this benchmarking, KPMG has adjusted annual anticipated expenditure.
  - **Utility costs:** KPMG has compared City forecasts to benchmark utility rates on a per square metre basis.

Conclusions

To support the City's Long Term Financial Planning, KPMG prepared an indicative 10-year financial forecast based on the City's updated revenue assumptions outlined above (and detailed in Appendix B) and expenditure assumptions. These forecasts are provided in Appendix C.

Based on these assumptions, the indicative forecast net operating position of the venue is a loss of $931,891 in Year 1 of operations (FY2026), improving to a loss of $688,033 in Year 10 taking into account forecast CPI increases.[17]

While the asset is not anticipated to reach a breakeven point over the ten year forecast period, this is typical of social assets of this nature which are not expected to be profitable and are often subsidised through government funding.

[17] *Note that the net operating position does not include ongoing lifecycle maintenance and capital renewal spending. For an estimate of this spending over the lifecycle of the asset, refer to p. 25.*

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Table 13: Detailed review findings

Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
Venue hire	Commercial hire (entertainment)	Based on existing inquiries and bookings Hire rates informed by market rates	• KPMG has undertaken analysis based on enquiry information provided by the City to confirm venue hire assumptions, including disaggregating commercial and community hire bookings. The results of this analysis show a reduced number of commercial hire (entertainment) bookings than originally forecast. • This is consistent with a new venue, and it is anticipated that this program would grow over time as the reputation of the venue is established. • The City has developed hire rates based on benchmarks and industry knowledge, noting that limited information on competitor hire rates is available publically. • KPMG has reviewed available benchmarks and has not seen evidence to suggest that these hire rates are not appropriate for the given market. • KPMG has also reviewed year-on-year growth assumptions for commercial hire (entertainment). Benchmarking these assumptions based on year-on-year historic growth data is challenging given COVID-19 impacts within the past five years which have interrupted growth trends. • However, analysis of the historic venue hire revenue of a comparable venue across the past ten years suggests that a long-run growth rate of 10% can be achieved. • Given the complexities in forecasting this demand, sensitivity analysis has been undertaken to understand the impacts of not achieving these growth rates on the overall operating position of the venue. • These growth rates have also been tested against venue constraints to ensure anticipated demand growth is achievable. With projected growth, the theatre venue would be utilised approximately 70% of the year, or 84% of 'available' days by Year 10 considering bump-in and bump-out requirements, public holidays and maintenance. This forecast growth would also see the venue used, on average, for 5 performance per week. Benchmarks show that successful, well-established venues can be utilised for 7 or 8 performances per week. • Similarly, the convention venue would be utilised approximately 20% of the year or 30% of 'available' days by Year 10 for business events. Even assuming additional bookings of the function and meeting rooms by community groups, there would be significant scope for further utilisation of these venues at this stage. **Implications on revenue forecasts**

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
			• Based on these findings, total commercial hire (entertainment) event days have been increased. • The City's growth rates of 20% from Year 1 to Year 2, 15% from Year 2 to Year 3 and 10% in subsequent years have been adopted, with sensitivity analysis undertaken.
	Commercial hire (business events)	Based on existing inquires and bookings Hire rates informed by market rates[18]	• KPMG has undertaken analysis based on enquiry information provided by the City to confirm venue hire assumptions. The results of this analysis show an increased number of business events bookings than originally forecast. • Growth rates have been considered as above. **Implications on revenue forecasts** • Based on these findings, total commercial hire (business events) event days have been increased. • Growth rates have been adopted as above.
	Community hire	Based on existing inquiries and bookings Hire rates informed by market rates	KPMG has undertaken analysis based on enquiry information provided by the City to confirm venue hire assumptions. The results of this analysis show an increased number of community hire bookings than originally forecast.
	Community hire (waived fees)	Based on existing inquiries and bookings The City has selected to subsidise or waive fees on hire for certain events that will bring profile to the venue	Fee waivers have been offered on high profile events which are currently held at other, competing venues. City staff have advised that discounting has assisted in securing these events for Saltwater. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
Ticket sales	Total tickets sold[19]	Based on benchmark information and existing inquiries/booking information	• The City has developed ticket sales assumptions based on benchmark sales rates for similar venues (i.e. % of available tickets sold) and informed by a survey of City residents to understand their preferences on event types. The City has adopted a conservative assumption of 50% (compared to a similar venue that has achieved 75% after many years of operation). • Based on available benchmarks, KPMG analysis has concluded that higher sale rates percentages could be achieved with effective marketing strategies and

[18] Note that the City will offer a Business Events Package to prospective hirers as an alternative to venue hire. Through this package, hirers will be charged on a per head basis.
[19] Note that this assumes events are held in the 'seated' configuration of the auditorium which provides for 660 seats. A 'flat floor' configuration is also possible which would increase the capacity to 1,000 seats.

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
			considering the community consultation the City has undertaken which has informed the development of the Programming Strategy. **Implications on revenue forecasts** • Based on the above findings, a 50% sales figure has been adopted for Year 1 with this percentage growing year on year in line with the City's audience development efforts to grow to 60% in Year 5.
	Average ticket price – Saltwater Presents	Based on benchmark information	• The City will set ticket prices for the Saltwater Presents content. Ticket prices will be set on an event-by-event basis, but an average ticket price has been used to estimate ticketing revenue. This ticket price is $24. • The average ticket price is in line with ticket prices for self-produced content at comparator venues which range from around $15 to $60 per ticket on average, depending on the nature of the event. It should be noted that the quality and nature of this content differs significantly across venues. **Implications on revenue forecasts** • Based on the above findings, the City's assumptions have been applied to updated forecasts.
Ticket commission fees	Total tickets sold – external events	Based on benchmark information	As above. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
	Average ticket price – external events	Based on benchmark information	KPMG has reviewed benchmarks for similar events at comparator venues and has concluded that the City has adopted a conservative average ticket price assumption for externally produced content, with tickets ranging from around $60 to $100 per ticket on average, depending on the nature of the event. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
	% commission	Based on industry knowledge	The City has set this commission fee rate based on prior experience with a similar venue. Only limited benchmarking information on ticket commission fees was available given the commercially sensitive nature of this information. This benchmarking information suggested that 5% is a reasonable charge. **Implications on revenue forecasts**

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
			Based on these findings, the City's assumption has been adopted.
Ticket booking fees	Total tickets sold (all events)	As above	As above. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
	Ticket booking fee (per ticket)	Covers bank charges and the cost of the online ticketing system	KPMG has reviewed benchmarks for ticket booking fees and found that these can range from approximately $1.00 to $4.00 per ticket on average, in line with the City's proposed charge. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
Merchandise sales commission	Total merchandise sales	Based on benchmark information	KPMG has reviewed available benchmark information for merchandise sales which suggests that the estimated spend of $4.50 per person across commercial events is appropriate. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
	% commission	Based on industry knowledge	Available benchmarking of comparable venues suggests that merchandise commissions charged by this type of venue are typically 10%. KPMG has undertaken some further benchmarking which suggests that 12.5% is towards the upper boundary of commission charges. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
Exhibition fees [20]	Total exhibition weeks	Informed by past demand	• There is limited benchmarking information available to test this assumption. As per the Business Operations Plan, in 2019/20 the existing ArtGeo Gallery held nine exhibitions, generating $8,400 in revenue. • On this basis of the City's current assumptions, approximately $3,000 in exhibition revenue would be generated in Year 1 of operations which is well
	Weekly hire rate	Based on benchmark information	

[20] Benchmark financial information does not allow for exhibition hire fees and revenue generated through art sales to be disaggregated. As such, total gallery related revenue has been benchmarked against gallery revenue for similar venues. This benchmarking suggests that the City's revenue assumptions are highly conservative.

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
			below previous revenue. Therefore, these assumptions can be considered conservative noting the improved quality of the gallery offering. • KPMG has reviewed benchmarks for exhibition hire rates for comparable venues and found that these can range from $100 to $400, suggesting the City's proposed hire rate is reasonable and in line with market expectations. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted. Given the conservative nature of this assumption, a year-on-year growth rate equivalent to that adopted for the venue hire bookings has been applied to the total number of exhibition weeks.
Commission on art sales	Total art sales	Informed by exiting gallery operations	There is limited benchmarking information available to test this assumption as most Council-operated regional art galleries are collecting institutions rather than commercial venues for hire. On this basis, KPMG has not provided a recommendation on this assumption. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted. Given the conservative nature of this assumption, a year-on-year growth rate equivalent to that adopted for the venue hire bookings has been applied to the total number of exhibition weeks.
	% commission	Informed by existing gallery operations	KPMG has reviewed industry guidance on gallery and art dealer commissions which suggests that these typically range from 30% to 50%, in line with the City's proposed charge. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
Expenses recouped/ reimbursements	Total number of external events	As above	As above.
	Average on-costs, comprised of staff wages and other event-related costs	Staffing forecasts produced by human resources and broader expense costs informed by benchmark information and venue	• It is standard practice to pass on event-specific costs – including casual staff costs, cleaning, and security costs – to event hirers. This revenue should not have a net impact on Saltwater's operating position if they are recorded and on-charged accurately.

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
		operations knowledge held by staff	• KPMG would recommend that City forecasts link anticipated reimbursement revenue to corresponding expense lines to avoid under or over-stating this revenue. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted for the purpose of the 10-year forecasts.
Commercial rent for ArtGeo Bar	Annual expected rent income	Advice from real estate	• KPMG understands that the City has sought advice from a real estate agent to understand the potential annual lease revenue of the existing ArtGeo bar, which suggested a market rate of $45,000 per annum. • KPMG also understands that based on initial market testing, there was limited interest in leasing the space while the construction of Saltwater is ongoing. Potential hirers have also suggested they would require rental relief/subsidisation to offset the investment required to fit out the venue and make it suitable for commercial use. • A revised assessment of lease rates will need to be sought closer to the venue being put on the market. **Implications on revenue forecasts** Based on advice from the City, it has been assumed in the updated forecasts that the City will not earn revenue from the ArtGeo space for the first two years of Saltwater operations, with rent being subsidised from Years 3 to 5 when it will reach market rate of $45,000.
Sponsorship and donations	Total sponsorship income	Based on benchmark information	• KPMG has reviewed benchmark financial data for a similar venue which suggests that the City's assumptions are conservative, which is appropriate for a new venue. • It is anticipated that this revenue should grow over time as Saltwater's reputation is established and because of marketing and industry networking. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
Operating grants and subsidies	Total grant income	Year 1 funding based on grant income already committed, including Regional Venues Support and production grant	This revenue is based on actual grant revenue awarded to the City as well as benchmarks. **Implications on revenue forecasts** Based on these findings, the City's assumptions have been adopted.

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Revenue item	Relevant demand assumption	Basis for assumption	KPMG findings
		funding with ongoing funding based on benchmarks	
Beverage sales	Total number of events	Based on existing inquiries/bookings	• KPMG has access to industry benchmark data which suggests that the average food and beverage spend can range between $8 and $12 per person. The City's assumptions would suggest a spend of approximately $5 per person, suggesting these assumptions are conservative. • Benchmarking total anticipated food and beverage revenue against comparator venues also suggests that the City's assumptions are conservative, noting that these venues are more established with more extensive event calendars. **Implications on revenue forecasts** Based on these findings, the City's assumption has been adopted.
	Total number of purchases per event	Based on industry knowledge	
	Average transaction value	Based on industry knowledge	
Food sales	Total number of events	Based on existing inquiries/bookings	
	Total number of purchases per event	Based on industry knowledge	
	Average transaction value	Based on industry knowledge	

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Section 3:

Supplementary economic analysis

Background and context

To support and inform the Busselton Performing Arts and Convention Centre Business Case (2022), a Cost Benefit Assessment (2020) was undertaken by RPS Group for the City of Busselton.

The Cost Benefit Assessment (CBA) report underpinned the 'Economic and Financial Analyses' chapter of the Business Case. The CBA quantified and monetised a range of direct financial, economic and social benefits of the Project.

In the CBA report, RPS Group describe the benefit categories as follows:

- **Financial benefits:** Represent direct monetary benefits generated by (but not necessary for) the project.
- **Economic benefits:** Monetary and non-monetary benefits generated to the wider economy or other stakeholders and sectors by the project.
- **Social benefits:** Benefits that relate to the health and physical and mental wellbeing of people and households (including individual groups and cohorts) in the wider community.

The study area for the RPS Group CBA was the Busselton Local Government Area (LGA).

The CBA presented total benefits for the Project of $52.5 million (2020 AUD), at a 7 per cent discount rate, with a Net Present Value (NPV) of $24.6 million (2020 AUD) at a Benefit Cost Ratio (BCR) of 1.88.

The full summary of the original CBA results (RPS Group, 2020) by discount rate for a 20-year operations period are presented in Table 14 below.

Table 14: CBA results from Business Case (RPS Group, 2020)

	4%	7%	10%
Benefits ($M)			
Financial	*7.5*	*3.9*	*2.1*
Economic	*57.4*	*43.7*	*34.5*
Social	*7.0*	*4.9*	*3.6*
Total Benefits ($M)	**71.9**	**52.5**	**40.2**
Costs ($M)	**29.7**	**27.8**	**26.2**
BCR	**2.42**	**1.88**	**1.53**
NPV ($M)	**42.0**	**24.6**	**13.9**

Source: RPS Group (2020), Cost Benefit Assessment

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Broader benefits

The RPS Group CBA Report considered a range of financial and economic benefits of the project, including employment, economic activity creation, tourism benefits and benefits to local residents from having greater access to arts participation opportunities and reduced travel time.

Saltwater can be considered a social infrastructure project where the majority of the benefits of investment often do not relate to a financial return but are social benefits that accrue to the local community.

Based on previous experience with similar facilities, KPMG has identified the following additional benefits that are associated with investment in arts and cultural infrastructure:

- **Increased access to cultural participation:** By providing a strong program of cultural content for the people of the City on their doorstep is likely to increase local cultural participation. Engagement with and consumption of arts and cultural content has been proven to generate a range of positive outcomes, including:
  - **Improvements to mental health and wellbeing.** Strong evidence supporting the health and wellbeing benefits of cultural participation are increasingly being recognised by researchers and at the clinical and policy level. With evidence suggesting that it positively impacts both life expectancy and quality of life (even after accounting for factors such as income, education and health status). As well as research into culture's impact on illness, disease and ageing, cultural participation in education not only improves academic outcomes, it improves life outcomes. Participation in cultural education fosters critical thinking, social and emotional skills, supports improved labour market outcomes and reduces disadvantage, social isolation and exclusion.
  - **Human capital uplift.** Research suggests that engagement with the arts can improve educational and learning outcomes through the development of skills such as collaboration, critical thinking and problem solving.
- **Contribution to local sector development:** Investment in the local arts and culture sector through providing access to world-class rehearsal and performance spaces/gallery spaces, and through investment in local content production and promotion, is likely to contribute significantly to sector development. Not only may this have positive economic outcomes for the City, but would result an uplift in the development of creative skillsets. According to the Australian Bureau of Communications and Arts Research, creative skills have been integral to the fastest-growing industries in Australia over the past decade.

There are a number of additional potential benefits that may result from the attraction of business events to the community that have been demonstrated by other projects, including:

- **Increased investment in the City** due to increased awareness of business opportunities in the region.
- **Enhanced profile leading to repeat visitation** by business travellers and/or 'bleisure' tourism (i.e. the extension of business travel to include a leisure component). Business travellers are usually 'high yield' relative to other types of tourists, spending a comparatively high amount on accommodation, food and recreation.
- **Improvements in innovation and productivity** due to the creation of new networks and the exchange of ideas and concepts.

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Economic analysis approach

As part of Task 1 (refer to 'Review purpose and objectives'), KPMG has been engaged by the City of Busselton to assess the impacts of the market demand analysis, as well as Task 2 outputs on the CBA previously undertaken for the venue by RPS Group.

The approach to this supplementary economic analysis is set out below:

- Analysis of impact of forecast costs for completion of the construction of the Project on the CBA;
- Analysis of the impact of the market demand analysis on the CBA; and
- Undertake a sensitivity analysis of varying cost and demand assumptions on the CBA.

While the original CBA model has not been made available to KPMG for the purposes of the supplementary economic analysis, KPMG developed a high-level CBA model to enable sensitivity testing, aligning with the summary results presented by RPS Group as part of the original CBA reporting.

KPMG's scope for supplementary economic analysis was limited to identifying impacts to the previous CBA, including considering the impact of updated cost forecasts on the CBA and undertaking select sensitivity analysis.

The review/verification of the underlying CBA approach and the benefit streams were outside of KPMG's scope. As such the approach adopted assumes that the underlying methodology applied by RPS Group for the CBA is appropriate, and no commentary has been made on the methodology applied by RPS Group in undertaking the CBA. Discussion of additional benefits that are associated with investment in arts and cultural infrastructure are presented in the previous 'Broader Benefits' section.

The demand analysis presented in Section 2 of this report did not identify any factors that would warrant an adjustment of the underlying demand assumptions utilised for the original CBA.

As such the original scale of benefits have been retained for the analyses above, with the only adjustments being to update the price year to 2024 and align the residual value with the updated total forecast costs.

The overarching economic assumptions adopted for the review are set out in Table 15 below.

Table 15: Economic parameters and assumptions[21]

Parameter	Value	Supporting information
Discount rate, real	7 per cent for the central case, with 4 per cent and 10 per cent as sensitivities.	To align with RPS Group's assumptions.
Evaluation period	20 years of operation	To align with RPS Group's assumptions.
Base year for discounting	2022 (analysis including sunk costs) 2024 (analysis excluding sunk costs)	First year of capital expenditure. Construction commenced work on Saltwater in February 2022. RPS Group assumed 2021 as the first year of construction.
Price base	March 2024	To align with the price base used for forecasting costs.
Capital spend period	Dependent on cost options *- 2022 to 2024 for all cost options* *- Additional 2029 construction period for 'delay 5 years' option*	To align with the spend period for capital works. RPS Group assumed two construction years (2021 – 2022).

[21] *Source: KPMG analysis, informed by RPS Group's CBA Report (2020).*

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	- Additional 2034 construction period for 'delay 10 years' option	
Project opening	Dependent on cost options *- 2025 for all cost options other than 'mothball' options.* *- 2030 for delay 5 years* *- 2035 for delay 10 years*	RPS Group assumed first year of operation of 2023.
Residual value	A residual value of 65 per cent of the total construction value.	In line with the RPS Group assumption, assuming a 60 year asset life.
Extrapolation	All benefit streams for deferral options (excluding residual value) beyond the final year of the original appraisal period have been set to the benefit value in the final appraisal year of the RPS Group CBA.	RPS Group's CBA did not consider options to defer or delay the Project. To ensure assumed growth of underlying patronage does not exceed venue capacity, benefits beyond the original appraisal period have capped.

For consideration of the impact of the forecast costs on the CBA, the benefits were inflated to align with the forecast cost price year of March 2024.

All benefit streams are inflated using ABS CPI data for all-groups (Australia) between June 2020 to March 2024, except for the residual value component of the 'financial benefits' category which is based on the updated total forecast cost options presented in Section 1.

All incremental maintenance and operating cost projections are inflated using ABS Producer Price Index for 'Building Construction' (WA) for the period between June 2020 to March 2024.

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Economic analysis results

Cost impacts

The cost options presented in Section 1 have been adopted for the economic review to consider their impact on the CBA.

As per Section 1, five alternative cost options have been considered as set out in Table 16 below.

Table 16: Cost Options as presented in Section 1

Cost Option	Total Contract Sum	Forecast Capital Costs	Total Forecast Costs[22]
Approved budget	$ 38,000,000	$44,550,000	$44,550,000
1. As Progress Report, March 2024	$ 38,000,000	$ 49,280,000	$ 49,280,000
2. Best Case	$ 38,000,000	$ 49,920,000	$ 49,920,000
3. Worst Case	$ 38,000,000	$ 54,520,000	$ 54,520,000
4. Mothball 5 Years	$ 48,350,000	$ 56,305,000	$67,312,310
5. Mothball 10 Years	$ 48,350,000	$ 60,045,000	$71,052,310
6. Mothball Demolition	$37,510,000	$41,045,000	$52,052,310

Source: KPMG analysis

CBA cost assumptions

The total contract sum of $38 million for the cost options that assume construction is progressed to completion (cost options 1, 2 and 3) aligns with the total building contract value outlined in the project budget approved in November 2021.[23]

This value and the original total approved budget ($44.55 million) however materially exceed the total estimated project commitment of $28.5 million assumed in the RPS Group CBA Report.

The gap between the total approved budget in 2021 and the capital costs assumed in the CBA Report from 2020 (56 per cent) exceeds the increase in the ABS Produce Price Index of 12 per cent over the period from June 2020 (CBA Report) to September 2021 (tender accepted). [23, 24]

This gap between the capital cost assumptions in the CBA Report and the total approved budget will have the impact of lowering both the BCR as well as the NPV. The scale of this impact is explored later in this section.

Operating costs

For the purposes of the supplementary analysis, a real operating cost of $1.19m per annum was assumed for all options following project commencement (approximately 2.2 per cent of capital costs).[25] For the options that involve deferral of project completion (cost options 4 and 5), a real operating cost of $0.34m per annum was assumed during the deferral period to reflect operating costs including site management, cleaning, security, maintenance and insurance.[25]

[22] Total forecast costs includes grants paid to the City to date that would be required to be repaid under options that defer completion or demolish the asset.
[23] City of Busselton (2021), Council Report RFT22-21
[24] ABS (2024), Producer Price Indexes, 6427.0, Table 17, Index Number 30, Building Construction, Western Australia
[25] Source: KPMG analysis

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Grant repayment

The City of Busselton has been successful in securing grants for the construction of the project, including from the Commonwealth Government, Lotterywest and Rio Tinto. The grants paid to the City to date that would be required to be repaid under options that defer completion or demolish the asset (cost options 4, 5 and 6).[26]

To reflect these repayment obligations, an amount of $11,007,310 has been assumed as an additional cost item for cost options 4, 5, and 6 for the 2024-25 financial year. This value represents to total grand funding that has been acquitted at the time of writing of the report, with the value to increase as the project progresses further. The grant repayments have been treated as a cost item for the purposes of the supplementary economic analysis in line with the study area defined for the RPS Group CBA of the Busselton LGA.

Forecast cost increases

When considering the change in total forecast cost for the 'Worst Case' cost option ($54.52m) and the original project budget ($44.45m), the scale of cost increase is forecast to be around 22 per cent.

This scale of cost increase presented in the 'Worst Case' scenario is less than the ABS Producer Price Index for building construction in WA over the period between September 2021 (tender accepted) to March 2024 (latest data).[23,24]

The 'Best Case' cost option with a total indicative forecast cost of $49.92m represents a cost increase of 12 per cent compared to the approved project funding, nearly half that of the Producer Price Index increase for the WA building construction sector over the same period. This is shown in Figure 1 below.

