



2022

# Busselton Performing Arts and Convention Centre Business Case

**TABLE OF CONTENTS**

1.	EXECUTIVE SUMMARY .....	3
2.	PROJECT SCOPE AND EVALUATION .....	6
2.1.	BACKGROUND .....	6
2.2.	PROJECT NEED .....	13
2.3.	PROJECT DESCRIPTION .....	29
2.3.1.	PROJECT APPROVALS .....	36
2.4.	POLICY AND STRATEGIC FRAMEWORK .....	37
2.4.1.	WA STATE GOVERNMENT – OUR PRIORITIES: SHARING PROSPERITY .....	37
2.4.2.	DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT, STRATEGIC INTENT 2018 – 2021 ..	37
2.4.3.	DEPARTMENT OF LOCAL GOVERNMENT, SPORTS AND CULTURAL INDUSTRIES, STRATEGIC INTENT 2019-2021 .....	38
2.5.	WESTERN AUSTRALIAN CULTURAL INFRASTRUCTURE FRAMEWORK 2030+ .....	38
2.5.1.	HERITAGE COUNCIL OF WESTERN AUSTRALIA, STRATEGIC PLAN 2018 – 2022 .....	38
2.5.2.	SOUTH WEST REGIONAL BLUEPRINT .....	39
2.5.3.	AUSTRALIAN GOVERNMENT, TOURISM AUSTRALIA, BEYOND TOURISM 2020 .....	39
2.5.4.	STATE GOVERNMENT STRATEGY FOR TOURISM IN WESTERN AUSTRALIA 2020 .....	39
2.5.5.	CITY OF BUSSELTON STRATEGIC PLANS .....	40
2.6.	PROJECT DELIVERABLES .....	41
2.7.	STAKEHOLDER ENGAGEMENT .....	44
2.8.	CRITICAL ASSUMPTIONS .....	50
2.9.	ECONOMIC AND FINANCIAL ANALYSES .....	51
2.10.	ASSESSMENT OF OPTIONS .....	53
2.11.	FUNDING STRATEGY .....	53
2.11.1.	SUSTAINABILITY AND ONGOING VIABILITY .....	55
2.12.	PROJECT TIMEFRAME AND KEY MILESTONES .....	61
2.13.	RISK ANALYSIS .....	62
2.14.	LOCAL CONTENT .....	67
2.15.	ABORIGINAL PARTICIPATION .....	68
2.16.	STATE FUNDED INFRASTRUCTURE AND APPRENTICESHIP PARTICIPATION .....	69
3.	IMPLEMENTATION STRATEGY .....	70
3.1.	COMMUNICATION PLAN .....	70
3.2.	PROJECT MANAGEMENT .....	73
3.3.	PROJECT GOVERNANCE .....	74
3.4.	PROCUREMENT STRATEGY .....	76
3.5.	SUPPORTING DOCUMENTS .....	77
4.	SIGNING OF BUSINESS CASE .....	78
4.1.	SIGN-OFF .....	78

### 1. EXECUTIVE SUMMARY

The Busselton Performing Arts and Convention Centre (BPACC working title) is planned as a destination for performing arts, conferences, trade shows, conventions and events.

This Business Case captures the revised construction value of \$38 million, the flow on economic outputs and future opportunities the BPACC creates for the South West region.

The original business case was submitted to the Australian Government in April 2019 and was successful in securing \$10.35 million through its Regional Growth Fund. At the time of writing this revised business case the City was notified that they have been successful in securing a further grant of \$1.8 million from Lotterywest.

The original business case was based on high level conceptual designs that demonstrated how a Performing Arts and Convention Centre could be configured and the benefits associated with the location in the Busselton Cultural Precinct. During 2019/20 additional research and learnings resulted in the incorporation of an upgraded gallery into the new development, a commercial lease space, improved integration with the Weld Theatre (including disability access) and increased break out, workshop, conference and multi-purpose events spaces and servicing facilities. These highly functional changes increased the project scope from 3,500m<sup>2</sup> across multiple levels to 6,760m<sup>2</sup>.

The changes to the scope were all made on the basis of four key factors:

1. Better functionality as determined through stakeholder engagement and site tours. The changes were designed to increase the flexible use of the facility and enable more and better quality events to be delivered.
2. Increased business event capacity. The original design was highly focused on the performing arts component of the facility and did not cater well to the business events component. The Lawrence Consulting Needs Assessment demonstrated the potential for the facility to attract business visitors to Busselton.
3. The completion of the Busselton Margaret River Airport project and the Busselton foreshore redevelopment have further strengthened the ability and desire to target business visitors. As such, an indoor facility of sufficient standard to attract all levels of business events is considered necessary and one of the key drivers behind the increased scope.
4. Vibrancy of the facility and the Cultural Precinct. A number of the changes will have an impact on how the space is used, with the increased flexibility of use, the inclusion of a new gallery will increase foot traffic, a courtyard that provides another entry point to the facility (behind the ArtGeo building) and an opportunity for an onsite bar/restaurant or other commercial tenancy which complements the BPACC functions. These changes will attract more visitors to the facility, with the commercial tenancy also resulting in increased annual revenue to help cover the expected maintenance and asset replacement costs of the facility.

On 20 May 2020, the City of Busselton Council approved the incorporation of these new elements considering the value to be gained both economically and socially. Detailed design proceeded on that basis. In June 2021, tenders for construction were received. All were over the forecast budget due to COVID recovery stimulus incentives that have resulted in material and labour supply chain shortages and cost escalations throughout the State. Through a process of value engineering, that did not result in any fundamental change to the operations and functions of the building, a construction budget of \$38 million has subsequently been endorsed by Council. This Business Case provides the previous costs and benefits associated with the operations of the revised scope, (which are unchanged) and the increased economic outputs from the new construction cost.

Fundamentally, the project will deliver a community events and performance facility which has been missing for many years. The new facility will cater for today's population of 42,000 and a projected

## **BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

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population of over 65,000 in 2035, an investment by this generation and for use by many generations to come. The new development integrates and respects the existing heritage buildings, the Weld Theatre and ArtGeo Gallery, enhancing and maximising the appeal and use of those community facilities. The BPACC will be a high quality, technically advanced, flexible and adaptable facility capable of serving the specific needs of our local community, filling gaps and creating further opportunities for the broader South West region.

The BPACC will:

- Create local jobs from entry level to professional in sectors hardest hit by COVID: hospitality, tourism events and the arts.
- Create new markets for business in convention, conferences, trade shows, the arts and creative sectors, which increase local spend.
- Diversify the City of Busselton's event offerings.
- Fill the gap in indoor venues with capacity that can reach over 1000 to service the winter and shoulder seasons.
- Broaden the horizons and prospects for our youth.
- Add to established visitor attractions.
- Provide opportunities for aboriginal cultural experiences, supporting job creation and increased recognition of the value of our rich First Nation's heritage.
- Supports increased educational and training opportunities.
- Attract touring art exhibitions of National and potentially international acclaim.
- Enliven the Cultural Precinct, connecting the CBD and foreshore, providing an economic catalyst for extended trading and business viability - kick starting a night time economy.
- Enrich the lives of the community and its visitors by increasing the spectrum of quality arts and culture events.
- Improving lives with social benefits associated with this project valued at \$7m.
- Provide opportunities for the region's burgeoning creative sector and a home for local artistic, cultural, educational groups and individuals.

Busselton is well known as a tourist destination, events centre and these are key economic drivers of the South West region. The City of Busselton has, through its Economic Development Strategy, identified the need to diversify the range of visitors to the Busselton region, including increasing the number of interstate and international visitors, as well as attracting more business tourism (meetings, conferences, events etc) to reduce the seasonality of visitation. Development of a dedicated performance, conference and function venue within Busselton forms one part of a three pillar strategy to attract new visitors to the region. Combined with the recent Busselton Margaret River Airport upgrade and Busselton Foreshore Redevelopment, the venue will attract new interstate and international visitors to travel to Busselton and stay longer, which will benefit the City, the wider region and the State.

In addition to its economic benefits, the new BPACC, with adaptability for a variety of uses, is set to become the missing hub for the community. It will provide a town hall for large community gatherings and a venue to perform, graduate or receive an award with an audience of family and friends. Business will have the opportunity to cater for conference dinners, exhibit and network at tradeshows and conferences.

Accommodation providers will benefit from increased visitation as will local restaurateurs, café owners and retailers. Locals will have access to enjoy opera, ballet and orchestra performances, and be inspired by what they see. South West delicacies, boutique wines and craft beers can be showcased at expos, conferences and other events. The BPACC will be a hub for education and career growth. A place to do business and learn something new. The centre is an investment in our future and our youth.

The BPACC is now forecast to create 138 jobs during the two year construction period and increase economic output by \$76.5m to the Capes Region. The economic benefits from the construction are summarised in the table below, and explained in the attached Economic Impact Analysis February 2022.



<b>Impact Summary</b>	<b>Direct Effect</b>	<b>Supply-Chain Effect</b>	<b>Consumption Effect</b>	<b>Total Effect</b>	<b>Type 1 Multiplier</b>	<b>Type 2 Multiplier</b>
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 construction completion the project will 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 demonstrates 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.

The need for the BPACC was first identified in 2007. Since this time the City of Busselton has completed considerable planning to develop the BPACC project, including feasibility studies, market demand analysis, cost benefit analysis, lifecycle management plan and draft operational plan for the facility. It is noted that BPACC is the current name of the facility, which has been referenced by various names during its development, including the Busselton Entertainment, Arts and Creative Hub (BEACH) and past planning documents may refer to alternate titles. The facility’s final name is in development after consultation with the community and work is commencing with a branding agency.

The City has also continued to undertake further comprehensive stakeholder engagement and consultation to ensure that the facility is state-of-the-art and meets the needs and expectations of all parties, now and into the future. The project is in direct alignment with a number of the City of Busselton and WA State Government strategies and policies, including the whole of WA Government Sharing Prosperity priorities and the strategic intents of the Departments of Primary Industries and Regional Development and Local Government, Sports and Cultural Industries, as well as the South West Development Strategic Plan 2021-2023 and the City’s own Strategic Community Plan and Economic Development Strategy. It aligns well with the Australian Government’s aim to create jobs, drive economic growth and build stronger communities, in particular to recover from the impacts of COVID-19.



### 2. PROJECT SCOPE AND EVALUATION

#### 2.1. Background

The City of Busselton is a local government area in the South West region of Western Australia, approximately 230 kilometres south of Perth. The city covers an area of 1,455 km<sup>2</sup> and had a population of 36,686 as at the 2016 Census<sup>1</sup>. With its iconic, heritage-listed Busselton Jetty, proximity to exceptional wineries and eateries and an abundance of accommodation of varying levels, tourism is a key part of Busselton's economic success; twice being voted Western Australia's Top Tourism Town. Busselton is part of the wider Busselton Margaret River Region, which is the most visited region outside of the Perth metropolitan area. The importance of the tourism industry to the city is demonstrated by the high levels of employment in the hospitality industry, with 4.2% of Busselton people employed in the accommodation industry compared to the state average of 1% and 3.3% employed in cafes and restaurants compared to the state average of 2.3%.<sup>2</sup>

Arts and culture are one of the reasons why the City of Busselton is such a successful tourist destination. Busselton is known as the Event Capital of WA for its annual calendar of cultural and sporting events. Home to key cultural organisations and facilities including the ArtGeo Cultural Complex, Courthouse Gallery, Old Post Office Tearooms, and the Weld Theatre, the Busselton Cultural Precinct is becoming increasingly recognised as a significant cultural venue within the South West region.

The Busselton Cultural Precinct is a hub for the creative and performing arts housed in heritage buildings, dating back to 1860, at the foreshore end of Queen Street. The Cultural Precinct is one of the State's iconic settlement places. The precinct currently includes:

- Old Courthouse Complex – Old Courtroom Gift Shop, Police Station, Day Room, Gaol Cells, Exercise Yard, Magistrates Room, Bond Store and new Courtroom.
- ArtGeo Gallery
- Resident Artist Studios (Stables Studios)
- Workshop Spaces – Fodder Room, Bond Store
- Acting Up Performing Arts Academy (Police Cottage)
- Busselton Art Society (Police Cottage)
- Weld Theatre - leased to Busselton Repertory Club
- Café (Old Post Office) - leased by The Lock up Café
- Settlement Art Project sculpture series
- Merenj Boodja Bush Food Garden
- Department of Biodiversity, Conservation and Attractions (previously DPaW) offices.

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<sup>1</sup> 2016 Census QuickStats, Busselton Local Government Area

<sup>2</sup> 2016 Census QuickStats, Busselton Local Government Area



**Figure 1 Busselton Cultural Precinct**

The addition of the Busselton Performing Arts and Convention Centre (BPACC) will create further long term synergies with the existing offerings and consolidate Busselton as one of the premier cultural destinations of regional WA.

The development of the BPACC facility has been identified in cultural planning and through the City of Busselton’s strategic community planning process as a high community priority. It has been consistently identified as a key local priority project over several iterations of the City’s Strategic Community Plan and is contained in the South West Development Commission’s Regional Blueprint (February 2015) as a regional priority project in support of the South West region’s burgeoning creative industries sector and the City of Busselton’s own brand as “Events Capital of WA”.

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<sup>3</sup> Draft Masterplan for the Busselton Cultural Precinct, 2019, City of Busselton



The proposed BPACC facility supports a number of the City's Strategic Community Plan's key goal areas to:

- Recognise, respect and support community diversity and cultural heritage
- Establish a performing arts facility for the District
- Facilitate events and cultural experiences that provide social connection
- Provide for youth development through activities, programs and events
- Work with key partners to facilitate the activation of our town centres, creating vibrant destinations and consumer choice
- Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth
- Continue to promote the District as the destination of choice for events and unique tourism experiences.

The project has also been part of the City's Economic Development Strategy for many years, as one of three major projects designed to grow and diversify the economy and deliver new jobs. The project will work alongside the Busselton Margaret River Airport which recently underwent a \$73 million upgrade to enable direct flights from east coast capital cities such as Sydney and Melbourne, and in time international destinations. It will also work alongside the Busselton Foreshore redevelopment providing high quality overnight accommodation in the Central Business District (CBD) situated only metres away from the new Hilton Garden Inn Hotel and other greenfield sites for development of 4 and 5 star hotels and/or visitor attractions. These three pillar projects will work together to benefit each other and the wider region.

Feasibility reports, project planning and stakeholder engagement has occurred over a number of years to ensure the viability, support and long-term sustainability for the centre. *Section 2.2 Project Need* details the feasibility studies that have been completed over the past 18 years, with *Section 2.8 Stakeholder Engagement* detailing the consultation that has occurred to develop the project.

The Busselton Performing Arts Centre Working Group (BPAWG) was established in January 2015 to undertake further investigations to inform a building design, business case and source funding opportunities for the development of a Performing Arts and Convention Centre in Busselton. The BPAWG comprised members of Council, City officers, highly regarded individuals in the field of performing arts and representatives of key stakeholder groups including Busselton Repertory Club, Weld Theatre, CinefestOZ and Australian actor Myles Pollard. The BPAWG has engaged with representatives from Circuitwest, Performing Arts Connections Australia, the Western Australian Chamber of Culture and the Arts and other performing arts centres including Albany, Karratha, Kalgoorlie, Geraldton, Bunbury, Margaret River and Port Macquarie to develop case studies from these centres to inform a business case for a conference and performing arts centre for Busselton.

Council has considered a number of other locations for the facility over the past 18 years of project development, including combining with the new City administration building that was being developed in 2012 and undertaking a land swap with land owned by the Department of Environment and Conservation located in the Cultural Precinct (Lot 450), before deciding on the current site in the Cultural Precinct in 2016 (Lots 43 and 44).



## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

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Options for the location and design of the facility were developed in consultation with the BPAWG, community, Heritage Council and City of Busselton Elected Members and are further detailed in *Section 2.11 Assessment of Options*. The BPACC will reside between and integrate with the ArtGeo Gallery and Weld Theatre. Both of these buildings are of cultural and heritage significance, which has been a key consideration in the conceptual designs of the building aesthetics and elevations, and the operational integration between new and existing facilities.

The Weld Hall was built in 1881 to house the Weld Mechanics Institute. The building has served the cultural needs of the local community for over a century. It has functioned at various times as a reading room and library, public hall for concerts and entertainment, a Town Hall and as a venue for a range of activities held by various clubs and organisations. The building has operated as the Weld Repertory Theatre since 1963. The 120 seat Weld Theatre provides the perfect complementary intimate performance venue, break out and rehearsal space. Existing ablution, store, foyer and green room facilities also provide some opportunity for efficiencies in the new building design.

In 2005 the City of Busselton purchased a heritage-listed building constructed in 1931 for the Agricultural Bank of Western Australia. This fine example of inter-war neo-classical architecture was listed on the State Heritage Register in 1999 and classified by the National Trust in 2001. The refurbished building now known as ArtGeo Gallery provides a stylish venue for exhibitions of contemporary art sourced regionally and Australia-wide.

As well as being identified as a priority project both by the community and at a regional level, development of the BPACC is supported by a number of highly regarded key industry stakeholders. The Western Australian Chamber of Culture and the Arts, Circuit West and regional performing arts venues such as Bunbury Regional Entertainment Centre (BREC) Mandurah Performing Arts Centre (MPAC) and the Margaret River Hub of Entertainment, Arts and Regional Tourism (HEART), Australia's South West (ASW) and Margaret River Busselton Tourism Association (MRBTA) are providing ongoing advice and support for this project. A briefing to Regional Development Australia South West, South West Development Commission, Department for Culture and the Arts and Federal Member for Forrest has also occurred, enlisting their support for the project.

In November 2018 Studio Evans Lane produced a concept design for the BPACC, which included a 650-seat theatre that could be sub-divided into smaller spaces for conferences or business events. Although this design included some small meeting areas, it did not include any separate conference facilities, breakout/workshop/function rooms, art gallery or integration with the Weld or current ArtGeo Gallery building. This design was used to source and secure \$10.35 million for the project from the Australian Government's Regional Growth Fund in August 2019. However, the business case for these funds noted that:

- "A further stage of development can be to provide an additional function area behind the gallery, by the removal of the existing 'non-heritage' outbuildings. This area can be developed either as a courtyard or as another function/rehearsal room with circa 150 seat capacity."
- "There is also opportunity on the first floor to provide more bar, dining and break out areas including an external terrace overlooking the roof of the gallery with views out to the Geographe Bay. There is also the potential to explore a first-floor gallery in the auditorium to add circa 140 seats to the development capacity."<sup>4</sup>

The project at the time was estimated to cost \$21.32 million, based on a Quantity Surveyor report prepared for the City. Following the awarding of \$10.35 million from the Australian Government and the allocation of the remaining funds by the City to progress the project, an Expression of Interest (EOI) was advertised to identify suitably experienced Architects and Technical Teams to carry out the detailed design.

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<sup>4</sup> BEACH (BPACC) Business Case, April 2019, City of Busselton

Based on the increasing demand for business events and further progress with the Busselton Margaret River Airport redevelopment project, the successful architects, Kerry Hill were tasked to investigate the possibility of using the first floor for extra event capability, as had been flagged in the initial business case. A draft Masterplan for the Cultural Precinct in 2019 also identified that a number of current lease arrangements were expiring creating new opportunities for the broader Precinct and the opportunity for various elements to be incorporated into the BPACC facility. Additionally, as part of this final design development, City of Busselton staff and councillors conducted a tour of a number of theatre facilities to view their stage, auditorium seating, theatre design and discuss lessons learned from their design development. The intention of these tours was to ensure that the most viable and effective design for the BPACC was developed before proceeding to detailed design and a construction tender.

Facilities visited included Karratha's Red Earth Arts Precinct in September 2019, Port Macquarie's Glasshouse (virtual visit), Bunbury Regional Entertainment Centre (BREC), the State Theatre and Mandurah Performing Arts Centre (MPAC) in January 2020. The City, in this time, also collaborated on the development of a draft Business Events Strategy for the South West with other regional facilities, BREC and Margaret River HEART, SWDC, Australia's South SW (ASW), Margaret River Busselton Tourism Association (MRBTA) and Bunbury Geographe Tourism Association. SWDC funded the Business Case, which was developed by ASW. Existing Business Events venues such as Pullman Bunker Bay Resort and Abbey Beach Resort were also involved.

Based on lessons learned from this consultation and site tours, the City made some significant functional changes to the design and added to the scope; an upgraded gallery into the new development, a commercial lease space, improved integration with the Weld Theatre (a specific requirement to achieve heritage approvals) and increased break out, workshop, conference and multi-purpose events spaces and servicing facilities. The current design is more sympathetic to existing surrounds, and provides an interesting and important contemporary contrast to the Weld Theatre and ArtGeo Gallery without conflicting or dominating these historic buildings. It also incorporates more design elements that will help activate Queen Street, future proof the facility, and create unique community spaces for visitors to the Cultural Precinct, such as the inclusion of a commercial tenancy arrangement in the ArtGeo building.

The additional scope of the revised design includes:

- The inclusion of a new Art Gallery into the BPACC facility and the repurposing of the ArtGeo building into a commercial lease opportunity. This scope change was made to enable the upgrade of the existing ArtGeo Gallery to an AA class to increase the quality of touring products that can be received there. The current gallery is limited to tours it can exhibit due to its climate control, dust/mite controls and security, in particular in the storage and art transit facilities, which are a basic shed. Its configuration and size are also difficult to curate within and limit the quantity that can be displayed. Expansive heritage windows on north and south are blocked with a false wall to provide the white space gallery need, thus not allowing the full beauty of the heritage asset to be fully appreciated. An assessment determined that including a new gallery into the BPACC facility and repurposing the ArtGeo building into a commercial opportunity that increases the vibrancy of the area and caters to the BPACC attendees would provide a higher cost/benefit than upgrading the current gallery. Revenue from leasing the building will be used to partially fund the maintenance and asset replacement of the BPACC.
- The gallery space now sits where the rehearsal room was first designed to be, increasing the size of the gallery space to over 200m<sup>2</sup> including office and purpose built store. These rooms will be built to allow the gallery to be an AA class, making it able to host state and national touring exhibitions and international artists. Other centres such as the Mandurah Performing Arts Centre and the Glasshouse in Port Macquarie have seen their gallery audiences and sales significantly increase when the gallery forms part of the complex. There is increased opportunity to upsell and cross promote different events and the ability to achieve resource efficiencies through customer servicing.
- The addition of two conference rooms and breakout rooms on the first floor will enable the hosting of conferences and other events outside the main auditorium. It was considered necessary to provide

purpose built conference rooms in order to attract conferences of a higher standard. This will also allow the auditorium to be used for set-up and other purposes while a conference is in progress, enabling conferences to be scheduled all year round without needing to share the auditorium with other events. With the completion of the airport project and the foreshore hotel developments, the City expects to be able to target business events of a standard that require first-class facilities.

