

City of Busselton

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

January 2026

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.

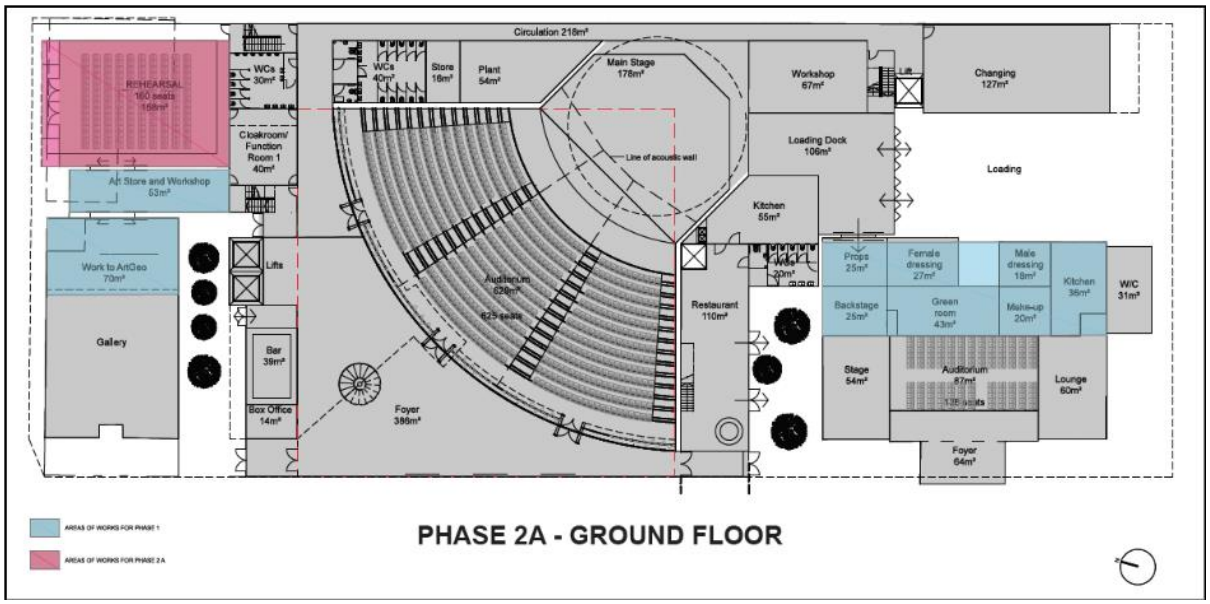



**Figure 1: Ground Floor Layout: Concepts only Studio Evans Lane, April 2018**

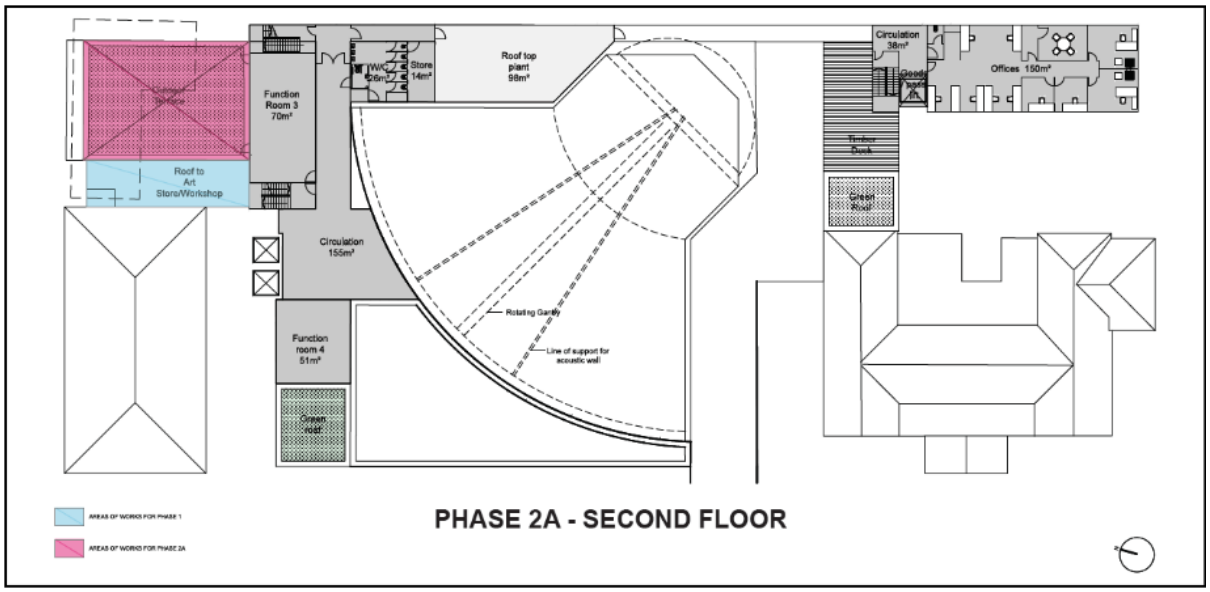



**Figure 2: First Floor Layout: Concepts only Studio Evans Lane, April 2018**

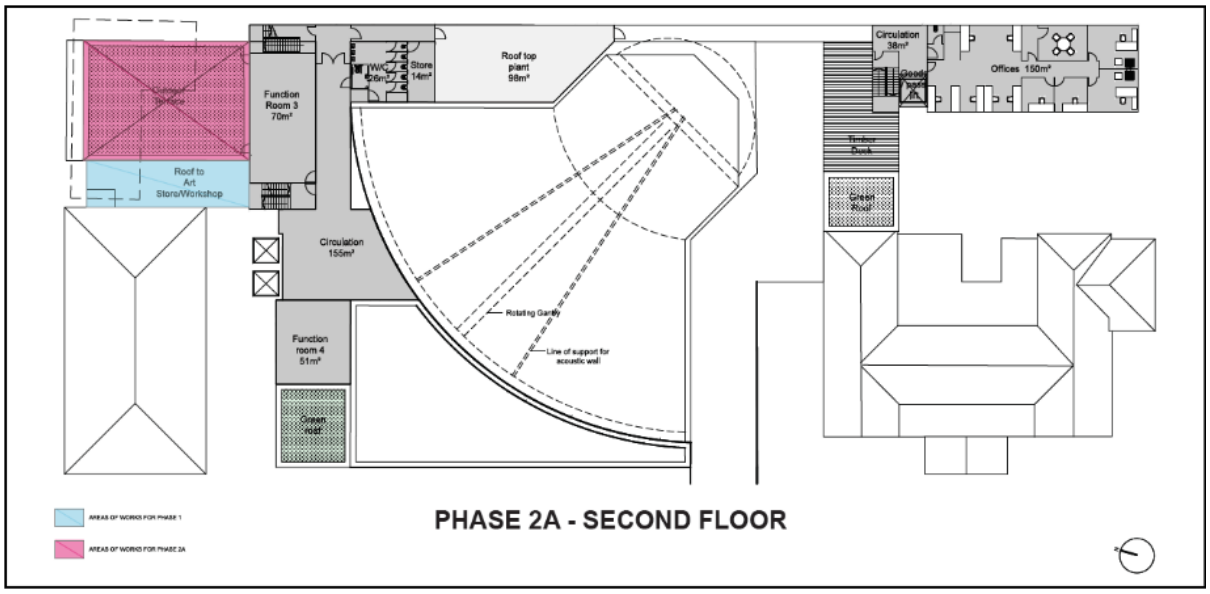



**Figure 3: Second Floor Layout: Concepts only Studio Evans Lane, April 2018**

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.

# References


| Title | Year | Author/Consultant |
|---|---|---|
| Cultural Mapping Report | 2004 | Shire of Busselton |
| Cultural Plan | 2005 | Shire of Busselton |
| Feasibility Study for a Performing Arts and Creative Industries Centre | 2008 | Pegasus Venue Management Pty Ltd |
| Capes Regional Arts and Cultural Facilities Needs Assessment Report | 2012 | Peter Alexander |
| Oh you beautiful stage – Australian Design and Technical Benchmarks for Performing Arts Centres (Ed. 3) | 2012 | Victorian Association of Performing Arts Centres (VAPAC) |
| South West Regional Blueprint 2014 | 2014 | South West Development Commission |
| Market Demand Assessment | 2016 | Studio Evans Lane |
| Cultural and Creative Activity in Australia, 2016–17 | 2016–2017 | Bureau of Communications and Arts Research (BCAR) |
| Economic Impact Assessment | 2018–2019 | Lawrence Consulting |