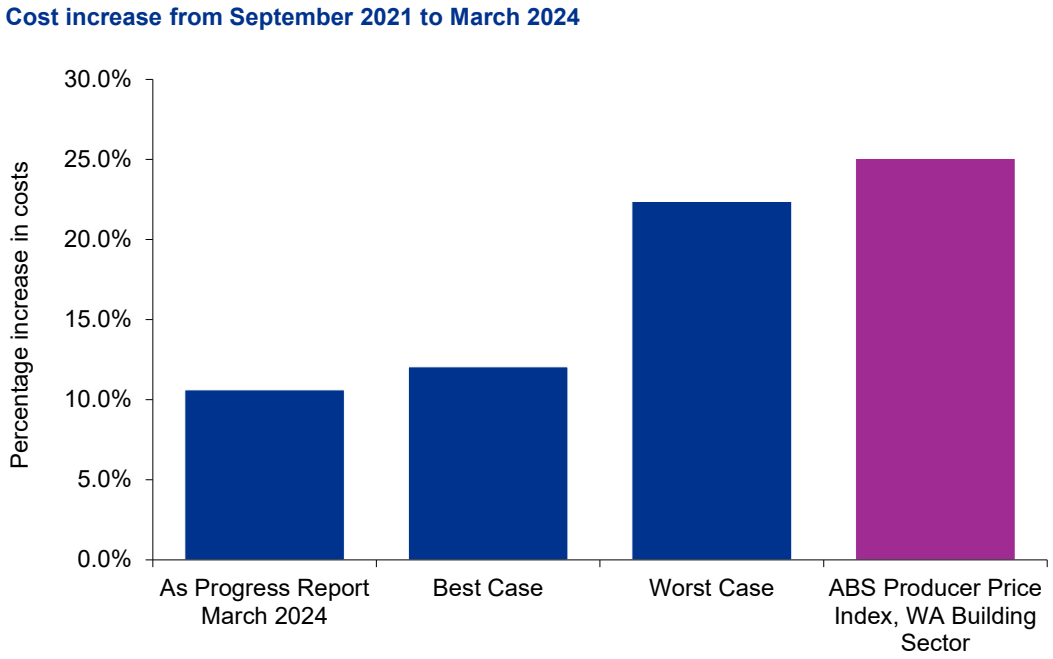

Figure 1: Project cost increase compared to WA building sector

Impact of cost options on CBA results

The impact of the cost options on the CBA results (including sunk costs) for the Project are summarised for a 7 per cent discount rate in Table 17 and Figure 2 below. The appraisal period for all cost options includes a 20 year operations period as per the assumption from RPS Group's CBA Report.

Sunk costs (capital expenditure incurred to date) have been retained in the analysis in Table 17 to enable a consistent comparison to the CBA adopted as part of the Business Case. The results below assume a discount year of 2022 as the first year of construction.

Analysis excluding sunk costs, using a discount year of 2024 are presented subsequently in this Section.

[26] Source: City of Busselton

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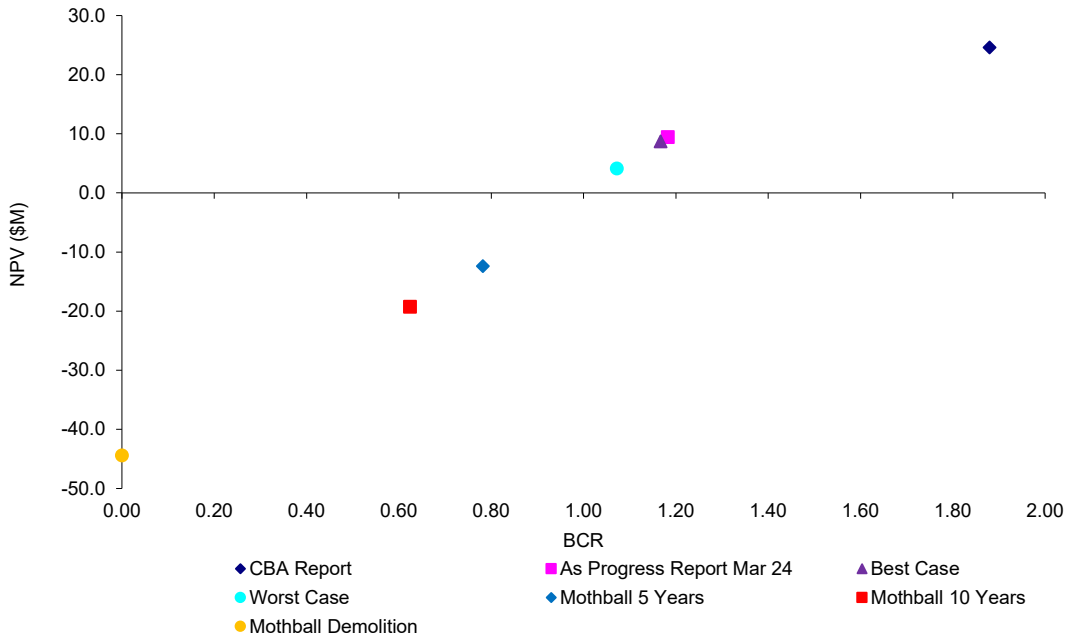
Table 17: Summary of impact of cost options on CBA (7 per cent discount rate, including sunk costs, discount year of 2022)

Category	CBA Report	As Progress Report, Mar 24	Best Case	Worst Case	Mothball 5 Years	Mothball 10 Years	Mothball Demolition
Price Year	**2020**	**2024**	**2024**	**2024**	**2024**	**2024**	**2024**
Benefits ($M)							
Financial	*3.9*	*6.4*	*6.4*	*6.4*	*5.3*	*4.0*	*0.0*
Economic	*43.7*	*49.1*	*49.1*	*49.1*	*33.6*	*23.1*	*0.0*
Social	*4.9*	*5.5*	*5.5*	*5.5*	*5.6*	*5.0*	*0.0*
Total Benefits ($M)	**52.5**	**61.0**	**61.0**	**61.0**	**44.5**	**32.1**	**0.0**
Net Present Costs ($M)	**27.8**	**51.5**	**52.2**	**56.8**	**56.8**	**51.3**	**44.4**
BCR	**1.88**	**1.18**	**1.17**	**1.07**	**0.78**	**0.62**	**0.00**
NPV ($M)	**24.6**	**9.4**	**8.7**	**4.1**	**-12.4**	**-19.3**	**-44.4**

Source: KPMG analysis

Figure 2: Scatterplot of impact of cost options on CBA (7 per cent discount rate, including sunk costs, discount year of 2022)



From Table 17, the impact of the gap between the capital cost assumption used for the Cost Benefit Assessment (RPS Group, 2020), and the approved budget for the Project (November 2021) is apparent with a decline in the BCR from 1.88 to 1.17 under the 'Best Case' cost option. This reduction in BCR is primarily attributable to a difference in capital cost assumptions adopted for the 2020 CBA, prior to funding approval, and not cost increases since project commencement.

The NPV presented in the CBA Report is not directly comparable as different price years have been used between the original analysis and this review (to account for inflation). It is of note however that despite being presented in a 2020 price year, the NPV in CBA Report is higher than that of the 'Best Case' cost option.

Despite the decline in the BCR and NPV from the Business Case, the 'Worst Case' cost option still presents a BCR more than one (1.07), with an NPV of $4.1 million, providing confidence that the Project still represents a positive economic return on investment.

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When considering the cost options to defer or 'mothball' the Project, there are sharp declines in both the NPV and BCR. Deferring completion for five years results in a BCR below one (0.78), and a negative NPV of $12.4 million. Deferring completion for ten years results in a BCR below one (0.62), with a negative NPV representing a net economic loss of $19.3 million. The cost option for demolition presents a negative NPV representing a net economic loss of $44.4 million.

Sunk cost analysis

Analysis excluding the sunk costs incurred through construction activity to date has been undertaken, using a discount year of 2024 to reflect the current decision point on the project.

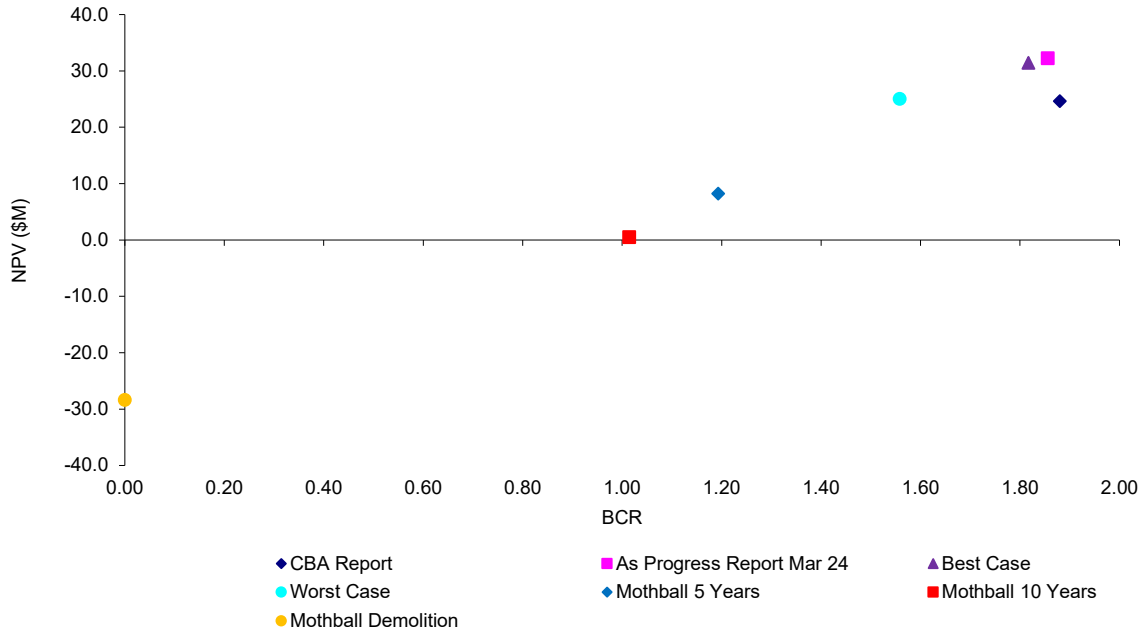
The results of this analysis is presented in Table 18 below.

Table 18: Summary of impact of cost options on CBA (7 per cent discount rate, excluding sunk costs, discount year of 2024)

Category	CBA Report	As Progress Report, Mar 24	Best Case	Worst Case	Mothball 5 Years	Mothball 10 Years	Mothball Demolition
Price Year	**2020**	**2024**	**2024**	**2024**	**2024**	**2024**	**2024**
Benefits ($M)							
Financial	*3.9*	*7.4*	*7.4*	*7.4*	*6.0*	*4.6*	*0.0*
Economic	*43.7*	*56.2*	*56.2*	*56.2*	*38.5*	*26.5*	*0.0*
Social	*4.9*	*6.3*	*6.3*	*6.3*	*6.3*	*5.7*	*0.0*
Total Benefits ($M)	**52.5**	**69.9**	**69.9**	**69.9**	**50.8**	**36.8**	**0.0**
Net Present Costs ($M)	**27.8**	**37.6**	**38.4**	**44.8**	**42.5**	**36.2**	**28.4**
BCR	**1.88**	**1.86**	**1.82**	**1.56**	**1.19**	**1.01**	**0.00**
NPV ($M)	**24.6**	**32.2**	**31.4**	**25.0**	**8.2**	**0.5**	**-28.4**

Source: KPMG analysis

Figure 3: Scatterplot of impact of cost options on CBA (7 per cent discount rate, excluding sunk costs, discount year of 2024)



As the sunk costs have been excluded, the BCR for all options that result in project completion are higher than that presented in Table 15 previously. When excluding sunk costs from the analysis, both options to defer the project result in a BCR above one and a positive NPV representing a net economic gain.

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The cost options to progress construction on the current timeline present the highest NPV and BCR, with the 'worst case' option presenting a BCR of 1.56 and an NPV of $25 million when sunk costs are excluded.

The option to demolish the project results in a negative NPV representing a net economic loss of $28.4 million.

Market demand analysis

The demand analysis presented in Section 2 of this report did not identify any factors that would warrant an adjustment of the underlying demand assumptions utilised for the original CBA.

As such the original scale of benefits have been retained for the analyses above, with the only adjustments being to update the price year to 2024 and align the residual value with the updated total forecast costs.

To test the impact of changes to demand on the CBA, a demand sensitivity analysis has been undertaken that tests the impact that a 20 per cent decline in demand would have on the economic analysis.

The results of the demand sensitivity analysis are presented in Table 19, which exclude sunk costs from analysis.

Table 19: Results of sensitivity test of a 20 per cent decline in demand on CBA (7 per cent discount rate, excluding sunk costs, discount year of 2024)

Category	As Progress Report, Mar 24	Best Case	Worst Case	Mothball 5 Years	Mothball 10 Years	Mothball Demolition
Total Benefits ($M)	57.4	57.4	57.4	41.8	30.4	0.0
Net Present Costs ($M)	37.6	38.4	44.8	42.5	36.2	28.4
BCR	**1.52**	**1.49**	**1.28**	**0.98**	**0.84**	**0.00**
NPV ($M)	**19.7**	**18.9**	**12.5**	**-0.8**	**-5.9**	**-28.4**

Source: KPMG analysis

When testing the impact of a 20 per cent decline in demand on the CBA, the 'Worst Case' cost option to progress construction still presents a BCR above one (1.28), with an NPV of $12.5 million representing a positive economic gain.

For the sensitivity test of a 20 per cent decline in demand, both cost options to defer the project completion present a BCR of less than one, and a negative NPV. This represents a net economic loss of $0.8 million for a deferral of five years, and an economic loss of $5.9 million for a deferral of 10 years under the reduced demand scenario. As there are no economic benefits associated with the cost option for demolition, the NPV for this option remains at an economic loss of $28.4 million.

Conclusions

The results of the supplementary economic analysis demonstrate that when considering the 'Worst Case' total forecast costs for the Project, the Project can still be expected to deliver a net economic gain based on the benefits set out in the Business Case, even under a sensitivity test where demand is 20 per cent lower than projected for the business case.

Deferring the project completion for either five or ten years is forecast to present a diminished, but still positive economic gain over the full appraisal period out to 2049. The results of the analysis for the deferral options are highly sensitive to changes in demand. For a scenario where demand is 20 per cent lower, both deferral options result in a BCR less than one, and a negative NPV representing a net economic loss.

The option to demolish the Project results in a negative NPV representing a net economic loss, as there are no social or economic benefits to be realised if the project is not completed.

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Section 4

Conclusions

Key findings

The key findings of each component of KPMG's review are summarised below.

Cost and program review

Based on the cost analysis across all options, the most effective solution is to undertake the construction as scheduled, that is, Option 1. All other options are not cost effective.

Demand assessment review

Based on a review of underlying assumptions related to the key Saltwater markets, including the theatre and performing arts market, the business events market and local audience preferences, KPMG has found evidence to support the City's assumptions.

KPMG has also undertaken a detailed review of the City's individual demand and revenue assumptions which found that the City's assumptions are reasonable and, in most cases, conservative.

Supplementary economic analysis

The supplementary economic analysis finds that when considering the 'worst case' total forecast costs for the Project, the Project can still be expected to deliver a net economic gain based on the benefits set out in the Business Case.

Deferring the project completion for either five or ten years would present a diminished, but still positive economic gain over the full appraisal period out to 2049, while demolition would result in a net economic loss.

When testing the impact of a 20 per cent decline in demand, the 'Worst Case' cost option still presents a benefit-cost ratio above one and a positive net present value, representing a positive economic return on investment.

In contrast, under the reduced demand sensitivity test all cost options to either demolish or defer the completion of the project present a benefit-cost ratio of less than one, and a negative net present value, representing a net economic loss to the region.

Based on the high-level cost and program reasonabless review, **completing construction of the venue, without delay or mothballing, is forecast to have the highest benefit to cost ratio of all of the options in which the build is completed**, even under the worst-case scenario.

Excluding sunk costs, the **benefit-cost ratio associated with this option is 1.82 under the best case, and 1.56 under the worst case** – the best economic outcome of any of the options considered.

Should construction continue and Saltwater be opened, based on the City's demand assumptions across key markets, including local audiences, commercial entertainment hirers, community hirers and the business events market, the City's demand forecasts are considered to be supported by the available evidence.

On the basis of the revenue assumptions developed as a result of this assessment, as well as a high-level review of operating expenditures, the net operating position of the venue is $(931,891) in Year 1 of operations (FY2026), improving to $(688,033) in Year 10 when escalated to account for CPI increases.[27]

While the asset is not anticipated to reach a breakeven point over the ten year forecast period, this is typical of social assets of this nature which are not expected to be profitable and are often subsidised through government funding.

[27] *Note that the net operating position does not include ongoing lifecycle maintenance and capital renewal spending. For an estimate of this spending over the life of the asset, refer to p. 25.*

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Risks

KPMG's analysis has identified the following risks associated with the construction cost, economic and demand estimates. These risks are additional to those already identified by the City in the project Risk Register (**Appendix D**) and could impact the project's ability to achieve the outcomes outlined above.

Table 20: Additional project risks identified through the review

Risk event	Initial risk assessment				Mitigation strategy	Residual risk			
	Consequence (1-5)	Likelihood (1-5)	Assessment	Risk rating		Consequence (1-5)	Likelihood (1-5)	Assessment	Risk rating
Operational risk Eroding market confidence in venue due to uncertainty in opening timeframe could lead to reduced bookings and reputational damage	5	4	20	E	Development of a communications strategy to support the City in engaging and communicating with potential hirers. Communicating opening date with market as soon as possible.	4	2	8	H
Financial and economic risk Risk of not achieving the City's forecast growth rates in demand for venue hire, undermining the overall operating position of the venue.	4	3	12	H	Proactive marketing strategies to ensure regular engagement with potential hirers across all target markets, including performing arts, community groups/schools and business events. Adequate and proportionate investment in marketing and promotion.	4	2	8	H
Reputational risk Stakeholder and reputational risks related to poor communication of contractual issues and program delays	4	3	12	H	Development of a communications strategy to support the City in engaging and communicating with the community.	4	2	8	H

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Reputational risk ***Deferral/ demolition options only*** Stakeholder and reputational risks related to poor communication, with a reversal of initial investment decision (through a long-term delay or demolition of the project) putting community trust in Council's decision making processes at risk.	4	4	16	E	Development of a communications strategy to support the City in engaging and communicating with the community.	4	3	12	H
Reputational risk ***Deferral/ demolition options only*** Stakeholder and reputational risks related to the City not fulfilling their grant obligations with key grant providers would likely damage their reputation for future grant prospects.	4	4	16	E	Development of a communications strategy to support the City in engaging and communicating with stakeholders.	4	4	16	E

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Appendices

Appendix A: KPMG Saltwater cost analysis

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Appendix B: Detailed demand assumptions

The table below outlines the demand and revenue assumptions adopted in the 10-year financial forecasts. It has been assumed that Year 1 of operations begins on 1 July 2025.

Table 21: Revised demand and revenue assumptions

Revenue item	Relevant demand assumption	Assumption adopted
Venue hire	Commercial hire (entertainment)	21 event days
	Commercial hire (business events)	36 event days (8 events in total)
	Community hire	36 event days
	Community hire (waived fees)	Based on the existing booking schedule, there are 3 proposed events with fee waivers
Ticket sales	Total tickets sold[28]	50% x 660 (i.e. auditorium capacity) x number of events
	Average ticket price – Saltwater Presents	$24
Ticket commission fees	Total tickets sold – external events	75% x 660 (i.e. auditorium capacity) x number of events
	Average ticket price – external events	$46
	% commission	5%
Ticket booking fees	Total tickets sold (all events)	Saltwater presents tickets + external event tickets
	Ticket booking fee (per ticket)	$1.60
Merchandise sales commission	Total merchandise sales	$4.50 per person (commercial entertainment events)
	% commission	12.5%
Exhibition fees [29]	Total exhibition weeks	12 weeks
	Weekly hire rate	$250 per week
Commission on art sales	Total art sales	$3,000 per exhibition
	% commission	34%

[28] Note that this assumes events are held in the 'seated' configuration of the auditorium which provides for 640 seats. A 'flat floor' configuration is also possible which would increase the capacity to 1,000 seats.

[29] Benchmark financial information does not allow for exhibition hire fees and revenue generated through art sales to be disaggregated. As such, total gallery related revenue has been benchmarked against gallery revenue for similar venues. This benchmarking suggests that the City's revenue assumptions are highly conservative.

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Revenue item	Relevant demand assumption	Assumption adopted
Expenses recouped/ reimbursements	Total number of external events	As above
	Average on-costs, comprised of staff wages and other event-related costs	Staff wage estimates informed by HR + a per event 'other' cost of $200 per event
Commercial rent for ArtGeo Bar	Annual expected rent income	No lease revenue in Years 1 and 2 with rental relief in place for the first four years increasing to the full market rate in Year 5 For the purposes of the forecasts, this is assumed to be $45,000
Sponsorship and donations	Total sponsorship income	$10,000
Operating grants and subsidies	Total grant income	$70,000 ongoing
Beverage sales	Total number of events	As above – this includes both theatre events and private functions
	Total number of purchases per event	100 drinks sold per theatre event 200 drinks sold per private function
	Average transaction value	$10 per transaction
Food sales	Total number of events	As above – food will only be sold through the bar for non-catered events
	Total number of purchases per event	90 food items sold per theatre event
	Average transaction value	$5 per transaction

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Appendix C: 10-year financial forecast

Table 22 10-Year Revenue and Expenditure Forecasts

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2033	FY2035
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*	*Year 8*	*Year 9*	*Year 10*
Revenues										
Hire fees	213,300	258,191	301,123	337,305	378,126	424,097	475,873	534,193	599,890	673,903
Ticket sales - internal events	291,040	372,129	455,359	532,296	621,598	725,020	819,705	924,218	1,042,055	1,174,918
Ticket commission - external events	27,333	34,948	42,765	49,990	58,377	68,090	76,982	86,797	97,864	110,342
Booking fees	59,229	75,732	92,670	108,327	126,501	147,548	166,817	188,086	212,067	239,106
Exhibition fees	3,000	3,688	4,346	4,899	5,524	6,228	7,022	7,917	8,927	10,065
Commission on art sales	8,160	8,364	8,573	8,787	9,007	9,232	9,463	9,700	9,942	10,191
Expenses recouped/reimbursements	142,560	175,269	206,524	232,798	262,480	295,946	333,679	376,224	424,192	478,276
Commercial rent for ArtGeo Bar	-	-	15,759	32,307	49,672	50,913	52,186	53,491	54,828	56,199
Sponsorship income	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
Beverage sales	147,000	180,727	212,957	240,049	270,655	305,163	344,072	387,941	437,403	493,172
Food sales	40,950	50,346	59,324	66,871	75,397	85,010	95,849	108,069	121,848	137,384
Merchandise sales commission	3,770	4,820	5,898	6,894	8,051	9,391	10,617	11,971	13,497	15,218
Grant revenue	70,000	71,750	73,544	75,382	77,267	79,199	81,179	83,208	85,288	87,420
Transfer from Reserve - BDEM Funding	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total revenue	**1,166,342**	**1,396,214**	**1,639,347**	**1,856,675**	**2,103,692**	**2,367,150**	**2,635,041**	**2,933,701**	**3,269,987**	**3,648,682**