- By elevating the foyer ceiling the City has achieved improved views across the bay when seated in the conference area. The circa 100 person capacity exposed roof terrace has been removed to provide an indoor function space that is more practical to the seasons and elements but with an extended balcony terrace to provide an alfresco alternative in the warmer summer months.
- By moving the rehearsal room to the first floor the change in scope has achieved further flexibility. With the three separate conference/breakout spaces able to open up into one large space of 546m<sup>2</sup>. This has enabled the BPACC to provide a separate banquet area, removing the need to convert the auditorium seating and the associated set up time to seamlessly allow conference hirers to move their event from, for example, the keynote speaker to the gala dinner. This area will hold, dependent on configuration, around 400 seated in banquet style. It is envisaged this area will also be used intensely by community for workshops, seminars, awards presentations, private functions, rehearsal and small performances.
- In addition to the conference rooms, smaller breakout rooms, external decking and courtyards have also been added with the purpose of increasing the flexible use of the facility, enabling more and higher quality events to occur simultaneously.
- Through consultation with industry the kitchen and bar facilities were increased across all floors to improve service capabilities and functionality to service larger events. One bar area and the ground floor kitchen have subsequently been removed through value engineering and can be provided when additional funding is secured.
- The generous 192m<sup>2</sup> courtyard can be used as an outdoor exhibition space for shows such as sculpture works, a further outdoor event space and an alfresco area for functions, with the ArtGeo bar to serve out into. The ArtGeo bar will operate independently to the BPACC, providing a commercial tenancy opportunity and a key attraction to add to the existing hospitality strip along Marine Terrace and foreshore, providing another anchor within the CBD supporting the connection of the CBD with the vitality of the rejuvenated Busselton foreshore.
- One objective of the BPACC is to provide an exceptional customer experience and therefore one of the scope changes was to procure a higher quality seating specification with a focus on comfort and a change from straight to curved seating to provide improved sight lines to the stage and a more intimate feel for the audience. Programming for the BPACC forecasts one of the highest usages for the auditorium will be popular music. The feel of attending a concert and being able to get up close to the artist and dance, with different price points for general admission and booked seating is achieved with the changed, flexible seating arrangement. The retractable seating also creates opportunity for indoor events the City cannot currently host to sufficient capacity such as trade shows, fashion shows, expos, cabaret banquet dinners and comedy nights.



The changes to the scope were all made on the basis of four factors:

1. Better functionality as determined through stakeholder engagement and site tours. The changes were designed to increase the flexible use of the facility and enable more and better quality events to be delivered.
2. Increased business event capacity. The original design was highly focused on the performing arts component of the facility and did not cater well to the business events component. The Lawrence Consulting Needs Assessment demonstrated the potential for the facility to attract business visitors to Busselton.
3. The completion of the Busselton Margaret River Airport project and the Busselton foreshore redevelopment have further strengthened the ability and desire to target business visitors. As such, an indoor facility of sufficient standard to attract all levels of business events is considered necessary and one of the key drivers behind the increased scope.
4. Vibrancy of the facility and the Cultural Precinct. A number of the changes will have an impact on how the space is used, with the increased flexibility of use, the inclusion of the new gallery will increase foot traffic, a courtyard provides another entry point to the facility (behind the ArtGeo building) and an opportunity for an onsite bar/restaurant or other commercial tenancy which compliments the BPACC functions. These changes will attract more visitors to the facility, with the commercial tenancy also resulting in increased annual revenue to cover the expected maintenance and asset replacement costs of the facility.

Kerry Hill Architects have produced the final design drawings for the revised scope and after receipt of Tenders, Council approved an increased construction budget of \$38m considering the value to be gained both economically and socially a worthwhile additional investment





### 2.2. Project Need

The purpose of this project is to provide the Busselton area with an iconic venue of quality, contemporary design and the latest technologies that will:

- Create local jobs from entry level to professional in sectors hardest hit by COVID: hospitality, tourism and the arts.
- Create new markets for business in convention, conferences, trade shows, the arts and creative sectors - which increase local spend.
- Diversify the City of Busselton's event offerings.
- Fill the gap in indoor venues with capacity that can reach over 1000 to service the winter and shoulder seasons.
- Broaden the horizons and prospects for our youth.
- Add to established visitor attractions.
- Provide opportunities for aboriginal cultural experiences, supporting job creation and increased recognition of the value of our rich First Nation's heritage.
- Supports increased educational and training opportunities.
- Attract touring art exhibitions of national and potentially international acclaim.
- Enliven the Cultural Precinct, connecting the CBD and foreshore, providing an economic catalyst for extended trading and business viability - kick starting a night time economy.
- Enrich the lives of the community and its visitors by increasing the spectrum of quality arts and culture events.
- Improving lives with social benefits associated with this project valued at \$7m.
- Provide opportunities for the region's burgeoning creative sector and a home for local artistic, cultural, educational groups and individuals.

The City of Busselton will create this iconic landmark in the South West touring circuit to increase the visitation to the region. BPACC is planned as a destination for performing and visual arts, events, conference, trade shows and conventions. The project consists of:

- The venue incorporating a flexible indoor performance and convention space capable of hosting large events for over 1,000 people standing. The auditorium will have up to 650 seats in total (345 are retractable or removable),
- Separate multi-purpose studio, rehearsal and break-out rooms with capacity to seat 400 in banquet style layout with views to Geographe Bay.
- The use of state-of-art technology to enhance the performance and design of the building.
- Integration of existing heritage buildings the Weld Theatre and ArtGeo Gallery.

There is currently no facility within Busselton, one of the State's most visited regions and one of Australia's key growth regional centres, to attract and cater for larger conventions or provide adequate performance space to support the performing arts regional touring circuit. Event related tourism is one of the major economic strategies of the City of Busselton that will serve to sustain and create employment opportunities. Each year, the City partners with a variety of stakeholders to attract a growing attendance to an ever increasing calendar of quality events, building on its brand as the 'Events Capital of WA'. The facility also has the potential to be a hub for education and training for the creative industries.

In 2019, 135 events were held over a total of 257 event days. Major events held annually within the City of Busselton include:

- Festival of Busselton
- Busselton Jetty Swim
- Busselton Fringe Festival
- Dunsborough Arts Festival
- Jazz Festival

- Cabin Fever Festival
- CinefestOZ
- Gourmet Escape
- Ironman WA
- Various music concerts

However, all events held within the City are currently required to be held outdoors or be spread across multiple small indoor venues, diluting the vibrancy and cohesion of the event, as well as increasing the cost. The lack of a large indoor venue also limits the size of events that can be held in winter. The largest venues for indoor events in central Busselton are the Weld Theatre, which only caters to a maximum of 120 seats and the City's Administration Function Room at 150 capacity. A few out of town resorts have function rooms, but the largest capacity is 250. Not having a large capacity indoor venue severely impacts the ability of the City to grow the calendar of events, especially across the winter shoulder season. Existing world class events such as the Margaret River Gourmet Escape, CinefestOZ, Ironman WA and Ironman 70.3 currently have no dedicated venue to stage gala functions and presentation ceremonies, having to hire expensive and unwieldy temporary marquees. Event organisers are very supportive of the development of the BPACC as a quality venue from which to stage such events that showcase the region to the world.

Within the South West region, there are some existing indoor performing arts centres, including the Bunbury Regional Entertainment Centre (BREC) and the Margaret River HEART. However, these facilities are not sufficient to cover the gap in the performing and convention space in Busselton, as has been determined by numerous studies over the years. The City has worked with BREC, Harvey Recreation and Cultural Centre and HEART to develop a regional alliance, so that each of the facilities have their own point of difference, are complementary and work together to attract audiences and visitors, rather than competing against each other. The BPACC is working with these existing facilities to grow markets and audiences through increased accessibility, economic viability and variety.

The BPACC will offer:

- A focus on innovative 'Digital Technology' that differs from BREC and HEART's more traditional forms of performance delivery, including an alternative and flexible approach to fly tower/backdrops. There will be some performances that only each venue can cater for but where there is commonality it will provide additional viability for touring product to be seen at all the venues.
- A convention and trade show focus that provides opportunity to attract attendances of greater than 250. The BPACC, through its flexible design is forecast to host over 60 business event days a year ranging from conferences, to seminars, workshops, receptions and banquets.
- An indoor events space large enough to fill the facility gap and attract new acts to the South West all year round across the shoulder and winter seasons.
- An indoor and outdoor space to enable training and education in the creative industries sector.

A facility such as the BPACC is needed to capitalise on Busselton's position as a tourism town and to deliver economic growth for the whole region. The City of Busselton records average annual economic growth of 4.0%. The City of Busselton contributed 15.2% and 0.9%, respectively, to the gross regional / state products of the South West (\$13.9 billion) and Western Australia (\$248.6 billion) in the 2014/15 year<sup>5</sup>. Tourism plays a large part in the City of Busselton's economic success, with the City's main competitive advantage being access to a beautiful natural environment, with high biodiversity, an enviable climate, its relatively close proximity to Perth and being part of the internationally renowned Margaret River Region. The region has a range of established tourism infrastructure, such as accommodation, attractions and amenities.

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<sup>5</sup> City of Busselton Economic Development Strategy 2016-2026, page 16

## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

Tourism WA's Visitor Factsheet for the City of Busselton<sup>6</sup> indicates that Busselton has close to 1 million visitors annually, bringing in around \$212 million in tourism revenue<sup>7</sup>. Of these visitors, the majority (88%) are from Western Australia, 64.7% of people visit Busselton for holidays and 7.6% visit for business purposes. The City has, through its Economic Development Strategy, identified the need to diversify the range of visitors to Busselton to increase the number of interstate and international visitors, as well as attracting more business tourism (meetings, conferences, events etc) to reduce the seasonality of visitation. Development of a dedicated performance, conference and function venue within Busselton is one pillar of an overall strategy to attract new visitors to the region.

Another key project to attract new visitors to the City of Busselton is the upgrade of the Busselton Margaret River Airport which has recently been completed. This project will enable direct flights from east coast capital cities such as Sydney and Melbourne, and in time international destinations such as Kuala Lumpur, Singapore, Denpasar and as far away as China. With this increased access to business and leisure travellers, the City now needs to ensure that it has the infrastructure available to attract and support visitors. With the recent completion of the Busselton Foreshore redevelopment to provide high quality overnight accommodation in the CBD (only metres away from the proposed BPACC location) in the form of greenfield sites for development of 4 and 5 star hotels, the three pillars of the airport, foreshore and BPACC projects will work together to benefit each other, the wider region and the State.



**Figure 2 The location of the Cultural Precinct (BPACC) adjacent to the CBD and the foreshore areas developed for hotel accommodation (Area 1, 2 and 3)**

The City of Busselton has been investigating the need for a performing arts and conference venue since it was identified as a community priority project in the City's 2007 Strategic Community Plan. The community had indicated a desire for the facility through community surveys and the community plan development, which led the City to undertake the work to identify and quantify the actual need for such a facility.

The Pegasus Performing Arts and Creative Industries Feasibility Report was completed in 2008. This report investigated the most appropriate space model, size and site for a Performing Arts and Creative Industries Centre for Busselton. It considered the likely attendance numbers, current gaps in provision and what size facility would generate the most economic activity, as well as whether there were alternative venues that could be used. The report found that professional performing arts events were currently held at the Weld Theatre, Dunsborough Hall or Uniting Church Hall, which are constricted in terms of size and facilities. It also

<sup>6</sup> CITY OF BUSSELTON VISITOR FACTSHEET THREE YEAR AVERAGE – 2016/2017/2018 Produced by Tourism WA - Strategy and Research, May 2019

<sup>7</sup> Based on \$212 per visitor average expenditure, TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra

found that nearby performance spaces, including the Bunbury Regional Entertainment Centre and the Margaret River Cultural Centre were too far away for regular performance attendance by residents and visitors to Busselton.

The 2008 report also highlighted that Busselton has a competitive advantage in attracting the MICE (Meeting, Incentives, Conference and Events) market due to the high levels of accommodation available in Busselton and the influx of tourists during peak seasons. This competitive advantage has been strengthened since the development of this report with the expansion of the Busselton-Margaret River Airport making the city more accessible for business travellers. The report recommended business events be considered as an ancillary purpose of the performing arts facility. The 2008 report recommended a performing arts facility be constructed in stages, commencing with a 250 seat theatre and progressing to a 400 seat theatre once market demand was more evident, which it subsequently has become.

Following on from the 2008 report, the Capes Regional Arts and Cultural Facilities Needs Assessment was completed in 2012 to undertake a needs assessment of arts and cultural facilities in the Capes Region, which includes the City of Busselton and the Shire of Augusta Margaret River. This report was intended to ensure that the development of a Busselton performing arts centre was optimal not only for Busselton but for the wider region. The consultant considered all regional facilities, including the Bunbury Entertainment Centre to ensure a regional outlook.

This report recommended the construction of a Margaret River Cultural Centre and Event Centre, which was completed in 2019 with the opening of the new multi-purpose, highly flexible entertainment and business events complex known as the Margaret River HEART (Hub of Entertainment, Arts and Regional Tourism). It also concluded that there is “a high priority need for a Cultural Centre/Performing Arts Centre in Busselton”<sup>8</sup> in addition to the smaller Margaret River facility.

Both these reports verified that there is strong justification for provision of a performing arts and convention centre in Busselton to support a growing creative and events sector as a regional economic driver. These reports were further verified by a study commissioned by the South West Development Commission undertaken in 2012. SGS Economics report, Economic Opportunities for Creative Industries in Western Australia’s South West Region, identified that the South West’s creative sector at the time contributed \$306 million to the South West regional economy and indeed the Western Australian economy annually in turnover. It found that 1,095 people were employed in the sector in the South West and that it added almost \$150 million in gross regional product (i.e. regional value added) and helped to generate exports of \$70 million dollars annually.

The report supported the need for a cultural precinct to be established in Busselton and identified the below key opportunities to improve the economic performance of this industry in the South West:

1. The potential redevelopment of the Busselton airport to be able to accommodate direct commercial flights from Australian capital cities.
2. Development of a major cultural and conference facility in Busselton.

The first opportunity has now been completed, with only the major cultural and conference facility in Busselton remaining in order to strengthen the South West region’s creative, social and economic capital.

These three reports helped the City to form its three pillars for economic growth, being the airport expansion, foreshore redevelopment and this project for a performing arts and convention centre.

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<sup>8</sup> Capes Regional Arts and Cultural Facilities Needs Assessment, Peter Alexander, June 2012, Page 29



In 2013, the City considered incorporating the performing arts centre into the new City administration centre it was developing at the time. However, Council eventually decided against this option due to the limited flexibility of the site and proceeded to investigate a stand-alone performing arts centre in the Cultural Precinct. In 2014, a further report was developed by Peter Alexander which looked at the potential operations and management of a facility. The forming of a working group in 2015 led to a number of designs then being considered.

Given the time delay since the feasibility studies had been completed in 2008 and 2012, and in order to ensure that the planned facility met Busselton's current and forecast needs, the City allocated funding in the 2016/17, 2017/18 and 2018/19 budgets to commission a series of further studies to determine the market demand, offerings and optimal capacity. Lawrence Consulting and Studio Evans Lane were contracted to conduct a Market Demand Analysis and Economic Impact Assessment during this period (November 2016, revised in April 2018 and further developed in November 2018). This work ascertained the projected demand and options for size and capacity for the new facility.

This body of work has informed the current facility design of a flexible multi-purpose centre with seating capacity of several configurations for up to around 650 theatre style, for use as a fully functional performing arts space. The previous studies in 2008 and 2012 had recommended a 400-seat facility, however sustained population growth and new findings from the Lawrence Consulting reports have driven the designs to consider how a flexible centre of around 650 seats can be achieved.

The 2016 Lawrence Consulting and Studio Evans Lane report found that the City of Busselton experienced an increase in population of 5,671 persons over the preceding 5 years – or average annual growth of 3.5% – which was higher than the growth rates for the Capes region (3.3%), South West (2.4%) and Western Australia (2.5%). It summarised Planning WA's estimate that, over the period to 2046, the population of the City of Busselton is expected to increase by 23,970 persons – or an average annual rate of 1.6% – to approximately 60,305 persons. This estimated growth rate for the City of Busselton was similar to that forecast for Western Australia (1.6%), despite the demonstrated higher growth for the City over the past five years. It can therefore be assumed that the predicted population for the City of 60,305 by 2046 is a conservative estimate, as such all needs assessments for the facility have been completed on this conservative basis. Current population trajectory has the City growing at around 4% per annum, which would have the City of Busselton reaching 53,080 in 2026 and would therefore result in a much higher population by 2046 than Planning WA has predicted. This indicates that the need for a facility of this size is more likely to be greater than estimated, which ensures the viability and feasibility of the project.

Lawrence Consulting's report, dated November 2018, details the market demand for a performing arts and convention centre. The report states that attendance demand for the performing arts component of the proposed facility was estimated on the basis of the average propensity to consume performing arts experiences for regional Western Australia. The following table shows the proportion of persons living in regional Western Australia who attend various types of cultural performances per annum and the related frequency of attendance for each. For example, approximately 5.4% attended a classical music concert in the year prior to being surveyed; of these people, 36.0% had attended just one classical music concert, 30.2% two classical music concerts etc, with an overall average frequency of 2.22 classical music concerts attended annually.

<b>Attendance Rate and Frequency at Cultural Performance Events, Western Australia (%)</b>						
Performance type	Attendance rate	Annual frequency of attendance				
	Regional WA	Once	Twice	Three times	Four or more times	Average frequency
Classical music concerts	5.4	36.0	30.2	9.4	24.4	2.22
Popular music concerts	28.5	34.5	25.5	12.2	27.9	2.34
Theatre performances	15.1	47.8	25.8	9.4	16.9	1.95
Dance performances	5.9	61.3	21.8	6.3	10.7	1.67
Musicals and operas	10.8	59.4	21.4	9.5	9.6	1.69
Other performing arts	21.8	67.8	18.3	5.5	8.4	1.55
Total attending at least one performing arts event	50.0					

Source: ABS 4114.0 Attendance at Selected Cultural Venues and Events 2009-10 and 2013-14, Lawrence Consulting

9

The average propensity to attend performing arts for regional Western Australia was then applied to the current and forecast population of the City of Busselton to estimate the total demand for performing arts attendance in the region. Applying the propensity to consume performing arts experiences only (not taking into account average frequency), the current total persons within the City of Busselton expected to attend performing arts events is approximately 18,840 in 2016, increasing to over 30,400 by 2046.

<b>Total Persons Attending Performing Arts Events, City of Busselton</b>							
Performance type	Year						
	2016	2021	2026	2031	2036	2041	2046
Classical music concerts	2,018	2,216	2,447	2,669	2,875	3,070	3,257
Popular music concerts	10,741	11,796	13,023	14,208	15,303	16,344	17,336
Theatre performances	5,704	6,264	6,915	7,544	8,126	8,679	9,206
Dance performances	2,228	2,447	2,701	2,947	3,174	3,390	3,596
Musicals and operas	4,056	4,454	4,917	5,364	5,778	6,171	6,546
Other performing arts	8,216	9,023	9,961	10,868	11,705	12,502	13,261
<b>Total persons attending performing arts event</b>	<b>18,840</b>	<b>20,690</b>	<b>22,842</b>	<b>24,920</b>	<b>26,840</b>	<b>28,667</b>	<b>30,407</b>
Total population	37,673	41,373	45,675	49,830	53,671	57,324	60,802

10

Taking into account the average frequency of attendance of different performance types, the total number of attendances at performing arts events from the population of the City of Busselton is forecast at almost 64,000 in 2016, increasing to over 103,200 attendances in 2046. Research conducted by Lawrence Consulting suggests that the proportion of local audience share for regional performing arts venues typically ranges between 80-90%, with the remaining attendees being visitors to the City.

Applying an indicative average local share of 85% indicates that the total potential attendance for the BPACC facility is approximately 75,300 persons in 2016, increasing to almost 121,500 persons in 2046. An assumption can be made that not all of these performing arts experiences will be consumed at the BPACC, with some attending performing arts centres in Perth or across the South West region. Conservatively assuming only half of these performing arts experiences will be consumed at the BPACC, the current forecast demand is approximately 37,640 performing arts seats annually, increasing to over 60,700 attendees in 2046.

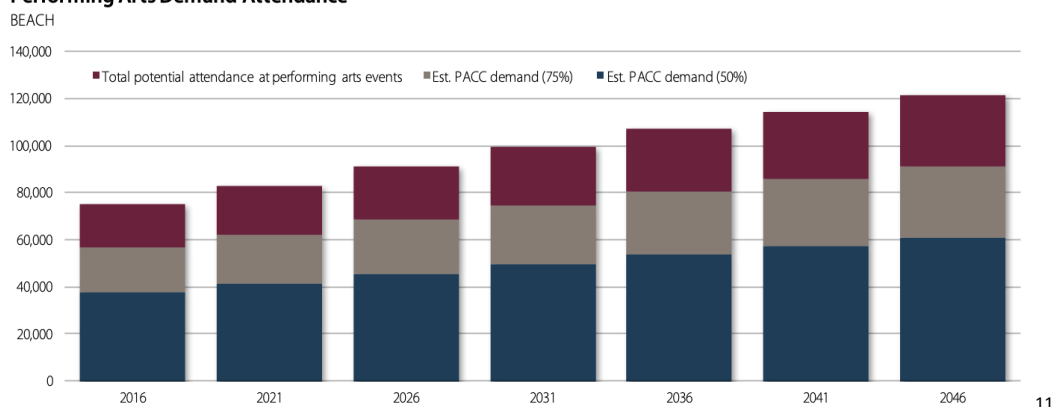
<sup>9</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 2

<sup>10</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 2

## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

Expected Demand for Persons Attending Performing Arts Events, City of Busselton and BEACH							
Performance type	Year						
	2016	2021	2026	2031	2036	2041	2046
Classical music concerts	4,484	4,924	5,436	5,931	6,388	6,823	7,237
Popular music concerts	25,103	27,568	30,435	33,203	35,763	38,197	40,515
Theatre performances	11,134	12,227	13,499	14,727	15,862	16,941	17,969
Dance performances	3,712	4,077	4,501	4,910	5,288	5,648	5,991
Musicals and operas	6,858	7,532	8,315	9,071	9,770	10,435	11,069
Other performing arts	12,694	13,941	15,390	16,790	18,084	19,315	20,487
<b>Total attendance</b>	<b>63,985</b>	<b>70,268</b>	<b>77,576</b>	<b>84,632</b>	<b>91,155</b>	<b>97,360</b>	<b>103,268</b>
Total potential BEACH attendance based on % local audience share:							
80%	79,981	87,835	96,970	105,790	113,944	121,700	129,085
85%	75,276	82,669	91,266	99,567	107,241	114,541	121,492
90%	71,094	78,076	86,195	94,036	101,284	108,178	114,742
Expected BEACH attendance based on capture rate:							
50%	37,638	41,334	45,633	49,784	53,621	57,271	60,746
75%	56,457	62,001	68,449	74,675	80,431	85,906	91,119

### Performing Arts Demand Attendance



11

In order to meet this identified demand for performing arts events, the report found that there are currently no other large venues in the City of Busselton available. A thorough venue review was conducted in Busselton and surrounding areas. It found that smaller local events are staged at the Weld Theatre, which provides an intimate theatre experience with a restricted capacity of 120 seats. The Weld Theatre is generally viewed as a community asset that hosts work performed by the Busselton Repertory Club and other groups, with a schedule of events that includes a number of performances of the annual pantomime, the fringe festival and other plays, dancing and theatrical shows. The nearest facility that can cater to larger performing arts events is the Bunbury Regional Entertainment Centre (BREC), which is 53km from Busselton. The market demand assessment and needs analysis considered the existence and use of the BREC when determining the need for a facility in Busselton and the optimal size of the facility.