| Phase 2A Concept (Design & Layouts) | 2018 | Studio Evans Lane |
| Independent Capital Cost Validation | 2018 | Davson + Ward |
| Independent Design Review | 2019–2020 | Peter Mould |
| Heritage Review | 2019–2020 | Extent Heritage Advisors |
| Cost Review | 2019–2020 | Ralph Beattie Bosworth (RBB) |
| Cost Benefit Analysis for 2020 Business Case | 2020 | RPS Group |
| Design Review Presentation | Jun-20 | Kerry Hill Architects |
| Lifecycle Management Plan | Jun-20 | City of Busselton |
| Cost Status Update Summary | Jun-20 | Altus Group |
| Draft Masterplan – Busselton Creative Centre | Jun-20 | City of Busselton |
| Business Operations Draft Plan | Jun-20 | City of Busselton |
| Heritage Impact Assessment | 2020 | Hocking Heritage Design Studio |
| Busselton Cultural Precinct Interpretation Strategy | May–Sep 2020 | Ink Strategy |
| Saltwater Busselton Economic Impact Analysis | Feb-22 | Regional Development Australia - South West |
| Saltwater Business Case 2022 | Jun-22 | City of Busselton |
| Independent Review of Saltwater Project | 2024 | KPMG |
| Busselton Cultural Precinct Strategy2024 - 2026 | Adopted 21 Jun 2023 | City of Busselton |
| Saltwater Business Plan 2025 (s3.59) | Adopted 27 Aug 2025 | City of Busselton |
| Saltwater Busselton Business Operations Plan V8 - 2025 -2035 | 2025 | City of Busselton |

https://www.busselton.wa.gov.au/documents/13673/saltwater-council-decisions-2010-2026