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Employee costs										
Salaries & Wages including cleaners & super	(866,352)	(888,011)	(910,211)	(932,966)	(956,291)	(980,198)	(1,004,703)	(1,029,820)	(1,055,566)	(1,081,955)
Casual Budget	(132,432)	(162,891)	(192,008)	(216,489)	(244,092)	(275,213)	(310,303)	(349,867)	(394,475)	(444,770)
Penalties estimate	(18,454)	(18,915)	(19,388)	(19,873)	(20,370)	(20,879)	(21,401)	(21,936)	(22,484)	(23,047)
Other Employee Related Costs	(11,603)	(11,893)	(12,190)	(12,495)	(12,808)	(13,128)	(13,456)	(13,792)	(14,137)	(14,491)
Total employee costs	**(1,028,841)**	**(1,081,711)**	**(1,133,798)**	**(1,181,824)**	**(1,233,559)**	**(1,289,418)**	**(1,349,863)**	**(1,415,415)**	**(1,486,662)**	**(1,564,262)**
Bar operating costs	(56,385)	(83,186)	(112,724)	(139,771)	(173,351)	(214,999)	(266,652)	(330,715)	(410,170)	(508,713)
Cleaning materials	(8,051)	(9,903)	(11,673)	(13,161)	(14,839)	(16,731)	(18,864)	(21,270)	(23,981)	(27,039)
Waste cost	(6,896)	(8,482)	(9,998)	(11,273)	(12,710)	(14,331)	(16,158)	(18,218)	(20,541)	(23,160)
Venue hire expenses	(43,700)	(53,751)	(63,359)	(71,437)	(80,546)	(90,815)	(102,394)	(115,449)	(130,169)	(146,766)
Volunteer expenses	(30,000)	(36,900)	(43,496)	(49,042)	(55,294)	(62,344)	(70,293)	(79,256)	(89,361)	(100,754)
Bank charges	(5,750)	(7,073)	(8,337)	(9,400)	(10,598)	(11,949)	(13,473)	(15,191)	(17,127)	(19,311)
Consumables	(1,680)	(2,066)	(2,436)	(2,746)	(3,096)	(3,491)	(3,936)	(4,438)	(5,004)	(5,642)
Marketing & Promotion	(103,500)	(127,305)	(150,061)	(169,194)	(190,766)	(215,088)	(242,512)	(273,432)	(308,295)	(347,603)
AV equipment hire	(22,500)	(27,675)	(32,622)	(36,781)	(41,471)	(46,758)	(52,720)	(59,442)	(67,021)	(75,566)
Electricity & Gas	(108,478)	(133,428)	(157,278)	(177,331)	(199,941)	(225,433)	(254,176)	(286,584)	(323,123)	(364,321)
Water & Wastewater	(71,596)	(88,063)	(103,804)	(117,039)	(131,962)	(148,787)	(167,757)	(189,147)	(213,263)	(240,454)
Building maintenance	(90,000)	(188,795)	(200,288)	(212,480)	(225,415)	(239,137)	(253,694)	(269,138)	(285,522)	(299,976)
Security cost	(10,250)	(10,506)	(10,769)	(11,038)	(11,314)	(11,597)	(11,887)	(12,184)	(12,489)	(12,801)
Insurances	(55,687)	(57,079)	(58,506)	(59,969)	(61,468)	(63,005)	(64,580)	(66,194)	(67,849)	(69,545)
Contractors & Consultants	(20,700)	(21,218)	(21,748)	(22,292)	(22,849)	(23,420)	(24,006)	(24,606)	(25,221)	(25,851)
Administration expense	(4,140)	(4,244)	(4,350)	(4,458)	(4,570)	(4,684)	(4,801)	(4,921)	(5,044)	(5,170)
Health and safety supplies	(2,070)	(2,122)	(2,175)	(2,229)	(2,285)	(2,342)	(2,401)	(2,461)	(2,522)	(2,585)

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Licenses	(6,210)	(6,365)	(6,524)	(6,687)	(6,855)	(7,026)	(7,202)	(7,382)	(7,566)	(7,755)
Couriers and postage	(2,070)	(2,122)	(2,175)	(2,229)	(2,285)	(2,342)	(2,401)	(2,461)	(2,522)	(2,585)
Subscriptions	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Training	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Software licenses & maintenance	(29,917)	(30,665)	(31,432)	(32,217)	(33,023)	(33,848)	(34,695)	(35,562)	(36,451)	(37,362)
Telephones and mobile	(7,200)	(7,380)	(7,565)	(7,754)	(7,947)	(8,146)	(8,350)	(8,559)	(8,773)	(8,992)
Fee waivers, concessional hire	(50,000)	(51,250)	(52,531)	(53,845)	(55,191)	(56,570)	(57,985)	(59,434)	(60,920)	(62,443)
Advertising	(20,700)	(21,218)	(21,748)	(22,292)	(22,849)	(23,420)	(24,006)	(24,606)	(25,221)	(25,851)
Website development/maintenance	(10,350)	(10,609)	(10,874)	(11,146)	(11,424)	(11,710)	(12,003)	(12,303)	(12,610)	(12,926)
Graphic design	(10,350)	(10,609)	(10,874)	(11,146)	(11,424)	(11,710)	(12,003)	(12,303)	(12,610)	(12,926)
Printing	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Sponsor maintenance	(6,210)	(6,365)	(6,524)	(6,687)	(6,855)	(7,026)	(7,202)	(7,382)	(7,566)	(7,755)
BDEM funded programming	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Event purchases	(103,500)	(106,088)	(108,740)	(111,458)	(114,245)	(117,101)	(120,028)	(123,029)	(126,105)	(129,257)
Stage supplies	(8,000)	(8,200)	(8,405)	(8,615)	(8,831)	(9,051)	(9,278)	(9,509)	(9,747)	(9,991)
Ticketing supplies	(2,588)	(2,653)	(2,719)	(2,787)	(2,857)	(2,928)	(3,001)	(3,076)	(3,153)	(3,232)
Catering	(5,389)	(5,524)	(5,662)	(5,803)	(5,948)	(6,097)	(6,250)	(6,406)	(6,566)	(6,730)
Total other expenditure	**(1,069,392)**	**(1,296,754)**	**(1,435,706)**	**(1,559,027)**	**(1,699,345)**	**(1,859,455)**	**(2,042,711)**	**(2,253,111)**	**(2,495,429)**	**(2,772,454)**
Total profit/loss	**(931,891)**	**(982,251)**	**(930,157)**	**(884,176)**	**(829,212)**	**(781,722)**	**(757,532)**	**(734,825)**	**(712,104)**	**(688,033)**

Key assumptions

The following key assumptions have been adopted in the preparation of the above forecasts:

- It has been assumed that the total number of venue hire days across all categories will have an initial 'ramp up' period, growing by 20% from Year 1 to Year 2, 15% from Year 2 to Year 3 and 10% from Year 3 onwards. It has also been assumed that the following operating expenditures will increase in line with increases in venue

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hire: bar operating costs, cleaning material costs, waste costs, venue hire expenses, volunteer expenses, bank charges related to bar purchases, consumables, marketing and promotion, AV equipment hire, electricity and gas and water and wastewater.

- It has been assumed that audience demand for theatre-based performances will grow in line with benchmarks from 50% of available tickets sold in Year 1 to 60% by Year 6.
- Revenue and expenditure forecasts have been escalated by a rate of 2.5% per year to account for CPI inflation with the exception of building maintenance costs which have been escalated at 3.5% per year in line with anticipated cost increases related to building materials and labour costs and BDEMP funding lines which have not been escalated.

Sensitivity analysis – growth in demand

Sensitivity analysis has been undertaken to understand the impact on total revenue if the growth in demand for venue hire is lower than anticipated. The analysis below assumes initial 'ramp up' period as described leading to year-on-year growth of 20% from Year 1 to Year 2, 15% from Year 2 to Year 3 and then assumes no further growth in the 'steady state' until Year 10. These same assumptions have been applied to corresponding operating expenditure items.

All other assumptions have been kept constant.

Table 23 10-Year Financial Forecast - Sensitivity Analysis

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2033	FY2035
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*	*Year 8*	*Year 9*	*Year 10*
Revenues										
Hire fees	213,300	258,191	301,123	308,651	316,367	324,276	332,383	340,693	349,210	357,940
Ticket sales - internal events	291,040	372,129	455,359	484,026	513,846	544,854	560,009	574,009	588,360	603,069
Ticket commission - external events	27,333	34,948	42,765	45,457	48,258	51,170	52,593	53,908	55,255	56,637
Booking fees	59,229	75,732	92,670	98,504	104,572	110,882	113,967	116,816	119,736	122,730
Exhibition fees	3,000	3,688	4,346	4,455	4,566	4,680	4,797	4,917	5,040	5,166
Commission on art sales	8,160	8,364	8,573	8,787	9,007	9,232	9,463	9,700	9,942	10,191
Expenses recouped/reimbursements	142,560	175,269	206,524	211,688	216,980	222,404	227,964	233,663	239,505	245,493
Commercial rent for ArtGeo Bar	-	-	15,759	32,307	49,672	50,913	52,186	53,491	54,828	56,199
Sponsorship income	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
Beverage sales	147,000	180,727	212,957	218,280	223,737	229,331	235,064	240,941	246,964	253,138
Food sales	40,950	50,346	59,324	60,807	62,327	63,885	65,482	67,119	68,797	70,517
Merchandise sales commission	3,770	4,820	5,898	6,269	6,655	7,057	7,253	7,435	7,621	7,811

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Grant revenue	70,000	71,750	73,544	75,382	77,267	79,199	81,179	83,208	85,288	87,420
BDEMP funding	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total revenue	**1,166,342**	**1,396,214**	**1,639,347**	**1,715,382**	**1,794,292**	**1,859,198**	**1,903,938**	**1,947,787**	**1,992,731**	**2,038,800**
Employee costs										
Salaries & Wages including cleaners & super	(866,352)	(888,011)	(910,211)	(932,966)	(956,291)	(980,198)	(1,004,703)	(1,029,820)	(1,055,566)	(1,081,955)
Casual Budget	(132,432)	(162,891)	(192,008)	(196,808)	(201,729)	(206,772)	(211,941)	(217,240)	(222,671)	(228,237)
Penalties estimate	(18,454)	(18,915)	(19,388)	(19,873)	(20,370)	(20,879)	(21,401)	(21,936)	(22,484)	(23,047)
Other Employee Related Costs	(11,603)	(11,893)	(12,190)	(12,495)	(12,808)	(13,128)	(13,456)	(13,792)	(14,137)	(14,491)
Total employee costs	**(1,028,841)**	**(1,081,711)**	**(1,133,798)**	**(1,162,143)**	**(1,191,196)**	**(1,220,976)**	**(1,251,501)**	**(1,282,788)**	**(1,314,858)**	**(1,347,729)**
Bar operating costs	(56,385)	(83,186)	(112,724)	(115,542)	(118,431)	(121,391)	(124,426)	(127,537)	(130,725)	(133,993)
Cleaning materials	(8,051)	(9,903)	(11,673)	(11,965)	(12,264)	(12,570)	(12,885)	(13,207)	(13,537)	(13,875)
Waste cost	(6,896)	(8,482)	(9,998)	(10,248)	(10,504)	(10,767)	(11,036)	(11,312)	(11,595)	(11,885)
Venue hire expenses	(43,700)	(53,751)	(63,359)	(64,943)	(66,567)	(68,231)	(69,936)	(71,685)	(73,477)	(75,314)
Volunteer expenses	(30,000)	(36,900)	(43,496)	(44,583)	(45,698)	(46,840)	(48,011)	(49,212)	(50,442)	(51,703)
Bank charges	(5,750)	(7,073)	(8,337)	(8,545)	(8,759)	(8,978)	(9,202)	(9,432)	(9,668)	(9,910)
Consumables	(1,680)	(2,066)	(2,436)	(2,497)	(2,559)	(2,623)	(2,689)	(2,756)	(2,825)	(2,895)
Marketing & Promotion	(103,500)	(127,305)	(150,061)	(153,812)	(157,658)	(161,599)	(165,639)	(169,780)	(174,024)	(178,375)
AV equipment hire	(22,500)	(27,675)	(32,622)	(33,437)	(34,273)	(35,130)	(36,008)	(36,909)	(37,831)	(38,777)
Electricity & Gas	(108,478)	(133,428)	(157,278)	(161,210)	(165,240)	(169,371)	(173,606)	(177,946)	(182,394)	(186,954)
Water & Wastewater	(71,596)	(88,063)	(103,804)	(106,399)	(109,059)	(111,786)	(114,581)	(117,445)	(120,381)	(123,391)
Building maintenance	(90,000)	(188,795)	(200,288)	(212,480)	(225,415)	(239,137)	(253,694)	(269,138)	(285,522)	(299,976)
Security cost	(10,250)	(10,506)	(10,769)	(11,038)	(11,314)	(11,597)	(11,887)	(12,184)	(12,489)	(12,801)
Insurances	(55,687)	(57,079)	(58,506)	(59,969)	(61,468)	(63,005)	(64,580)	(66,194)	(67,849)	(69,545)
Contractors & Consultants	(20,700)	(21,218)	(21,748)	(22,292)	(22,849)	(23,420)	(24,006)	(24,606)	(25,221)	(25,851)

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Administration expense	(4,140)	(4,244)	(4,350)	(4,458)	(4,570)	(4,684)	(4,801)	(4,921)	(5,044)	(5,170)
Health and safety supplies	(2,070)	(2,122)	(2,175)	(2,229)	(2,285)	(2,342)	(2,401)	(2,461)	(2,522)	(2,585)
Licenses	(6,210)	(6,365)	(6,524)	(6,687)	(6,855)	(7,026)	(7,202)	(7,382)	(7,566)	(7,755)
Couriers and postage	(2,070)	(2,122)	(2,175)	(2,229)	(2,285)	(2,342)	(2,401)	(2,461)	(2,522)	(2,585)
Subscriptions	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Training	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Software licenses & maintenance	(29,917)	(30,665)	(31,432)	(32,217)	(33,023)	(33,848)	(34,695)	(35,562)	(36,451)	(37,362)
Telephones and mobile	(7,200)	(7,380)	(7,565)	(7,754)	(7,947)	(8,146)	(8,350)	(8,559)	(8,773)	(8,992)
Fee waivers, concessional hire	(50,000)	(51,250)	(52,531)	(53,845)	(55,191)	(56,570)	(57,985)	(59,434)	(60,920)	(62,443)
Advertising	(20,700)	(21,218)	(21,748)	(22,292)	(22,849)	(23,420)	(24,006)	(24,606)	(25,221)	(25,851)
Website development/maintenance	(10,350)	(10,609)	(10,874)	(11,146)	(11,424)	(11,710)	(12,003)	(12,303)	(12,610)	(12,926)
Graphic design	(10,350)	(10,609)	(10,874)	(11,146)	(11,424)	(11,710)	(12,003)	(12,303)	(12,610)	(12,926)
Printing	(5,175)	(5,304)	(5,437)	(5,573)	(5,712)	(5,855)	(6,001)	(6,151)	(6,305)	(6,463)
Sponsor maintenance	(6,210)	(6,365)	(6,524)	(6,687)	(6,855)	(7,026)	(7,202)	(7,382)	(7,566)	(7,755)
BDEMP funded programming	(150,000)	(153,750)	(157,594)	(161,534)	(165,572)	(169,711)	(173,954)	(178,303)	(182,760)	(187,329)
Event purchases	(103,500)	(106,088)	(108,740)	(111,458)	(114,245)	(117,101)	(120,028)	(123,029)	(126,105)	(129,257)
Stage supplies	(8,000)	(8,200)	(8,405)	(8,615)	(8,831)	(9,051)	(9,278)	(9,509)	(9,747)	(9,991)
Ticketing supplies	(2,588)	(2,653)	(2,719)	(2,787)	(2,857)	(2,928)	(3,001)	(3,076)	(3,153)	(3,232)
Catering	(5,389)	(5,524)	(5,662)	(5,803)	(5,948)	(6,097)	(6,250)	(6,406)	(6,566)	(6,730)
Total other expenditure	**(1,069,392)**	**(1,300,504)**	**(1,443,300)**	**(1,486,567)**	**(1,531,354)**	**(1,577,725)**	**(1,625,747)**	**(1,675,492)**	**(1,727,035)**	**(1,777,527)**
Total profit/loss	**(931,891)**	**(982,251)**	**(930,157)**	**(921,795)**	**(912,687)**	**(919,792)**	**(949,356)**	**(982,191)**	**(1,016,401)**	**(1,049,127)**

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Appendix D: Project risk register

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Saltwater Financials
Cost to Complete Summary

Ref.	Trade	Forecast Final Cost As Report		Forecast Final Cost Best Case			Forecast Final Cost Worst Case			Forecast Final Cost Mothball 5 Years		Forecast Final Cost Mothball 10 Years		Forecast Final Cost Mothball Demo		KPMG Comments
			Cost (Rounded)		Cost (Rounded)	Delta to Reported		Cost (Rounded)	Delta to Reported		Cost (Rounded)		Cost (Rounded)		Cost (Rounded)	
1.0	Preliminaries		$ 5,210,000		$ 5,210,000	$ 0		$ 5,210,000	$ 0		$ 6,910,000		$ 6,910,000		$ 6,430,000	Refer to section summaries for comments
2.0	Trades		$ 32,790,000		$ 32,790,000	$ 0		$ 32,790,000	$ 0		$ 41,440,000		$ 41,440,000		$ 31,080,000	Refer to section summaries for comments
2.1	Substructure		$ 830,000		$ 830,000	$ 0		$ 830,000	$ 0		$ 960,000		$ 960,000		$ 960,000	Refer to section summaries for comments
2.2	Superstructure		$ 18,520,000		$ 18,520,000	$ 0		$ 18,520,000	$ 0		$ 24,400,000		$ 24,400,000		$ 17,390,000	Refer to section summaries for comments
2.3	Roof Cladding		$ 880,000		$ 880,000	$ 0		$ 880,000	$ 0		$ 930,000		$ 930,000		$ 930,000	Refer to section summaries for comments
2.4	Fitout & Fittings		$ 4,740,000		$ 4,740,000	$ 0		$ 4,740,000	$ 0		$ 5,230,000		$ 5,230,000		$ 1,200,000	Refer to section summaries for comments
2.5	Building Services		$ 7,380,000		$ 7,380,000	$ 0		$ 7,380,000	$ 0		$ 9,380,000		$ 9,380,000		$ 7,640,000	Refer to section summaries for comments
2.6	Other		$ 440,000		$ 440,000	$ 0		$ 440,000	$ 0		$ 540,000		$ 540,000		$ 540,000	Refer to section summaries for comments
2.6	Demolition & Make Good Site														$ 2,420,000	Refer to section summaries for comments
	Total Contract Sum		$ 38,000,000		$ 38,000,000	$ 0		$ 38,000,000	$ 0		$ 48,350,000		$ 48,350,000		$ 37,510,000	Refer to section summaries for comments
3.0	Variations		$ 0		$ 0	$ 0		$ 0	$ 0		Incl in 2.0		Incl in 2.0		Incl in 2.0	Refer to section summaries for comments
3.1	Variations Approved - Submitted		$ 1,960,000		$ 1,960,000	$ 0		$ 1,960,000	$ 0		Incl in 2.0		Incl in 2.0		Incl in 2.0	Refer to section summaries for comments
3.2	Variations Forecast - Submitted		$ 5,550,000		$ 4,820,000	-$ 730,000		$ 6,460,000	$ 910,000		Incl in 2.0		Incl in 2.0		Incl in 2.0	Refer to section summaries for comments
3.3	Variations Forecast - Unsubmitted		$ 0		$ 1,870,000	$ 1,870,000		$ 2,620,000	$ 2,620,000		Incl in 2.0		Incl in 2.0		Incl in 2.0	Refer to section summaries for comments
4.0	Under Provisional Sum		$ 50,000		$ 110,000	$ 60,000		$ 110,000	$ 60,000		$ 110,000		$ 110,000		$ 110,000	Refer to section summaries for comments
	Total Forecast Variations Excl Covid Claims & EOT	20%	$ 7,560,000	23%	$ 8,760,000	$ 1,200,000	29%	$ 11,150,000	$ 3,590,000	0%	$ 110,000	0%	$ 110,000	0%	$ 110,000	Refer to section summaries for comments
5.0	EOT & Termination (1% of remaining cost to complete)		$ 0		$ 540,000	$ 540,000		$ 1,560,000	$ 1,560,000		$ 670,000		$ 670,000		$ 670,000	Refer to section summaries for comments
6.0	Covid		$ 0		$ 0	$ 0		$ 0	$ 0		$ 0		$ 0		$ 0	Refer to section summaries for comments
	Total Forecast Cost Incl Covid Claims		$ 45,560,000		$ 47,300,000	$ 1,740,000		$ 50,710,000	$ 5,150,000		$ 49,130,000		$ 49,130,000		$ 38,290,000	Refer to section summaries for comments
7.0	Other Construction Costs		$ 650,000		$ 650,000	$ 0		$ 650,000	$ 0		$ 650,000		$ 650,000		$ 450,000	Refer to section summaries for comments
7.1	Loose Furniture / AV		$ 250,000		$ 250,000	$ 0		$ 250,000	$ 0		$ 250,000		$ 250,000		$ 0	Refer to section summaries for comments
7.2	Landscaping		$ 400,000		$ 400,000	$ 0		$ 400,000	$ 0		$ 400,000		$ 400,000		$ 450,000	Refer to section summaries for comments
8.0	Other Soft Costs		$ 3,070,000		$ 3,420,000	$ 350,000		$ 3,700,000	$ 630,000		$ 3,615,000		$ 3,615,000		$ 3,095,000	Refer to section summaries for comments
8.1	Professional Fees		$ 2,870,000	12%	$ 3,220,000	$ 350,000	22%	$ 3,500,000	$ 630,000		$ 3,415,000		$ 3,415,000		$ 3,095,000	Refer to section summaries for comments
8.2	Utility Costs, IT hardware and Other		$ 200,000		$ 200,000	$ 0		$ 200,000	$ 0		$ 200,000		$ 200,000		$ 0	Refer to section summaries for comments
9.0	Contingencies		$ 0		$ 0	$ 0		$ 0	$ 0		$ 780,000		$ 780,000		$ 200,000	Refer to section summaries for comments
9.1	Contingencies		$ 0		$ 0	$ 0		$ 0	$ 0		$ 780,000		$ 780,000		$ 200,000	Refer to section summaries for comments
10.0	Liquidated Damages		$ 0		-$ 1,450,000	-$ 1,450,000		-$ 540,000	-$ 540,000		-$ 990,000		-$ 990,000		-$ 990,000	Refer to section summaries for comments
10.1	Liquidated Damages		$ 0		-$ 1,450,000	-$ 1,450,000		-$ 540,000	-$ 540,000		-$ 990,000		-$ 990,000		-$ 990,000	Refer to section summaries for comments
11.0	Escalation		$ 0		$ 0	$ 0		$ 0	$ 0		$ 3,120,000		$ 6,860,000		$ 0	Refer to section summaries for comments
11.1	Escalation		$ 0		$ 0	$ 0		$ 0	$ 0		$ 3,120,000		$ 6,860,000		$ 0	Refer to section summaries for comments
	Total Forecast Cost		$ 49,280,000		$ 49,920,000	$ 640,000		$ 54,520,000	$ 5,240,000		$ 56,305,000		$ 60,045,000		$ 41,045,000	Refer to section summaries for comments
12.0	Existing Grant Fund repaid by City to the Commonwealth		$ 0		$ 0			$ 0			$ 11,007,310		$ 11,007,310		$ 11,007,310	Refer to section summaries for comments
	Total Forecast Cost (Including Grant Fund for Mothball Options)		$ 49,280,000		$ 49,920,000	$ 640,000		$ 54,520,000	$ 5,240,000		$ 67,312,310		$ 71,052,310		$ 52,052,310	Refer to section summaries for comments
13.0	Approved Project Funding		$ 44,550,000		$ 44,550,000	$ 0		$ 44,550,000	$ 0		$ 44,550,000		$ 44,550,000		$ 44,550,000	Refer to section summaries for comments
	Funding Shortfall including Liquidated Damages		$ 4,730,000		$ 5,370,000	$ 640,000		$ 9,970,000	$ 5,240,000		$ 22,762,310		$ 26,502,310		$ 7,502,310	Refer to section summaries for comments