A comparison of performing arts venues in the region identified a number of findings that informed the development of this project.

<sup>11</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 3

**Table E4: Comparison of Regional Performing Arts Venues**

Venue	Total capacity		Total performances		Est. seat utilisation	Estimated revenue
	Main venue (>450 seats)	Smaller venue (<450 seats)	Main venue	Smaller venue	Total	Total
Bunbury Regional Entertainment Centre	810	242	71	49	69,368	\$2,575,174
Margaret River Cultural Centre	n.a.	309	n.a.	156	48,204	\$629,745
Mandurah Performing Arts Centre	800	144	71	28	60,832	\$1,936,402
Albany Entertainment Centre	620	200	19	0	11,780	\$572,622
Geraldton Queens Park Theatre	673	160	24	2	16,472	\$409,105
Goldfields Arts Centre	700	110	43	1	30,210	\$649,978

Source: Studio Evans Lane

12

The key findings from the venue analysis included the following:

- The size/capacity of the venue/auditorium is directly proportional to level of return whether from ticket sales or from rental, i.e. the bigger the auditorium, the greater the potential return;
- Rentals are disproportionately higher for smaller venues; average seat cost per performance excluding staff and ticketing expenses (<450 seats \$5.60; >450 seats \$3.70);
- Where large (>450 seats) and small (<450 seats) auditoria are offered at the same venues the take up on the larger auditorium is far more significant than the smaller with an average of 86% of the events in these venues taking place in the larger venue;
- Stand-alone smaller venues such as Margaret River HEART can be viable, although they require significantly more events and performances (on average, almost double the number of those at the larger venues);
- Larger venues and auditoria attract larger and better established acts and events, which subsequently generate higher ticket prices; averages for the venues reviewed (<450 seats \$19.19; >450 seats \$52.30). Combined with the conclusion above this places increasing pressure on the smaller venues to generate a viable return; and
- Whilst the findings are broadly comparable with those of the APACA 2013 Economic Activity Report, there are some striking anomalies, in particular the utilisation rate nationally of 58%, which is significantly higher than the venues considered.

The report concluded that:

**“Following the comprehensive catchment analysis and market demand assessment, the review of competing venues would suggest that there exists considerable demand for a performing arts centre in Busselton, the optimal capacity for which would be in the range of 600-650 seats depending on design configuration based on the market for performing arts in South West WA and the expected population growth in the region over the next 20-30 years.”<sup>13</sup>**

<sup>12</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, Lawrence Consulting and Studio Evans Lane, November 2016, Page iii

<sup>13</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, Lawrence Consulting and Studio Evans Lane, November 2016, Page iv



The report also details the market demand for the convention centre component of the proposed facility. The report found that the City of Busselton and Capes region currently has few suitable venues to host key business events. A review of the current local conferencing and event offering was undertaken by consultants Studio Evans Lane in 2016, and found the following existing venues:

- Abbey Beach Resort
- Geographe Bayview Resort
- The Ramada (previously Wyndham resort)
- Pullman Bunker Bay Resort
- Old Broadwater Farm
- The Equinox

The City can confirm that with the exception of a minor expansion to the existing Esplanade Hotel function room and a small function area at the Shelter microbrewery there have been no additions to venue capabilities in Busselton since the review was completed six years ago.

The Geographe Bayview Resort did have plans several years ago to build a larger function space. The Resort was issued a development approval (DA) for a 5 storey development at the northern end of the Bayview Geographe site on 19 September 2018, with a condition requiring substantial commencement within two years. Under the COVID State of Emergency Declaration, the Minister for Planning issued a notice which provided an extension to all development applications that were valid as at 8 April 2020, with an additional two years to substantially commence. The DA is now valid until 19 September 2022. The City understands the development is no longer considered a priority by the business and is not being progressed.

In late 2021, Georgiana Molloy Anglican School (GMAS) announced they would be proceeding with a 400 fixed seat performing arts facility for their students. While the Georgiana Molloy PAC may provide an alternative venue for some dance or other community based events, it will not have the functionality of the BPACC, functionality that was developed in consultation with key stakeholders including dance schools. The Georgiana Molloy PAC will also be somewhat constrained commercially by its location on a school ground, with a range of additional policy settings.

The City has been aware for some time that the Georgiana Molloy Anglican School were looking to build their own performing arts facility, with this referenced as part of operational business planning for the BPACC. To date however the City has not seen a copy of the business model or plan for the facility and is not aware of the timeframe for construction. Given the clear differences between the two facilities, the City does not consider that the GMAS PAC will have any impact on the operations of the BPACC

The Studio Evans Lane 2016 review established that there is little capacity in existing venues for medium to large scale business events in excess of 300 people and consequently there will be minimal displacement caused by the proposed BPACC, particularly given the conservative number of current events hosted relative to the potential future demand. In contrast, the BPACC will be designed to handle larger events, as well as growing the entire business event industry in Busselton significantly, which should then allow for some organic growth for these other venues and also scope for working in partnership to meet the anticipated demand.

The report references a study conducted by Ernst & Young on behalf of the Business Events Council of Australia, which identified that there were approximately 31,700 business events held in Western Australia in 2013/14 with a total attendance of almost 2.8 million delegates. These events generated direct expenditure of approximately \$1.8 billion, value added \$836 million and 11,931 jobs. Approximately 44% of business events were held in regional areas with around 36% of total delegates.

The report surmises that, by applying these proxy indicators to the business event industry in Western Australia, the total market for regional WA in 2015/16 was estimated at almost 12,300 events annually with over 1 million delegates and associated direct expenditure of approximately \$734 million. Based on a simple

## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

per capita allocation, the expected demand for business events in the City of Busselton is over 960 events per annum with an estimated 68,000 delegates and spending impacts of approximately \$49 million. However, given the City of Busselton's reputation for events, its high level of available accommodation and its assets as a tourist destination, in addition to recent major projects including the Busselton-Margaret River Airport, it can be expected that Busselton could attract more than its allocation based on a simple per capita assessment. These assessments are therefore considered conservative.

Estimated Demand for Business Events in Regional Western Australia					
	Meetings and conventions	Exhibitions	Incentives	Total	Estimated demand, Busselton (per capita share)
Number of events	14,285	74	78	14,437	966
Number of delegates	755,103	233,622	27,780	1,016,505	68,035
Direct expenditure (\$ million)	595.4	81.0	58.1	734.4	49.2

Source: Ernst & Young, Lawrence Consulting

14

Tourism WA's Visitor Factsheet lists the average data for 2015, 2016 and 2017 and shows that an average of 54,500 people visited Busselton for business reasons in each of those years<sup>15</sup>. It cannot be expected that all of these 54,500 business visitors were in Busselton to attend a business event, such as a conference, with many expected to have been simply attending meetings at client offices or completing work in the area. As such, it is obvious that Busselton has not been able to attract even its per capita allocation of regional business events, which estimated 68,000 people visiting the area in 2015.

The draft South West Business Events Strategy developed in partnership with other regional facilities, the BREC, MPAC and Margaret River HEART and the SWDC, Australia South West, MRBTA, Bunbury Geographe Tourism Association and Business Events Perth highlights the attractiveness of Busselton and the region for Business Events.

At a meeting in November 2020, Business Events Perth (BEP) and Tourism WA (TWA) shared the industry COVID recovery plan and the opportunities for Business Events in the South West. BEP have 170 members, 18 of which are regional, 14 are based in the South West.

BEP confirmed 81 Business Events were cancelled in their WA membership due to COVID, equating to 24,153 delegates and an economic impact of \$63m. However, 136 events were not cancelled but have been postponed, equating to 58,400 delegates and an economic benefit of \$125.5million. 32 other events remain pending.

Prior to COVID, BEPs target markets were national and international business, with no focus on the domestic market. 49% of events in the City services the Corporate Asia market, 15% international associations and 30% national associations. Just 1% is state based. In their view recovery of the international market will be very long term and the corporate sector will also be slow with strong competition from other States that are more accessible than WA.

Recovery is expected to be quicker in the Association markets, interstate in the short term and intrastate as is happening now. Recovery opportunity examples given were RACGP WA State Event (41,000 members) and GP Practice Owners (average 2000 delegates). Whilst larger than any South West venue could accommodate,

<sup>14</sup> Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 5

<sup>15</sup> CITY OF BUSSELTON VISITOR FACTSHEET THREE YEAR AVERAGE – 2015/2016/2017 Produced by Tourism WA - Strategy and Research, April 2018

there is opportunity in a new market of satellite events spinning off the City based main event to the South West due to the attractiveness and already high awareness of the location as a visitor destination. The proximity and accessibility of the South West from Perth makes the destination more viable than other regional locations.

In the shorter term, BEP and TWA see the opportunity for the South West in the intrastate market, in particular because venue selection is entirely client driven, therefore although Perth has the highest concentration and variety of venues and this appeals to the international and domestic markets it is not a strong determiner for the intrastate market.

BEP and TWA are currently developing new KPIs which will focus BEP to market and promote the regions as destinations for Business Events. It is anticipated their role will be lead generators and event coordinators for their regional members and due to the higher membership in the South West and other advantages of accessibility and visitor attractions the BPACC will be well placed to capture this new market and its growth over the years to come. In the medium term interstate markets will return in viability and attractiveness especially with availability of flights directly to the Busselton Margaret River Airport.

It is clear that the City of Busselton is missing out on a large number of potential visitors coming to the region for business events, due to not having the infrastructure available. Busselton is part of the wider Busselton Margaret River Region, which is the most visited region outside of the Perth metropolitan area; however visitation is predominantly intrastate and for short periods. Diversification and expansion of the visitor market from the traditional intrastate pleasure/holiday visitors to the more lucrative and higher spending business events, incentive and exhibition travel market; especially international markets; will realise greater economic returns to this highly tourism dependent region. However, this cannot occur without the infrastructure being available to attract and hold indoor business events.

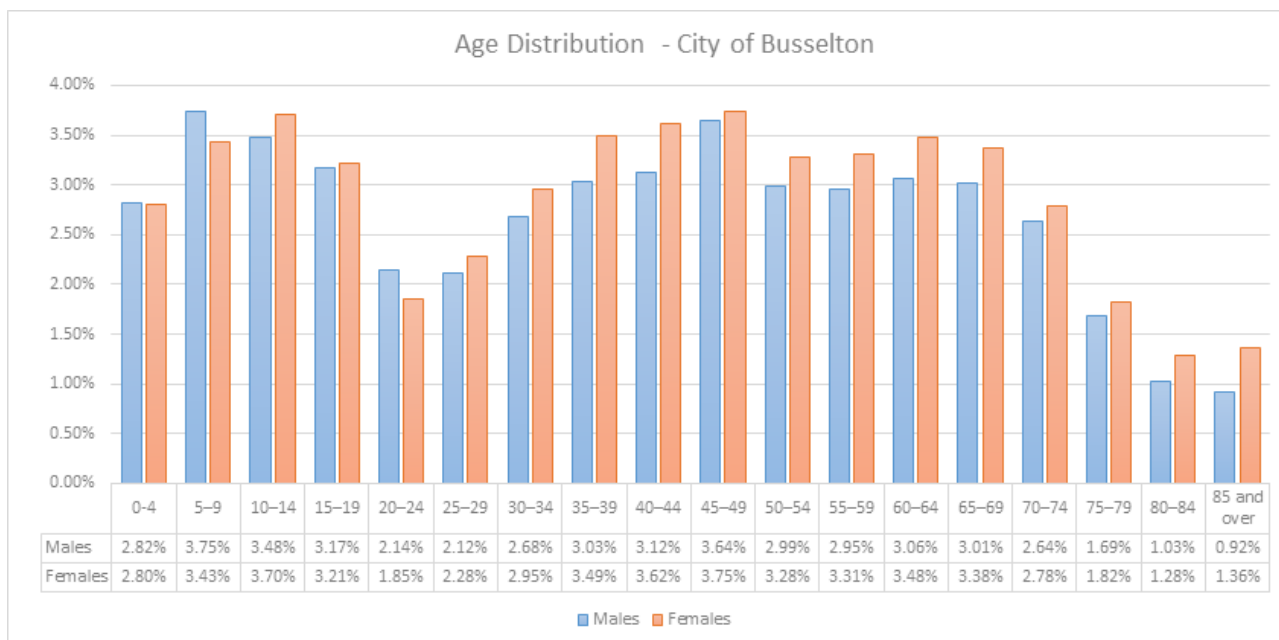
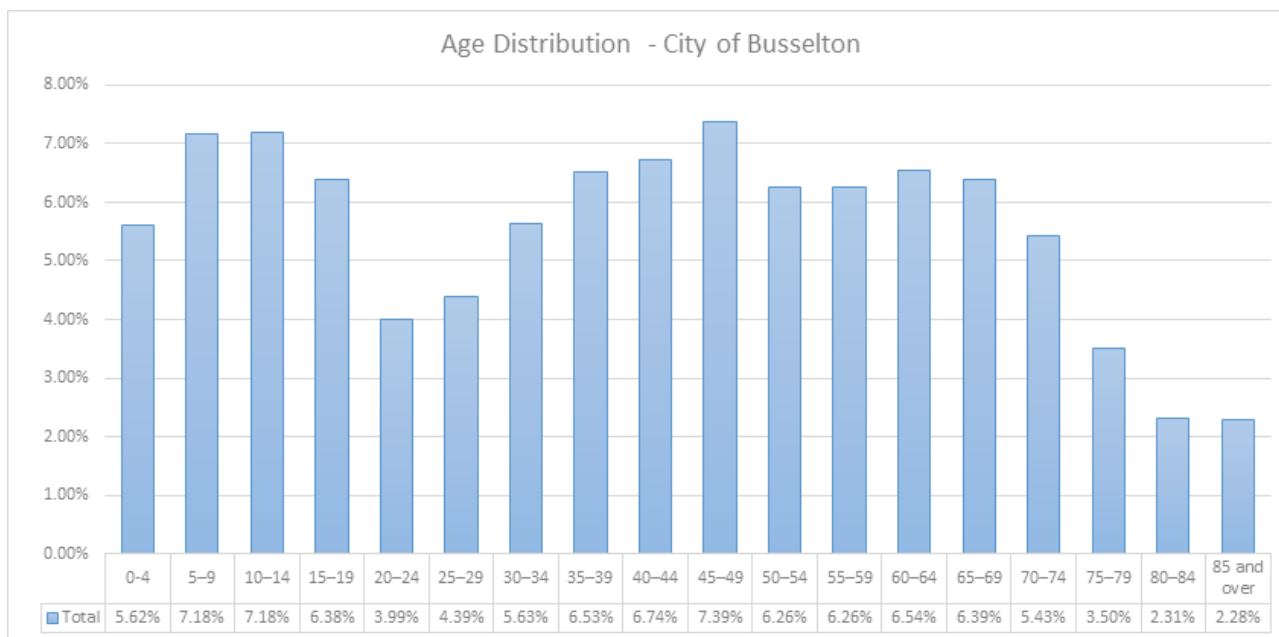
The Market Demand Analysis and Economic Impact Assessments report completed by Lawrence Consulting in 2016 and further developed in November 2018 forecast the BPACC has the potential to cater for:

- An average of 140 shows a year
- Between 160 and 295 total events
- An additional 148,000 to 197,000 visitors per year
- Of which are between 14,700 and 35,300 visitors from outside Busselton

A Cost Benefit Analysis assessment of the project completed in 2020 (see Attachment E) found that the project will deliver around \$52 million worth of benefits, with increased tourism expenditure being the most significant individual contributor to those benefits. Total project benefits have increased since this time due to the higher economic output now forecast from construction. This is detailed later in the Business Case. It is noted that the BPACC represents an economic development asset that will support local construction, tourism, arts, culture and creative sectors into the future.

It is noted however that the community of the City of Busselton's reasons behind the desire for a performing arts centre is largely unrelated to economic development and visitor attraction. Although this would have been a contributing consideration, the community need for the facility is centred around enriching the cultural fabric of the community and region and enabling and supporting growth in cultural pursuits, the arts and creative industries. The community connection and opportunities for social participation have been the drivers behind the community demand for the project.

Busselton has previously been a popular retirement destination and as we see globally has an aging population. However, with the development of Dunsborough and new town sites of Vasse and Yalyalup the City has seen an increase in young families moving to the area. The City of Busselton's age population below shows 20% of the community are aged 60 plus and over 30% are aged 24 or under with females higher in most age brackets.



The City of Busselton continues to grow and change as our population increases. With the growth, come both opportunity and challenges. Emerging trends include ability to access out of hours local support services and growing homelessness and domestic violence. Drugs, alcohol and mental health issues are causing dysfunction in families, crime, child abuse and neglect and an increasing risk of suicide. These issues have been exacerbated by COVID-19. We are seeing areas of concern across the City particularly in:

- Family and domestic violence
- Mental Health
- Homelessness
- Housing supply ( rentals and sales )
- Youth
- Skills and workers shortages
- The scale of impact to events and tourism



Report’s such as the A New Approach (ANA) report Transformative Impact of Culture and Creativity, which draws on research from Australia and around the world found that “during and following major crises such as health emergencies or natural disasters, arts and cultural activities reconnect affected communities, reduce feelings of isolation, strengthen people’s connection to place, provide opportunities for reflection and commemoration, and foster a shared sense of hope and optimism. Arts and cultural engagement has been shown to: enhance social inclusion; reduce loneliness; increase confidence; and improve feelings of self-worth. These outcomes, in turn, have a direct and positive impact on both physical and mental health.”

The need for this project is currently more pressing than ever with the recent economic impact of the COVID-19 virus. The arts and creative industries were especially impacted by the restrictions in place to stop the spread of the virus, with all events and shows cancelled. The Australian Business Economic Impact Survey (ABEIS) released on 14 April 2020 found that businesses in the arts and recreation sector were the hardest hit by the COVID-19 crisis, reporting the highest revenue losses of any industry. The average impact on revenue being reported by arts and recreation businesses was -55.7 percent, greater than accommodation and food services (-49.3 percent) and other services (-46.5 percent), as shown in the below figure.

Figure 1 Impact on revenue and staffing, selected industries

Industry	Revenue ↑	Staffing
Arts & Recreation Services	-55.7%	-42.9%
Accommodation & Food Services	-49.3%	-37.2%
Other Services	-46.5%	-27.6%
Rental, Hiring & Real Estate Services	-43.2%	-16.0%
Health Care & Social Assistance	-37.0%	-9.8%
Agriculture, Forestry & Fishing	-32.3%	-12.0%
Professional, Scientific & Technical Services	-30.6%	-5.2%
Manufacturing	-30.0%	-17.1%
Retail Trade	-26.4%	-25.2%
Education & Training	-17.2%	-15.0%

16

Figure 3 COVID19 Impact on revenue and staffing by industry

Like many other retail dependent town centre’s Busselton CBD has experienced steady declined in the face of increased online retail opportunities. Busselton CBD also suffers from a poor connection to the visitor mecca of the foreshore. The impacts of the COVID-19 pandemic on the local economy were significant at the time. Industry sectors within the City of Busselton impacted included:

- Retail trade
- Tourism & hospitality
- Events and entertainment
- Arts and recreation services

Although recovery has been strong and buoyed by the onset of spring and summer and intrastate tourism there have been:

- Skills shortages which have restricted opening hour capabilities
- Some local businesses (small and medium) temporarily or permanently closed
- Rental and housing shortages
- Mortgage/rental pressures leading to increased debt levels
- Restricted cash flow for businesses and sole traders during the pandemic lockdown and once re-opening commenced.

<sup>16</sup> REPLAN data and analysis provided by Regional Development Australia South West

**BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

As such, it is of vital importance to the economy and the arts and recreation industry that a project such as the BPACC is realised. This venue will stimulate interest in attending performing arts shows and events at a time when the industry is still in recovery, bringing people into the CBD day and night and stimulating flow on spending in bars, restaurants and shops.

Additionally, the project will, during construction phase provide a total of 138 jobs. It is then expected to provide 44 jobs on an ongoing basis through staffing, operations and tourism expenditure bringing local people and more visitors to the region, our City and CBD areas.

During late 2020, the City undertook the biennial review of the Strategic Community Plan. A total of 1,658 people participated in this review. A combination of random sampling and targeted engagement was used to obtain a diverse representation from our community. The top ten responses about what people enjoy about living in the City of Busselton were:

What do you enjoy about living here?	
Freq.	Words similar to:
249	lifestyle, relaxed, country, small, quiet
221	nature, enviro, bay, scenery, rural, clean
158	Beach, surf
131	Community, people
90	recreation, facilities, events
56	close to perth but country
22	weather
18	cycling
15	safe
5	vibrant

In answer to the question – As we head toward 2035 what three words describe your ideal City of Busselton the following vision was articulated:

**Busselton 2035**

Q. As we head toward 2035, what three words describe your ideal City of Busselton?

Busselton 2035, a safe and friendly community that is clean and environmentally sustainable. It is progressive, offering vibrant experiences within a relaxed, peaceful and beautiful setting.

The following key themes featured the highest in responses:

<b>THEME</b>	<b>Frequency</b>
<b>Economic Development and Activation</b>	<b>358</b>
<b>Managed Development</b>	<b>306</b>
<b>Leadership</b>	<b>254</b>
<b>Environment and Sustainability</b>	<b>252</b>
<b>Roads and Traffic</b>	<b>130</b>
<b>Safety and Security</b>	<b>95</b>
<b>Arts and Culture</b>	<b>89</b>
<b>Waste and Recycling</b>	<b>84</b>
<b>Youth</b>	<b>82</b>
<b>Foreshore Development</b>	<b>73</b>

Support was expressed for arts and culture opportunities including for a performing arts centre. More broadly, there was support for creating more things for young people to do, including indoor activities, for nightlife activation, vibrancy, concerts and local community based events. There was also significant commentary around the need to focus on industry diversification and increased employment opportunities, and a reduction in empty shops and activation of the CBD. The BPACC is a project that will support these objectives.

### **Future opportunities**

#### Event sponsorship

The City collects over \$1.1m annually from a differential rate rating system whereby properties rated industrial and commercial across the City directly contribute toward the City's continued support of tourism, marketing and event activities. An allocation of funding from the differential rate towards the BPACC has been incorporated, for several years, into the business operations plan and financial projections that forms part of the BPACC business case. The intended use of this is to part fund the BPACC programming schedule, including the purchasing/ securing of conferences, performances and/ or events. This is similar to the allocation of Differential rate funding to City's Airport Marketing Reserve. Since 2019/20 allocations have been made to part fund marketing programs to support the introduction of regular passenger transport (RPT) services to the region. These allocations have been included in the City's previous long term financial plans (LTFP).

The City's Event Strategy is currently under review to capture the many opportunities the BPACC presents. This will consider how events are funded. Many hallmark events on multiple year agreements seek increased funding at the end of the contract term, reducing the monetary pool available for new events to be funded. The BPACC will provide a more economical venue for many events to operate from removing significant costs to hire large infrastructure items, such as marquees. Funding arrangements can be renegotiated to include use of the BPACC, providing opportunity for the differential rate funding pool to be distributed further.