Saltwater Financials
Cost to Complete Summary

Ref.	Trade	Forecast Final Cost As Report		Forecast Final Cost Best Case			Forecast Final Cost Worst Case			KPMG Comments
			Cost (Rounded)		Cost (Rounded)	Delta to Reported		Cost (Rounded)	Delta to Best Case	Delta to Reported	
1.0	Preliminaries		$ 5,210,000		$ 5,210,000	$ 0		$ 5,210,000	$ 0	$ 0	
2.0	Trades		$ 32,790,000		$ 32,790,000	$ 0		$ 32,790,000	$ 0	$ 0	
2.1	Substructure		$ 830,000		$ 830,000	$ 0		$ 830,000	$ 0	$ 0	
2.2	Superstructure		$ 18,520,000		$ 18,520,000	$ 0		$ 18,520,000	$ 0	$ 0	
2.3	Roof Cladding		$ 880,000		$ 880,000	$ 0		$ 880,000	$ 0	$ 0	
2.4	Fitout & Fittings		$ 4,740,000		$ 4,740,000	$ 0		$ 4,740,000	$ 0	$ 0	
2.5	Building Services		$ 7,380,000		$ 7,380,000	$ 0		$ 7,380,000	$ 0	$ 0	
2.6	Other		$ 440,000		$ 440,000	$ 0		$ 440,000	$ 0	$ 0	
	Total Contract Sum		$ 38,000,000		$ 38,000,000	$ 0		$ 38,000,000	$ 0	$ 0	
3.0	Variations										
3.1	Variations Approved - Submitted		$ 1,960,000		$ 1,960,000	$ 0		$ 1,960,000	$ 0	$ 0	As schedule.
3.2	Variations Forecast - Submitted		$ 5,550,000		$ 4,820,000	-$ 730,000		$ 6,460,000	$ 1,640,000	$ 910,000	Best includes 50% of recent variations and worst includes 100% plus 25% allowance against rejected/disputed.
3.3	Variations Forecast - Unsubmitted		$ 0		$ 1,870,000	$ 1,870,000		$ 2,620,000	$ 750,000	$ 2,620,000	Best case calculates 25% overall variations, worst case 29%.
4.0	Under Provisional Sum		$ 50,000		$ 110,000	$ 60,000		$ 110,000	$ 0	$ 60,000	What is happening with headworks?
	Total Forecast Variations Excl Covid Claims & EOT	20%	$ 7,560,000	23%	$ 8,760,000	$ 1,200,000	29%	$ 11,150,000	$ 2,390,000	$ 3,590,000	
5.0	EOT & Termination (1% of remaining cost to complete)		$ 0		$ 540,000	$ 540,000		$ 1,560,000	$ 1,020,000	$ 1,560,000	90 days $ 6,000 per day allowed as per contract max (best) $ 756,000 claim rejected. 260 days $ 6,000 per day disputed contract days not rate (worst)
6.0	Covid		$ 0		$ 0	$ 0		$ 0	$ 0	$ 0	$ 11,237,858 claimed and rejected as per independent review advice by Council. No allowance in worst case.
	Total Forecast Cost Incl Covid Claims		$ 45,560,000		$ 47,300,000	$ 1,740,000		$ 50,710,000	$ 3,410,000	$ 5,150,000	
7.0	Other Construction Costs		$ 650,000		$ 650,000	$ 0		$ 650,000	$ 0	$ 0	
7.1	Loose Furniture / AV		$ 250,000		$ 250,000	$ 0		$ 250,000	$ 0	$ 0	Assumes as budget not to be exceeded in best and worst case.
7.2	Landscaping		$ 400,000		$ 400,000	$ 0		$ 400,000	$ 0	$ 0	Assumes as budget not to be exceeded in best and worst case.
8.0	Other Soft Costs		$ 3,070,000		$ 3,420,000	$ 350,000		$ 3,700,000	$ 280,000	$ 630,000	
8.1	Professional Fees		$ 2,870,000	12%	$ 3,220,000	$ 350,000	22%	$ 3,500,000	$ 280,000	$ 630,000	Best case $ 25,000.00 14 months Worst case $ 45,000.00 14 months
8.2	Utility Costs, IT Hardware and Other		$ 200,000		$ 200,000	$ 0		$ 200,000	$ 0	$ 0	Assumes as budget not to be exceeded in best and worst case.
9.0	Contingencies		$ 0		$ 0	$ 0		$ 0	$ 0	$ 0	
9.1	Contingencies		$ 0		$ 0	$ 0		$ 0	$ 0	$ 0	
10.0	Liquidated Damages		$ 0		-$ 1,450,000	-$ 1,450,000		-$ 540,000	$ 910,000	-$ 540,000	
10.1	Liquidated Damages		$ 0		-$ 1,450,000	-$ 1,450,000		-$ 540,000	$ 910,000	-$ 540,000	380 calendar days $ 3,820 per day best allowed based on EOT's of 90 days 141 calendar days $ 3,820 per day worst allowed based on EOT's of 260 days
	Total Forecast Cost		$ 49,280,000		$ 49,920,000	$ 640,000		$ 54,520,000	$ 4,600,000	$ 5,240,000	
11.0	Approved Project Funding		$ 44,550,000		$ 44,550,000	$ 0		$ 44,550,000	$ 0	$ 0	
	Funding Shortfall including Liquidated Damages		$ 4,730,000		$ 5,370,000	$ 640,000		$ 9,970,000	$ 4,600,000	$ 5,240,000	

Ref.	Trade	Code	% Complete Claimed	Contract Sum	Forecast Contract Sum Best	Variations Excl PS, EOT & Covid Approved / Forecast Submitted Best		Forecast Unsubmitted Best		Total Forecast Best %	Forecast Contract Sum Worst	Variations Excl PS, EOT & Covid Approved / Forecast Submitted Worst		Forecast Unsubmitted Worst		Total Forecast Worst %
	Forecast Final Cost		57.5%	$ 38,000,000	$ 44,780,000	$ 6,780,000	17.8%	$ 1,867,500	4.9%	22.8%	$ 46,420,000	$ 8,420,000	22.2%	$ 2,623,600	6.9%	29.1%
1	Substructure		100.1%	$ 960,000	$ 1,100,000	$ 140,000	14.6%	$ 0	0.0%	14.6%	$ 1,100,000	$ 140,000	14.6%	$ 0	0.0%	14.6%
1.1	Preliminaries	PR1	100.7%	$ 130,000	$ 140,000	$ 10,000	7.7%	$ 0	0.0%	7.7%	$ 140,000	$ 10,000	7.7%	$ 0	0.0%	7.7%
1.2	Demolition	DE	100.0%	$ 50,000	$ 60,000	$ 10,000	20.0%	$ 0	0.0%	20.0%	$ 60,000	$ 10,000	20.0%	$ 0	0.0%	20.0%
1.3	Earthwork, Dewatering and Termite Treatment	GR1	100.0%	$ 330,000	$ 330,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 330,000	$ 0	0.0%	$ 0	0.0%	0.0%
1.4	Piling	GR2	100.0%	$ 460,000	$ 570,000	$ 110,000	23.9%	$ 0	0.0%	23.9%	$ 570,000	$ 110,000	23.9%	$ 0	0.0%	23.9%
2	Superstructure	CL	68.7%	$ 21,740,000	$ 26,140,000	$ 4,960,000	22.8%	$ 909,500	4.2%	27.4%	$ 27,830,000	$ 5,870,000	27.4%	$ 996,000	4.6%	32.0%
2.1	Preliminaries	PR2	100.7%	$ 2,940,000	$ 2,940,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 3,470,000	$ 530,000	18.0%	$ 0	0.0%	18.0%
2.2	Concrete	CO	99.8%	$ 900,000	$ 1,640,000	$ 740,000	82.2%	$ 0	0.0%	82.2%	$ 1,660,000	$ 760,000	84.4%	$ 0	0.0%	84.4%
2.3	Formwork	FO	100.0%	$ 620,000	$ 620,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 620,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.4	Reinforcement	RE	100.0%	$ 810,000	$ 810,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 810,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.5	Precast Concrete	PC	100.0%	$ 2,220,000	$ 2,940,000	$ 720,000	32.4%	$ 0	0.0%	32.4%	$ 2,950,000	$ 730,000	32.9%	$ 0	0.0%	32.9%
2.6	Structure Timber / Woodwork	CA	77.8%	$ 2,420,000	$ 2,420,000	$ 0	0.0%	$ 41,000	1.7%	1.7%	$ 2,420,000	$ 0	0.0%	$ 41,000	1.7%	1.7%
2.6.1	Shop Drawings	CA1	98.0%	$ 130,000	$ 130,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 130,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.6.2	Steel Columns (VE - Replace Timber Columns & Beams)	CA2	100.0%	$ 1,390,000	$ 1,390,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 1,390,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.6.3	Plywood Flooring	CA3	0.0%	$ 80,000	$ 80,000	$ 0	0.0%	$ 4,000	5.0%	5.0%	$ 80,000	$ 0	0.0%	$ 4,000	5.0%	5.0%
2.6.4	Durra Panels	CA4	83.0%	$ 450,000	$ 450,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 450,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.6.5	Veneer, Skirtings, Teaser Panels, Handrails, etc.	CA5	0.0%	$ 370,000	$ 370,000	$ 0	0.0%	$ 37,000	10.0%	10.0%	$ 370,000	$ 0	0.0%	$ 37,000	10.0%	10.0%
2.6.6	Other	CA6	0.0%	$ 0	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%
2.7	Timber Floors /Engineered Floors	TF	22.0%	$ 330,000	$ 360,000	$ 30,000	9.1%	$ 66,000	20.0%	29.1%	$ 360,000	$ 30,000	9.1%	$ 0	0.0%	9.1%
2.8	Structural Steel	SS	96.9%	$ 1,410,000	$ 3,450,000	$ 2,040,000	144.7%	$ 0	0.0%	144.7%	$ 3,520,000	$ 2,110,000	149.6%	$ 0	0.0%	149.6%
2.8.1	Shop Drawings	SS1	100.0%	$ 90,000	$ 280,000	$ 190,000	211.1%	$ 0	0.0%	211.1%	$ 280,000	$ 190,000	211.1%	$ 0	0.0%	211.1%
2.8.2	Columns and Beams	SS2	100.0%	$ 450,000	$ 2,300,000	$ 1,850,000	411.1%	$ 0	0.0%	411.1%	$ 2,340,000	$ 1,890,000	420.0%	$ 0	0.0%	420.0%
2.8.3	Roof Framing, Purlins	SS3	95.0%	$ 420,000	$ 420,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 450,000	$ 30,000	7.1%	$ 0	0.0%	7.1%
2.8.4	Roof Structure	SS4	95.0%	$ 460,000	$ 460,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 460,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.9	Facade Cladding System	CL	13.4%	$ 2,210,000	$ 2,320,000	$ 110,000	5.0%	$ 252,500	11.4%	16.4%	$ 2,330,000	$ 120,000	5.4%	$ 252,500	11.4%	16.9%
2.9.1	Shop Drawings	CL1	60.0%	$ 190,000	$ 190,000	$ 0	0.0%	$ 9,500	5.0%	5.0%	$ 190,000	$ 0	0.0%	$ 9,500	5.0%	5.0%
2.9.2	Metal Cladding	CL2	0.0%	$ 160,000	$ 180,000	$ 20,000	12.5%	$ 32,000	20.0%	32.5%	$ 200,000	$ 40,000	25.0%	$ 32,000	20.0%	45.0%
2.9.3	Equitone, CFC soffit cladding	CL3	0.0%	$ 340,000	$ 430,000	$ 90,000	26.5%	$ 68,000	20.0%	46.5%	$ 430,000	$ 90,000	26.5%	$ 68,000	20.0%	46.5%
2.9.4	Window System	CL4	5.0%	$ 1,340,000	$ 1,340,000	$ 0	0.0%	$ 134,000	10.0%	10.0%	$ 1,340,000	$ 0	0.0%	$ 134,000	10.0%	10.0%

2.9.5	Secondary Framing	CL5	65.0%	$ 180,000	$ 180,000	$ 0	0.0%	$ 9,000	5.0%	5.0%	$ 180,000	$ 0	0.0%	$ 9,000	5.0%	5.0%
2.10	Aluminium Façade Glazed Wall, Skylight, Balcony Balustrading,	WW	100.0%	$ 90,000	$ 100,000	$ 10,000	11.1%	$ 0	0.0%	11.1%	$ 100,000	$ 10,000	11.1%	$ 0	0.0%	11.1%
2.11	Tanking and Waterproofing	WA	100.0%	$ 250,000	$ 250,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 250,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.12	Masonry	MA	0.0%	$ 0	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%
2.13	Miscellaneous Metalwork, Louvres, Catwalk and Perforated Screen	MW	10.2%	$ 1,070,000	$ 1,030,000	-$ 40,000	-3.7%	$ 108,500	10.1%	6.4%	$ 1,030,000	-$ 40,000	-3.7%	$ 108,500	10.1%	6.4%
2.13.1	Perforated Screens and Gates	MW1	7.5%	$ 410,000	$ 370,000	-$ 40,000	-9.8%	$ 41,000	10.0%	0.2%	$ 370,000	-$ 40,000	-9.8%	$ 41,000	10.0%	0.2%
2.13.2	Catwalks and Balustrading	MW2	0.0%	$ 90,000	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%
2.13.3	Fixtures and Fittings	MW3	0.0%	$ 40,000	$ 40,000	$ 0	0.0%	$ 8,000	20.0%	20.0%	$ 40,000	$ 0	0.0%	$ 8,000	20.0%	20.0%
2.13.4	Grating	MW4	0.0%	$ 160,000	$ 160,000	$ 0	0.0%	$ 8,000	5.0%	5.0%	$ 160,000	$ 0	0.0%	$ 8,000	5.0%	5.0%
2.13.5	Louvres	MW5	7.5%	$ 230,000	$ 230,000	$ 0	0.0%	$ 23,000	10.0%	10.0%	$ 230,000	$ 0	0.0%	$ 23,000	10.0%	10.0%
2.13.6	Architectural Steelwork - Fascia	MW6	41.0%	$ 150,000	$ 150,000	$ 0	0.0%	$ 15,000	10.0%	10.0%	$ 150,000	$ 0	0.0%	$ 15,000	10.0%	10.0%
2.14	Hardware (Install Only)	HW1	0.0%	$ 10,000	$ 10,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 10,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.15	Partitions and Linings	PP	41.9%	$ 1,840,000	$ 2,540,000	$ 700,000	38.0%	$ 0	0.0%	38.0%	$ 2,740,000	$ 900,000	48.9%	$ 0	0.0%	48.9%
2.15.1	Partitions	PP1	50.0%	$ 1,030,000	$ 1,700,000	$ 670,000	65.0%	$ 0	0.0%	65.0%	$ 1,910,000	$ 880,000	85.4%	$ 0	0.0%	85.4%
2.15.2	Linings	PP2	35.0%	$ 740,000	$ 740,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 740,000	$ 0	0.0%	$ 0	0.0%	0.0%
2.15.3	Toilet Partitions	PP3	0.0%	$ 80,000	$ 90,000	$ 10,000	12.5%	$ 0	0.0%	12.5%	$ 90,000	$ 10,000	12.5%	$ 0	0.0%	12.5%
2.16	Operable Walls	OP	7.5%	$ 360,000	$ 690,000	$ 330,000	91.7%	$ 0	0.0%	91.7%	$ 690,000	$ 330,000	91.7%	$ 0	0.0%	91.7%
2.17	Suspended Ceilings	CE	5.8%	$ 2,050,000	$ 2,250,000	$ 200,000	9.8%	$ 206,000	10.0%	19.8%	$ 2,250,000	$ 200,000	9.8%	$ 309,000	15.1%	24.8%
2.17.1	Ceilings	CE1	5.0%	$ 1,340,000	$ 1,460,000	$ 120,000	9.0%	$ 134,000	10.0%	19.0%	$ 1,460,000	$ 120,000	9.0%	$ 201,000	15.0%	24.0%
2.17.2	Insulation	CE2	15.0%	$ 350,000	$ 430,000	$ 80,000	22.9%	$ 35,000	10.0%	32.9%	$ 430,000	$ 80,000	22.9%	$ 52,500	15.0%	37.9%
2.17.3	Pelmets	CE3	0.0%	$ 140,000	$ 140,000	$ 0	0.0%	$ 14,000	10.0%	10.0%	$ 140,000	$ 0	0.0%	$ 21,000	15.0%	15.0%
2.17.4	Bulkheads	CE4	0.0%	$ 70,000	$ 70,000	$ 0	0.0%	$ 7,000	10.0%	10.0%	$ 70,000	$ 0	0.0%	$ 10,500	15.0%	15.0%
2.17.5	CFC Sheeting	CE5	0.0%	$ 150,000	$ 150,000	$ 0	0.0%	$ 15,000	10.0%	10.0%	$ 150,000	$ 0	0.0%	$ 22,500	15.0%	15.0%
2.17.6	Access Panels	CE6	0.0%	$ 10,000	$ 10,000	$ 0	0.0%	$ 1,000	10.0%	10.0%	$ 10,000	$ 0	0.0%	$ 1,500	15.0%	15.0%
2.18	Removed Raised Floor	OT	0.0%	$ 50,000	$ 100,000	$ 50,000	100.0%	$ 0	0.0%	100.0%	$ 150,000	$ 100,000	200.0%	$ 0	0.0%	200.0%
2.19	Door and Door Frame	DO	10.0%	$ 220,000	$ 330,000	$ 110,000	50.0%	$ 33,000	15.0%	65.0%	$ 330,000	$ 110,000	50.0%	$ 33,000	15.0%	65.0%
2.20	Door Hardware - Supply Only	HW2	0.0%	$ 200,000	$ 200,000	$ 0	0.0%	$ 20,000	10.0%	10.0%	$ 200,000	$ 0	0.0%	$ 20,000	10.0%	10.0%
2.21	Specialist Floors (D&C Items)	SF	5.0%	$ 180,000	$ 180,000	$ 0	0.0%	$ 18,000	10.0%	10.0%	$ 180,000	$ 0	0.0%	$ 18,000	10.0%	10.0%
2.22	Resilient Finishes (Carpet and Vinyl)	RF	0.0%	$ 210,000	$ 190,000	-$ 20,000	-9.5%	$ 31,500	15.0%	5.5%	$ 190,000	-$ 20,000	-9.5%	$ 31,500	15.0%	5.5%
2.23	Non-Resilient Finishes (Tiling)	TI	5.1%	$ 690,000	$ 670,000	-$ 20,000	-2.9%	$ 105,000	15.2%	12.3%	$ 670,000	-$ 20,000	-2.9%	$ 140,000	20.3%	17.4%
2.23.1	Wall Tiling	TI1	5.0%	$ 360,000	$ 340,000	-$ 20,000	-5.6%	$ 54,000	15.0%	9.4%	$ 340,000	-$ 20,000	-5.6%	$ 72,000	20.0%	14.4%
2.23.2	Floor Tiling	TI2	5.0%	$ 150,000	$ 150,000	$ 0	0.0%	$ 22,500	15.0%	15.0%	$ 150,000	$ 0	0.0%	$ 30,000	20.0%	20.0%
2.23.3	Skirtings	TI3	10.0%	$ 10,000	$ 10,000	$ 0	0.0%	$ 1,500	15.0%	15.0%	$ 10,000	$ 0	0.0%	$ 2,000	20.0%	20.0%
2.23.4	External Tiling	TI4	0.0%	$ 90,000	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%	$ 90,000	$ 0	0.0%	$ 18,000	20.0%	20.0%
2.23.5	Waterproofing	TI5	10.0%	$ 90,000	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%	$ 90,000	$ 0	0.0%	$ 18,000	20.0%	20.0%
2.24	Stoneworks	ST	0.0%	$ 90,000	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%	$ 90,000	$ 0	0.0%	$ 13,500	15.0%	15.0%
2.25	Plastering and Painting	PA	8.8%	$ 290,000	$ 300,000	$ 10,000	3.4%	$ 14,500	5.0%	8.4%	$ 300,000	$ 10,000	3.4%	$ 29,000	10.0%	13.4%
2.25.1	Paint Ceilings	PA1	3.0%	$ 60,000	$ 60,000	$ 0	0.0%	$ 3,000	5.0%	5.0%	$ 60,000	$ 0	0.0%	$ 6,000	10.0%	10.0%
2.25.2	Paint Walls	PA2	3.0%	$ 100,000	$ 110,000	$ 10,000	10.0%	$ 5,000	5.0%	15.0%	$ 110,000	$ 10,000	10.0%	$ 10,000	10.0%	20.0%
2.25.3	Precast Items Sealer	PA3	25.0%	$ 80,000	$ 80,000	$ 0	0.0%	$ 4,000	5.0%	5.0%	$ 80,000	$ 0	0.0%	$ 8,000	10.0%	10.0%
2.25.4	Paint - Timber	PA4	0.0%	$ 50,000	$ 50,000	$ 0	0.0%	$ 2,500	5.0%	5.0%	$ 50,000	$ 0	0.0%	$ 5,000	10.0%	10.0%
3	Roof Cladding		97.1%	$ 1,020,000	$ 1,020,000	$ 0	0.0%	$ 51,000	5.0%	5.0%	$ 1,020,000	$ 0	0.0%	$ 51,000	5.0%	5.0%
3.1	Preliminaries	PR3	100.7%	$ 140,000	$ 140,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 140,000	$ 0	0.0%	$ 0	0.0%	0.0%
3.2	Roofing	RO	72.5%	$ 880,000	$ 880,000	$ 0	0.0%	$ 51,000	5.8%	5.8%	$ 880,000	$ 0	0.0%	$ 51,000	5.8%	5.8%
3.2.1	Roof Sheeting	RO1	75.0%	$ 540,000	$ 540,000	$ 0	0.0%	$ 27,000	5.0%	5.0%	$ 540,000	$ 0	0.0%	$ 27,000	5.0%	5.0%
3.2.2	Insulation	RO2	75.0%	$ 70,000	$ 70,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 70,000	$ 0	0.0%	$ 0	0.0%	0.0%
3.2.3	Gutters, Fascia, Flashings, etc.	RO3	75.0%	$ 240,000	$ 240,000	$ 0	0.0%	$ 24,000	10.0%	10.0%	$ 240,000	$ 0	0.0%	$ 24,000	10.0%	10.0%
3.2.4	Roof Safety System	RO4	10.0%	$ 30,000	$ 30,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 30,000	$ 0	0.0%	$ 0	0.0%	0.0%
4	Fitout & Fittings		23.4%	$ 5,490,000	$ 5,620,000	$ 130,000	2.4%	$ 353,500	6.4%	8.8%	$ 5,700,000	$ 210,000	3.8%	$ 691,000	12.6%	16.4%
4.1	Preliminaries	PR4	100.7%	$ 750,000	$ 750,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 750,000	$ 0	0.0%	$ 0	0.0%	0.0%
4.2	Kitchen Equipment - Fixed Item	KE	0.0%	$ 810,000	$ 890,000	$ 80,000	9.9%	$ 81,000	10.0%	19.9%	$ 980,000	$ 170,000	21.0%	$ 121,500	15.0%	36.0%
4.3	Kitchen Equipment - Loose Item	KL	0.0%	$ 120,000	$ 120,000	$ 0	0.0%	$ 12,000	10.0%	10.0%	$ 120,000	$ 0	0.0%	$ 18,000	15.0%	15.0%
4.4	Auditorium AV Services and Equipment	AV1	7.5%	$ 1,530,000	$ 1,530,000	$ 0	0.0%	$ 76,500	5.0%	5.0%	$ 1,530,000	$ 0	0.0%	$ 229,500	15.0%	15.0%
4.5	Conference AV Services and Equipment	AV2	7.5%	$ 480,000	$ 480,000	$ 0	0.0%	$ 24,000	5.0%	5.0%	$ 480,000	$ 0	0.0%	$ 72,000	15.0%	15.0%
4.6	Auditorium Seating	SA	34.9%	$ 1,080,000	$ 1,080,000	$ 0	0.0%	$ 108,000	10.0%	10.0%	$ 1,080,000	$ 0	0.0%	$ 162,000	15.0%	15.0%
4.7	Windows Treatments	WT	0.0%	$ 280,000	$ 280,000	$ 0	0.0%	$ 14,000	5.0%	5.0%	$ 280,000	$ 0	0.0%	$ 28,000	10.0%	10.0%
4.8	Back of House (BOH) Statutory Signage	SI1	0.0%	$ 10,000	$ 10,000	$ 0	0.0%	$ 500	5.0%	5.0%	$ 10,000	$ 0	0.0%	$ 1,000	10.0%	10.0%
4.10	Joinery Fittings and Furniture	JO	0.0%	$ 320,000	$ 360,000	$ 40,000	12.5%	$ 32,000	10.0%	22.5%	$ 360,000	$ 40,000	12.5%	$ 48,000	15.0%	27.5%
4.11	Signage: Front of house Statutory, Wayfinding and Building	SI2	0.0%	$ 110,000	$ 110,000	$ 0	0.0%	$ 5,500	5.0%	5.0%	$ 110,000	$ 0	0.0%	$ 11,000	10.0%	10.0%
4.12	Loose Furniture	FU	0.0%	$ 0	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%	$ 0	$ 0	0.0%	$ 0	0.0%	0.0%
4.13	Lift Car Interiors	TS1	0.0%	$ 10,000	$ 10,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 10,000	$ 0	0.0%	$ 0	0.0%	0.0%
5	Building Services		67.9%	$ 8,960,000	$ 10,000,000	$ 1,440,000	16.6%	$ 553,500	4.8%	23.3%	$ 10,650,000	$ 2,090,000	24.4%	$ 885,600	10.3%	34.8%
5.1	Preliminaries	PR5	100.7%	$ 1,170,000	$ 1,170,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 1,170,000	$ 0	0.0%	$ 0	0.0%	0.0%
5.2	Hydraulic Services and Siphonic Drainage (refer to breakdown)	HS	75.6%	$ 1,040,000	$ 1,150,000	$ 110,000	10.6%	$ 78,000	7.5%	18.1%	$ 1,150,000	$ 110,000	10.6%	$ 124,800	12.0%	22.6%
5.3	Civil Drainage	DR	95.0%	$ 70,000	$ 70,000	$ 0	0.0%	$ 5,250	7.5%	7.5%	$ 70,000	$ 0	0.0%	$ 8,400	12.0%	12.0%
5.4	Electrical Services and Security (refer to breakdown)	ES	28.0%	$ 1,500,000	$ 1,720,000	$ 220,000	14.7%	$ 112,500	7.5%	22.2%	$ 1,720,000	$ 220,000	14.7%	$ 180,000	12.0%	26.7%
5.5	Lighting (Supply Light Fittings, Lamps and Control Gear)	LI	0.0%	$ 600,000	$ 600,000	$ 0	0.0%	$ 45,000	7.5%	7.5%	$ 600,000	$ 0	0.0%	$ 72,000	12.0%	12.0%
5.6	Mechanical Services (refer to breakdown)	MS	85.9%	$ 2,790,000	$ 3,780,000	$ 990,000	35.5%	$ 209,250	7.5%	43.0%	$ 4,420,000	$ 1,630,000	58.4%	$ 334,800	12.0%	70.4%
5.7	Fire Sprinkler Services (refer to breakdown)	FS	74.3%	$ 530,000	$ 660,000	$ 130,000	24.5%	$ 39,750	7.5%	32.0%	$ 670,000	$ 140,000	26.4%	$ 63,600	12.0%	38.4%
5.8	Cablenet System	SV	7.5%	$ 250,000	$ 250,000	$ 0	0.0%	$ 18,750	7.5%	7.5%	$ 250,000	$ 0	0.0%	$ 30,000	12.0%	12.0%
5.9	Vertical Transportations Services (refer to breakdown)	TS2	85.7%	$ 600,000	$ 610,000	$ 10,000	1.7%	$ 45,000	7.5%	9.2%	$ 610,000	$ 10,000	1.7%	$ 72,000	12.0%	13.7%
6	Other		88.2%	$ 510,000	$ 610,000	$ 100,000	19.6%	$ 0	0.0%	19.6%	$ 620,000	$ 110,000	21.6%	$ 0	0.0%	21.6%
6.1	Preliminaries	PR6	100.7%	$ 70,000	$ 70,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 80,000	$ 10,000	14.3%	$ 0	0.0%	14.3%
6.2	Weld Theatre / Art Geo Works	XE1	80.0%	$ 250,000	$ 290,000	$ 40,000	16.0%	$ 0	0.0%	16.0%	$ 290,000	$ 40,000	16.0%	$ 0	0.0%	16.0%
6.3	BWIC to Weld Theatre/Art Geo Works	XE2	100.0%	$ 180,000	$ 180,000	$ 0	0.0%	$ 0	0.0%	0.0%	$ 180,000	$ 0	0.0%	$ 0	0.0%	0.0%
6.4	Landscaping Compliance	XE3	0.0%	$ 10,000	$ 70,000	$ 60,000	600.0%	$ 0	0.0%	600.0%	$ 70,000	$ 60,000	600.0%	$ 0	0.0%	600.0%
	Forecast Final Cost		57.5%	$ 38,000,000	$ 44,780,000	$ 6,780,000	17.8%	$ 1,867,500	4.9%	22.8%	$ 46,420,000	$ 8,420,000	22.2%	$ 2,623,600	6.9%	29.1%