#### Career pathways in the arts

To study in the southwest, **Edith Cowan University (ECU)** offers a Bachelor of Arts Honours at its Bunbury campus, although the prerequisite Bachelor of Arts or Bachelor of Design is only available at Perth campuses. South West Regional TAFE in Bunbury, Busselton and Margaret River recognise the Creative Industries with Diploma of Visual Arts (BY, BU & MR), Diploma of Graphic Design (MR) and Certificate III in Music Industry (MR).

With few education options to advance the local talent pool, students with an interest in cultural and creative work will leave for Perth and beyond, or choose not to enter formal education, with both alternatives contributing to a widening gap across the region (Wicked Strategies, SWDC, SWITCH, Stage 1 Desktop Review).

In 2022, ECU's occupation of the former Central Queensland University study hub in Busselton, presents an opportunity to explore how increased career pathway opportunities can be provided for local youth to pursue careers in the arts through potential collaborations between the City and ECU at the BPACC. ECU have expressed excitement for the opportunities the BPACC's performance and technical capabilities present.

### Creative industries

Since 2011 Council have been exploring opportunities for a land swap with the former Department of Parks and Wildlife (DPaW) now Department for Biodiversity, Conservation and Attractions (DBCA) on Lot 450 in the Cultural Precinct. This land is opposite the Weld Theatre and BPACC site. Discussions with DPaW/DBCA have indicated that the City acquiring the site is not a short-term option.

The site has also been considered for a central, large Creative Industry hub. This was initially a key focus of the SWDC SW Innovation and Technology Creative Hub (SWITCH) desktop study which identified Busselton and Margaret River as preferred locations to expand the already present film and visual arts industries, and potentially develop a mixed-use facility across multiple creative sectors, combining production, technology and education. Based on the industry engagement in Busselton and Margaret River, different equipment, technology, room size and building access were identified as needed for the sectors. The report recommends it will be more beneficial to establish a series of spaces that create an ecosystem of Cultural and Creative Industries across the region. The DBCA site provides an opportunity to be one of these spaces.

The BPACC, in the meantime, provides opportunities through collaborations and programming of events to support the Creative Industries defined in the SWITCH report, ahead of dedicated infrastructure being provided.

### The naming and branding of the facility

Since 2020, the City has been working with the community to understand the stories, people, places and events that have shaped Busselton's cultural identity, the Cultural Precinct's history, current role and future potential and the types of experiences and activities that people would like to see when the BPACC is here and in the Cultural Precinct. The Cultural Interpretation Strategy developed through community consultation, established a brand direction and four territories to consider when selecting a name for the BPACC:

1. Geographic/environmental – drawing from the precinct's location and geography.
2. Wadandi Noongar – Traditional Custodians' language and culture.
3. Flora/fauna/the Bay – waterways, endemic species and regional biodiversity.
4. Contemporary/abstract – modern cultural references including constructed words.

A branding agency used by MRBTA for the sub regional brand development was employed to take forward the cultural interpretation strategy recommendations to develop a name for BPACC. They recommended a name that was powerful, meaningful, memorable, grounded, genuine and authentic, creative and inspirational. A name that is welcoming and inclusive, that will become part of Busselton, strongly connected to country, the local landscape and culture and how stories were first told through dance, music and sharing round the camp fire. The name recommended was Saltwater.

This name along with BPACC and the former name of Busselton Entertainment, Arts and Creative Hub (BEACH) went out to community survey and was workshopped by the three different reference groups: Councillor working Group, Community Reference Group and Aboriginal Advisory Group. They concluded the name has significant opportunity to promote Busselton as a destination through connection to aboriginal culture and country. Saltwater was supported in a layered approach incorporating Busselton. This name is now being taken forward for brand development to realise the opportunities the name presents.



### 2.3. Project Description

The project will deliver a community events and performance facility which has been missing for many years. The new facility will cater for today's population of 40,000 and a projected population of over 65,000, a place for this generation and generations to come. The new development integrates and respects the existing heritage buildings, the Weld Theatre and ArtGeo Gallery, enhancing and maximising the appeal and use of those community facilities. The BPACC will be a high quality, technically advanced, flexible and adaptable facility capable of serving the specific needs of our local community and filling gaps and creating further opportunities for the broader South West region. Working in conjunction with venues in Margaret River, Bunbury and Busselton, creating an urban/peri-urban complementary alternative to the rural wineries and resorts.



The facility will be able to host a wide range of functions providing for small-scale community or corporate meetings of 20 up to over 1,000 attendees at major regional events. The Council-endorsed location for the BPACC is on vacant land at lots 43 and 44 Queen Street, which is owned freehold by the City of Busselton, gifted to the City by the State in 2010. The development incorporates the adjacent lots 468 (the ArtGeo Gallery site) and lot 310 (the Weld Theatre site).

Development of the BPACC will activate the Busselton Cultural Precinct and consolidate the City's urban centre. In 2011 the City finalised a significant upgrade to the town centre Cultural Precinct, enhancing the visual streetscape and practical performance of Queen St. The improvements provide for a much larger "shared space" that can be used by both pedestrians and cars, but can be closed off to create a new public space for events and will encourage greater use of the street itself as a place for people to spend leisure time amongst the buildings. It includes high quality seating, lighting, art and landscape that has greatly enhanced the use of the location.

Artwork incorporated into the Cultural Precinct includes a series of figurative, life size artworks that tell stories about the early settlement of Busselton - the aboriginal people, the explorers, the whalers, the pioneer families, the successful establishment of valuable export industries like timber and the growth of strong families, businesses and communities that are still the backbone of Busselton today.

The BPACC facility will be the final development in the Cultural Precinct and will activate the area for its intended purpose. It will significantly enliven the precinct and complete an all-important link between the redeveloped world class Busselton Foreshore currently in the final stages of a \$72 million redevelopment and the Central Business District.



## BUSSELTON CULTURAL PRECINCT

### ArtGeo Cultural Complex:

- A. ArtGeo Gallery
- B. Courthouse
- C. Terrace Gardens
- D. Old Police Sargent's Quarters
- E. Courtyard
- F. Stable Studios

### Other Buildings:

- G. BPACC
- H. Weld Theatre
- I. DBCA Building

Figure 4 Site Map of BPACC Location

Lot 43 and 44 (Marked G), incorporating the ArtGeo Gallery (Marked A) and the Weld Theatre (Marked H) is the project location.

As shown on the map below, the area has sufficient parking and this location is ideally placed near the CBD and within walking distance of the foreshore development, including areas designated for hotel construction and the tourist infrastructure around the Busselton Jetty.



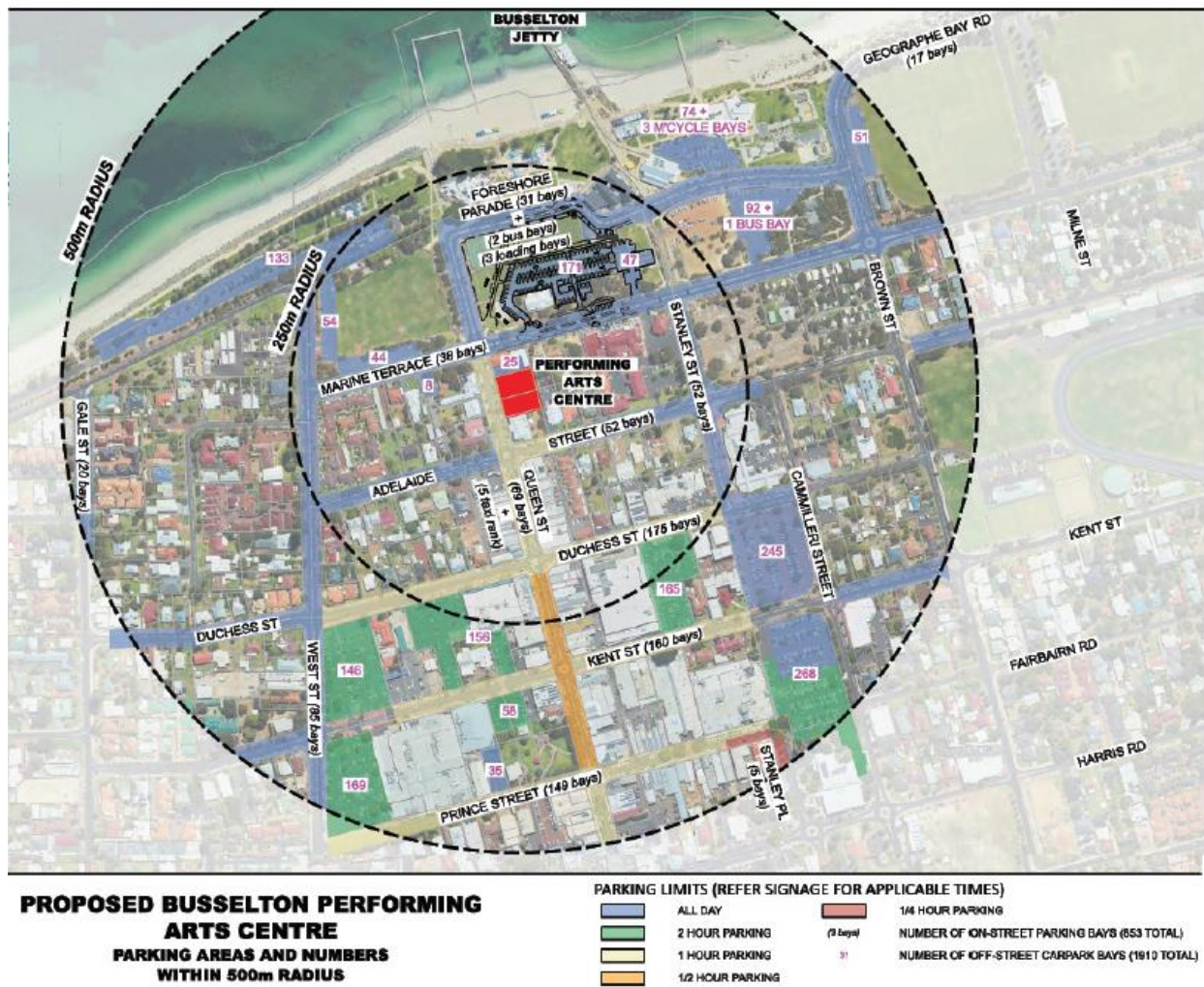


Figure 5 Parking map showing the location of the proposed BPACC facility

The project will deliver:

- a flexible indoor performance and convention space capable of hosting large events for over 1,000 people standing. The auditorium will have up to 650 seats in total (345 are retractable or removable),
- Separate multi-purpose studio, rehearsal and break-out rooms with capacity to seat 400 in banquet style layout with views to Geographe Bay
- The use of state-of-art technology to enhance the performance and design of the building.
- Integration of existing heritage buildings; the Weld Theatre and ArtGeo Gallery.
- An indoor and outdoor space to enable training and education in the creative industries sector.

As can be seen on the below Ground Floor Plan, Mezzanine and First Floor Plans (See Attachment A BPACC Plans for further detail), the new BPACC facility will consist of two floors and a mezzanine level and will include:

- Foyer and box office
- New class AA art gallery space with upgraded technology
- Conversion of the existing ArtGeo Gallery into a commercial tenancy to activate the area and provide a constant rental income stream
- Courtyard areas and a first-floor deck for gathering/events
- Storage for props, equipment, catering
- Commercial kitchen for catering events
- Up to 650 seat auditorium with retractable seats, stage and balcony areas
- Refurbishment of the existing Weld Theatre to cater for smaller performances or business events
- Green room, dressing rooms and rehearsal room for performers
- Multi-purpose, meeting and breakout rooms for smaller events or breakout sessions

# BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

- Three conference/multi - pupose rooms
- Offices for management of the facility
- Ablutions areas

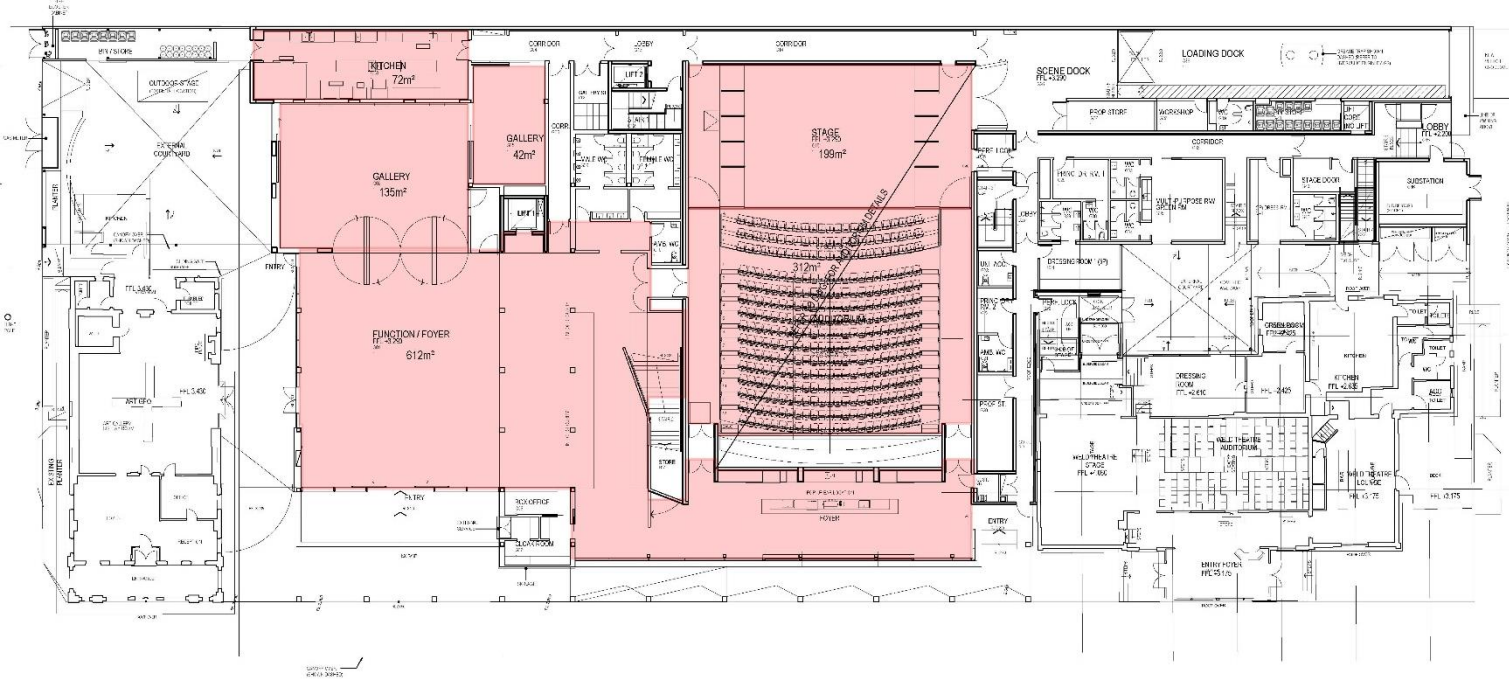


Figure 6 BPACC Ground Floor Plan

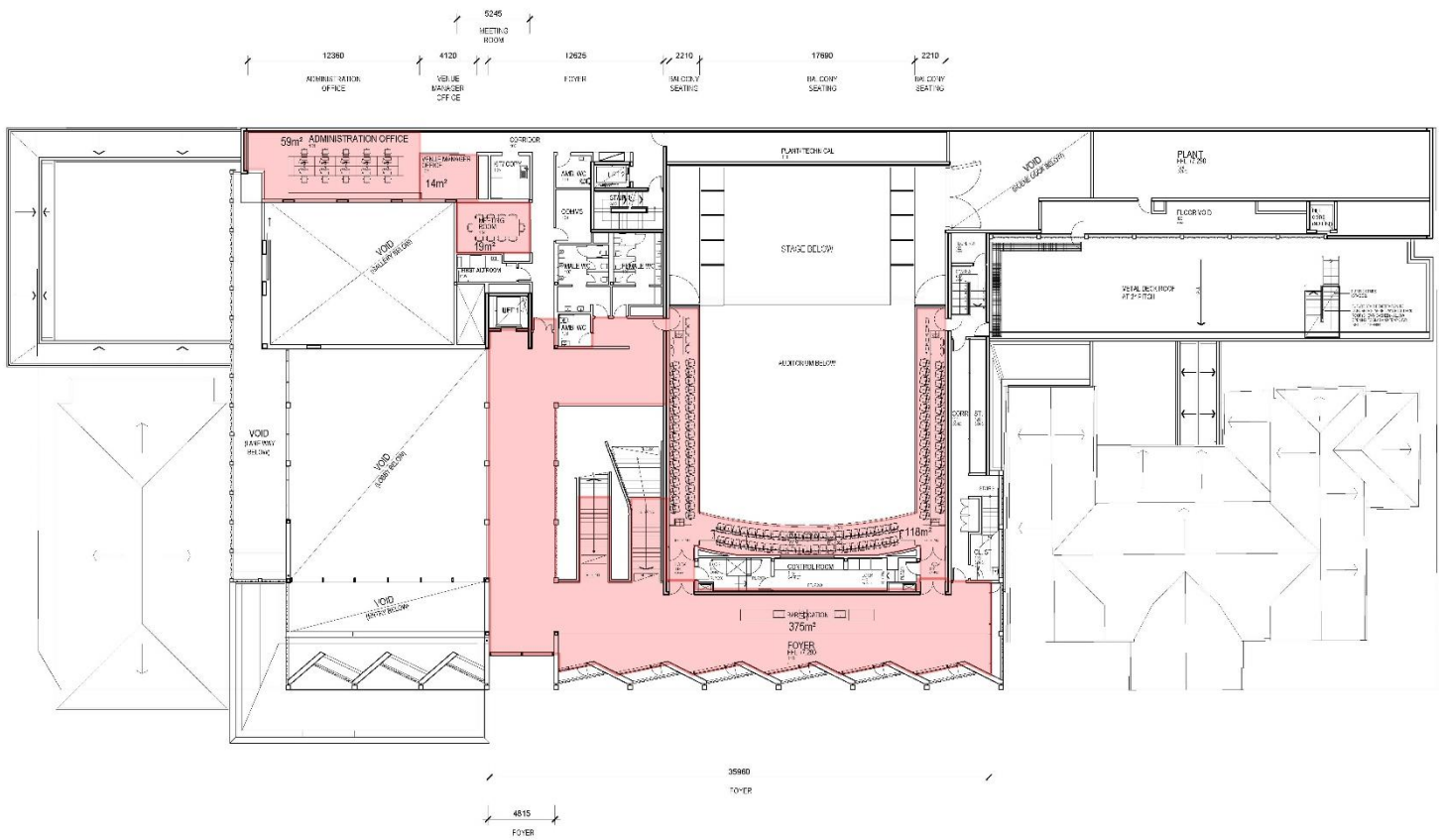
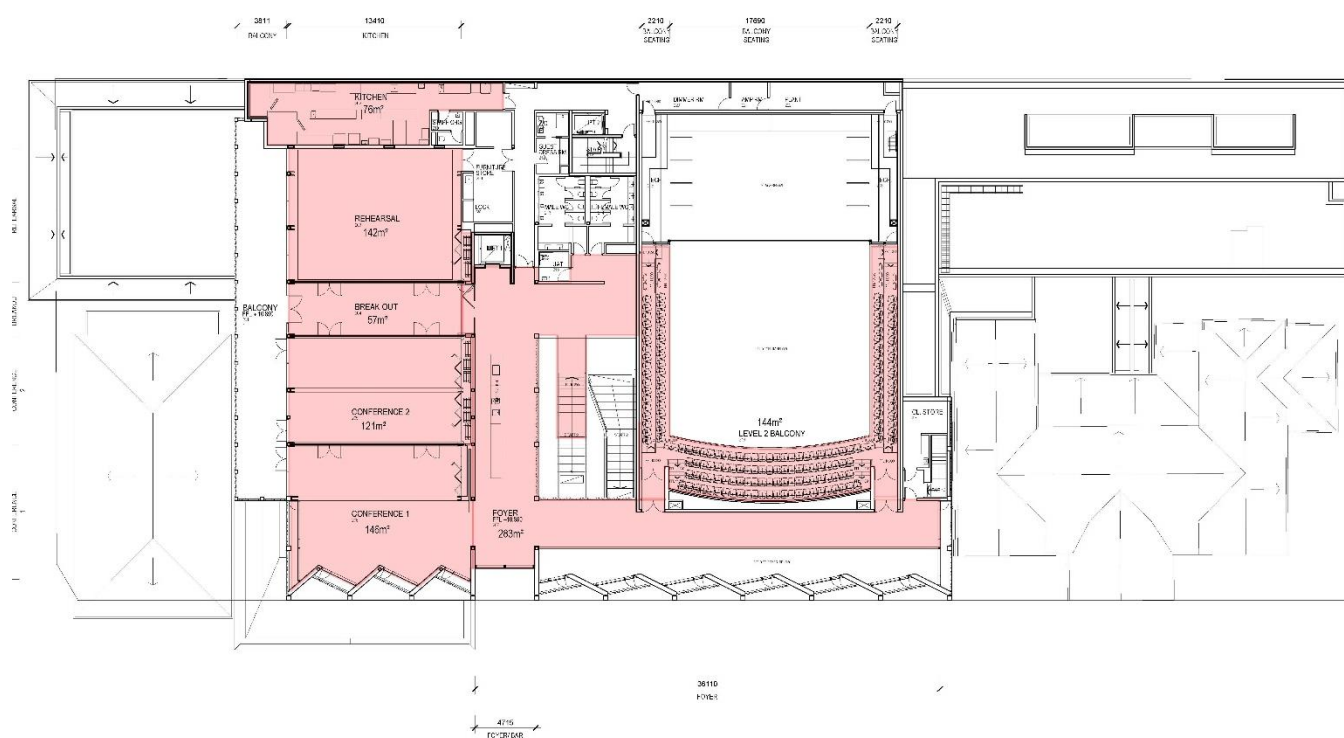


Figure 7 BPACC First Floor Plan





**Figure 8 BPACC Second Floor Plan**

The flexible layout of the facility will enable many varied uses of the space to maximise the number and quality of performance and business events that can be held at the BPACC. For example, the flexible use of the new gallery space, courtyard and main foyer will enable large art shows, exhibitions, expos or trade events to be hosted without disrupting the auditorium and allowing it to still be used for its intended purpose.

The separate function spaces on the first floor (two conference/multi-purpose breakout rooms and a rehearsal room) are able to be opened up into one large space of 546m<sup>2</sup> and can operate independently, enabling many events and activities to be undertaken in the facility at the one time. These rooms on the first floor can also be combined to enable a large conference or function to occur, with the capacity to seat over 400 people in banquet table seating arrangements. This results in a future-proofed facility to cater to the growing population and enables Busselton to maximise the number of events and performances that it attracts.