Saltwater Financials
Mothball 5 Year Option Summary

Ref.	Trade	Forecast Final Cost Mothball 5 Years						KPMG Comments
		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case	Delta to Worst Case	
1.0	Preliminaries	$ 5,210,000	$ 1,700,000	$ 6,910,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	8 months $ 200,000 per month additional prelims plus $ 100,000 remobilisation included
2.0	Trades including Variations	$ 28,660,000	$ 12,780,000	$ 41,440,000	$ 8,650,000	$ 8,650,000	$ 8,650,000	Delta due to variaitons included above the line
2.1	Substructure	$ 960,000	$ 0	$ 960,000	$ 130,000	$ 130,000	$ 130,000	Delta due to variaitons included above the line
2.2	Superstructure	$ 17,390,000	$ 7,010,000	$ 24,400,000	$ 5,880,000	$ 5,880,000	$ 5,880,000	Delta due to variaitons included above the line
2.3	Roof Cladding	$ 930,000	$ 0	$ 930,000	$ 50,000	$ 50,000	$ 50,000	Delta due to variaitons included above the line
2.4	Fitout & Fittings	$ 1,200,000	$ 4,030,000	$ 5,230,000	$ 490,000	$ 490,000	$ 490,000	Delta due to variaitons included above the line
2.5	Building Services	$ 7,640,000	$ 1,740,000	$ 9,380,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	Delta due to variaitons included above the line
2.6	Other	$ 540,000	$ 0	$ 540,000	$ 100,000	$ 100,000	$ 100,000	Delta due to variaitons included above the line
	Total Mothball Revised Contract Sum	$ 33,870,000	$ 14,480,000	$ 48,350,000	$ 10,350,000	$ 10,350,000	$ 10,350,000	
3.0	Variations	Incl in 2.0	Incl in 2.0	Incl in 2.0	-$ 7,510,000	-$ 8,650,000	-$ 11,040,000	
3.1	Variations Approved - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.2	Variations Forecast - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.3	Variations Forecast - Unsubmitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
4.0	Under Provisional Sum	$ 110,000	$ 0	$ 110,000	$ 60,000	$ 0	$ 0	
	Total Forecast Mothball Variations Cost Excl Covid Claims	$ 110,000	$ 0	$ 110,000	-$ 7,450,000	-$ 8,650,000	-$ 11,040,000	
5.0	EOT & Termination (1% of remaining cost to complete)	$ 670,000	$ 0	$ 670,000	$ 670,000	$ 130,000	-$ 890,000	90 days $ 6,000 per day $ 12,770,000 1% of cost remaining for termination of contract
6.0	Covid	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
	Total Forecast Cost Incl Covid Claims	$ 34,650,000	$ 14,480,000	$ 49,130,000	$ 3,570,000	$ 1,830,000	-$ 1,580,000	Delta due to additonal prelims under a new contract
7.0	Other Construction Costs	$ 0	$ 650,000	$ 650,000	$ 0	$ 0	$ 0	
7.1	Loose Furniture / AV	$ 0	$ 250,000	$ 250,000	$ 0	$ 0	$ 0	
7.2	Landscaping	$ 0	$ 400,000	$ 400,000	$ 0	$ 0	$ 0	
8.0	Other Soft Costs	$ 3,095,000	$ 520,000	$ 3,615,000	$ 545,000	$ 195,000	-$ 85,000	
8.1	Professional Fees	$ 3,095,000	$ 320,000	$ 3,415,000	$ 545,000	$ 195,000	-$ 85,000	Original plus 9 months $25,000 variaitons plus New 8 months $ 40,000
8.2	Utility Costs, IT hardware and Other	$ 0	$ 200,000	$ 200,000	$ 0	$ 0	$ 0	
9.0	Contingencies	$ 0	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	
9.1	Contingencies	$ 0	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	New contingency provision for remaining works 5% of remaining and new costs
10.0	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	
10.1	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	260 calendar $ 3,820 per day to end of Oct 24 as per mothball start date
11.0	Escalation	$ 0	$ 3,120,000	$ 3,120,000	$ 3,120,000	$ 3,120,000	$ 3,120,000	
11.1	Escalation	$ 0	$ 3,120,000	$ 3,120,000	$ 3,120,000	$ 3,120,000	$ 3,120,000	19.00% 5 year to 28/29 42% 10 years to 33/34
	Total Forecast Cost	$ 36,755,000	$ 19,550,000	$ 56,305,000	$ 7,025,000	$ 6,385,000	$ 1,785,000	
12.0	Existing Grant Fund repaid by City to the Commonwealth			$ 11,007,310	$ 11,007,310	$ 11,007,310	$ 11,007,310	
	Total Forecast Cost (Including Grant Fund for Mothball Options)			$ 67,312,310	$ 18,032,310	$ 17,392,310	$ 12,792,310	
13.0	Approved Project Funding			$ 44,550,000				
	Funding Shortfall excluding Liquidated Damages			$ 22,762,310				

Saltwater Financials
Mothball 10 Year Option Summary

Ref.	Trade	Forecast Final Cost Mothball 10 Years						KPMG Comments
		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case	Delta to Worst Case	
1.0	Preliminaries	$ 5,210,000	$ 1,700,000	$ 6,910,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	8 months $ 200,000 per month additional prelims plus $ 100,000 remobilisation included
2.0	Trades including Variations	$ 28,660,000	$ 12,780,000	$ 41,440,000	$ 8,650,000	$ 8,650,000	$ 8,650,000	Delta due to variaitons included above the line
2.1	Substructure	$ 960,000	$ 0	$ 960,000	$ 130,000	$ 130,000	$ 130,000	Delta due to variaitons included above the line
2.2	Superstructure	$ 17,390,000	$ 7,010,000	$ 24,400,000	$ 5,880,000	$ 5,880,000	$ 5,880,000	Delta due to variaitons included above the line
2.3	Roof Cladding	$ 930,000	$ 0	$ 930,000	$ 50,000	$ 50,000	$ 50,000	Delta due to variaitons included above the line
2.4	Fitout & Fittings	$ 1,200,000	$ 4,030,000	$ 5,230,000	$ 490,000	$ 490,000	$ 490,000	Delta due to variaitons included above the line
2.5	Building Services	$ 7,640,000	$ 1,740,000	$ 9,380,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	Delta due to variaitons included above the line
2.6	Other	$ 540,000	$ 0	$ 540,000	$ 100,000	$ 100,000	$ 100,000	Delta due to variaitons included above the line
	Total Mothball Revised Contract Sum	$ 33,870,000	$ 14,480,000	$ 48,350,000	$ 10,350,000	$ 10,350,000	$ 10,350,000	
3.0	Variations	Incl in 2.0	Incl in 2.0	Incl in 2.0	-$ 7,510,000			
3.1	Variations Approved - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.2	Variations Forecast - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.3	Variations Forecast - Unsubmitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
4.0	Under Provisional Sum	$ 110,000	$ 0	$ 110,000	$ 60,000	$ 0	$ 0	
	Total Forecast Mothball Variations Cost Excl Covid Claims	$ 110,000	$ 0	$ 110,000	-$ 7,450,000	-$ 8,650,000	-$ 11,040,000	
5.0	EOT & Termination (1% of remaining cost to complete)	$ 670,000	$ 0	$ 670,000	$ 670,000	$ 130,000	-$ 890,000	90 days $ 6,000 per day $ 12,770,000 1% of cost remaining for termination of contract
6.0	Covid	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
	Total Forecast Cost Incl Covid Claims	$ 34,650,000	$ 14,480,000	$ 49,130,000	$ 3,570,000	$ 1,830,000	-$ 1,580,000	Delta due to additonal prelims under a new contract
7.0	Other Construction Costs	$ 0	$ 650,000	$ 650,000	$ 0	$ 0	$ 0	
7.1	Loose Furniture / AV	$ 0	$ 250,000	$ 250,000	$ 0	$ 0	$ 0	
7.2	Landscaping	$ 0	$ 400,000	$ 400,000	$ 0	$ 0	$ 0	
8.0	Other Soft Costs	$ 3,095,000	$ 520,000	$ 3,615,000	$ 545,000	$ 195,000	-$ 85,000	
8.1	Professional Fees	$ 3,095,000	$ 320,000	$ 3,415,000	$ 545,000	$ 195,000	-$ 85,000	Original plus 9 months $25,000 variaitons plus New 8 months $ 40,000
8.2	Utility Costs, IT hardware and Other	$ 0	$ 200,000	$ 200,000	$ 0	$ 0	$ 0	
9.0	Contingencies	$ 0	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	
9.1	Contingencies	$ 0	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	New contingency provision for remaining works 5% of remaining and new costs
10.0	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	
10.1	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	260 calendar $ 3,820 per day to end of Oct 24 as per mothball start date
11.0	Escalation	$ 0	$ 6,860,000	$ 6,860,000	$ 6,860,000	$ 6,860,000	$ 6,860,000	
11.1	Escalation	$ 0	$ 6,860,000	$ 6,860,000	$ 6,860,000	$ 6,860,000	$ 6,860,000	41.74% 5 year to 28/29 42% 10 years to 33/34
	Total Forecast Cost	$ 36,755,000	$ 23,290,000	$ 60,045,000	$ 10,765,000	$ 10,125,000	$ 5,525,000	
12.0	Existing Grant Fund repaid by City to the Commonwealth			$ 11,007,310	$ 11,007,310	$ 11,007,310	$ 11,007,310	
	Total Forecast Cost (Including Grant Fund for Mothball Options)			$ 71,052,310	$ 21,772,310	$ 21,132,310	$ 16,532,310	
13.0	Approved Project Funding			$ 44,550,000				
	Funding Shortfall excluding Liquidated Damages			$ 26,502,310				

Saltwater Financials
Mothball Demolition Option Summary

Ref.	Trade	Forecast Final Cost Mothball Demolition Option						KPMG Comments
		Works Complete to End of Oct 24	Remaining Original & New Costs	Total Cost	Delta to Reported	Delta to Best Case	Delta to Worst Case	
1.0	Preliminaries	$ 5,210,000	$ 1,220,000	$ 6,430,000	$ 1,220,000	$ 1,220,000	$ 1,220,000	4 months $ 280,000 per month additional prelims plus $ 100,000 remobilisation included
2.0	Trades including Variations	$ 28,660,000	$ 2,420,000	$ 31,080,000	-$ 1,710,000	-$ 1,710,000	-$ 1,710,000	Delta due to variaitons included above the line
2.1	Substructure	$ 960,000	$ 0	$ 960,000	$ 130,000	$ 130,000	$ 130,000	Delta due to variaitons included above the line
2.2	Superstructure	$ 17,390,000	$ 0	$ 17,390,000	-$ 1,130,000	-$ 1,130,000	-$ 1,130,000	Delta due to variaitons included above the line
2.3	Roof Cladding	$ 930,000	$ 0	$ 930,000	$ 50,000	$ 50,000	$ 50,000	Delta due to variaitons included above the line
2.4	Fitout & Fittings	$ 1,200,000	$ 0	$ 1,200,000	-$ 3,540,000	-$ 3,540,000	-$ 3,540,000	Delta due to variaitons included above the line
2.5	Building Services	$ 7,640,000	$ 0	$ 7,640,000	$ 260,000	$ 260,000	$ 260,000	Delta due to variaitons included above the line
2.6	Other	$ 540,000	$ 0	$ 540,000	$ 100,000	$ 100,000	$ 100,000	Delta due to variaitons included above the line
2.6	Demolition & Make Good Site	$ 0	$ 2,420,000	$ 2,420,000	$ 2,420,000	$ 2,420,000	$ 2,420,000	
	Total Mothball Revised Contract Sum	$ 33,870,000	$ 3,640,000	$ 37,510,000	-$ 490,000	-$ 490,000	-$ 490,000	
3.0	Variations	Incl in 2.0	Incl in 2.0	Incl in 2.0	-$ 7,510,000			
3.1	Variations Approved - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.2	Variations Forecast - Submitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
3.3	Variations Forecast - Unsubmitted	Incl in 2.0	Incl in 2.0	Incl in 2.0				
4.0	Under Provisional Sum	$ 110,000	$ 0	$ 110,000	$ 60,000	$ 0	$ 0	
	Total Forecast Mothball Variations Cost Excl Covid Claims	$ 110,000	$ 0	$ 110,000	-$ 7,450,000	-$ 8,650,000	-$ 11,040,000	
5.0	EOT & Termination (1% of remaining cost to complete)	$ 670,000	$ 0	$ 670,000	$ 670,000	$ 130,000	-$ 890,000	90 days $ 6,000 per day $ 12,770,000 1% of cost remaining for termination of contract
6.0	Covid	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
	Total Forecast Cost Incl Covid Claims	$ 34,650,000	$ 3,640,000	$ 38,290,000	-$ 7,270,000	-$ 9,010,000	-$ 12,420,000	Delta due to additonal prelims under a new contract
7.0	Other Construction Costs	$ 0	$ 450,000	$ 450,000	-$ 200,000	-$ 200,000	-$ 200,000	
7.1	Loose Furniture / AV	$ 0	$ 0	$ 0	-$ 250,000	-$ 250,000	-$ 250,000	
7.2	Landscaping	$ 0	$ 450,000	$ 450,000	$ 50,000	$ 50,000	$ 50,000	
8.0	Other Soft Costs	$ 3,095,000	$ 0	$ 3,095,000	$ 25,000	-$ 325,000	-$ 605,000	
8.1	Professional Fees	$ 3,095,000	$ 0	$ 3,095,000	$ 225,000	-$ 125,000	-$ 405,000	Original plus 9 months $25,000 variaitons plus New 4 months $ 40,000
8.2	Utility Costs, IT hardware and Other	$ 0	$ 0	$ 0	-$ 200,000	-$ 200,000	-$ 200,000	
9.0	Contingencies	$ 0	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	
9.1	Contingencies	$ 0	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	New contingency provision for remaining works 5% of remaining and new costs
10.0	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	
10.1	Liquidated Damages	-$ 990,000	$ 0	-$ 990,000	-$ 990,000	$ 460,000	-$ 450,000	260 calendar $ 3,820 per day to end of Oct 24 as per mothball start date
11.0	Escalation	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
11.1	Escalation	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	0.00% 5 year to 28/29 42% 10 years to 33/34
	Total Forecast Cost	$ 36,755,000	$ 4,290,000	$ 41,045,000	-$ 8,235,000	-$ 8,875,000	-$ 13,475,000	
12.0	Existing Grant Fund repaid by City to the Commonwealth			$ 11,007,310	$ 11,007,310	$ 11,007,310	$ 11,007,310	
	Total Forecast Cost (Including Grant Fund for Mothball Options)			$ 52,052,310	$ 2,772,310	$ 2,132,310	-$ 2,467,690	
13.0	Approved Project Funding			$ 44,550,000				
	Funding Shortfall excluding Liquidated Damages			$ 7,502,310				

City of Busselton
BPACC

Master Risk Register

DONALD CANT WATTS CORKE

Date: 16-Nov-22
Stage: Construction
Version: 2.0

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
1.00	**Safety**													
1.01	Safety issue arises during construction	All	5	3	15	E	Safety in Design reviews to reduce risk. Competent Contractor and safety vigilance on site. Safety Management Plan and regular site vigilance by all project team as appropriate.	KHA / DCWC / BC		2	60%	6	M	
1.02	Works occurring which do not align with agreed OH&S Plan	All	5	2	10	H	Regular reviews and top Agenda item at progress meetings. Broad have on site SHEQ Advisor to monitor the works in alignment with the plan.	BC / CoB		2	60%	4	M	
1.03	Working beyond the site boundary and damage to persons and property	All	5	3	15	E	Covered in Safety Management Plan	BC		2	60%	6	M	
2.00	**Environmental / Geotechnical / Site**													
2.01	Unexpected discovery of site contamination	T C	4	2	8	H	Geotech survey provided. Proactive notification to the client group. Manage in accordance with relevant Management Plan. RISK REALISED with some ACM identified in buried fence panels.	BC		3	40%	5	M	
2.02	Unidentified below ground structures	T C	3	2	6	M	Geotech survey provided. Proactive notification to the client group. Manage in accordance with relevant Management Plan. RISK REALISED - unrecorded below ground structures removed.	BC		3	40%	4	L	
2.03	Latent Conditions in Existing Structures	T C	4	2	8	H	Early investigations to confirm presence (if any) of hazardous materials to allow planning. Hazmat plan provided. Proactive notification to the client group. Manage in accordance with relevant Management Plan.	BC		3	40%	5	M	