The high-quality, retractable seating in the auditorium enables this space to be used to host large events. As Events Capital of WA, the City already hosts a number of high profile music events which attract intrastate visitors and also bring the local community together across the South West. Programming for the BPACC forecasts the highest use for the auditorium will be popular music. (See Attachment B Draft Business Operations Plan). The feel of attending a concert and being able to get up close to the artist and dance, with different price points for general admission and booked seating is achieved with the flexible seating arrangement. The retractable seating also creates opportunity for indoor events the City cannot currently host to sufficient capacity such as trade shows, fashion shows, expos, cabaret banquet dinners and comedy nights.

The generous 192m<sup>2</sup> courtyard can be used as an outdoor exhibition space for shows such as sculpture works, a further outdoor event space and an alfresco area for functions and the ArtGeo bar to serve out into. The ArtGeo commercial opportunity will operate independently to the BPACC, providing a commercial tenancy opportunity and a key attraction to add to the existing hospitality strip along Marine Terrace and foreshore, providing another anchor within the CBD supporting the connection of the CBD with the vitality of the rejuvenated Busselton foreshore.

A new art gallery forms part of the BPACC facility, enabling the current gallery to be repurposed into a commercial bar and the existing ArtGeo gallery to be upgraded to have security, temperature and humidity controls which are able to receive state, national and potentially international touring exhibitions previously inaccessible in the South West. The new gallery will be an integral part of the BPACC entry and foyer and highly visual from the streetscape. Visitation levels will be increased with patrons able to enjoy exhibits throughout the day and into the evening as part of other events and when other events are running. The venue will be highly sought after. ArtGeo will be seen as an essential hub for the arts within the region and a place to showcase and experience new and exciting concepts. *Attachment C Design Review Presentation* shows the various ways the proposed facility can be used.

The facility will also incorporate the latest technology, delivering multiple acoustic modes for the auditorium, which will be unique to the BPACC in the South West region: theatre mode, orchestra mode and flat floor mode. This will ensure that the facility is state-of-the-art and able to attract high-quality acts and deliver the best quality performances. Each mode requires a different acoustic environment, and these are achieved using flexible elements in the theatre such as an adjustable proscenium header panels, retractable overhead stage reflectors and rotating stage legs that can be either absorptive or reflective depending on which face is exposed to the room. Other fixed features have also been incorporated into the design that will enhance the acoustic performance, including forestage acoustic reflectors, diffusive and absorptive side walls, high-level side reflectors and an absorptive ceiling.

Theatre mode will provide for spoken drama. This requires a shorter reverberation time to enhance speech intelligibility. In this mode it is desirable to separate the stage (performers' domain) from the auditorium (audience's domain) using the proscenium. As well as achieving this operational requirement, the design also creates a reduced acoustic volume in the auditorium which creates the shorter reverberation times. The stage in theatre mode is achieved by reducing the size of the opening of the proscenium arch and hiding the stage wings. To enhance spoken word performance in this mode, forestage acoustic reflectors and side reflectors in the auditorium have been included in the design.

In orchestra mode, the adjustable proscenium header panels are raised up, and a sound shell surrounding the orchestra is formed by rotating the solid plywood rotator legs to their reflective side. Overhead stage reflector panels are lowered over the orchestra. As well as providing critical stage sound reinforcement, this configuration creates a large, single acoustic volume which will result in a more favourable reverberation time for this type of performance. The forestage reflectors and side reflectors in the auditorium will enhance the listening experience by providing critical early reflections over the audience area.

Flat floor mode will be used for expos and for popular music performance for a standing audience. A shorter reverberation time is required in this mode, although room acoustics is less critical as speech and music would typically be amplified. The absorptive faces of rotator legs will be used at the sides of the stage to reduce reverberation time. Reverberation control is also provided by the fixed absorption on the underside of the ceiling, and the rear and side walls.

Highly flexible staging is also provided for the auditorium through:

- Motorised flying system above the stage. This system supports: acoustic reflectors, lighting bars, scenery battens.
- Rigging system above the auditorium that is supported via a Cablenet system so that lights and other items can be rigged in almost any location to light the stage and also provide effects lighting to the auditorium floor for concerts or banquets.
- Flexible proscenium that can be adjusted for width and height.
- Stage drapes that include house curtain, mid and upstage travellers and cyclorama
- Stage legs that can be rotated and also moved further on or off stage as required to support a particular performance.
- Motorised retractable seating allows quick reconfiguration to flat-floor mode.
- Retractable seating can also be just partially removed if required for a particular event.
- Orchestra pit can be used in multiple configurations: traditional orchestra pit to support musical theatre; for provision of three additional rows of seating to the auditorium; covered to extend the stage or provide contiguous flat floor through whole of auditorium to rear of stage. The pit also provides access to sub-stage storage.

The project will be managed and overseen by the City of Busselton. Kerry Hill Architects Pty Ltd was contracted to develop detailed designs and construction specifications for the City., For further detailed drawings, see also *Attachment A BPACC Plans*.

In relation to the ongoing management of the BPACC, the different governance models of Independent Board and Local Government run were both considered. Due to the need to balance community with commercial objectives, the operational critical success factors, the responsibility for a multi-million dollar asset and funding acquittal requirements to achieve significant economic outcomes, the City will be owning and operating the BPACC. Once operations have been developed sufficiently and the complexities and full costs of sustaining the BPACC at an acceptable subsidised level established, this model may be reviewed. The City has drafted an Operational Business Plan, which details the management of the BPACC and will update and finalise this plan in alignment with the detailed design work (*see Attachment B*).



**2.3.1. Project Approvals**

The project will be constructed on Lots 43 and 44 Queen Street, which are City owned, vacant sites that adjoin the Weld Theatre (Lot 310, under Management Order to the City) and ArtGeo Gallery (Lot 468, owned by the City).



**Figure 9 – BPACC site map**

The lots are zoned “Business” which provides for a range of uses, which could include shops, cafes/restaurants/bars, offices, residential apartments, short-stay apartments and/or a hotel. Lots 310 and 468 will not require any change of zoning as they are already zoned for Recreation, Culture and Education. As part of the Project Development, the City has liaised with the Department of Lands to outline the process and any Ministerial approvals required to develop across Lots 43, 44, 310 and 468. The City is able to develop the BPACC without amalgamating the Lots or making any changes to the town planning scheme but has discussed the BPACC development and the process by which a Lot amalgamation would follow with the State Lands Department should this prove to be a more advantageous option.

On 12 March 2020, the City was provided direction from the Department of Planning Lands and Heritage that, given Lot 310 has the same zoning as the lots with which it will be amalgamated, there is no impediment to amalgamation. An application to amalgamate the lots was submitted on 8<sup>th</sup> April 2020. On the 28 May 2020, the City received approval to amalgamate.

Connection to existing utility (power, water, sewer, gas) and communications infrastructure is readily available in the recently developed main Street Cultural Precinct. Loads and usage requirements will be explored as part of the Detailed Design Development process, which will be completed by September 2020. Ready access is available through Main Street CBD infrastructure and servicing for required utilities and service.

The site forms part of an aboriginal survey (101971) that was undertaken in 1995. Initial heritage consultation has not indicated any development implications. From the Department of Aboriginal Affairs database, it would appear that there are no registered sites on or within the immediate vicinity of the development site. This will be further investigated and confirmed with an aboriginal heritage specialist in the next stage of design development.

The Busselton Woodturners Association (BWA) was located to the rear of the ArtGeo Gallery lot. The BWA had outgrown their current facility, encroaching into the ArtGeo store and building an additional, temporary storage shed. The BWA have been relocated to a new site at the Busselton Museum in a new purpose-built facility better suited to their current and future needs. As such, there is no impediment to the use of this site by existing users. No other project approvals are required and, as such, the project is now ‘shovel-ready.’



### 2.4. Policy and Strategic Framework

This project is in direct alignment with a number of the City of Busselton, WA State Government and Australian Government strategies and policies.

#### 2.4.1. WA State Government – Our Priorities: Sharing Prosperity

This project aligns strongly with the WA State Government’s whole-of-government priorities of ‘A Strong Economy’ and ‘Regional Prosperity’.

Under the Strong Economy priority area, the WA State Government has identified the target of an extra 150,000 jobs mid-2024. Under Regional Prosperity the target is to increase the number of employed persons in Regional WA by at least 30,000 by 2023-24. Whilst the Corona Virus pandemic will have an impact on these goals, this project will help the WA State Government to work towards a stronger economy by delivering jobs and economic growth in the South West region.

As detailed in *Section 2.9 Economic and Financial Analyses* the project will deliver 138 jobs during the construction phase and 45.3 jobs on an ongoing basis through staff, operations and tourism expenditure. As part of the Strong Economy priority area, the State Government has prepared Diversify WA, which is Western Australia’s Economic Development Framework. It provides a blueprint for collaboration between government, industry and the community, to unlock the State’s economic potential. Diversify WA sets out a vision for a strong and diversified economy delivering secure, quality jobs through increased investment across a broad range of industries<sup>17</sup>.

Diversify WA matches Western Australia’s competitive strengths to global trends, identifying six priority economic sectors as the keys to building a more resilient, sustainable and stronger economy. One of the identified six priority economic sectors is **Tourism, Events and Creative Industries**, which shows a clear alignment between this project and WA State Government’s strategic objectives. This project will drive tourism to Busselton for both business and arts events and will help to grow the creative industry in the South West.

#### 2.4.2. Department of Primary Industries and Regional Development, Strategic Intent 2018 – 2021

The project will contribute to the delivery of the Department of Primary Industries and Regional Development’s Regional Development Strategic Intent through the strategic priorities of International Competitiveness and Regional Opportunities.

The project will enhance the key regional centre of Busselton to capture regional opportunities in the creative and business tourism sectors. The facility will lead to an increase in number and quality of arts and business events held in Busselton, which will drive economic growth, job creation, build local capability and provide social amenity. It will improve the international competitiveness of our creative industries and enable Busselton to be a destination for international business conferences, expos, trade shows and other events. This MICE market will be opened to businesses within the Busselton region as a result of the state-of-the-art, technologically advanced conference facilities this project will deliver. The project will also leverage significant Commonwealth funding to help deliver priority economic and social infrastructure.

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<sup>17</sup> <https://www.wa.gov.au/organisation/department-of-the-premier-and-cabinet/diversify-wa-economic-development-framework>

### *2.4.3. Department of Local Government, Sports and Cultural Industries, Strategic Intent 2019-2021*

This project will work to the vision of the Strategic Intent to create a vibrant, inclusive and connected WA community. The additional scope would ensure that Busselton's Cultural Precinct is a more vibrant community area, with more diversified events able to be held there and better access and more gathering areas included in the facility. The project will increase the number and quality of events held in Busselton's Cultural Precinct and will deliver a state-of-the-art performing arts auditorium, gallery and conference centre on the last vacant site in the precinct, activating the whole cultural area.

The flexible use of the facility and the innovative technology will ensure that the cultural experiences able to be delivered at the facility are of the highest standard and attract people from across the State and country. The project delivers on the Strategic Intent's objectives to support and grow cultural industries and facilitate well-planned, maintained, managed and utilised recreation, cultural and community infrastructure.

### *2.5. Western Australian Cultural Infrastructure Framework 2030+*

City Officers were involved in the comprehensive consultation conducted to develop this framework, which recognises how arts, cultural and creative industries support the diversification of the WA economy and how essential cultural infrastructure development is to the social infrastructure of our communities. The BPACC development meets all five focus areas of the framework:

**Focus Area 1: Maintain and celebrate WA's Aboriginal art, culture and heritage**

**Focus Area 2: Optimise existing cultural assets**

**Focus Area 3: Holistic cultural infrastructure planning**

**Focus Area 4: Incentivise private investment**

**Focus Area 5: Understand and measure the public value of cultural infrastructure.**

And supports the achievement of the ten investment outcomes:

- 1. Aboriginal art, culture and heritage is strong, respected, maintained and celebrated**
- 2. WA communities empowered**
- 3. A stronger Western Australian economy**
- 4. Vibrant liveable environments**
- 5. Equitable access and inclusivity**
- 6. A thriving, sustainable cultural and creative sector**
- 7. A connected State**
- 8. Creative workforce and culturally rich communities**
- 9. Better spaces and places**
- 10. An efficient and effective approach to cultural infrastructure investment.**

### *2.5.1. Heritage Council of Western Australia, Strategic Plan 2018 – 2022*

The City of Busselton has been working closely with the Heritage Council of Western Australia (HCWA) to ensure that this project aligns with HCWA's strategic direction and statutory requirements. The integration of the ArtGeo Gallery and Weld Theatre clearly shows the alignment of the project with HCWA's purpose to recognise and conserve places of cultural heritage significance. The City's ongoing liaison with HCWA and tailoring of the facility design is in line with the Values of Collaboration to realise good heritage outcomes.

### *2.5.2. South West Regional Blueprint*

The South West Regional Development Blueprint identified the development of the creative sector in the region and, importantly, the construction of a performing arts venue in Busselton's Cultural Precinct as regional priorities. It mentioned that positioning Busselton as WA's events capital would provide genuine options for positive change for the region.

One of the Blueprint's objectives was to develop Busselton as a "major lifestyle city based on tourism, wine and food, creative and professional industries and events"<sup>18</sup>. It also states that Busselton is "fast developing a brand for events and is an emerging conference destination"<sup>19</sup>.

In addition to the Blueprint the South West Development Commission have recently drafted a new Strategic Plan 2021-23. The focus remains on "supporting the development of iconic tourism attractions and experiences that can attract visitors from the Eastern States and overseas, which will also lead to greater visitor dispersal across the entire region." In particular "augmenting Busselton and surrounds as a Creative Tech and Screen Hub, noting Busselton's reputation as a regional creative hub is building and that by leveraging this opportunity will benefit the South West as Busselton has the capacity to act as an attractor of highly valuable knowledge economy activity, which will strengthen the wider region's appeal for tech sector investment and education sector investment." The SWDC continues to support activities which encourage creative sector clustering.

### *2.5.3. Australian Government, Tourism Australia, Beyond Tourism 2020*

The Beyond Tourism 2020 Steering Committee report in February 2018 detailed the vision for the future of the tourism industry, cited goals to encourage dispersal outside capital cities, encouraged the growth of domestic travel and the maximisation of visitation and expenditure from non-leisure visitors (e.g. business events and international education).

The establishment of a dedicated convention, entertainment, arts and creative hub in Busselton is the third pillar of a regional growth strategy alongside the Busselton Foreshore Development and Busselton Margaret River Airport upgrade. In tandem these projects are set to increase interstate and international tourism, expanding from traditional intrastate visits to more lucrative, higher spend business, incentive and exhibition travel market, particularly international markets, realising greater economic returns for one of the most highly tourism dependent regions nationwide. As such, this project is strongly aligned to Tourism WA's strategic priorities.

### *2.5.4. State Government Strategy for Tourism in Western Australia 2020*

This project is strongly aligned to Tourism WA's strategic vision for 2020 and beyond. Tourism WA's Two-Year Action Plan focusses on four key areas, with one being, "Attracting more people to regional WA". The plan also focusses on event attraction, stating "We will grow regional visitation through targeted marketing, exciting events." and as such this project is strongly aligned to Tourism WA's strategy.

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<sup>18</sup> South West Regional Blueprint, 2014

<sup>19</sup> South West Regional Blueprint, 2014

### 2.5.5. City of Busselton Strategic Plans

Establishing a performing arts facility has been identified as a key priority in the City's Strategic Community Plan for many years and supports a number of the Community's Key Goal areas to:

- Be a community with access to a range of cultural and art, social and recreational facilities and experiences.
- Create urban design that produces vibrant, mixed use town centres and public spaces that create opportunities for people to come together, socialise and enjoy a range of activities.
- Sustainably manage development and value our environment (in this case Heritage).
- Innovate and diversify the economy to provide business and employment opportunities as well as consumer choice.
- Provide events and unique tourism experiences that attract visitors and investment.

The project is also identified in the City of Busselton's Economic Development Strategy as a key project that will support tourism growth and the concept of 'quality of place'. The Strategy identifies a weakness in Busselton being, "Limited facilities for large conferences and performing arts". It also identifies some opportunities, including, "Grow the creative industries including segments such as music and performing arts; film and TV production; advertising/marketing; software; web and multimedia development; writing/publishing; architecture; design and visual arts" and "Business tourism (meetings, conferences, events etc) to reduce seasonality of visitation"<sup>20</sup>. This project will address the weakness and capitalise on those opportunities.

The Strategy lists three key economic infrastructure projects with the potential to catalyse and attract further private investment and grow regional employment within the Busselton district. They are:

- Busselton Margaret River Airport;
- Busselton Performing Arts and Convention Centre; and,
- Busselton Foreshore redevelopment

This project will deliver the Busselton Performing Arts and Convention Centre and is the only one of those three key infrastructure projects that is yet to be realised.

The project is in clear alignment with the City's branding of "Events Capital of WA" and is identified in the City's Events Strategy as a priority to grow indoor events. The BPACC will further the work already undertaken by the City to establish Busselton as a city known for its creative industries and events.



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<sup>20</sup> City of Busselton Economic Development Strategy 2016-2026



2.6. Project Deliverables

	Outputs	Performance Measure	Performance Measure method
1	<p>A fully functioning performing arts and convention centre (BPACC) consisting of two floors, with:</p> <ul style="list-style-type: none"> <li>• Foyer and box office</li> <li>• Art gallery</li> <li>• Courtyard areas and a first-floor deck</li> <li>• Storage</li> <li>• Commercial kitchen</li> <li>• Up to 650 seat auditorium with retractable seats, stage and balcony areas</li> <li>• Green room, dressing rooms and rehearsal room</li> <li>• Multi-purpose, meeting/conference and breakout rooms</li> <li>• Office</li> <li>• Creative Industries Hub, consisting of a creative maker space, co-working area, recording studio and meeting room</li> <li>• Ablutions areas</li> </ul>	<p>The BPACC is constructed to the design specification as detailed in <i>Section 2.3 Project Description</i> and in compliance with Australian standards.</p>	<ul style="list-style-type: none"> <li>• Certificate of Practical Completion</li> <li>• Photographs</li> </ul>
2	<p>Conversion of the existing ArtGeo Art Gallery into a commercial tenancy.</p>	<p>The ArtGeo building is converted into a commercial tenancy and leased to a tenant who operates the building to provide complimentary services to the BPACC.</p>	<ul style="list-style-type: none"> <li>• Certificate of Practical Completion</li> <li>• Lease agreement</li> <li>• Photographs</li> </ul>
3	<p>Refurbishment of the existing Weld Theatre to upgrade fittings and integrate it into the new BPACC building</p>	<p>The Weld Theatre is upgraded to the design specification as detailed in <i>Section 2.4 Project Description</i> and in compliance with Australian standards.</p>	<ul style="list-style-type: none"> <li>• Certificate of Practical Completion</li> <li>• Photographs</li> </ul>

	<b>Outcomes</b>	<b>Performance Measure</b>	<b>Performance Measure method</b>
4	Jobs creation	<ul style="list-style-type: none"> <li>Number of jobs created during and post construction</li> </ul>	<ul style="list-style-type: none"> <li>Project and construction contractor records</li> <li>City staffing levels</li> <li>Number of jobs in the Arts, Culture and Creative sectors in the South West</li> <li>Number of jobs in the tourism industry in the South West</li> </ul>
5	Economic growth	<ul style="list-style-type: none"> <li>Value of induced net additional tourism expenditure from visitors</li> <li>Turnover increase of businesses operating within Creative Incubator hub</li> <li>Construction-based gross value add to the Busselton construction supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Value added to the South West's GRP</li> </ul>
6	Increased participation in Performing Arts	<ul style="list-style-type: none"> <li>The rate of uptake of new participants in performing arts as a cultural activity as a result of improved access.</li> <li>Growth in employment related to the performing arts industry in the City</li> <li>Growth in education and training opportunities in the creative industries sector</li> </ul>	<ul style="list-style-type: none"> <li>BPACC programming and visitor numbers</li> <li>Community satisfaction and use survey</li> <li>Calendar of events in Busselton</li> <li>Number of jobs created in the South West</li> </ul>
7	Improved community amenity and connectedness	<ul style="list-style-type: none"> <li>Community satisfaction with the BPACC, its offerings and its impact on the Cultural Precinct activation</li> <li>Number of community-based events held at the BPACC</li> <li>Number of visitors using the BPACC facility</li> </ul>	<ul style="list-style-type: none"> <li>Community satisfaction survey</li> <li>BPACC programming and visitor records</li> </ul>

	Outcomes	Performance Measure	Performance Measure method
8	Social benefits realised	<ul style="list-style-type: none"> <li>• Participant’s level of satisfaction and positive outcomes</li> <li>• Increased attendance and participation in multiculturalism, Aboriginal culture and less main stream type events</li> <li>• Increased attendance by more marginalised groups within the community</li> <li>• Increases in first time attendance</li> <li>• Increase in attendance frequency</li> <li>• Increase in under 25s attending</li> </ul>	<ul style="list-style-type: none"> <li>• BPACC programming and visitor records</li> </ul>



### 2.7. Stakeholder Engagement

Since commencing investigations into a performing arts facility in 2007, the City has undertaken significant stakeholder engagement and consultation to ensure the facility best meets the needs of the community, the region and the target market.

Included in the timeline of consultation is:

**2007/08** Consultation during the development of the Pegasus Performing Arts and Creative Industries Feasibility Report included;

- Cultural Partners Reference Group (included 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 Cultural Complex
  - Artatac – Busselton Beach Festival Inc
- 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

Consultation determined there was overwhelming support for a facility and 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”<sup>21</sup>.

**2012** The City of Busselton and the Shire of Augusta Margaret River commissioned a needs assessment of arts and cultural facilities across the districts. Significant consultation took place including:

- Public meetings in Dunsborough (2), Busselton (1), Margaret River (1) and Augusta (1)
- Questionnaire with 236 submissions from the public
- 44 other direct meetings with key stakeholders
- Site visits to specific venues/facilities, including:
  - Capel Shire Hall
  - CinefestOZ
  - ArtGeo, artists at ArtGeo

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<sup>21</sup> Pegasus Performing Arts and Creative Industries Feasibility Report was completed in 2008, Page 56



- Acting Up
- South West Development Commission
- Old Dunsborough Hall
- Naturaliste Community Centre
- Department of Culture and the Arts
- Georgiana Molloy School, Our Lady of the Cape School
- Busselton Library, Dunsborough Library, Margaret River Library
- Chamber of Commerce – Busselton & Augusta/Margaret River
- Jack In The Box
- The Old Butter Factory
- Community Centre at Margaret River
- Arts Margaret River
- The Old Settlement
- JAMPACT
- Individual Artists (7)
- Busselton Repertory
- Lesser Hall Augusta
- Centennial Hall Augusta
- Indigenous Consultation Group
- Augusta Historical Museum

**2013** City Strategic Community Plan identified a performing arts centre as a priority project. Consultation included surveys and public meetings.

**2015** City Strategic Community Plan (review) reconfirmed a performing arts centre as a priority project. Consultation included surveys and public meetings.

The Busselton Performing Arts Centre Working Group (BPACWG) was established in January 2015. The Working Group comprised of members of Council, City Officers, highly regarded individuals in the field of performing arts and representatives of key stakeholder groups including Busselton Repertory, Weld Theatre, CinefestOZ and Australian actor Myles Pollard. The BPAWG engaged with representatives from the Western Australian Chamber of Culture and the Arts; other performing arts centres including Albany, Kalgoorlie, Geraldton, Bunbury and Margaret River to develop case studies from these centres to inform the business case for a conference and performing arts centre for Busselton.