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
2.04	Unidentified services impacting works	T	4	1	4	M	Dial before you dig completed and service scanning completed. Site surveys undertaken prior to excavations. As constructed reviews.	BC		2	60%	2	L	
2.05	Compaction requirements for shallow foundation with potential water level at 1.0m below ground level is could require dewatering to ensure water level is at least 1m below bottom or proposed footing level. Additional information is to be provided by Structerre on this issue to allow Earthworks Specifications to be drawn up that meet the geotechnical requirements for this site.	TC	4	2	8	H	Structerre / BGE to review and confirm.	BGE (KHA)		2	60%	3	L	
2.06	Aboriginal artifact discovery and remains		4	2	8	H	Early advice and consideration for spotter to identify uncovered items			2	60%	3	L	
2.07	Dewatering Management Plan - infiltration rates excessive and environmental impact requiring off-site balancing		3	3	9	H	Carry out in-ground works as quick as possible - prioritise works. Dewatering Management Plan submitted for comments and approval.	BC		4	20%	7	M	
3.00	**Stakeholder/Political/Legal**													
3.01	Stakeholder disagreement over design issue results in decision delays/costs	T C	3	2	6	M	Regular meetings to align views and escalation routes confirmed through single decision maker (CoB CEO)	CoB		1	80%	1	L	
3.02	Stakeholders not adequately informed during project leading to late changes	T C	3	3	9	H	Regular meetings and monthly PWG Reports.	CoB/KHA		1	80%	2	L	
3.03	Weld theatre and Art Goe impacted by works	T C	3	3	9	H	Agree extent of site area, access and egress and defined approach to service disruptions for new connections. Broad to ensure Weld Theatre stakeholders are kept informed of upcoming works in advance and any potential disruptions communicated.	BC/CoB		3	40%	5	M	
3.04	Adjacent properties (opposite side of road)	T C	2	2	4	M	Advanced planning, exclusion zones, remove items and store off site, vibration monitoring, screening and demolition methodology (slow and considered)	BC/CoB		3	40%	2	L	
3.05	Construction Contract T&C's create issue through differing interpretation	T C	3	3	9	H	Contract Conditions adapted to suit scale and location of works. Principal's Rep engaged to act fair and reasonably. Advance notifications of any potential issues in Contract.	BC/CoB/DCWC		3	40%	5	M	

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
3.06	Progressive design client sign off not completed and/or changes directed resulting in cost increases in VE assumptions and/or programme delays	T C	4	4	16	E	Client signoff to be progressively undertaken and captured in design reports. Information required clearly identified for documentation. Establish VE costs as early as possible.	CoB/KHA		3	40%	10	H	
3.07	Auditorium design not meeting client requirements, including retractable seating	Q	4	2	8	H	Design review and re-presentation with design modified where needed to meet requirements	KHA/CoB		2	60%	3	L	
3.08	Breakdown in communication and Aconex not used effectively or misuse of Aconex	All	4	2	8	H	Effective communication and phone calls etc.	All		2	60%	3	L	
4.00	**Budget / Financial**													
4.01	Value Engineering Development / Unforeseen issues result in Costs exceeding $38m fixed construction budget	T C	5	4	20	E	Continual monitoring or works and Statusing, and agreed mitigation put in place at earliest opportunity	CoB/BC/AG/KHA		1	80%	4	M	
4.02	Client / Stakeholder Changes result in cost overrun	T C	4	3	12	H	Implementation of Change Management from Endorsed Concept/Schematic Design	CoB/AG		2	60%	5	M	
4.03	High level of CVs issued by Design Team / Contractor during construction result in cost increases / time pressures	T C	4	3	12	H	Detailed design reviews through documentation stage as well as progressively undertaken and captured in design reports	CoB/KHA/AG		1	80%	2	L	
4.04	Contractual documentation is inconsistent resulting in increased costs/allowances	T C	4	3	12	H	QA Review of documentation to be undertaken to ensure scope is co-ordinated	DCWC/AG		2	60%	5	M	
4.05	Supply chain issues due to effects of Covid - AV equipment, insulation etc. Delayed supply / unavailability.	T C	4	3	12	H	Early procurement / lock in items	DCWC/AG		4	20%	10	H	
4.06	June deadline missed for Federal funding payment + Lottery Funding not secured + general funding risks	T C	4	3	12	H	Reporting, monitoring and explore other funding opportunities	DCWC/AG		2	60%	5	M	
4.07	Cost plan and budget misalignment with design and client expectations.	C Q					Value Engineering has aligned Contract Price with budget and client expectations.	CoB/AG	Closed					
5.00	**Programme**													
5.01	Interfacing not fully understood, peripheral tasks not scheduled or managed, programme Statusing not done regularly to reflect actual progress	T	2	2	4	M	Continual monitoring of works and statusing, Review of client driven tasks to be undertaken and included in the programme	CoB/BC/DCWC		3	40%	2	L	
5.02	Monitoring of programme not undertaken on a regular enough basis and slippage not identified in time	T	4	3	12	H	Review/ status programme on regular basis and provide regular updates along with any mitigation measures being put in place	CoB/BC/DCWC		2	60%	5	M	

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
5.03	Procurement of required client direct items not co-ordinated with design and or programme leading to items not fitting into design and or creating logistics issues	T	3	3	9	H	Full analysis of items being procured / reused by client to be undertaken and test fitted into the scheme by Design Team - Items are to be procured and delivered on time to be incorporated into the works	CoB/KHA		2	60%	4	L	
5.04	Covid issues result in material delays.	T	4	3	12	H	Procurement programme, co-ordination with master programme. Early order of materials and consideration of storage in CoB premises or securities.	CoB/KHA		4	20%	10	H	
5.05	Covid skill shortages	T	4	3	12	H	Securing early resource commitment through effective procurement timing	BC		3	40%	7	M	
5.06	Misalignment of documentation release	T	4	3	12	H	Regular meetings and updates. Call out issues early. Shop drawing review schedule to maintain progress. Information to be used for resource allocations to be planned.	KHA		2	60%	5	M	
5.07	Government Requirements regarding Covid19 measures may affect delivery of Service	T	4	3	12	H	Appropriate Covid19 management plan. Broad to provide relevant Contract Notice of COVID-19 changes. Any impacts to be communicated through this process.	BC/CoB		4	20%	10	H	
6.00	**Planning and Design**													
6.01	Changes in agreed design, changes in approach impact works	T C	4	1	4	M	Signed off at contract award milestone. Change control instituted to confirm implications prior to any instructions being issued	KHA/CoB/BC		1	80%	1	L	
6.02	Confirmation of Jezet contract with Broad in order to confirm seating clearances and finalisation of setout for forestage pit	TC	4	3	12	H	Early appointment of Jezet. (date to be confirmed as to deadline)	BC/CoB		2	60%	5	M	
6.03	Selection of alternative mechanical equipment increases risk of non-compliance noting existing design had limited compliance margins	Q	4	3	12	H	MDA to review plant selections and revise noise control treatments if required.	BC/CoB/KHA		1	80%	2	L	
6.04	The site has been identified as “C4 – high” atmospheric corrosion due to proximity to beach Understanding if there are any real issues with internal corrosion with natural ventilation.	Q	3	3	9	H	To be discussed at the VE workshop. Risk review based on AS4312.	KHA/BC/CoB		1	80%	2	L	
6.05	Maintenance of external envelope – cleaning and replacement of glazing /cladding	C Q	3	3	9	H	Access openings in façade for access to a worker to clean façade. Discuss at each workshop to ensure focus is maintained on this – Ongoing	KHA/CoB		1	80%	2	L	

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
6.06	Lack of market interest in contractor engagements noting that construction market is extremely heated at present.	T C Q	3	2	6	M	Subcontractors to be appointed as a priority. BC to advise regularly on procurement progress and raise any issues early.	BC		2	60%	2	L	
6.07	Mechanical contractor appointment delays by Broad Construction result in Tier 2 or lesser capable contractor which will in turn have quality and program implications.	T Q	3	3	9	H	Early procurement of appropriately experienced and capable mechanical contractor. Possible deferment of Contractor engagement to determine if market improves (introduces separate risk of lack of input in early stages).	BC		3	40%	5	M	
6.08	Environmental noise emission impacts neighbouring properties due to exceedance of documented levels	TC	2	3	6	M	Staged sign off for sensitive areas prior to closing up to ensure quality of install acceptable and in line with specification. Broad to manage in accordance with relevant management plan (Environmental).	BC / CoB / KHA		1	80%	1	L	
6.09	Environmental noise emission within building exceeds documented levels	TC	2	3	6	M	Staged sign off for sensitive areas prior to closing up to ensure quality of install acceptable and in line with specification. Broad to manage in accordance with relevant management plan (Environmental).	BC / CoB / KHA		1	80%	1	L	
7.00	**Construction**													
7.01	Poor quality results in rework and impact to programme, operations after PC	All	4	3	12	H	High level of supervision, Regular inspections and progressive rectification of any items raised during construction. Broad manage the works in accordance with the Quality Management Plan and address defects via Aconex Field.	BC/KHA		1	80%	2	L	
7.02	Unauthorised persons accessing the work area	All	3	1	3	L	Site hoarding to be secure with controlled access gates - Workers on site to ensure site security is managed. Broad ensure the site boundary is secure at all times.	BC		2	60%	1	L	
7.03	Extensive defects at PC, impact to operations and client enjoyment of facility	All	3	3	9	H	Progressive rectification of defects, regular inspections and reports, Management of drawings review and sign off, setting expectations for quality of finishes. Broad manage the works in accordance with our Quality Plan and systems. Good utilisation of Aconex Field will be important to identify and close defects.	BC/KHA		2	60%	4	L	

Item	Risk Event	Impact (T, C, Q)	INITIAL RISK				Mitigation Strategy	Action by	Status	RESIDUAL RISK				Notes
			Consequence (1-5)	Likelihood (1-5)	Assessment	Risk Rating				Mitigation Effectiveness (1-5)	Percentage Reduction	Assessment	Risk Rating	
7.04	Impact of site noise/dust/general disruption on surrounding businesses	All	4	3	12	H	Use of noise monitoring equipment. Early engagement with surrounding businesses. Providing contact details for early feedback and CoB prompt notifications if issues arise. Review of Management Plans. Broad to manage in accordance with relevant management plan (Noise, Dust & Vibration). Any complaints to be appropriately reported and closed out.	BC		2	60%	5	M	
7.05	Damage to adjacent property, roads	All	3	3	9	H	Dilapidations report completed. Works to be coordinated to avoid damage and ensure any repairs are applied as per dilapidation report.	BC		2	60%	4	L	
7.06	Weld theatre impact on operations during construction	Q	3	3	9	H	Ongoing communications between BC and WC through agreed access protocols/timings etc.	BC		2	60%	4	L	
7.07	Protection of artwork retained on Queen Street	Q	3	3	9	H	Protection to be included (or temporary relocation to suit)	BC		3	40%	5	M	
7.08	Events result in clash in site works/deliveries etc.	Q	3	3	9	H	Traffic management plan and early advice from CoB of any upcoming events that may cause disruption to allow for advanced planning	BC		2	60%	4	L	
8.00	**Handover & Operation**													
8.01	Inadequate documents provided or format not in line requirements	Q	4	3	12	H	Draft manual to be reviewed prior to project completion, Contents page to be advised by VenuesWest	KHA/CoB/DCWC		2	60%	5	M	
8.02	Not gaining access in time for on-site risk assessments	T C	3	3	9	H	Prior to PC user groups to conduct operational risk inspections. Coordination in alignment with Completion Plan required	BC/CoB		2	60%	4	L	
8.03	Lack of coordination for handover	All	3	3	9	H	Operational procedures to be developed for commencing operations in new areas. Broad will manage the handover process in accordance with our Completion Plan process, including sufficient resources to manage handover and building commissioning.	BC/CoB		2	60%	4	L	
8.04	Inadequate training	Q	3	3	9	H	Video training and selection of appropriate attendees	BC		3	40%	5	M	
8.05	Opening dates and requirements not resolved in sufficient time to meet funding/stakeholder expectations	Q	2	3	6	M	Mitigation strategy to be developed					6	M	

DONALD CANT WATTS CORKE

RISK MATRIX

Likelihood						
	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Consequence				

RISK LEGEND

- Extreme - Immediate action required
- High - Senior management attention needed
- Moderate - Management responsibiliy must be spcified and risk monitored
- Low - Managed by routine Procedures

DONALD CANT WATTS CORKE

CONSEQUENCE

Level	Descriptor	Definition						
		Personal Injury	Financial Loss	Project	Environmental Damage	Legislative Breach	Business Interruption	Damage to Reputation
1	Insignificant	No Injuries	Loss of $0 - $50K	No/insignificant implication on the vision, planning, programme, scope and economic balance of the project.	Impact Resolved Can be repaired within 1 month	Minor compliance or technical breach	Forced change in method of service delivery No impact on customer	Unlikely to be raised in public Complaints unlikely to be received
2	Minor	First Aid Treatment required	Loss of $50K - $100K	Minor implication on the vision or the planning, or the programme or the scope or the economic balance.	Impact Repairable Can be repaired within 1 – 6 months	Internal investigation required Audit notification	Forced change in method of service delivery Customer delays of up to 24 hours	Local adverse media coverage Some complaint received
3	Moderate	Medical Treatment required	Loss of $100K - $200K	Event that has a moderate impact on some of the following items: vision, planning, programme, scope, costs.	Environmental damage Can be repaired within 6 – 12 months	External investigation Formal Warning	Forced loss of service Deferred service to Customer of up to 7 days	Adverse media coverage Coordinated representation demands additional resource
4	Major	Serious Injury	Loss $200K - $500K	Major event or string of events that endanger the implementation of the overall project as defined by the Project Team.	Long term environmental damage Will require at least 12 months to repair	Formal investigation Adverse Finding	Forced loss of multiple services Deferred service to Customer of up to 7 days	Sustained media coverage Sustained coordinated representation
5	Catastrophic	Death	Loss of more than $500K +	The project, as it has been defined by the Project Team, is unviable.	Irreversible impact Cannot be repaired or restored	Inquiry, dismissal or prosecution	Complete loss of service No service to customer for more than 7 days	Long term reputation damage at state level

LIKELIHOOD

Level	Descriptor	Explanation
1	Rare	Possible, but very unlikely the situation will occur. <10% probability
2	Unlikely	Unlikely to occur within the next 5 years, but the possibility exists. 11-49% probability
3	Possible	Could occur within the next 5 years. Occurrence may be related to uncontrollable external factors. 50-59% probability
4	Likely	Likely to occur within the next 5 years. External factors and uncontrollability are likely to result in occurrence. 60-79% probability
5	Almost Certain	High likelihood of happening several times in the next 5 years. Continual risk with history of occurrence

CONTROL EFFECTIVENESS

Level	Descriptor	Explanation
1	Almost certain	Management is able to reduce the possibility of occurrence to almost nil. Risk is insurable.
2	High	Able to be influenced by management. External factors have a substantial effect on the risk levels; however they are known and controllable. Risk is insurable.
3	Moderate	Able to be influenced by management. External factors have a substantial effect on the risk levels. Risk is insurable.
4	Low	Potential to be influenced by management.
5	Almost impossible	Beyond management control. Management are unable to exert substantial influence over occurrence of the risk. Risk in uninsurable.

TOTAL CONSTRUCTION	Capitalised Pre Award of Tender Costs	Construction Project Value on Award of Tender	Construction Budgeted Project Value as at November 2024	Construction Budgeted Project Value as at December 2025 inclusive of finalisation with Broad	Borrowing Costs	YTD Actual Project Payments at at 19.01.2026	YTD Actual Commitments as at 19.01.2026	Net Operating Budget 25/26 (excluding borrowing costs)
Construction		$ 38,000,000	$ 37,995,536	$ 37,995,536		$ 36,797,814	$ 600	
Contingency		$ 3,000,000	$ 7,618,428	$ 13,318,428		$ 10,499,718	$ 374,361	
Landscaping		$ 500,000	$ 600,000	$ 600,000		$ 638,622	$ 125,427	
Design / Professional Fees	$ 2,162,967	$ 2,487,000	$ 4,628,500	$ 5,428,500		$ 4,252,953	$ 156,161	
Loose Furniture & Fittings		$ 250,000	$ 250,000	$ 250,000		$ 22,764	$ 191,065	
Utility Costs		$ 163,000	$ 263,000	$ 263,000		$ 110,970	$ -	
IT Hardware & Software		$ 150,000	$ 172,954	$ 172,954		$ 231,165	$ 5,068	
Other		$ -	$ 21,582	$ 21,582		$ 47,364	$ -	$ 1,049,430
TOTAL CONSTRUCTION	**$ 2,162,967**	**$ 44,550,000**	**$ 51,550,000**	**$ 58,050,000**		**$ 52,601,370**	**$ 852,682**	
TOTAL CONSTRUCTION INCLUSIVE PRE AWARD COSTS				**$ 60,212,967**		**Total Spend to Date**	**$ 55,617,019**	
TOTAL BORROWING COSTS FOR LOANS TOTALLING $30m								
Total Forecast Interest					$ 9,863,822			
Total Forecast Guarantee Fee					$ 1,854,479			
TOTAL BORROWING COSTS					**$ 11,718,300**			
TOTAL CONSTRUCTION PLUS BORROWINGS					**$ 71,931,268**			

2025

Project Planning and Management

Framework

City of Busselton
Geographe Bay

Document Set ID: 5527207
Version: 19, Version Date: 19/06/2025

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Purpose

This document describes the Project Management Framework (PM Framework) setting out the City of Busselton's project management methodology, governance requirements, roles and responsibilities and project functions.

Version Control and History

Issue	Date	Prepared by	Amendment	Approved
V1.0	14/10/24	Julie Rawlings	N/A	ELT 14/10/24
V2.0	10/01/24	Julie Rawlings	Knowledge Management: Project Naming Conventions and standards included. Minor grammatical updates.	-
V3.0	03/02/25	Julie Rawlings	Update Complexity Matrix and Reporting	As per ELT 3/2/25
V4.0-11	16/05/25	Julie Rawlings	Pilot Program alignment included	As per ELT 12/5/25
V13.0	4/06/25	Julie Rawlings	Reporting method updated from manual process to Tech1	4/06/25

Enquiries

Project Management Office (PMO)

Enquiries regarding this Framework can be directed to the Project Management Office (PMO) by email to PMO@Busselton.wa.gov.au or phone X749.

The City's PMO is owned by the Director of Corporate Strategy and Performance and managed within the Business Unit of People Culture and Strategy.

The PMO:

- is responsible for the governance and reporting framework relating to project management. This includes the tools and templates to assist and guide staff in the planning and management of projects, including training in the framework.
- will provide Project Managers with advice and support to interpret the PM Framework and apply it to City projects.
- will seek ongoing staff feedback and conduct audits for the propose of quality control on the use of the framework so it can adapt tools to suit the needs of staff and the organisation as we strive for continuous improvement.
- will provide support to the Project Board.

For clarity the PMO will provide guidance, tools and support but it is not responsible for carrying out 'projects' nor responsible for individual project performance.

Together we will deliver quality, value for money projects that make a difference

Tony Nottle, CEO

Overview & Methodology

Background

Project planning and management was raised by staff, through an 'all staff' survey conducted in 2018. The survey identified the need to focus on project management to provide clear guidance, relevant tools and to create consistency in managing and reporting City projects. Work commenced in 2019 on identifying improvements.

The 2023 Organisational Review noted the priority and recommended project management as a prominent focus for the City. As a result, a 'Project Management Office' (PMO) was incorporated into the new organisational structure and included as a function within the new Directorate of Corporate Strategy and Performance. The PMO was assigned to the new Manager, People, Culture and Strategy with development of the 'office' and its day to day running allocated to the Strategic Projects Officer with support provided by the Corporate Strategy Support Officer.

In 2024 a discussion paper was prepared by the Strategic Projects Officer to generate conversation, the aim of which was to establish an agreed position on what a PMO and a PM Framework should look like, along with a range of proposals and example templates for consideration. In May 2024 ELT agreed that the proposals were acceptable as a base to further consult with Staff. Consultation was conducted during July and August 2024.

This PM Framework has been developed as a result of consultation with key staff and shall be embedded into the City's business as usual culture through the staff on-boarding and induction process and regular training in the application of this Framework.

Application of the PM Framework – PILOT PROGRAM

Starting **1 July 2025**, the City will launch the **PMO and Project Management Framework** as a **Pilot program**, focusing on **ELT-identified Council Plan projects**. This pilot will allow us to test and refine the framework through real-world application, creating a solid foundation for its future expansion across the organisation.

Pilot Projects

- Projects included in the Pilot have been set up in the PMO SharePoint site. **Project Owners must complete and submit a new project form** (available on the front page of the PMO site) to the PMO to ensure all background information is fully captured against the project.
- The Framework is applied moving forward and is **not retrospective**. If you already have a project plan, there's no need to recreate it using the new template—you simply continue applying the Framework as your project progresses.
- **Monthly project status reports** are required to be completed for projects within the Pilot and will be provided to the Project Board for review.

Other Projects

- **The Pilot program does not restrict access to the PMO**, Framework, or resources. All project staff are encouraged to explore and utilise the Framework, along with its tools and templates.

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- **Project Filing—**while the Framework does not apply to all capital works projects during the Pilot phase, these projects make up the majority of City initiatives, therefore oversight remains essential. To ensure information for Civil and Parks projects is centralised and accessible the PMO will setup a project folder for each project within the PMO SharePoint site. ***Note:*** *it is acknowledged that CAD drawings in their original format will not be stored in the project folder. Copies in pdf format will be saved in the folder by default as they are prepared for handover to construction.*
- **Control Documents** for Civil and Parks projects (master template available on the PMO site) must be used and made accessible to both the PMO and Project Board.
- **Reporting for capital works projects** that are not part of the Pilot is through the existing Infrastructure and Environment Capital Status Report, which is to be submitted quarterly to the PMO for the Project Board.
- **A Project Close Report—including Lessons Learned—is required.** A standardized template is available on the PMO SharePoint site. Once completed, the report is to be saved in the appropriate PMO project folder for inclusion with the corresponding project within the Capital Works Project Brief catalogue. The PMO will capture the lessons learned from the report for inclusion in the Master Register.

Project Management Software

While project management software has been raised as something that would help project planning and delivery the intent is to first improve our understanding of the diversity of our projects and test the Framework and related tools and templates before moving in this direction. A better understanding of what is needed will guide decisions around suitable software, if required.

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Project Management Framework

The application of sound project management principles and practice is essential to delivering projects on time, on budget and to the required quality. The PM Framework will provide the structure and guidance for a consistent, controlled and rigorous approach to managing projects, appropriate to their complexity.

The PM Framework is not intended to confine project managers to a rigid approach that imposes unnecessary constraints. The aim of the Framework is to provide best practice guidance and supporting tools that strike a balance between the benefits of standardised working practises and the flexibility to accommodate a variety of project types and circumstances.

The objectives of the PM Framework are to:

- Provide guidance and structure in project management
- Ensure probity and accountability
- Deliver quality, value for money projects
- Be easy to use; and
- Enable continuous improvement

Framework Structure

The PM Framework is not intended to be an all-encompassing reference book on project management. The PM Framework provides specific guidance on matters considered essential to how project management is practiced at the City. The guidance is divided into the following parts:

- Defining a Project
- Project Roles and Responsibilities
- Project Control
- Knowledge Management
- Templates & Resources

Project Management Methodology

The methodologies applied within the PM Framework are a blend of project management processes and models in recognition of the variety of projects delivered by the City. To achieve a standardised structure in projects, the methodology ensures that the fundamental principles of the PM Framework are applied to all projects whilst enabling governance, tools, guides and templates to be tailored to project requirements. The tools and templates can also be tailored to suit projects of any size or classification.

Defining a Project

What is a 'Project'

A definition of a 'project' that is subject to the PMO Framework is described below (note this is not applicable during the Pilot):

" An endeavour greater than $25K in total value (including staff costs) with a distinct start and end date to create a product, service or result"

To assist in determining if your endeavour is a project to which the PM Framework applies, below are some questions to ask yourself:

Why are we embarking on this project?

- if it has been identified as part of the City's Strategic Plans and would benefit from the support of a Project Manager, then it may be a project
- If not, then continue to next question

What resources are required, and can we get them?