**2018** Throughout November and December 2018 the City undertook community consultation to determine preferences for the design of the facility. This included survey feedback on the City's Your Say online platform, displays at both libraries, administration building and ArtGeo complex. Video concepts were running at these venues to enable the community to have an understanding of possible designs and obtain their feedback. The information gained from this initial design consultation contributed to the development of the final concept design that is the subject of this business case.

**2019/20** Heritage Impact Assessment submitted to Heritage Council in June 2019. Heritage Council support received in 2020. Successful application to the Australian Government in August 2019, indicating their support for the project.

Site visits and engagement with other, similar venues, including Red Earth, Karratha in September 2019, Port Macquarie's Glasshouse (virtual visit) in January 2020 and the Bunbury Regional Entertainment Centre (BREC), the State Theatre, and Mandurah Performing Arts Centre (MPAC) in January 2020. These site visits and consultations resulted in improvements being made to the project design to improve functionality and the success of the facility, which are detailed in this business case.

Discussed the development of a Business Events Strategy for the South West with other regional facilities, the BREC and Margaret River HEART in August 2019. The intention of this regional alliance is that each facility has its own point of difference and are complementary to the other facilities, rather than competing. As such, consultation about the design of the BPACC has included regular engagement with these other regional facilities.

Consultation is still in progress with the Shire of Augusta/Margaret River CEO and Economic Development staff, BREC management and the South West Development Commission to capitalise on interstate flights into the Busselton Margaret River Airport and market the South West a destination for business events. The group identified potential markets and business event themes that create a point of difference and build on the region's existing strengths of natural environment, Events Capital of WA and local industry, such as viticulture, agriculture and tourism. Funding has been secured from the South West Development Commission to develop a SW Business Events Strategy. Australia South West were appointed to undertake the Strategy development.

During late 2020, the City undertook the biennial review of the Strategic Community Plan. A total of 1,658 people participated in this review. A combination of random sampling and targeted engagement was used to obtain a diverse representation from our community. Support was expressed for arts and culture opportunities including a performing arts centre, creating more things for young people to do, indoor activities, nightlife activation, vibrancy, concerts and local community based events. There was also significant commentary around the need to focus on industry diversification and increased employment opportunities, a reduction in empty shops and activation of the CBD. The BPACC is a project that will support these objectives

In addition to the above consultation, throughout the development of this project the City has continued to engage with a number of stakeholders as detailed below. Consultation has been ongoing, too numerous to list and will continue through the implementation of the project.

- South West Development Commission (SWDC), who are very supportive of the project and included it in their Regional Blueprint, as well as funding the development of a South West Business Events Strategy.
- All groups that will be impacted by the development, including Busselton Repertory Club, Acting Up, ArtGeo Gallery, CinefestOZ, Busselton Woodturners Association, Busselton Historical Society, Busselton Pottery Club. Discussions have centered around what the users need from the facility, as well as the impact construction and relocation will have. All groups are supportive of the BPACC.
- Heritage Council of WA. The Heritage Council's (Development Committee) advice was sought from the outset of the project development, given the significance of the surrounding buildings to the BPACC. The Development Committee provided its recommendations and commended the City of Busselton for proposing to locate the BPACC project on the main street, augmenting the attractions and utility of the historic precinct. This advice has led to further development of the design and most recently an invitation to qualified consultants to develop a Cultural Interpretation Strategy for the BPACC and precinct. In addition, Hocking Heritage Design Studio was engaged by the City to prepare a heritage impact statement in February 2019 following the guidance given by the Heritage Council.
- Industry. The BPACC is supported by a number of highly regarded key industry stakeholders. The Western Australian Chamber of Culture and the Arts, Circuit West, Performing Arts Connections Australia and regional performing arts venues such as Bunbury Regional Entertainment Centre (BREC), Red Earth Karratha, Queens Park Theatre Geraldton, the State Theatre, Mandurah Performing Arts Centre (MPAC) and the Margaret River HEART have been providing ongoing advice and support for this project.

- Briefings to Regional Development Australia South West over many years.
- Department of Culture and the Arts in August 2019.
- At a local level with artists and performers, High Schools, music, dance and drama groups, Central Queensland University, Capes Entrepreneurial Network, SW Boodjara Working Group, Undalup Association, Creative Corner, TAFE, and local Business. A full list of engagement undertaken is attached to this application.

### **Aboriginal Cultural Heritage Consultation**

The traditional owners of the City's land are the Wadandi of the Noongar People of the South West. Busselton is home to the award winning enterprise Koomal Dreaming, where local custodians offer Aboriginal cultural awareness and experiences, welcome to country ceremonies and aboriginal art and cultural displays. A local community group, the Undalup Association, are also very active in the South West, with a leased premises from the City of Busselton. The ArtGeo Cultural Precinct are regular hosts for their cultural awareness activities.

The City recognised the opportunity to celebrate the significance of local Aboriginal heritage and culture within the new BPACC, which will become a venue for providing areas for art displays, performances and incorporation of interpretive artworks within the building design.

In January 2019, the City formed the BPACC Aboriginal Advisory Group (BAAG) to assist in the progression of the design and development of the BPACC. The BAAG are Community advocates and champions of the project, serving as a conduit between the local Aboriginal community and the BPACC Project Team. The Terms of Reference describe the role of this group being to:

- Seek culturally appropriate stories and information from the local Cultural Custodians and Aboriginal community.
- Consider the cultural stories of the saltwater to freshwater people of the Wadandi/Pibulmen Boodja including Wilyabrup, Wonnerup and Yoganup, to connect visitors and residents to local Aboriginal cultural values.
- Work collaboratively with a facilitator in the development of design concepts:
  - Cultural artwork and stories to be embedded into the fabric of the building
  - Landscaping and cultural precinct opportunities
- Review and provide feedback and cultural advice on design concepts through the development process.
- Develop protocols for an approval process for the artworks and other cultural inclusions.
- Provide signed approval of concepts by Elders.
- Recommend businesses and organisations that may provide tenders for services during the construction phase and when operational.
- Provide assistance to identify employment opportunities.
- Identify performance opportunities and ways to use the spaces that are culturally appropriate and safe.
- Advocate for the project to drive volunteer attraction to fulfil forecast front of house roles.

BAAG has met monthly or as otherwise agreed since establishment. BAAG is supportive of the project and the design. The City has also developed a Cultural Interpretation Strategy for the Cultural Precinct, which includes the BPACC and the BAAG has assisted the chosen consultant in this work.


**Cultural Interpretation Strategy**

Engagement to inform the Cultural Interpretation Strategy was undertaken between May and August 2020 involving key stakeholders across arts, heritage, tourism, business and creative industries, Traditional Owners and the wider community. A summary of the engagement approach and objectives is shown below:


### Engagement objectives

- Understanding the **stories, people, places and events** that have shaped Busselton’s cultural identity and their importance to the community
- **Further exploring heritage** and former uses including pre and post settlement perspectives
- **Exploring the precinct’s history, current role and future potential** within the City and the wider south west as a cultural destination
- Understanding the types of **experiences and activities people would like to see** in the precinct

### Methodology and approach




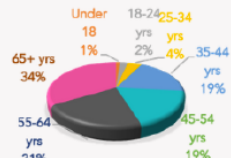
**Interviews and workshop**  
Traditional Custodians representing the Wadandi people



**>20 stakeholder interviews**  
Across arts, culture, history, tourism and business

### >250 people via community survey

- 222 residents
- 19 business owners
- 10 visitors
- 6 precinct workers / volunteers

• Male • Female • Prefer not to say

Aboriginal Culture featured strongly in the consultation feedback. Overall three key themes emerged which summarise the cultural values of the community.

### People of the Bay

- Geographe Bay - the focal point for local community and lifestyle
- A City built by endurance and entrepreneurial spirit
- The community’s intrinsic connections to the water and the water system – Vasse River and estuaries
- Its abundant natural environment and seasonality nurtures people as a formative element of Busselton’s identity, culture and lifestyle.

### Boola Murrijo (Journey)

- Past, present and future
- 40,000 years of Wadandi Boodja-Remote port for international traders
- Colonial settlement, agriculture and industry, regional centre and innovation hub
- Trials and triumphs, dark histories and times of joy, the honest truths of evolution
- Continuing culture bringing people together.

### On Show

- Busselton’s role as the centre of the regional economy, known for creativity and innovation
- Shining a light on local talent and creativity, where heritage, culture and community grow visitation and the economy
- New places and experiences showcasing local talent, attracting new energy, investment and visitors from near and far
- A place for locals and visitors; a worldly feel with a local, grounded vibe.



The Cultural Interpretation Strategy provides direction for the translation of these themes into future precinct programming in the following ways:

- **Layered and diverse experiences** – performing and visual arts side by side; day and night, incidental activity, life on the street – turning the precinct inside out
- **Intergenerational appeal** – deepening creative potential with a focus on community vitality and youth, in addition to history and the region's older demographic
- **Self-exploration and expression** – people finding their own journey; providing a place for emerging artists and unique artistic endeavours as well as traditional arts
- **Sensory and engaging** – see, touch, smell, taste and sound, an experience that enriches all senses and connects people to the region's iconic landscapes
- **Building capacity** – supporting existing talent and creating opportunities for new creative partnerships.
- **Increasing visibility of Busselton's arts and cultural industry's economic impact**, in context of the value of tourism, local business and creative industries working together

### European Cultural Heritage Consultation

The project site is located within the City of Busselton Cultural Precinct, within a complex of buildings now known as ArtGeo which once played a vital role in Busselton's history and growth as a port. The site is surrounded by a number of places entered on the state register of heritage places. According to the Australian Heritage Commission, the Courthouse, opposite the development site, has considerable significance for its contribution to the social and economic history of Busselton, listed on the State Heritage Register in 1993. Both the ArtGeo Gallery and Weld Theatre are buildings of cultural and heritage significance, with the Gallery listed on the State Heritage Register in 1999 and classified by the National Trust in 2001.

The development concepts have been designed to not directly impact on the physical fabric of these places and the overall impact of the development on the significance of the place has been considered. The City has undertaken extensive consultation with the Heritage Council of WA in the development of this project and the designs, as discussed above. In May 2019, a Heritage Impact Assessment was produced, which formed part of a submission to the Heritage Council in June 2019. Their preliminary advice has been included in the Tender Specifications for the current design phase. Architects have appointed heritage advisors on their teams.

The detailed designs have been worked through with the Local Heritage Advisor to ensure the BPACC does not over dominate these buildings, or have a detrimental impact on these places. Presentations were made to the State Heritage Office as part of the detailed design process and approvals have been received.

### 2.8. Critical Assumptions

A number of critical assumptions have been made in the development of this Business Case:

- Conditions of HCWA approvals are achieved.
- Funding for the project is secured.
- Tourism and events will continue to be an important economic driver for WA post COVID-19 restrictions.
- The City will continue to market and brand itself as the Events Capital of WA and will undertake the required marketing to attract business and performing arts events - appropriately resourced and effective audience development, event attraction, marketing and community engagement plans are developed by the City.
- All regional performing arts centres in the South West will continue to work together to grow the South West Touring Circuit and provide unique offerings at each facility, rather than competing for the same market.
- The effect of COVID19 on the MICE market is not long-lasting and significant enough to impact on the viability of the facility.
- The community and visitors will utilise the facility at the predicted levels.
- Integration with the Cultural Precinct will enhance the heritage environment and add to the vibrancy of the area for a diverse customer experience.
- Connection and interface with the foreshore and the airport services will attract increased visitation and duration of stay,
- High quality staff with the right skills, experience, values and motivation are available for the facility.
- The City's asset management planning and operating budget forecasting is comprehensive enough to ensure the ongoing management of the BPACC.
- The benchmarked fees and charges used for financial projections remain significantly unchanged.

These critical assumptions have been based on an assessment of trends in WA, as well as the City's in-depth knowledge of the area/project and consultation with other organisations and industry. The City believes these critical assumptions to be valid.



**2.9. Economic and Financial Analyses**

A Cost Benefit Analysis (CBA) of the BPACC project has been completed which identified significant economic and financial benefits to the project, as detailed in the table below.

<b>Benefit</b>	<b>Description and Approach</b>	<b>Calculation Approach</b>
Residual Asset Value	The residual value of the asset at the end of the 20 year assessment period.	RPS has applied a linear valuation approach assuming a 60 year life to the assets. This means at the end of the assessment period there is a residual value equivalent to 39 years or 65% of the total construction value. This residual value is included in the last year of the assessment period.
Increased Tourism Expenditure	Value of induced net additional tourism expenditure from visitors.	RPS has drawn on tourist visitor estimates from Lawrence Consulting Report dated November 2018. In this report a band of net additional non-local visitors was provided. RPS selected the low end of the band (estimated at 14,700 per year). RPS has assumed an average expenditure of \$212 per visitor in line with national expenditure levels from Tourism Research Australia for domestic overnight visitation <sup>22</sup> .
Construction-Based Gross Value Add	The indirect gross value added generated by capital construction costs for the specific construction items. Represents the impact on the Busselton construction supply chain from the new capital investment.	Construction based value add has been reassessed by RDA South West based on the construction value of \$38m the gross value add is estimated at \$28.2m.
Residential User Willingness to Pay	The willingness to pay of residents that would use the assessed social infrastructure to participate and attend free events.	A household-specific willingness to pay figure was derived from ESA and adjusted for inflation for present-year modelling purposes <sup>23</sup> . This WTP figure was multiplied by the number of households that fit into the 'user category' <sup>24</sup> .
Residential Non-User Willingness to Pay	The willingness to pay of non-using residents to have the Hub in their region.	Using the same sources as the 'Residential User WTP' benefit, a resident non-user rate was applied to the household-specific WTP for those that did not intend to visit the precinct.
Increased Performing Arts Participation	The rate of uptake of new participants in performing arts as a cultural activity as a result of improved access.	Using ABS datasets, a foundation level of performing arts participation in Busselton was derived, with a facilitation rate of new participants applied to establish total increase <sup>25</sup> . This rate of participation increase was forecast

<sup>22</sup> TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra

<sup>23</sup> ESA (2015), Cultural Investments - where do the benefits come from?, Economic Society of Australia

<sup>24</sup> ABS (2019), Attendance at Selected Cultural Venues and Events, Cat. No. 4114.0, Australian Bureau of Statistics

<sup>25</sup> ABS (2019), Participation in Selected Cultural Activities, Cat. No. 4291.0, Australian Bureau of Statistics

Benefit	Description and Approach	Calculation Approach
Travel Time Savings	Travel time saved by providing a local option, avoiding the need to travel away from the region for activities that would now be held at the Hub.	relative to projected population figures and applied to a leisure time valuation (\$ per hour) and a frequency of involvement (hours per year).  The total number of user households was forecast in line with population projections and applied to a travel time savings figure of these households otherwise travelling to Bunbury (closest next comparable facility). Rule of Half applied. Assumes one person per household.
Avoided Externalities of Travel Savings	The avoided externalities associated with vehicle travel, including air pollution, greenhouse gas emissions, noise pollution etc.	Non-financial cost savings from reduced travel by User Group households to Bunbury (closest next comparable facility) as outlined in Assumptions table.

The February 2022 Regional Development Australia South West (RDA-SW) Economic Assessment Report (Attachment H) estimated the \$38m BPACC construction would increase Gross Regional Product by \$24.097 million. Contributed to by:

- a direct increase in output of \$38m million,
- 45 additional jobs,
- \$4.247 million more in wages and salaries and
- a boost in value-added of \$8.394 million.

From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts will result in:

- a further increase to output valued at \$30.415 million,
- 68 more jobs,
- \$6.221 million more paid in wages and salaries, and
- a gain of \$11.062 million in terms of value-added.

The increase in direct and indirect output and the corresponding change in jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects are expected to further boost output by:

- \$8.107 million,
- employment by 25 jobs,
- wages and salaries by \$1.793 million, and
- value-added by \$4.641 million.

The total output is expected to rise by \$76.522 million, consisting of anticipated increases in employment of 138 jobs, \$12.261 million wages and salaries, and \$24.097 million in terms of value-added. This is summarised in the table below:



## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

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

Through operating, the BPACC is then expected to provide 44 jobs on an ongoing basis through staffing, operations and tourism expenditure. It is noted that these figures are based on the best-practice use of Economic Multipliers and the results are considered conservative, defensible and suitable for informing decision making. The 2020 CBA report containing this information can be found at *Attachment E*.

### 2.10. Assessment of Options

As discussed in *Section 2.1 Background* and *Section 2.8 Stakeholder Engagement*, the City of Busselton has considered a number of different locations and designs in the development of this project. As noted in the future opportunities section of this report, Lot 450 Queen Street, the current DBCA site, is an option to provide a space for the creative industries, use by ECU and the potential home for a complementary anchor tenant who could possibly manage the building for the City. These opportunities will be explored further by SWDC in collaboration with the City and other stakeholders as the SW Innovation and Technology Creative Hub (SWITCH) report progresses into the next phase.

Alternatively the option of expanding the BPACC building to accommodate further creative industry opportunities can be explored, considering earlier designs of the BPACC which demonstrated how a stage two concept on the site could be delivered.

### 2.11. Funding Strategy

The total cost of the project is \$44.5 million as detailed in Attachment F Cost Status Summary. The table below provides a high level summary of the overall project budget:

	Project budget
Building contract including Weld Theatre upgrade	\$38,000,000
Consultant design	\$2,800,000
Contingency	\$3,000,000
Loose furniture/AV	\$250,000
Landscaping	\$500,000
TOTAL	\$44,550,000

## BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE

In August 2019, the City secured \$10.35 million for the project from the Australian Government's Regional Growth Fund and in May 2022 \$1.8 million from Lotterywest with Grant Funding Agreements in place for these funds.

While the City will continue to seek additional funding for the project, the total current project funding is set out as follows:

Income	Value \$	Comment
Federal Grant	\$10.35M	Extended to 30 June 2023
Lotterywest Grant	\$1.8M	
Loan Borrowings	\$24.7	Fixed 20 years 2.5% (current as at 10 November 2021)
Old Library Building Sale	\$2.7M	
P&G / Building Reserve	\$575,000	
LRCIP Federal Grant	\$1.92M	Tranche 3
Surplus 20/21	\$1M	
Developer Contributions	\$625k	
Sponsorship	\$250k	Rio Tinto
Furniture & Equipment Reserve	\$350k	
<b>TOTAL</b>	<b>\$44,550,000</b>	

Funding for the project has been included in the City's adopted Long-Term Financial Plan since 2017/18 with annual funding to progress feasibility studies, designs, business case development, detailed designs and construction over a three year timeframe. The City's funding includes design and construction funding across the financial years 2020/21 to 2023/24<sup>26</sup>.

It is also important to note that the City has factored ongoing operational costs of this public facility, including asset maintenance, into the City's Long Term Financial Plan, aware that such venues are predominantly developed to provide social benefit to the community. This includes ongoing asset maintenance of the facility.

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<sup>26</sup> City of Busselton Long Term Financial Plan 2017/2018 - 2026/2027

### *2.11.1. Sustainability and Ongoing Viability*

A Business Operations Plan has been developed for the facility based on an Economic Assessment report, the Performing Arts Connections 2019 Venue Charges and Salaries Report, Performing Spaces Local Government guide to growing community wellbeing through the performing arts and information shared by other Centres with similar operations. A ten year operating budget has been developed. Pricing, utilisation, rentals, occupancy rates and staffing requirements have all been considered. Expenses include building and equipment maintenance and all costs associated with running an entertainment, conference and arts venue.

The City has included the BPACC in its building funding methodology linking with the Long Term Financial Plan (LTFP). The methodology allocates an annual percentage of the replacement value of buildings into cash backed reserves. The purpose of the methodology is to fund major and minor renewal works, such as replacement of components and larger-scale maintenance that require a capital budget allocation. The ultimate intention of the funding plan is to maintain the building at an acceptable standard until such time as it may require replacement, refurbishment or significant upgrade.

An Asset Maintenance reserve has been established specifically for the BPACC. The Reserve will fund the Preventative maintenance and Renewal works detailed within the Asset Maintenance Plan. The City's Asset Management department have been involved during design development and they have developed the Plan which forecasts costs and operational maintenance requirements over the next 23 years. This period of 23 years has been chosen in order to reflect the twenty year maintenance and renewal requirements of the building components as well as the initial operating cost implications immediately following construction. The Plan demonstrates that there is forecast to be sufficient reserve funds allocated to cover the required component renewal and preventative maintenance activities. The annual maintenance and operational costs will be funded through each year's annual operational budget. The annual implications of these is detailed in the Plan and included in the City's Ten Year Long term Financial Plan.

The City has modelled a forecast scenario inclusive of long term capital refurbishment, depreciation, etc. that demonstrates it can support a net operating deficit position of up to \$1.5million per annum. The City has also forecast loan repayments for a loan of up to \$26.5m over a 20 year term. The amount of borrowing will be determined by the success of other external funding sources the City is pursuing. The City has the financial capacity to sustain the BPACC should the operating forecasts established to date, take longer to realise or not be achieved due to changing market environments, or other assumed dependencies not materialising. This ensures the long term sustainable operation of the centre as a key community facility.