- If it requires additional budget, external funding, extra staffing/contractors on top of our standard operating budget, then it may be a project
- If it is within my existing budget and doesn't require any additional staff resources, continue to next question

What other departments need to be involved in this project?

- If it requires considerable input and staff resources from another department (outside of their regular operational services), then it may be a project

What is not a Project?

A project is not business as usual such as a continuing program or activity, for example, an annual community funding round or recurring mosquito programme, routine scheduled operations and maintenance. While these activities do require planning and management, they are not considered a 'project' under the proposed Project Management Framework.

If your activity is ongoing with appropriate approvals, FTE, budget, planning and controls already established and can be recreated as part of usual service planning it is not classed as a project. However, if what would normally be considered a business-as-usual activity does not have the desired level of planning and control then you have the option to use the tools within the Project Management Framework to establish that management in moving to a state of business as usual.

If you remain unsure, please contact the Project Management Office PMO@busselton.wa.gov.au

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Project Roles and Responsibilities

Project Board

The Project Board consists of the CEO and all Directors. Other key staff as required may be appointed as advisors to the Board. The Board meets monthly to review the progress of City projects.

The Board is responsible for:

Governance

- Providing governance and oversight of identified projects undertaken by the City, or those that are elevated as an operational risk to the City
- Reviewing and approving the need for a project, as required (including a review of the triggers that determine how and when projects are put forward for consideration)
- Setting the City's project performance vision, providing necessary guidance and resources to the Sponsor/Owner.
- Making decisions of a nature that are outside the authority of the Project Control Group (PCG) or that are escalated to the Board
- Monitor and evaluate the risk identification and management systems in place for each Complex project

Cost Control

- Oversight of project budgets

Reports

- Receiving identified project status reports monthly
- Reviewing post implementation reports outlining delivery experiences and an assessment of the completed project's functionality against original objectives for identified projects
- Reviewing trends identified within Lessons Learned

Communication

- Providing high level communication to Council on identified projects
- Providing comment / decisions back to Project Owners for dissemination to others eg. Project Managers
- Acknowledging the City's project progress and successes

Project Control Group

Project Control Group (PCG) members are identified within the Pre-Planning Project Proposal and Project Plan.

Project Sponsor

The Project Sponsor is a City Director. The Project Sponsor is responsible for:

Governance

- Ultimately accountable for the project
- Approves Project Complexity rating and Project Initiation Document
- Member of the Project Control Group which approves Project Management Plan and Close Report
- Provides necessary guidance and resources to the Owner

Cost Control

- Ultimate financial accountability
- Provides approval as required as per delegated authority

Risk Management

- Addresses issues with the Project Board, as required

Reports

- Oversight of project reports

Communication

- Responsible for communicating the project vision to the Control Group
- Provides high level communication to the organisation and Project Board
- Communicating decisions of the Project Board, as applicable, to the Owner

Project Owner and Service Owner

The Project Owner and Service Owner may be a City Director or Manager. The Service Owner will eventually utilise the project outputs in their 'business as usual' operations. The Service Owner is responsible for the development of the Pre-Planning Project Proposal document, where required, as they best know the 'need' and can set out the desired outcomes and benefits. They need to ensure the project scope achieves the required project benefits. The Project Owner is an integral member of the PCG working closely with the Project Manager to develop the project detail for project delivery and is the direct report of the Project Manager.

If the Service Owner is not the same officer as the Project Owner, then the Service Owner is to liaise with the Project Owner in developing the Pre-Planning Project Proposal Document. The Project Owner is to consider the Service Owner as a key stakeholder and include them throughout the project. Specific project roles are identified and agreed within the Project Plan.

The Project Owner is responsible for:

Governance

- Ensures adherence to governance protocols
- Ensures the project meets business requirements, quality standards and achieves benefits
- Member of the Project Control Group which approves Project Management Plan and Close Report
- Assists the Project Manager in the resolution of problems

Cost Control

- Ensures project represents value for money and takes a cost-conscious approach
- Provides approvals as required as per delegated authority
- Ensures the City's external funding requirements are met, if applicable

Risk Management

- Oversee that risks are being managed and mitigation controls are in place
- Oversee that the City's contract management practices are applied to the project

Reports

- Approves project updates/reports
- Approves external funding reports, if applicable

Communication

- Communicates with stakeholders as per engagement plans and change plans if applicable.

Project Manager

The Project Manager may be a City Manager, Senior Staff member, or an External appointment.

- The Project Manager may change as the project moves through different phases, such as transitioning from Design to Construction.
- For Simple Projects, the Project Manager and Project Owner may be the same officer.

The Project Manager is responsible for:

Governance

- Follows and applies governance protocols
- Accountable for the compilation of the Project Management Plan and any supporting documentation
- Oversees the day-to-day details of the project including project timeframes, budget, scope, goals and objectives
- Completes Change Control process, as required
- Convenes regular Project Control Group Meetings

Cost Control

- Allocates, maintains and monitors budget

Risk Management

- Ensures risks are being managed and mitigation controls are in place
- Escalates risks to the Project Control Group
- Ensures that contractors complete WHS requirements and provide required information, including current insurance certificates

Reports

- Reports project progress
- Completes the Close Report and advises the PMO

Communication

- Communicates with stakeholders as per engagement plan, and change plan as applicable
- Regularly communicates with the Project Control Group

Project Team

Project team members may be assigned a variety of responsibilities, including specialised tasks such as finance, procurement, and external funding.

When forming your Project Team, it is essential to:

- Clearly identify each team member's specific duties.
- Document these responsibilities within the Project Plan to ensure alignment and accountability.

The Project Team is responsible for:

Governance

- Contributing to the project goals and objectives
- Applying the PM Framework, as applicable, ensuring all project documentation is appropriately filed

Cost Control

- Applies the City's procurement policy to purchasing requirements

Risk Management

- Bringing any identified risks to the attention of the Project Manager

Reporting

- Assisting with data collection and the compilation of project and/or external funding reports, as and if applicable to the role

Communication

- Participates and contributes to Team meetings
- Supports information sharing and implementation of communication and engagement plans

Project Planning and Control

Approved Projects

Project Approval & Triggers

Approval to commence a project can be based on several factors. Two key triggers include:

- **Conditional Approval** – The project receives endorsement to proceed to the next stage but is not necessarily part of the current budget.
- **Formal Approval** – The project has an adopted budget, which is required before the delivery phase begins.

Pre-Planning Project Proposal (Conditional Approval to Proceed)

To have a project considered within the City's Long-Term Financial Plan (LTFP) and annual budget process, and to progress toward final endorsement, a Pre-Planning Project Proposal is usually required to be completed and approved, if you are unsure whether this is required contact the PMO. This proposal must include a completed Project Complexity Matrix (refer to the example page 16).

Once the proposal is approved, complete the new project form and submit to the PMO to establish the project within the PMO SharePoint site. For additional guidance, refer to the Knowledge Management section of the Framework.

Programme of Works (Conditional Approval to Proceed)

Some projects require research and investigations before the budgeted delivery year. These projects, captured under the Project Management (PM) Framework, must be established in the PMO SharePoint site, with the relevant Control Documents initiated.

Unlike Pre-Planning Project Proposals, capital projects may be identified through sources such as the City's Asset Register. These projects are grouped into a Programme of Works, which serves as a trigger for further investigation—especially for projects that do not yet have allocated budgets.

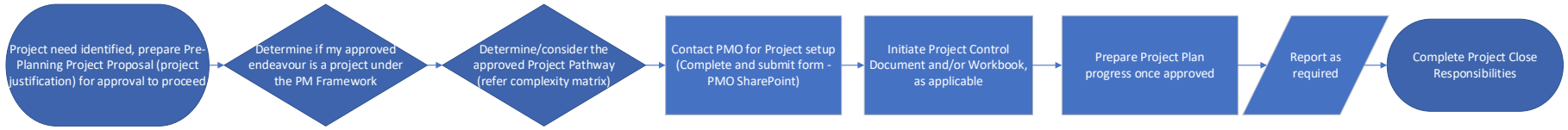
The Council formally endorses the Programme of Works to guide long-term financial planning and future capital budget development.

Once a project is ready for investigations:

1. Complete a Project Complexity Matrix.
2. Complete the new project form and submit to the PMO to establish the project in the PMO SharePoint site.

For additional details, refer to the Knowledge Management section of the Framework.

Below is the basic flow of a project that has approval to proceed. Refer to Project Pathways for further information.



All templates are available on the PMO SharePoint site.

Project Classification, Pathways & Phases

Project Classifications

Project classifications and their respective pathways are determined by complexity. Any initiative categorized as a project under the PM Framework requires a Project Complexity Classification Matrix to be completed.

Determining Project Complexity

The Project Owner evaluates the project using the Project Complexity Classification Guide (refer to the following page) to classify it as Simple, Standard, or Complex—which dictates the pathway the project will follow once approved.

Addressing Uncertainty in Classification

If uncertainty arises after completing the matrix, the City's Risk Framework may be used for further assessment. Consultation with the Sponsor is also recommended to clarify the appropriate pathway.

Consideration for High-Interest Projects

Note: While the framework does not apply weightings to responses, if a project scores 3 against 'Level of interest and sensitives' yet overall, your project is not classified as 'Complex' an initial discussion with the Manager, Stakeholder Relations is required prior to further consideration of the pathway by the Project Sponsor and Project Board.

Below is an example of a Project Complexity matrix applied to a project to determine its pathway.

Example

Project Complexity Classification

PROJECT NAME __Holgate Coastal Upgrade_____

Project Complexity Criteria	Project Complexity Rating			
	1 (Low)	**2 (Medium)**	**3 (High)**	**TOTAL**
Strategic Importance	Initiative furthers business as usual service delivery	Initiative is a priority action / project in the Council Plan	Initiative is a strategic priority in in the Council Plan (that is 1 of the 6)	**2**
Level of interest and sensitivities in the project	Only standard communication practises would be needed to contribute to project success.	Moderate news interest; possible negative reactions; some sensitivities; a considered communications plan would be needed.	* High news interest; likely negative reactions; politically sensitive; detailed communications plan would be required.	**2**
Impacts on stakeholders and residents	Impacts or involves none or minimal external stakeholder groups; impacts less than 100 community members.	Impacts or involves one or a few external stakeholder groups; impacts 100+ community members;	Impacts or involves several external stakeholder groups; impacts 1,000+ community members;	**2**
Commercial / contractual complexity	No unusual commercial arrangements or conditions	Some deviation from existing practices	Complex commercial practices	**1**
Stability of scope	Clear, fully defined, agreed objectives, with low potential for scope creep	Some uncertainty around the detail to achieve outcomes	Scope includes unknowns which could result in major changes during the project	**2**
Technical complexity	Nothing new involved in the project (i.e. no new techniques e.g. in technology, science, engineering or other)	Enhancement of existing product or service	Involves a new challenge not addressed in the past.	**2**
External Regulatory environment	None or usual regulatory requirements apply such as elements of the Local Government Act eg. procurement, public notice requirements	Specific regulatory / standard compliance requirements need to be considered	Highly regulated or unique sector which might require changes to City policies and procedures	**2**
Project value	Project value (<$50K)	Project value (<$500K)	Project value (>$500K)	**2**
Project schedule / timeframes	Schedule is negotiable; no externally or internally imposed date	Schedule can undergo minor variations, but deadlines are firm	Deadline is fixed (often by contractual funding agreements); schedule has minimal or no room for flexibility	**1**
Project personnel resources	In-house project team whom have delivered similar projects previously, minimal cross team collaboration, minimal training needed.	In-house project team; cross team collaboration required; with some specialist experts bought in for set tasks; some training required	In-house project team, multiple team collaboration; external parties i.e. jointly run project; possible external/contracted project manager	**2**
	Low Complexity 10 – 15 ***Simple (S)***	Medium Complexity 16 – 20 ***Standard (ST)***	High Complexity 21 – 30 ***Complex (C)***	
Overall Project Complexity Rating ***if your project identifies sensitivities and a score of 3 is applied yet your project does not classify as 'Complex' consult the Project Sponsor***				**18**

OWNER's NAME & TITLE	SIGNATURE	DATE
John Smith, Manager XYZ	*John Smith (cut and paste or hard signature required)*	10/9/24

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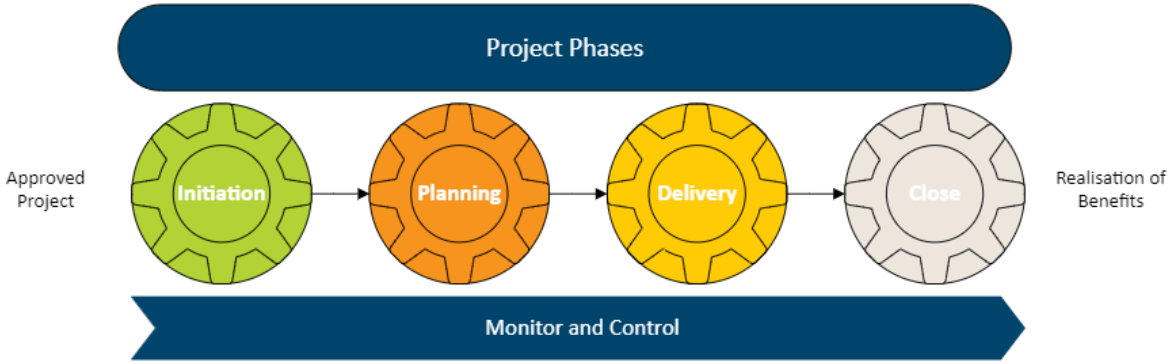
Project Pathways

Select your resources relevant to the **Project Pathway** identified on the Project Complexity matrix:

- Simple Project
- Standard Project
- Complex Project

Project Phases

Now the project pathway of **Simple, Standard or Complex** has been approved by the Owner follow the steps through each phase. All projects regardless of their complexity travel through the same four phases. The steps, level of detail, actions and resources available within each phase can vary depending on your project classification.



Each project phase is supported by a range of templates and resources listed within the **Project Pathway reference guide**.

For access to all templates and resources, visit the PMO SharePoint site. A full list is also provided at the end of this document.

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Project Pathway Reference Guides

The Guide applies consistently across all three project pathways—Simple, Standard, and Complex—while acknowledging key differences within each**.** It is structured around the **four distinct project phases**: **Initiation, Planning, Delivery, and Close.**

The Guide outlines the purpose of each phase, defines roles and responsibilities, and highlights available templates and resources. Additionally, it provides a **visual representation of activities** within each phase, offering clear guidance throughout the project lifecycle.

These Guides are available from the Home page of the PMO SharePoint site.

Example below: ***Standard Project-Initiation Phase***

Standard Project - Initiation Phase

Purpose
This phase is designed to test the desirability of the project to ensure it meets the requirements of the organisation and covers from initial proposal to project approval. It is a general project overview that outlines the desired benefits and need for the project.

Roles & Responsibilities of Project Control Group (PCG)

Sponsor

The Project Sponsor is ultimately responsible for the project and in the initiation phase approves the project to proceed.

Service / Project Owner

The Service Owner will eventually utilise the project outputs in their 'business as usual' operations and therefore prepared the Pre-Planning Project Proposal (PPP) as they best know the 'need' and can set out the desired outcomes and benefits. *Note: If the Service Owner is different to the Project Owner then the Service Owner must liaise with the Project Owner throughout the project.*

Project Manager (PM)

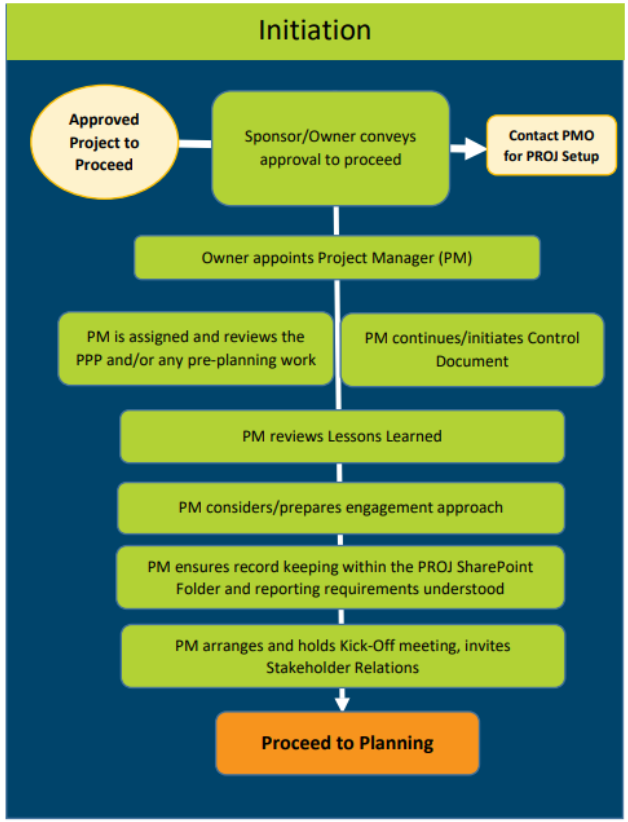
On approval of the Project the Project Manager takes responsibility for the day to day operation of the project. Note: the PM may change through the project lifecycle e.g. Assets, Design, Construction.

Resources and Templates

- Project Classification Matrix
- Lessons Learned Consolidated Register
- Engagement Framework
- Community Engagement Plan template
- Kick-off Meeting Agenda Template & Checklist

Resources and Templates

- Project Control Document(s), as applicable
- Monthly Project Status Report template



Project Plans

Main Project

A project plan is a structured document that outlines the scope, objectives, timeline, tasks, and resources needed to successfully execute a project. It serves as a roadmap, ensuring alignment among stakeholders and providing clear direction for the team.

By having a solid project plan in place, teams can navigate complexities, manage expectations, and increase the likelihood of project success.

The PMO SharePoint templates section includes a Project Plan template that provides a foundational structure for project management planning. Designed to accommodate Simple, Standard, and Complex projects, it offers flexibility—meaning not all sections may be relevant to your specific project.

If a section doesn't apply, simply mark it as N/A. You can also expand the template by adding additional sections or tables to fit your needs. Additionally, each section allows for brief introductions to other plans, such as a Communications Plan, with the option to link to or attach more detailed documents for reference.

Sub-Project

As projects grow in complexity, they often consist of multiple sub-projects. These sub-projects must be carefully aligned with the main project while maintaining the flexibility required for independent execution.

Example: Dunsborough Sporting Pavilion

- Various sub-projects will be managed by different business units, including landscaping, car parks, and IT equipment.
- All subprojects will be housed within a single project folder on the PMO SharePoint site.

The original project plan would have outlined the broader scope, including landscaping, carparks, IT requirements etc – As the landscaping project manager, for example, you'd review the 'Project plan' and if necessary, create your own sub-project plan, using a new project plan template - you only need to complete what's relevant to your sub-project, attach your schedule and file any applicable control documents. For smaller projects your control document may be sufficient.

If you're unsure whether your project is part of a larger initiative, **reach out to the PMO for guidance.**

Community Engagement and Communications Plan

Effective communication is at the **heart of every successful project**. It's not a supporting element in your Project Plan – it's a determining factor in project success. A community engagement plan provides guidance on who the key stakeholders are, what information or updates they need to be aware of, if any consultation needs to occur, how frequently they must be updated and how they will be updated.

It is essential that the Stakeholder Relations team are contacted **early in the planning of your project** to ensure they are adequately resourced to provide the support you may need.

Standard and Complex Projects:

1. **Seek assessment from the Community Engagement Officer regarding the engagement approach** **YourSay@busselton.wa.gov.au**. Save your completed engagement plan, once approved by the relevant manager into the appropriate PROJ folder.
2. **Invite** the Community Engagement Officer to your Kick-Off meeting

Simple projects, you may use the table within the Project Plan, the simplified Engagement Plan template, or reach out to the Community Engagement Officer for further guidance.

Refer to the Stakeholder Relations Intranet page for further resources including the Community Engagement Framework – a Guide to Planning for Engagement.

Two templates are available on the PMO SharePoint site to prepare for your communication and engagement activities.

1. Engagement Plan – s**imple** version. This simple plan can be used for Simple projects and in some case low scoring Standard projects.
2. Engagement Plan – **detailed** version. This detailed plan is to be used for high scoring Standard projects and Complex projects.

Contact the Stakeholder Relations team for guidance, advice and direction on the **correct template to use for your project**. Contact **PR@busselton.wa.gov.au**

Project Document Approvals

Accountability is a fundamental part of the Framework. It's essential that the where required all documents including the **Pre-Planning Proposal, Project Plan, Classification Matrix, and any Change Requests** are **properly approved and signed.**

Since electronic signatures aren't available at the City, approvals must be handled by either:

- **Printing, signing, and scanning the document**, or
- **Cut and paste into the document, with approval of the signatory,** or
- **Forwarding the approved document back to the preparing officer** with "Approved" clearly noted.

Without a documented audit trail, we lose the control necessary for effective project management. Ensuring proper approval safeguards the integrity of our processes.

Project Control Documents

Project Workbook

The **Workbook** serves as a central project register, consolidating key records such as community engagement, decisions, issues, changes, defects, deliverables, documents, and lessons learned. While not all sections will be necessary for every project, the following minimum requirements apply:

- **Simple Projects** – Project Managers must complete the Lessons Learned and Risk.
- **Standard Projects** – Project Managers must complete the Action/Engagement Log, Decision Log, Risk Register, Change Register, and Lessons Learned. If using an external contractor, the Key Contract Details section must also be completed along with the Defects Register as required.
- **Complex Projects** – Project Managers must complete all applicable registers. If using an external contractor, the Key Contract Details section must be completed.

The PMO compiles lessons learned from all projects into a consolidated Lessons Learned Register, accessible to all project staff via the Project Management SharePoint site.

Below is a guide to each tab within the Workbook

Action Log /Engagement Log	Decision Log	Risk Register	Issue Register	Change Register	Defects Register	Deliverable Register	Document Register	Lessons Learned
Record and track actions, including community engagement activities.	Record approvals against decisions made, as they are made. Often the background and reasons for decisions made are forgotten overtime.	**To be used in the interim until the Tech1 Risk module is implemented.**	Record any proposal for a change to a baseline or something that should be provided by the project but is currently not (or forecast not to be) provided or any other issue that the PM needs to resolve or escalate.	Record and monitor the status of changes to budget, scope and schedule. Team members to fill out change request forms if they need additional resources or want to propose a change to the project plan.	A Defects Register is a structured document or database used in construction and infrastructure projects to track, manage, and resolve defects identified during or after the completion of a project—especially during the Defects and Liability Period.	Track and manage the delivery of project outputs. It lists all the deliverables that a project is expected to produce, including details such as descriptions, due dates, responsible parties, and the status of each item.	Record a list of all the documents on a project. Typically, these are drawings, procedures, specifications forms ... etc. It is important that a document register can clearly identify the latest revision of a particular document.	Record knowledge gained during the project so that it can be used in the current project and entered into a lessons learned resource for future projects.

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Project Control Documents (I&E)

Civil projects involve multiple service areas within the City and can span years. To ensure all necessary considerations and actions are completed before progressing to the next stage, a Control Document has been developed. Similarly, Parks and Environment projects have their own Control Document to maintain consistency and project oversight.

All Control Documents, available on the PMO SharePoint site, must be completed as applicable—regardless of the project's classification.