Based on the stakeholder and community consultation undertaken in the development of the project, there will be a number of different types of events and activities run at the BPACC facility each year. These include:

- Popular music concerts
- Theatre performances
- Conferences
- Expos / Trade shows
- Dance performances
- Musicals and operas
- Classical music performances
- Other community performances such as bands, amateur dramatics, stand-up comedy, concerts
- Education sector performances, graduations, awards nights
- Rehearsals and production
- Rental of the Creative Industries Hub to undertake creative works, incubate new business and collaborate
- Training and professional development workshops

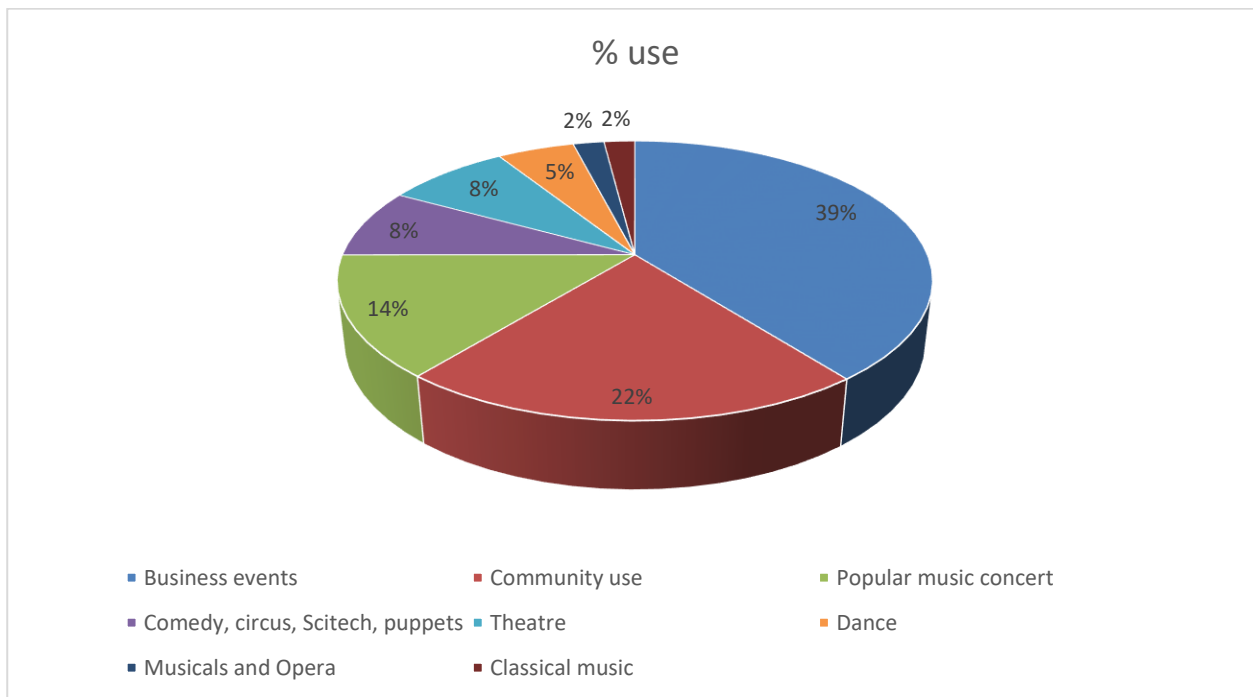
Use of the BPACC can be grouped under the following categories:

1. Community Production – Events, performances and activities that are produced and coordinated by the community. This usage can either be through a one-off hire of the facility or part of the facility or through a regular lease of defined areas within the BPACC, e.g. The Busselton Repertory Club and Acting Up!
2. City funded events - Events, performances and activities that are produced and coordinated by commercial and community organisations and are supported financially by the City e.g. CinefestOz and Busselton Fringe Festival. Funding may be provided by the City through its annual marketing and events budgets in cash or in-kind by way of venue hire fee waiver and support service waiver considerations.
3. City programming - The City will source, negotiate price, program, fund, incentivise and ticket (where relevant) performances, business events and other events of a commercial nature. An annual allocation of MERG funding has been forecast commencing at \$150,000 per annum to run these events in order to stimulate the resulting economic benefits and market the BPACC as a commercial venue.
4. Venue hire – The BPACC will be marketed for hire to community and commercial users. Business Events will be entirely by venue hire, with event organisers able to procure their own catering, furnishings and staffing. Venue hire for commercial use of the auditorium, foyer, courtyard and gallery will specify equipment and services included and charge out rates for specific items and labour. A local supply list will be developed for hirers to purchase from. Kitchens and bars will be supplied with basic glassware, crockery, utensils and furnishings, also available for hire. Affordable rates of subsidised hire for not for profit, local community groups will be provided as the City does for all its other halls, rooms and venues for hire.

BPACC programming will provide a balance of community access at affordable rates and commercial activities which generate sufficient returns to achieve the annual operating budget and acceptable operating subsidy level. The City does not anticipate the BPACC achieving financial sustainability because it is an asset for social/community benefit and also an asset that will drive economic benefit to businesses within the City, as opposed to being a commercial venture. As such, the City is prepared and has allocated ongoing operational and asset management funding to ensure the viability of the facility.



Based on the City’s demographic profile, market demand assessment and consultation for the City’s Event Strategy review the following indicative program model has been established which forms part of draft Programming Strategy that will be developed further:



**Figure 13 BPACC expected usage graph**

The anticipated revenue from the BPACC will be derived from a number of different sources, including:

**Theatre Rentals**

The auditorium will be hired out for performances and other activities. Based on benchmarking data from other, similar venues that was obtained during the completion of the Market and Demand Assessment work, it is estimated that the auditorium will be hired a total of 97 days in the first full year, increasing to 140 days by year 5.

The breakdown for hiring the auditorium in the first full year is expected to be:

- 55 hires to commercial organisations at a nominal rate of \$2,300 per hire (note that no fees and charges have been formally adopted by Council, but these are indicative rates).
- 49 hires to not-for-profit community groups at a rate of \$1,500 per hire.
- Additional cost recovery charges for utilities etc. will be charged and have not been shown in the budget as they have no net impact to the bottom line.

The total expected revenue from theatre rentals for the first full year of operating is \$200,000, increasing to \$325,176 by year 5.

**Other Facility Rentals**

In addition to the auditorium, the majority of the BPACC facility will be available for hire for events.

\$66,159 in the first full year of operating is forecast for hire of other areas such as the rehearsal room, function and meetings rooms for activities such as dance, music and acting schools, meetings and community use. Revenue is made up from a forecast hundreds of hires ranging from hourly sessions to full day bookings for music/dance type activities, meetings and community bookings, with hire fees ranging from \$30 a booking for community to \$100 for music and dance who are likely to be commercial users, plus recoverable charges.

### **Business Events**

Conference rooms, breakout rooms, meeting rooms, foyer and outdoor areas will be available to hire for business events. Based on market demand analysis and comparisons from other similar venues, it is estimated that the BPACC will be hired a total of 30 days in the first full year of operation for commercial events, increasing to 110 days by year 5, with larger conferences hiring over 4 days. The revenue model completed for MICE and functions at the BPACC estimates that of these events, there will be a mixture of conferences, cabaret/banquet style events of varying sizes, cocktail receptions, seminars and special events. The total estimated revenue for these events is \$109,500 for the first full year, increasing to \$193,452 by year 5.

### **Gallery**

Gallery area for exhibitions and shows. In 2019/20, the ArtGeo Gallery provided \$8,400 in revenue from exhibition fees from nine exhibitions across the year. It can be assumed that with the upgrade and extension of the gallery within the BPACC facility, there will be an increase of around three additional exhibitions a year, equating to around \$11,763 in the first full year.

### **City Programming**

In addition to hiring out the venue, the City will also secure events and shows and stage them at the BPACC. For these activities, the revenue the City obtains will be from ticket sales. The City has estimated it will deliver 15 events in the first full year, growing to 25 events per year by year 5. This is based on a range of ticket prices from \$25 to \$65, an average occupancy of 60% per show (390 people). This equates to revenue of \$355,000 in the first full year operating, increasing to \$369,342 by year 5 (with an assumed slight increase in occupancy each year up to 65% in year 5).

### **Lease and Bar Sales**

The City will lease the ArtGeo building on a commercial basis. Based on a market valuation, the lease is estimated to be at a reduced rent of \$15,000 for the shortened first year and \$30,000 for the 2<sup>nd</sup> year to reflect the tenants fitout costs and then be \$45,000 per year increased by CPI thereafter. This leased area if operated as a bar will be unable to cater for the full demand of pre, post and interval drinks. The BPACC will have bar areas on all levels to cater for these drink sales. Bar sales revenue forecasts starting at \$125,000 in the first full year have been based on benchmarking with similar sized and operated venues.

### **Sponsorship**

Based on the revenues for similar regional facilities, annual sponsorship such as naming rights and event sponsorship can be expected to bring in around \$20,000 per full year.

### **Membership**

Different membership options will be explored. Around \$27,000 has been forecast initially based on benchmarking with other venues.

### **Royalties and Commissions**

The City will take 12.5% of royalties from the sale of merchandise during professional events. The amount of expected merchandise sales has been based on the number of venue hires, average attendance and average spending of \$4.50 per person based on benchmarking.

As per the current art gallery, the City also receives revenue from art sales commissions. In 2019/20, the City earned over \$10,000 in art sales commission. Given the inclusion of an art gallery into a performing arts venue has proven to increase the number of gallery visitors and sales in other locations, it is expected that the art sales commissions received by the City will increase by at least 20% to around \$12,000 in the first full year.

### **Ticketing**

The City will charge a per ticket fee to organisations who use the BPACC box office and ticketing facilities. Ticketing revenue is based on in the first full year 60% occupancy of the theatre which gives 43,650 attendances at an average ticket charge of \$2.88 multiplied by 0.75 to allow for 25% of the theatre performances to be non-ticketed.

### **Facility Community Leases**

The Busselton Repertory Club (BRC) lease the Weld Theatre and pay a peppercorn rate. Under the lease the BRC are responsible for all building maintenance, except structural and heritage. Under new arrangements to be negotiated, the City is likely to be responsible for all building maintenance, to ensure the heritage listed asset is maintained to the required standard and fully integrates with the new development aspects of the BPACC. The new arrangement between the City and the Club will consider:

1. The Club's area of exclusive use under a lease arrangement.
2. The Club's access to shared common areas under a license agreement.
3. The Club's hire of areas and the terms and conditions of hire.
4. The BPACC management's use and hire of the Club's exclusive use (leased) areas and the terms and conditions.

Acting Up provide community performing arts and have a lease in the Police Sergeant's Cottage adjacent to the Courthouse which expires 30 June 2025. To date they have paid a peppercorn rate. It is anticipated that Acting Up will move into the new BPACC development and have requested an ideal scenario where they have exclusive use of a storage area and office, are the dominant user of a multipurpose rehearsal type room, have access to a further activity/breakout room, toilets and foyer space. The City is planning to provide a suitably sized storage area and share used of spaces with other stakeholders with access under hire arrangements to the centre.

Acting Up's main usage periods are classes Monday to Friday from 3.30pm and Saturday mornings for 3-4 hours. On average they put on 4 annual performances of 2 weeks each. Rehearsal time for these is usually 2 hours, Tuesdays, Wednesdays and Friday evenings from 3pm to 11pm and all day Saturday for 13 weeks.

A new arrangement will need to be established which considers:

1. The Club's area of exclusive use under a lease arrangement.
2. The Club's access to shared common areas under a license agreement.
3. The Club's hire of areas and the terms and conditions of hire.
4. The BPACC management's use and hire of the Club's exclusive use (leased) areas and the terms and conditions.

It is noted that the revenue obtained from leasing the facility to these two groups is minimal, less than \$1,000 per year. These groups sell their own tickets and will not result in any significant income being returned to the BPACC. The use of the facility by these groups is to meet an identified community need and not for financial gain.

The anticipated annual revenue for the facility is detailed in the attached draft Business Operations Plan.

## **BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

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In addition to the operating revenue, the BPACC will also attract revenue in the form of grants and funding. This consists of approximately \$51,416 in the first full year of operating from operating grants/subsidies and contributions forecast through benchmarking with other regional centres. As the venue owner and manager the City will have eligibility and access to Federal and State Culture and Arts investment and grant funding programs, community service and development and strategic development grants, including but not limited to:

- Regional Arts and Culture Investment Program (RACIP) \$20 million was available through a range of categories in 2019-2023.
- The Department Primary Industry Regional Development Regional and Remote Touring Fund, grants up to \$200k.
- Regional Economic Development Grants (RED) program, grants up to \$250k.
- Department of Culture and the Arts (Arts Organisation Investment Program).
- Lotterywest and Healthway grants (various funding amounts).

There is also the opportunity to partner for funding with HEART and BREC to develop the MICE market and the diversity of creative and cultural programs.

Sponsorships, donors, patrons and Friends Of funding opportunities will also be explored.

An annual allocation from the City's Marketing Events Reference Group budget (MERG) has been forecast commencing at \$150,000 per annum to support City programmed events to source, negotiate price, program, fund, incentivise and ticket (where relevant) performances, business events and other events of a commercial nature.

The City of Busselton has completed a Lifecycle Management Plan (LMP) for the BPACC, which is to be used as a guiding document to form the basis for more detailed asset management planning as the construction of the BPACC progresses. The LMP details the costs of maintenance, operations and asset renewal over the period 2023/24 to 2042/43.

As detailed in the LMP, the City has included the BPACC in its building funding methodology linking with the Long Term Financial Plan. The methodology allocates an annual percentage of the replacement value of buildings into cash backed reserves. The purpose of the methodology is to fund major and minor renewal works, such as replacement of components and larger-scale maintenance works that require a capital budget allocation. The LMP outlines how the City plans to fund the ongoing operating, maintenance and renewal works for the BPACC through a combination of facility revenue, annual budget allocations and also Reserve funding. This demonstrates that the City has both the ability to quantify the ongoing cost implications and also the commitment to setting aside funds to ensure they can be met.

The LMP drew on information contained in the Draft Business Operations Plan in regard to expected staffing levels and operational costs. The LMP can be referenced in Attachment G.

The City of Busselton has included an allocation toward the operating expenditure of the BPACC from the year 2022/23 in their Long-Term Financial Plan. It can therefore commit to covering the expected deficit. If the BPACC requires additional subsidy to the amount allocated, the City will work to improve the business model/revenue of the facility, decrease operational expenditure or allocate further funding, depending on community requirements.

It should also be noted that the City of Busselton Council has allocated the BPACC as the 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. The old library building in Mitchell Park, Busselton CBD was sold to the developer expanding Busselton Central for the sum of \$2.6m, the proceeds of which have been allocated to the project to reduce the City's loan borrowings.



*2.12. Project Timeframe and Key Milestones*

The below timeframes are estimated by the City on the basis of past major project management experience. Upon selection of the successful construction contractor, the construction milestone dates will be agreed and a copy provided to the funding bodies.

<b>Main Activities (Milestones)</b>	<b>Milestone Date</b>	<b>Responsibility</b>
Tender for Design Development awarded	29 January 2020	Completed
Expression of Interest – Construction Contract	11 July 2020	Completed
Construction Contractors Shortlisted	24 August 2020	Completed
Heritage Council Approval Awarded	30 August 2020	Completed
Relocation of Woodturners	12 September 2020	Completed
Design Development complete	June 2021	Completed
Construction contract documentation drafted	June 2021	Completed
Construction tender issued	July 2021	Completed
Construction contract awarded	December 2021	Completed
Site demolition and preparation	March 2022	Builder
Enabling works and civils	April 2022	Builder
Substructure	August 2022	Builder
Superstructure	March 2023	Builder
Building envelope	May 2023	Builder
Internal finishes and services	July 2023	Builder
Soft Opening Event	July 2023	Project Manager
Testing and commissioning	August 2023	Builder/City
Inspection and certification	September 2023	Builder/CEO
Full Opening	October 2023	Project Manager

**2.13. Risk Analysis**

The City of Busselton’s Risk Management Policy demonstrates the City’s commitment to the development of a culture of risk based decision making directed towards the effective management of potential opportunities and reduction of potential impacts of risk. It demonstrates that the City of Busselton is committed to the effective management of risk and, as such, will implement a risk management framework based on the ISO 31000 Standard to achieve this.

The below risk matrix has been used to assess the high-level risks associated with this project and the ongoing use of the BPACC. The Project Manager is responsible for ensuring the implementation of all identified mitigations, the monitoring of all risks and keeping a Risk Register to record all ongoing and newly identified risks and their status.

	CONSEQUENCE				
LIKELIHOOD	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Rare (1)	Low	Low	Low	Low	Low
Unlikely (2)	Low	Low	Low	Medium	Medium
Possible (3)	Low	Low	Medium	Medium	Medium
Likely (4)	Low	Medium	Medium	High	High
Almost certain (5)	Low	Medium	Medium	High	Extreme

Risk	Likelihood	Consequence	Risk Score	Mitigation
All funding not secured	Possible	Extreme	Medium	<ul style="list-style-type: none"> <li>Complete project business case to enable other funding applications to be made and investment sought.</li> <li>Maintain open communication with funding bodies.</li> <li>Project will not be able to proceed with all intended benefits if funding is not sourced; alternate option will need to be selected with less benefits and social/economic impact.</li> </ul>
Cost overruns	Possible	Moderate	Medium	<ul style="list-style-type: none"> <li>Specialist consultants formed part of Project Team in planning and detailed design stages.</li> <li>Separate design and construct contracts to be awarded to afford the highest level of control and certainty regarding scope.</li> <li>Contingency allowance in place.</li> <li>Larger pool of tenderers increases competitive pricing.</li> <li>Ensure Tender Contract is comprehensive.</li> </ul>

Risk	Likelihood	Consequence	Risk Score	Mitigation
				<ul style="list-style-type: none"> <li>Investigate construction cost savings.</li> <li>Seek in-kind contributions.</li> <li>Seek additional funding from Council, community donations or other sponsorship.</li> <li>Investigate options to reduce scope.</li> </ul>
Construction contractor discovers adverse site conditions	Unlikely	Major	Medium	<ul style="list-style-type: none"> <li>Contingency allowance in place.</li> <li>Ensure Tender Contract is comprehensive.</li> <li>A geotechnical survey has been undertaken and shown the site to be viable for proposed construction concepts.</li> <li>Further geotechnical Investigation undertaken as part of the detailed design phase.</li> <li>Seek in-kind contributions</li> <li>Seek additional funding from Council, community donations or other sponsorship.</li> </ul>
Environmental issues e.g. flora and fauna	Rare	Major	Low	<ul style="list-style-type: none"> <li>The site is currently cleared. Some recent tree and shrub planting may be affected by the build. Where possible this will be retained.</li> <li>A landscape plan will be developed during detailed design stage.</li> </ul>
Significant delays due to weather	Possible	Minor	Low	<ul style="list-style-type: none"> <li>Ensure sufficient contingency in construction schedule.</li> <li>Do not schedule works during winter period, or allow increased time for completion over winter.</li> <li>Investigate options to increase trades to accommodate weather.</li> <li>Ensure all insurances are kept up to date.</li> </ul>
Builder bankruptcy	Unlikely	Major	Medium	<ul style="list-style-type: none"> <li>Obtain bank guarantees from builder.</li> </ul>

Risk	Likelihood	Consequence	Risk Score	Mitigation
				<ul style="list-style-type: none"> <li>• Conduct due diligence on financial status of builder prior to contract award.</li> <li>• Ensure all insurances are kept up to date.</li> </ul>
Quality of work is unacceptable	Unlikely	Moderate	Low	<ul style="list-style-type: none"> <li>• Ensure Tender Contract is comprehensive and clearly details expectations.</li> <li>• Complete reference and due diligence checks prior to contract award.</li> <li>• Project Manager regularly completing quality control inspections.</li> <li>• Ensure bank guarantees and insurances are in place.</li> </ul>
Contractors not adhering to safety standards	Unlikely	Major	Medium	<ul style="list-style-type: none"> <li>• Ensure OSH guidelines are in place.</li> <li>• Complete reference and due diligence checks prior to contract award.</li> <li>• Project Manager regularly completing inspections.</li> <li>• Project Manager to maintain and update Risk Register.</li> <li>• Complete site risk assessments/inspect contractors risk assessment records.</li> <li>• Ensure contract specifies default notice processes.</li> </ul>
Public liability matters (e.g. accident)	Unlikely	Moderate	Low	<ul style="list-style-type: none"> <li>• Ensure all insurances are kept up to date.</li> <li>• Ensure OSH practices are followed.</li> <li>• Ensure appropriate barrier fencing and signs are erected at all times.</li> <li>• Ensure continued communication with public.</li> </ul>
Site security issues/ vandalism/protests	Unlikely	Minor	Low	<ul style="list-style-type: none"> <li>• Ensure necessary site security is required of contractor and in place.</li> <li>• Ensure insurances are maintained by contractor.</li> </ul>

Risk	Likelihood	Consequence	Risk Score	Mitigation
				<ul style="list-style-type: none"> <li>Ensure continued, open communication with public, as has been the case in the development of the project.</li> </ul>
Effect of construction work on surrounding businesses, tourism, events	Likely	Minor	Medium	<ul style="list-style-type: none"> <li>Schedule construction works to minimise impact on key events precincts at key event times.</li> <li>Ongoing communication with events staff to plan ahead with events coordination.</li> <li>Ongoing communication with surrounding businesses and organisations.</li> <li>Sufficient signage and traffic management required in construction contract.</li> </ul>
Use of completed BPACC facility is not as high as expected	Unlikely	Moderate	Low	<ul style="list-style-type: none"> <li>Work with specialised organisations as identified in design development of facility to ensure functionality and appeal for end users.</li> <li>Develop a well-resourced marketing program and resourcing to operate the centre as a professional business unit.</li> <li>Undertake significant communications and marketing around the BPACC opening and its various uses.</li> <li>Consider creating and implementing a marketing plan and engaging with Tourism WA to do so.</li> <li>Consult with Tourism WA for ideas to increase visitation/bookings.</li> <li>Council to consider sponsoring additional events at the BPACC to generate awareness of the facility.</li> </ul>
COVID19 related travel restrictions impact on interstate and	Unlikely	Moderate	Low	<ul style="list-style-type: none"> <li>Opening date expected to be after most, if not all, restrictions are lifted.</li> </ul>



**BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

Risk	Likelihood	Consequence	Risk Score	Mitigation
international visitor numbers				<ul style="list-style-type: none"> <li>• Work with Tourism WA and Busselton tourism groups like MRBTA to target the markets that are able to visit Busselton until markets can be expanded.</li> <li>• Implement business model changes to maximise the use of the facility within the restrictions.</li> </ul>
Natural disaster	Rare	Extreme	Low	<ul style="list-style-type: none"> <li>• Ensure adequate insurances are in place.</li> </ul>
Skilled operational staff unavailable	Unlikely	Minor	Low	<ul style="list-style-type: none"> <li>• Busselton is a desirable location to live, and has a strong creative sector and events coordination base in existing private sector.</li> <li>• If skills cannot be sourced locally, training can be provided or a strong, competitive package offered in initial recruitment process.</li> <li>• Busselton has a sound base of people already trained in hospitality and institutions that could be engaged to offer training as demand grows.</li> </ul>
Maintenance and operational cost of facility is higher than expected	Unlikely	Minor	Low	<ul style="list-style-type: none"> <li>• Complete Asset Management Plan.</li> <li>• Income derived from commercial operations directed into specified Reserve for the maintenance and operation of the facility.</li> <li>• Ensure accurate costings during detailed design phase.</li> <li>• Investigate options to reduce cost of maintenance.</li> <li>• Investigate business model and identify how to reduce annual losses.</li> <li>• Increase City commitment to maintenance costs.</li> <li>• Investigate options to increase facility use to bring in more revenue.</li> </ul>

### 2.14. Local Content

This project will deliver tangible benefits to the arts and recreation industry in the South West region. It will result in the growth of opportunities in that industry due to the increased performances that are able to be held in Busselton and the improved quality of those performances, due to the state-of-the-art facility. The project will also result in employment and training opportunities for those in the arts and hospitality industries.

As detailed in *Attachment E* Cost Benefit Analysis Report the project will, during construction phase provide 45 direct and 93 indirect jobs annually, totalling 138 jobs over the construction phase. It is then expected to provide 17.5 direct and 26.8 indirect jobs on an ongoing basis through staffing, operations and tourism expenditure, which will have a considerable impact on the local community. It is noted that these figures are based on the best-practice use of economic multipliers and the results are considered conservative, defensible and suitable for informing decision making.

The City of Busselton ensures all projects it delivers offer full, fair and reasonable opportunities to regional businesses through its Purchasing Policy and Regional Price Preference Policy.

The City's Purchasing Policy includes Key Goal Area 4 – Economy, which states: "An innovative and diversified economy that provides a variety of business and employment opportunities, and a community where local business is supported and in turn drives our economy". It also requires "Purchasing is to be carried out on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently."

The Regional Price Preference Policy links to this Key Goal Area 4 and specifically the City's Strategic Community Plan 2017 Community Objective 4.2: A community where local business is supported and in turn drives our economy. This policy states:

"The following price preference allowance will be applied on the value of tendered goods and services sourced from a Local Supplier.

- a. Goods and Services – 10% allowance up to a maximum price reduction of \$50,000.
- b. Construction (building) Services – 5 per cent allowance up to a maximum price reduction of \$50,000;
- c. Goods and services, including Construction (building) Services, tendered for the first time where Council previously supplied the Goods or Services – 10 per cent allowance up to a maximum price reduction of \$500,000.

Only where the management or delivery of the majority of the tendered goods and services will be carried out from the Local Supplier's premises will the price preference apply. The value of those goods and services claimed by the supplier may be adjusted during the tender assessment process if the value claimed is considered unreasonable or cannot be justified."

This policy ensures that local suppliers will be given preference when the City awards the contract for the completion of this project. In line with the Government's *Building Local Industry Policy*, a WA Industry Participation Plan will be completed for this project.

### 2.15. *Aboriginal Participation*

The traditional owners of our City's land are the Wadandi of the Noongar People of the South West. The connection of the Wardandi people to the sea is strong, and many of the coastal localities of the Busselton District such as Wonnerup, Yallingup, Injidup and Meelup are places that have a special meaning in Noongar culture.

People who identify as Aboriginal and/or Torres Strait Islander comprise 1.7% of the population of Busselton (606 persons), 1.1% of total employed persons and 3.2% of total unemployed persons. Based on this it is anticipated that during the total construction phase the City could expect to provide employment to 1 Aboriginal person full time equivalent. Through the operations of the BPACC 0.11 Aboriginal persons could be employed.

Whilst the City of Busselton is not bound by Western Australian Government's "Buy Local Policy", the City will encourage bids from tenderers who are Aboriginal or have in place or are prepared to consider implementing employment strategies and programs for Aboriginal people. As part of the tender submission, tenderers will be encouraged to provide details of the proportion of their workforce who are Aboriginal and note any sub-contractors who are registered Aboriginal Business (in accordance with [www.abdwa.com.au](http://www.abdwa.com.au)).

In January 2019, the City of Busselton formed the BPACC Aboriginal Advisory Group (BAAG) to assist in the progression of the design and development of the BPACC. The BAAG are community advocates and champions of the project, serving as a conduit between the local Aboriginal community and the BPACC Project Team. Included in the Terms of Reference is that part of the role of the group is to:

- "Recommend businesses and organisations that may provide tenders for services during the construction phase and when operational.
- Provide assistance to identify employment opportunities.
- Identify performance opportunities and ways to use the spaces that are culturally appropriate and safe.
- Advocate for the project to drive volunteer attraction to fulfil forecast front of house roles".

It is hoped that, through continued engagement with the BAAG during tender development and beyond, this project will be able to engage, foster productive relationships and provide economic opportunities for Aboriginal and Torres Strait Islander people in the South West region.

The BAAG was also established to ensure the protection, celebration and promotion of Aboriginal culture and heritage within the Busselton Cultural Precinct. Busselton is home to the award winning enterprise Koomal Dreaming, where local custodians offer Aboriginal cultural awareness and experiences, welcome to country ceremonies and aboriginal art and cultural displays. A local community group, the Undalup Association, are also very active in the South West, with a leased premises from the City of Busselton. The ArtGeo Cultural Complex is a regular host for their cultural awareness activities. As such, it is extremely important that the BPACC, in both its development and ongoing use, is a facility that celebrates and recognises the local Aboriginal culture.

**2.16. State Funded Infrastructure and Apprenticeship Participation**

Census figures showed youth (age range 16-24) comprise 8.3% of the population of Busselton (approx. 3060 persons), 12.0% of total employed persons and 24.3% of total unemployed persons. There are over 200 unemployed people in the City of Busselton aged 15-24 out of a total labour force of over 2,000 resulting in an unemployment rate of around 10%. The City generally averages a total unemployment rate of between 4%-5%. In support of a number of strategies to increase employment opportunities for young people proposals from Tenderers that consider and quantify how trainee, apprenticeship and work experience opportunities will be by the award of the contract will be viewed favourably.

It is anticipated the BPACC will significantly support increased youth employment. During the total construction phase the City could expect to provide employment to 4.1 young people. Annually through the operations of the BPACC 1.5 young people could be employed.

It is important to note that efforts to encourage Aboriginal and Youth employment outcomes, in addition to employment for persons with disabilities, are supported in line with the *City's Access and Inclusion Plan and Equal Opportunity Management Plan*.



**3. IMPLEMENTATION STRATEGY**

**3.1. Communication Plan**

Section 2.7 Stakeholder Engagement and Consultation details the communications undertaken in the development of the project to date. Attachment D contains the BPACC Communication and Engagement Plan based on the communication management approach and requirements as detailed in the tables below.

Identified key stakeholders include:

<b>Engagement purpose</b>	<b>Level of involvement</b>	<b>Stakeholders</b>	<b>Engagement outcome</b>
Involve	Decision makers	<ul style="list-style-type: none"> <li>City of Busselton Councillors</li> <li>BPACC Steering Committee</li> </ul>	Informed decisions based on achieving best value outcome to agreed budget.
Involve	Affected	Facility user groups: <ul style="list-style-type: none"> <li>Busselton Repertory Club</li> <li>Acting Up</li> <li>ArtGeo Gallery</li> <li>CinefestOZ</li> </ul>	Community champions with whom there are effective relationships that provide informed feedback to achieve optimal operations for whole of complex and broad community support.
Consult	Perceived stake	<ul style="list-style-type: none"> <li>SW Land and Sea Council,</li> <li>SW Boojarah Working Party,</li> <li>Undalup Association and local aboriginal community</li> </ul>	Informed advocates with whom there are effective relationships to achieve optimal operations for whole of complex, cultural and employment opportunities and broader community support.
Involve	Affected	<ul style="list-style-type: none"> <li>Busselton Woodturners Association</li> <li>Busselton Historical Society</li> <li>Busselton Pottery Club</li> </ul>	Informed about the project and how it affects them. Strong engagement with relocation at Butter Factory.
Consult	Perceived stake	<ul style="list-style-type: none"> <li>BREC</li> <li>City of Bunbury</li> <li>Margaret River HEART</li> <li>Shire of Augusta Margaret River</li> <li>Arts Margaret River</li> </ul>	Working together to achieve growth in audiences and diversity of events in the SW.
Consult	Influencers	<ul style="list-style-type: none"> <li>South West Development Commission (SWDC)</li> <li>Australia’s South West</li> <li>Margaret River Busselton Tourism Association (MRBTA)</li> </ul>	Working together to successfully enter the Business Events market, achieving forecast outcomes.



**BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

Engagement purpose	Level of involvement	Stakeholders	Engagement outcome
		<ul style="list-style-type: none"> <li>Bunbury Geographe Tourism Association (BGTA)</li> <li>Perth Convention Bureau</li> <li>Regional Development Australia (RDA)</li> </ul>	
Inform	Perceived stake	<ul style="list-style-type: none"> <li>Chambers of Commerce</li> <li>Local hotels, restaurants, bars, resorts, catering, lighting, audio visual, sound businesses.</li> <li>Busselton Town Team</li> </ul>	Understand the business opportunities the BPACC provides and are engaged in supporting the outcomes forecast in the Business Case.
Inform	Influencers	<ul style="list-style-type: none"> <li>Local, State-based and specialist media outlets / journalists</li> <li>Funding Bodies (Federal and State Government)</li> </ul>	Informed advocates Political champions Funding contributors Public conscious influencer – project advocates
Consult	Perceived stake	<ul style="list-style-type: none"> <li>Event and festival organisers e.g. CinefestOZ, Busselton Fringe, Jazz by the Bay, Festival of Busselton, SHIFT Youth Crew, City of Busselton Events Team</li> <li>Local performing arts, dance, music Groups e.g. Jazz Attack, Busselton Choral Society, Busselton Brass Band, Dunsborough Yallingup Stage Door Theatre Academy</li> <li>Education providers e.g. local schools, TAFE, Central Queensland University, Edith Cowan</li> </ul>	A facility that supports the growth and diversification of events across 12 months of the year and the provision of career and professional development opportunities for our local community.
Inform	Perceived stake	Current Cultural Precinct Lessees and volunteers: <ul style="list-style-type: none"> <li>Busselton Art Society</li> <li>Busselton Repertory Club</li> <li>Acting Up</li> <li>Resident artists</li> <li>Coffee Shop</li> <li>Busselton Dunsborough Volunteer Centre</li> </ul>	Informed advocates with whom there are effective relationships to achieve optimal operations for whole of complex and broader community support.

**BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

Engagement purpose	Level of involvement	Stakeholders	Engagement outcome
Consult	Influencer	<ul style="list-style-type: none"> <li>Gallerieswest</li> <li>Art on the Move</li> <li>Circuitwest</li> <li>Performing Arts Connections Australia</li> <li>Black Swan Arts</li> </ul>	A facility that supports the growth and diversification of events and audience attendance in the arts.
Consult	Influencer	<ul style="list-style-type: none"> <li>Heritage Council</li> <li>Department of Planning, Lands and Heritage</li> </ul>	Timely approved designs for construction that achieve a building that enhances and celebrates the Cultural Precincts heritage assets.
Consult	Perceived stake	<ul style="list-style-type: none"> <li>Tertiary education institutions</li> </ul>	Understand the opportunities the BPACC provides and are engaged in supporting their achievement.

The key communications types and frequency proposed for each stakeholder is detailed in the table below.

Communications Type	Description	Frequency/Format	Stakeholders	Responsibility
Project Status Report	Report detailing the status of the project	Weekly Email	Decision makers – City Senior Management and Council	Project Manager
Project Team Meeting	Meeting to discuss project actions, review status report	Weekly In person	Project Team	Project Manager
Project Update	Report detailing the status of the project	Monthly In person	Decision makers	Project Manager
Face to Face Meetings	Meeting to discuss logistics and project development	As needed	Affected Perceived Stake	Project Manager
Technical Design Review	Review of technical designs	As needed Email	Project Team and consultants	Project Manager
Social Media updates	Short project updates	Monthly Social Media platforms	Affected Perceived Stake Influencers	Media Officer
City newsletter	Short project updates within the broader City newsletter	Weekly Online	Affected Perceived Stake Influencers	Media Officer
Formal Letters/Applications	Letter or application for approval/review of works	As needed Email/Post	Heritage Council Department of Planning, Lands and Heritage	Project Manager
Funding Reports and Acquittals	Grant status reports and acquittals	As determined by grant agreement. Email	Funding Bodies	Project Manager

**3.2. Project Management**

This project will be managed by the City of Busselton, with the Director Community and Commercial Services as the Project Sponsor overseeing the project. The Project Manager, Eden Shepherd is the Manager of Major Projects and Facilities at the City of Busselton. Eden is an experienced project manager, qualified Architect and urban designer with over 25 years in direct project and management roles in Australia and overseas. He has a broad range of project based experience on building and large-scale community infrastructure projects such as, St Kilda Foreshore, Elizabeth Quay, Scarborough Foreshore redevelopment and Yagan Square. On these projects Eden has been appointed to lead design delivery, project management, develop project governance and operational planning structures, complete construction contracts within time and budget and implement fit out and commissioning phases of projects. In his current role Eden is building the capacity of the City’s Project Management office (Major Projects) in project governance, risk management, project controls, procurement strategy.

An industry standard project management approach (PMBOK or Prince2) will be utilised to manage the project stages, with management documentation and reporting processes developed as part of the Project Manager role.

The Project Manager will work with the Project Team, as detailed below to access their areas of expertise.

<b>Name and Title</b>	<b>Role</b>
Naomi Searle (Director, Community and Commercial Services)	Project Sponsor
Maxine Palmer (Manager Events and Cultural Services)	Business Owner/Grant Agreement Manager
Eden Shepherd (Manager Major Projects and Facilities)	Project Manager
Ella McAlister (Financial Administration Officer)	Project Administration/Funding acquittal reporting
Ben Whitehill (Projects and Legal Officer)	Contract and Procurement
Drew Mackenzie (Public Relations and Communications Coordinator)	Communications/Media monitoring
John Reid (ArtGeo Complex Coordinator)	Operational Planning
Lee Reddell (Manager Development Services)	Development approvals coordination
Sharon Woodford-Jones (Land and Property Leasing Coordinator)	Property and leasing
John Farrier (Facilities Maintenance Coordinator)	Facilities management
Dan Hall (Asset Management Coordinator)	Asset management
Tim Allingham (Acting Manager Information Services)	Records Management
Donald Cant Watts Corke	Construction Superintendent

In addition to the Project Team City of Busselton staff in the following areas will be a resource/reference, as required for specific input or action:

- Legal
- Media releases, responses, articles and civic events
- Environmental Health
- Aboriginal liaison
- Stakeholder liaison/Administration Support
- Staff workplace safety
- Event Attraction and Programming Coordinator

### *3.3. Project Governance*

The City of Busselton has significant experience in delivering a variety of projects of a range of sizes, scope and complexity, including projects that utilise significant portions of grant funding. With excellent internal controls and best practice approaches in place, the City is confident it possesses the staff skills and resources to deliver the proposed project in a timely manner. Recent projects involving grant funding which the City has successfully delivered include:

- Busselton Margaret River Airport Upgrade, completed 2019, was a \$73 million project with \$46.3 million provided by Royalties for Regions, \$10 million by the Department of Transport, \$9.8 million by the Commonwealth Government and over \$5 million by the City.
- Busselton Foreshore Development, a three-stage project delivered between 2008 and 2018. This project included funding of over \$37 million from the WA State Government, \$3.1 million from the Commonwealth Government, \$5 million from Lotterywest and \$8 million from the City.

The City has consistently ensured that project budgets, timelines and delivery have been managed effectively and efficiently and with significant experience in grant reporting and acquittals, the City has never been rejected funding due to a breach of a grant agreement.

The project will be managed by a Project Manager, who will work with the Construction Superintendent and the internal City of Busselton Project Team to deliver the project. Overseeing the Project Manager is the Project Sponsor, the Director Community and Commercial Services, who reports directly to the CEO of the City of Busselton. The Director Community and Commercial Services is Naomi Searle, who was involved in both the Busselton Margaret River Airport Upgrade and Busselton Foreshore Development projects.

The Project Team will meet weekly to discuss project matters and will also provide a monthly Project Status report to the Project Steering Committee. The Project Steering Committee consists of the City of Busselton staff: CEO, the Director Community and Commercial Services, the Managers of Community Service and Major Projects and Facilities (the project manager), the Director Engineering and Works Services and the Contract Admin and Technical Officer (secretariat). The Committee meets fortnightly or as needed and oversees the work of the Project Team.

The City of Busselton is supported in this project by 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:

- Review and provide feedback on design and operational interfaces facilitating timely delivery of the BPACC in accordance with project program.
- Develop a Stakeholder Matrix and Communications Plan to facilitate community consultation and stakeholder engagement throughout the development process.
- Consult and engage with identified stakeholders, as appropriate, to obtain informed feedback that helps the design development and future operations.

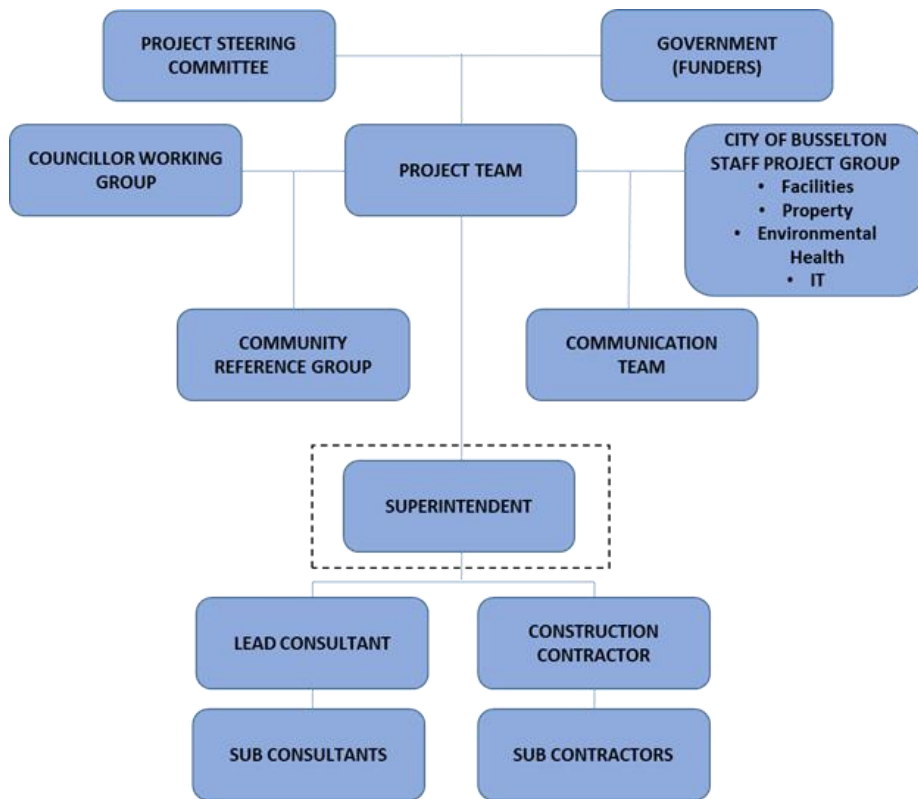
**BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE**

- Stay informed with the latest plans and developments as the project progresses to field appropriate questions and positively respond to feedback.
- Provide a conduit to the community in a supportive role.
- Identify and secure funding, sponsorship, donations to value-add elements such as fit out, technologies, accessibility, promotion and heritage conservation.
- Advocate for the project to drive volunteer attraction to fulfil forecast front of house roles.

The BCRG is comprised of the BPACC Councillor Working Group (a group of City Councillors tasked with representing the Council in the development of the project), and representatives of key stakeholder groups including Busselton Repertory Club, Acting Up, CinefestOZ, Margaret River Busselton Tourism Association, Busselton Chamber of Commerce, City of Busselton key staff members and a representative for local schools. Meetings are held monthly or as otherwise agreed and required to efficiently progress the project to completion.

The Project Manager will provide monthly Project Update reports to both the Project Steering Committee and the BCRG on the progress of the project.

The governance structure for the management of this project is as follows:



*Figure 16 Project Governance Structure*



### 3.4. Procurement Strategy

The City of Busselton has a number of policies, manuals and templates in place to assist officers to undertake the purchasing of goods and services in accordance with the requirements of the *Local Government Act 1995* and *Local Government (Functions and General) Regulations 1996*. This project will be managed in accordance with the City of Busselton's Purchasing Policy. This policy is in place to:

- Achieve the 'best value for money' with respect to all purchasing.
- Ensure that the City complies with all regulatory obligations.
- Strengthen integrity and confidence in the purchasing system.
- Ensure that sustainable benefits, such as environmental, social and local economic factors are considered in the overall 'best value for money' assessment.
- Mitigate probity risk, by establishing consistent and demonstrated administrative processes that promote transparency and fairness.
- Ensure that purchasing activities are conducted in a consistent and efficient manner across the City.

The City's Policy Statement says:

- Purchasing is to be carried out to deliver the most advantageous outcome for the City.
- Full accountability shall be taken by Councillors and employees for all purchasing decisions.
- Purchasing is to be carried out in accordance with approved City budget provisions.
- Purchasing is to be carried out on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently.
- All processes, evaluations and decisions shall be transparent, free from bias, merit based and fully documented in accordance with applicable policies, practices and procedures, and audit requirements.
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

As part of the project planning, procurement options were evaluated to determine the most appropriate delivery method for the development. In order to determine the most appropriate option, a number of critical elements were assessed against select procurement options with criteria including:

- Scale and complexity of the project
- Public profile and policy
- Market conditions
- Time
- Cost
- Ability to deliver the desired scope and quality
- Management of stakeholder relationships
- Future operations and asset management

Various procurement options have been assessed based on the above criteria along with the advantages and disadvantages of each. The procurement options assessed were as follows:

- Construct Only (CO) After Full Design
- Design and Construct (D&C)
- Construction Management (CM)
- Managing Contractor (MC)
- Early Contractor Involvement (ECI)
- Public Private Partnership (PPP)

Based on this analysis it was determined that Construct Only Contract after full design was the most appropriate method. The City then procured concept design and prepared contract documentation by way of an Expression of Interest (EOI) process. The objective of the EOI stage was to identify and shortlist respondents with the most relevant experience and capability to produce high quality designs. No concept design was required at this stage.

Following the EOI process, the closed Request for Tender (RFT) stage issued more project detail, technical summary, more detailed project brief, background information and more detailed scope of services with a requirement to produce a concept design to the stipulated project budget verified by a Quantity Surveyor (QS) report. The City provided a pro forma template for QS reports to be delivered and appointed an independent QS to verify the accuracy of the costs submitted. This process required significant time and resource commitment from shortlisted consortia and was considered too onerous for an open RFT process and not likely to deliver a high quality outcome. A fee of \$5,000 was therefore provided for each shortlisted team. Advice dated 2 July 2019 from the Heritage Council was also provided at RFT stage to shortlisted proponents as a requirement to consider in the concept designs.

After an extensive evaluation process, Kerry Hill Architects Pty Ltd were ranked first in a pool of five architectural firms invited to tender for the project on the strength of their submitted Expression of Interest. Kerry Hill Architects Pty Ltd was also given top standing by a field of external consultants specifically engaged by the City to review the panel's evaluation and recommendation.

At the 29 January 2020 Council meeting, City of Busselton Councillors unanimously endorsed Kerry Hill Architects Pty Ltd as the preferred tenderer for the Design Stage. The City appointed Kerry Hill Pty Ltd to develop detailed designs and construction specifications for the City with a view to awarding the building contract via an open RFT for Construction Only in the second half of 2021

In line with the Purchasing Policy, this Construction Only RFT involved the completion of a public tender process, due to the purchase amount exceeding \$250,000. This procurement was managed in accordance with the *Local Government Act 1995, Tendering Regulations*, as detailed in the *Local Government (Functions and General) Regulations 1996*.

As detailed in *Section 2.14 Local Content*, the City's Regional Price Preference Policy is compliant with the WA Government's Building Local Industry Policy and Buy Local Policy.

### 3.5. Supporting Documents

The below supporting documents are attached to this business case.

1. Attachment A: BPACC Plans
2. Attachment B: Draft Business Operations Plan
3. Attachment C: Design Review Presentation
4. Attachment D: Communications Plan
5. Attachment E: BPACC Cost Benefit Analysis
6. Attachment F: Cost Status Report
7. Attachment G: BPACC Lifecycle Management Plan
8. Attachment H: RDA SW Economic Impact Assessment



4. SIGNING OF BUSINESS CASE

4.1. Sign-off

I confirm that the information contained in this Business Case is true and correct.

CEO

Signed:  .....

Approved by: Mike Archer

Position: Chief Executive Officer

Date:  .....

\*\* This Business Case has been reviewed and updated in May 2022 for the purpose of reflecting the revised construction value and associated economic impacts.

Amendments included; formatting and presentation updates, removal of references to previous funding requests and the Creative Industry Hub, additional opportunities.

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