Contract Management

Contract Variations

When a contract variation is received, the **Project Manager** must:

1. Record the variation in the Change Register within the Project Workbook.
2. Assess the request carefully before escalating it to the PCG, ensuring that:
    - The variation is warranted.
    - It is not already covered within the existing contract.
    - It represents value for money.
3. Update the Project Workbook with the outcome of the variation request.
4. Notify the contractor in writing, ensuring that all correspondence is properly filed within the relevant PROJ folder.

Project Change Request

Before implementing any project changes, a Project Change Request template must be completed and authorised.

- Team members should submit a change request form if additional resources are required or if modifications to the project plan are being proposed.

Practical & Final Completion Certificates (templates in development)

- Practical Completion (PC) marks the stage when construction/building works are substantially complete, with only minor defects or omissions remaining. At this point, the structure is reasonably usable for its intended purpose.
- Before issuing a Practical Completion Certificate, the Project Manager (PM) must carefully assess:
    - Whether the works comply with the contract.
    - Whether any minor defects or omissions can be addressed without affecting the beneficial use of the property.
- Final Completion represents the successful resolution of all outstanding rectification work.
    - Once the PM is satisfied, the Final Completion Certificate can be issued, ensuring that all correspondence is filed within the relevant PROJ folder.

Project Reporting

The aim of project status reporting is to provide information generated from projects in a simple format so stakeholders can understand and apply insights. Project reporting requirements are outlined below:

Council Plan Projects **PILOT PROGRAM**	**+ Report to be completed by Project Owners (or delegate)**	**Method of Reporting**	**Project Board Reporting** ***prepared by PMO***
Complex Projects	Monthly	Tech1 CIA	Monthly
Standard Projects	Monthly	Tech1 CIA	Monthly
Simple Projects	Monthly	Tech1 CIA	Monthly
NON - PILOT PROJECTS			
Capital Projects	Quarterly	Existing Capital Status Report *(referred to as the Bible)*	Quarterly

Additional Notes

1. Pilot Project Reporting

- The Responsible Officer (Project Manager) must complete reporting within Tech 1 CIA 'My Corporate Reporting' by the due date. PMO Pilot Projects are identified with a purple flag.

2. Approval Workflow

- Approvers (Project Owner) are responsible for reviewing and approving project status reports.

3. Escalation Matters

- Project Owners must notify the PMO via email of any matters requiring escalation.

4. Board Reports

- The PMO will prepare reports for the Project Board.

5. Traffic Light System (Project Status Indicators)

- **The City uses a traffic light system (Tech 1) to indicate project status:**

  ◯ White – On hold

  ▯ Green – On track

  ▯ Orange – Needs attention

  ● Red – (At Risk) Critical

6. Additional Reporting

- Project Sponsors/Owners may request further reporting from Project Managers, either verbally or in writing. However, these requests are not monitored by the PMO.

7. Communication of Board Decisions

- Owners and Managers must receive feedback on reports and Board decisions.
- Directors are responsible for communicating outcomes to their teams.
- The PMO will make Board meeting minutes centrally available to assist with information sharing.

Project Close Report

The Project Close Report is prepared during the final phase of the project and serves as a formal record of project completion. Two templates are available:

- **Project Close Report – Infrastructure**
- **Project Close Report – Non-Infrastructure**

Use the appropriate template based on your project type. All reporting templates can be accessed via the Project Management SharePoint site.

Infrastructure projects with a 'defects liability period' will be required to identify the duration, expected completion and management of this period within the Project Close Report.

Project Managers are to email the PMO@busselton.wa.gov.au advising the Project Close Report has been completed.

Once the Project Close Report is completed, the PMO will include the Report on the next Project Board Agenda for its review.

The PMO will notify the Information Management Team to migrate project information into the City's records management system (ECM). For infrastructure projects with a defects liability period project folders will not be migrated until final project completion.

Managing External Funding for City Projects

Many City projects incorporate external funding sources, including grants, developer contributions, private contributions, subsidies, and donations. To ensure compliance, all external funding must be managed in accordance with relevant Financial Standards and Regulations.

Guidance & Resources

Project staff should refer to:

- **Operational Practice** *(currently in development)*
- **Manage External Funding Process** *(currently in development)*

These resources provide essential guidance on the responsibilities and activities involved throughout the lifecycle of external funding.

Reporting & Resourcing Considerations

- Reporting requirements for externally funded projects can be time-intensive, especially for large-scale projects.
- This effort must be factored into project resourcing and identified within the Pre-Planning Project Proposal when external funding applies.

Standard Reporting Requirements

Reporting obligations are typically outlined in funding agreements. For example:

- **WA State Funding** – Quarterly, annual, and final completion reports are required, unless an alternative schedule is specified in the agreement.
- **Federal Funding** – Reporting timeframes are often tied to project milestones, along with a project completion report.

Knowledge and Information Management

Methodology, Standards & Project Filing

Effective knowledge management is essential for strong project management. Maintaining consistency and transparency in documenting project knowledge ensures an accessible and reliable resource for the Project Board and project teams—both now and in the future.

Central Repository for Active Projects

'PMO SharePoint' is the home for active projects at the City and is accessible from the City's Intranet Quick Links. The use of PMO SharePoint acknowledges that projects operate in a 'work in progress' environment until project completion therefore project records will not be migrated to the City's electronic management system (ECM) until the project close report has been finalised and accepted, ensuring compliance with the City's Records Management Plan.

Once archived from PMO SharePoint, projects will be 'zipped' into one folder and will remain accessible through ECM, refer to the Master Project Register on the PMO SharePoint site for access instructions.

Project Setup and Standards

Project setup in the **PMO SharePoint site** is managed by the **PMO**. To request a new project setup:

1. Click on the New Folder Request icon (Capital or Non-Capital) on the home page of PMO SharePoint.
2. Complete the required details.
3. The PMO will notify you once the project is set up and provide the project reference.

Project Naming & Metadata

Project references follow this standard format:
PROJ_Year_0001 (sequential number).

Additional metadata may be embedded within the project folder to enhance **accessibility and searchability**, including:

- Financial project codes
- Work type/scope (e.g. roads reconstruction, rehabilitation, reseal)
- SLK, asset class
- Work consequences (e.g. upgrade, renewal)

File Referencing & Searchability

To ensure documents remain easily searchable during the project and after migration to ECM:

- Use clear and logical file names.
- Follow the **YearMonthDay** format for dates (e.g. Minute of Site Meeting 20241021, Minute of Project Close Meeting 20241021).

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Pre-Planning & Foundation Works

Some projects require foundation work, such as investigations and reports supporting project development. These activities are typically identified in:

- The Pre-Planning Project Proposal
- The Project Control Document (for capital projects)

All foundation work must be documented and stored in the relevant **PMO SharePoint project folder**.

Note: some file types such as CAD drawing files are unable to be opened in ECM so it will be necessary to create final copies in pdf format. If you are unsure contact the Information Management Team.

Project File Access

Project files are available to all staff, but sensitive projects and information may have restricted access.

Project folder Standard

A default file directory is included within every project folder to maintain consistency and ensure easy access for both the project team and the Project Board.

Important Guidelines

- **DO NOT DELETE DEFAULT FOLDERS.** If a folder is **not needed**, simply leave it blank.
- Each **default folder** contains a **'Read Me'** file with guidance on its intended content.

Default Folder Structure

1. Administration
2. Pre-Planning Project Proposal (PPP)
3. Project Plans
4. Control Documents
5. Procurement
6. Contracts & Legal
7. Finance
8. Reporting

Sub-folders are recommended for projects with higher complexity and need, as below. Create sub-folders as relevant to your project.

Suggested Sub-headings (as relevant)

1. Administration
    a. Meetings
    b. Correspondence
2. Pre-Planning Project Proposal (PPP)
3. Project Plans
    a. Project Management Plan(s)
    b. Communications & Engagement Plan
    c. Business Case, Studies and Reports
4. Control Documents
    a. Project Workbook
    b. Project Control Document
        i. Applications, Permits, Licenses
5. Procurement
    a. RFQs / Tenders
    b. Contractors

6. Contracts & Legal
    a. Agreements
    b. Insurance
7. Finance
    a. Budget
    b. External Funding
8. Reporting
    a. Fortnightly
    b. Monthly
    c. Quarterly
    d. Close Report

Quick Reference Guide to project knowledge management and responsibilities.

Action Requested	Responsible for implementing Action	Purpose
Project Owner requests establishment of a new Project Reference and folder in PMO SharePoint and provides the information required on the form relevant to project.	PMO	To apply a unique project reference and initial setup of the project on the SharePoint site.
Project Owner requests restriction of project access by email.	PMO	To provide a secure environment for sensitive projects.
PMO requests migration of a completed project to ECM (post defects liability period)	Information Management Team	To achieve compliance with the City's Records Management Plan.

Lessons Learned - Master Register

The Lessons Learned Consolidated Register serves as a central repository for capturing and sharing insights from the City's project teams. It documents successful approaches and identifies areas for improvement in planning, management, and project delivery, enabling teams to learn from past experiences.

The PMO compiles lessons learned from all projects into a Lessons Learned – Master Register, which is accessible to all project staff via the PMO SharePoint site.

Staff Inductions and Training

The Framework will be supported by an induction and training program to educate and promote staff engagement in the use of the Framework.

Core competencies in project management is fundamental to delivering projects successfully. The PMO will assist in the identification of core competencies based on deliverables (technical or non-technical), in conjunction with key staff and Human Recourses.

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Contractor Management

The City employs contractors on a wide variety of projects.

Responsibilities for managing contractors, including volunteers involves a range of activities:

- Contractor induction/on-boarding and training
- Contractor management practices followed by the City
- Assessment of contractors' skills and verification of relevant documents
- Risk mitigation
- Safety measures
- Monitoring or supervising the work that contractors are doing

The Project Owner and Project Manager are responsible in relation to Contractor Management as outlined above in the 'Role and Responsibilities' of these officers.

Refer to the links and contact details below for further information:

Contractor OSH Management Contact: WHS Office Ext. 315 or 320

Contract Management

Contact: Manager, Legal, Governance and Risk Services Ext. 752

Procurement

The City's Purchasing Policy sets out the requirements for purchasing.

Refer to the Procurement page on the intranet for further information.

Contact: Commercial and Contracts Advisor
EXT. 393

Note: Contractor Management and Procurement are currently under review

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Risk Management

Effective risk management is essential for all projects. **Until the Tech1 Risk Module becomes available**, project risks and mitigation strategies should be documented in the **Project Workbook's Risk Register** as an interim solution.

Risk monitoring and review must continue throughout the project lifecycle. To support this, the Meeting Agenda template includes a dedicated Risk Management Review section, which must be completed during each project meeting.

The City's Risk Management Framework provides a comprehensive approach to identifying, managing, and mitigating risks. It consists of four key components, each with supporting elements:

1. Risk Management Committee
2. Risk Reference Tables
3. Risk Management Operational Practice
4. Risk Register

Note: Risk management practices are currently under review.

Refer to the intranet for further information relating to Risk Management

Contact: Senior Risk Officer Ext. 766

Local Government Act 1995 (WA) – Caretaker Provisions

Caretaker provisions under the *Local Government Act 1995* (WA) were introduced for the first time in 2025. These provisions are intended to prevent 'significant acts' or decisions from being made during the election period that could bind a future council.

The provisions apply from the close of nominations to the declaration of the poll (in 2025 these dates were 4 September 2025 to 19 October 2025).

Some of the 'significant acts' a local government will be prevented from doing during the Caretaker Period involve Procurement restrictions, Planning restrictions and other restrictions including entering contracts relating to property and land transactions etc.

Consider if these Provisions will affect your project and consult with the contact below if you have any concerns.

Contact: Manager, Legal, Governance and Risk Services Ext. 752

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Glossary

Acronym	Description
PPP	Pre-Planning Project Proposal
PM Framework	Project Management Framework
PMP	Project Management Plan
PMO	Project Management Office
PCG	Project Control Group
PM	Project Manager
LTFP	Long Term Financial Plan

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Project Templates & Resources

All project templates, forms and resources are available on the PMO SharePoint site.

Templates

Phase	Templates/ Forms Name	Description of Purpose
Initiation	Form – Capital or Non-Capital - Request for new Project Setup	To request a new project reference and folders to be setup within the PMO SharePoint site. Accessible from the icon on the front page of the PMO SharePoint site.
	Complexity Matrix	Determines the complexity and pathway for your project
	Pre-Planning Project Proposal	To seek consideration of your proposal for LTFP/budget purposes and endorsement of your project to progress
	Consolidated Lessons Learned Register	For review in preparation of the Project Plan
	Project Workbook	Register of Actions, Decision, Lessons, Issues, Risk, Change requests and outcomes throughout the project
	Meeting Agenda (kick-off and ongoing)	Meeting agenda that can be customised to suit you project
	Kick-off Meeting Checklist	Checklist so nothing's missed
Planning	Project Management Plan	Planning template required in the planning phase
	Civil Project Control	To manage civil projects from investigation through to delivery/close
	Project Control for Parks and Environment Capital Works	To manage Parks and Environment projects from investigation through to delivery/close
	Engagement Plan – simple version.	To be used for Simple projects and low scoring Standard projects.
	Engagement Plan – detailed version.	To be used for Complex projects and high scoring Standard projects.
Delivery	Project Change Request	Team members to fill out change request forms if they need additional resources or want to propose a change to the project plan including project cost, schedule or other deviation.
	Meeting Agenda	Meeting agenda that can be customised to suit you project

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Phase	Templates/ Forms Name	Description of Purpose
Contractor management templates	Letter of Response to Contract Variation request (to be developed)	
	Practical Completion Certificate (to be developed)	Certificate represents the date on which construction/building works is complete, except for minor defects or omissions (i.e. practically complete); and. the building is reasonably capable of being used for its intended purpose
	Final Completion Certificate (to be developed)	At the satisfactory completion of any required rectification work the Final Completion Certificate can be issued
Close	Lessons Learned Survey	To survey project team members on the lessons learned during the project
	Lessons Learned Agenda Template	To assist in structuring a Lessons Learned workshop with stakeholders
	Capital Project (Asset) Completion Notice	To capture asset data, new or adjustment to existing
	Project Close Report	Refer to reporting section below
Reporting	Project Board Meeting Agenda	Agenda to be prepared for each Project Board meeting
	Project Board Report	Report to accompany the Project Board Agenda
	Project Close Report_Simple_non-infrastructure	A project closure report is the final document that assesses the success of the project and catalogues project deliverables, officially ends the project. The primary objective of a project closure report is to provide a complete picture of the successes and failures of a project.
	Project Close Report	

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Resources

Project Resources and Processes

Resource Name	Description of Purpose
Council Plan Pilot Projects 2025-2026	A list of ELT-identified Council Plan projects that are the subject of the Pilot Program for 2025-2026.
Simple Project	Provide an understanding of what is required through the 4 phases of a Simple Project
Standard Project	Provide an understanding of what is required through the 4 phases of a Standard Project
Complex Project	Provide an understanding of what is required through the 4 phases of a Complex Project
Manage External Funding (to be developed)	To manage external funding required for approved projects.
Lessons Learned Consolidated Register	A consolidation of lessons learned and captured for all projects.
Project Naming Conventions and Captured Information	Documents the standard required in the information to be provided at project setup.

Operational Practises, Regulations, Standards

Resource Name	Description of Purpose
Assets OP	
Employee Purchasing Authority Limits OP	Procurement practices
Purchasing Policy	To guide the procurement of goods and services to achieve the most advantageous outcome for the City as well as providing for procurement processes that are equitable, transparent, consistent and compliant with all relevant regulatory requirements.
Appointing a Principal Representative or Superintendent	Provides guidance and outlines practice steps for appointment of a Principal Representative or Superintendent if required for City Construction Contracts
Contractor OSH Management	

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Schedule of Interim Learnings

No.	Learning
1	The City's initial vision for a performing arts and convention centre was shaped by extensive community consultation and strategic planning, beginning with cultural mapping in 2004 and evolving through multiple feasibility studies and strategic plans.
2	Notwithstanding the above, the identification and prioritisation of a performing arts centre in an arts, culture, and heritage strategy (like the City now has for sport and recreation) may have reinforced its standing with the community as a priority pillar project, and was a lost opportunity.
3	Prior to any funding application a strategic position statement detailing the project philosophy (the why) and project parameters would have clarified the need and justification for its priority.
4	Adoption and public advertising of a business case (separate to and regardless of advice in relation to s3.59) prior to submission for the Federal Government Funding application would have aligned community and Council vision, and provided for greater transparency around the project, its strategic priority and the outcomes it would achieve.
5	Earlier and clearer Council commitment to the operational business plan may also have strengthened project support and advocacy and may have been more effective in attracting additional external funding.
6	The $10.35m Federal Government funding opportunity created pressure to proceed with the project earlier than intended and with a modified project scope and budget, underscoring the need for readiness and robust pre-planning before accepting major funding offers.
7	Concept designs made public for consultation including the kinetic façade set unrealistic expectations for the type of facility that could be achieved for the budget available.
8	Scenario planning with the Council that discussed the risk of projects of this nature going over budget, and what would happen if the project needed more budget, did not occur.
9	Resolutions of the Council seeking the CEO to seek further government funding post tender award were unlikely to ever be realised.
10	Peer review by industry specialists and advice from other local governments were invaluable in informing the design to be operationally practical and identifying opportunities for meetings, incentives, conferences, and exhibitions. This advice clarified an auditorium with less than 600 seats would not be financially viable and that use of the auditorium as one multipurpose space with no other function and event spaces would be impractical to program. This led to design changes and increased costs that do not appear to be understood by the community.

11	Comparative case studies with other regional performing arts centres helped tailor the business plan and designs to Busselton's needs and captured project learnings from similar projects.
12	Involvement of a reference group to inform design development was an effective process which emphasised the priority on operational efficiency and meeting the needs of local users.
13	Study tours to learn from other similar venues and Councillor involvement with the BCRG and Aboriginal Advisory Group provided effective ways of educating Councillors on what is required to design and operate an efficient and successful performing arts and convention centre. Documentation of these learnings was not consistent and involving only a select working group of elected members was less effective than engaging all Elected Members. Broader involvement may have been more efficient and led to better outcomes.
14	This project's 10 year operating forecasts have been useful to inform long term operational financial planning for the City.
15	As early as concept design stage, the tender responses indicated that the City's objectives may not have been achievable within the budget estimate. In hindsight, aims to modify the design through the further design stages to meet the budget were optimistic.
16	The first tender was not awarded in June 2021, and the Council decided to survey the community with 3 options on how to proceed. This led to increased pricing when the project was retendered and considered by the Council in November 2021. This increase totalled $4.5 million or approximately 12% over a 5 month period. This demonstrates the potential cost implications of process delays and additional unplanned consultation.
17	The Expression of Interest (EoI) process used as part of the procurement process may not have delivered the best outcome as it ultimately limited the scope of final tenderers; using the traditional tender approach along with heavily promoting the opportunity may have been more effective.
18	The proposed use of value engineering in future should be carefully scrutinised as in this instance it added risk of variations and claims from the builder, led to disputes between the City and builder, and ultimately caused delays and additional costs to the project.
19	As a further cost savings measure, the City opted not to incur the costs associated with a tool to identify and coordinate various construction elements (Revit model) which could have assisted in streamlining incorporation of the VE Items into the design documentation.
20	The City elected to use a lump sum contract for the construction of Saltwater. Lump sum contracts can create an illusion of certainty but often conceal significant risks in volatile markets. When prices are locked in during periods of instability, any subsequent surge in material or labour costs is pushed entirely onto the contractor. This can lead to financial distress, aggressive claims, and prolonged disputes as contractors seek to recover losses. The Saltwater Project experienced a significant volume of claims and disputes as well as subcontractor insolvencies. Delays, legal

	costs, and settlements that can exceed what a transparent escalation mechanism in an alternative form of contract would have cost. While fixed price contracts are entirely appropriate, the potential for these factors should be considered in future project / contract decision making.
21	Latent conditions on site generally and particularly around the Weld Theatre integration works were not apparent from the structural assessments undertaken. Consequently, additional contingency should be allowed when upgrading heritage buildings.
22	Project contingency was insufficient for a complex build in a tight labour market experiencing increased materials prices and supply line issues.
23	A more formal governance structure like the planned Project Steering Committee would have improved Council's oversight of the project.
24	Whilst staff turnover will be inevitable with a project of this duration, a dedicated project team similar to that used for the airport project may have provided a useful template. This project team would have ideally remained in place for the duration of the project, with sub-project teams reporting through to it.
25	Regular review and adaptation of governance structures are critical as projects move through different phases.
26	Initial risk identification was comprehensive, but ongoing monitoring and adaptation are crucial.
27	At the time there was no formalised project management process or reporting system which would have greatly assisted the project reporting
28	The Saltwater Project should have been required to comply with the Project Management Framework at the time it was adopted (2024)
29	Project reporting through to the Council via the Audit and Risk Committee would have been appropriate to ensure the Committee / the Council were appropriately informed about project risk.
30	The appointment of an independent Probity Auditor may have been beneficial.
31	The BPACC Community Reference Group (BCRG) were extremely helpful in connecting the project team with stakeholders and future user groups, essential to inform the design development phase. Group members were and still are strong advocates for Saltwater, raising $80,000 so far in funding for the venue and will grow into Saltwater volunteers, which the City will rely on to support the venue to operate. (BREC and Mandurah Performing Arts Centre have between 100 – 200 volunteers at any one time).
32	The survey results have frequently been compared to a referendum by some community members who believed the survey results alone would determine if the project proceeded or not. This is despite messaging as part of the survey and in subsequent reporting, that community sentiment was only one factor informing Council's decision making, and that survey results needed to be assessed against the objectives of the project. By way of learnings, survey questions that seek a

	binary yes/no response should be avoided as they give the perception that the respondents are the decision makers. Additionally, there is a need for the City to continue to explain the purpose of consultation and how it is used in decision making.
33	The contractual constraints associated with reporting on the construction of the project led to extended periods of silence, leading to speculation and mistrust about how the project was being managed. The City also became reluctant to release information around expected opening dates, with previous dates not having been met.
34	Key stakeholder engagement in business events, tourism, visual and performing arts, education and local business has been effective in building advocacy, future audiences and generating bookings for the venue. Over 700 days have been booked extending out to 2028 with the gallery making up 50% of this number being programmed out for the next 2.5 years. The early appointment of the Venue Manager and Events and Marketing Coordinator were pivotal in achieving this outcome.
35	Regardless of the legislative need to develop a Plan under Section 3.59, the advertising of a business proposal or similar document for Saltwater may have helped to improve the Council's and community's understanding of the benefits of the project.
36	Advertising of such a document would also have addressed speculation that the facility was not needed as Georgiana Molloy were planning to build a performing arts centre at the time and provided the details of the market demand for a large function and conference space dispelling rumours that Geographe Bayview Resort would be addressing this opportunity.
37	The project has had a communication plan which has been regularly reviewed and updated. This would have benefited from being adopted by the Council to ensure clear alignment of community messaging between the Council, the community and the administration.
38	Many attempts have been made to communicate the benefits that Saltwater will deliver but focus by some sectors has remained on cost. A strategic position statement, succinctly communicating the return on the investment, at the outset of the project and throughout the project may have assisted.
39	Similar return on investment statements are recommended for the district sport and leisure facility, any further developments at the Busselton Margaret River Airport and decisions to proceed or otherwise with future projects of similar significance made by the Council are based on these forecast returns.
40	Officers found the review report by KPMG useful in forecasting requirements to complete the project and reassuring that the operational business plan and operating costs and revenues were accurate and conservative. Due however to some of its content it was unable to be released at the time.